

Online Vacation Center Holdings Corp.



2006 Annual Report



**ONLINE
VACATION
CENTER™**

The Company, based in Plantation, Florida, is focused on building a network of diversified vacation marketers with a range of products that can be cross-sold to an extensive customer base. Target businesses will be financially and technologically sound and provide a high degree of personalized service to help consumers research, plan and purchase a vacation. The Company, today one of the country's largest cruise retailers, has been in business for over 30 years and became publicly traded in March 2006.

RECENT MILESTONES

- 3/15/06** Completed a share exchange and merger agreement with Alec Bradley Cigar Corp.
- 3/16/06** Began trading on the OTC Bulletin Board under the ticker ONVC
- 8/31/06** Acquired Phoenix International Publishing, LLC
- 9/26/06** Acquired Journeys Unlimited (Thoroughbred Travel, LLC)
- 10/3/06** Acquired eLeisureLink.com (La Fern, Inc.)
- 1/3/07** Acquired West University Travel (La Tours and Cruises, Inc.)
- 1/5/07** Acquired Dunhill Vacations, Inc.
- 1/19/07** Acquired certain assets of SmartTraveler.com, Inc.



Dear Fellow Stockholders,

In our first year as a public company, Online Vacation Center has made strides in building a diversified portfolio of travel service providers. Our six acquisitions made through the beginning of 2007 have added to our product offerings and allowed us to expand beyond our travel agency roots into travel publishing and advertising. As we integrate these new companies into our business, we are mindful of the necessity to improve upon our 2006 financial performance.

Diverse Product Offerings Position us for Growth in 2007

We acquired a travel publishing company, several online consumer travel newsletters and entered the home based travel agent business. We also bolstered our land-based and luxury travel offerings in order to provide a better selection of vacation packages to our customers. These acquisitions significantly increased our consumer database to over one million households and gave us the ability to market additional services to our marketing partners that include cruise lines, hotels and other travel providers. The acquisitions are expected to significantly add to revenue in 2007. This diverse portfolio should also provide cross-selling opportunities and additional avenues of growth going forward, and should help to insulate the Company from some of the volatility in the travel industry.

Continued Strategic Execution

Our Company remains committed to executing our growth-through-acquisition strategy. With over 20,000 travel companies in the U.S., the industry remains highly fragmented. A sizeable number of those companies are acquisition candidates that fit our business criteria. We will continue to target businesses that strengthen and broaden our product portfolio and help us continue to deliver first-class service to our customers and marketing partners.

We have also put in place a program for our shareholders that provides a generous travel benefit for services booked with our partner companies. As a result, we have turned many of our customers into ONVC owners, more than doubling our shareholder base. More information about this shareholder benefit as well as additional information about Online Vacation Center Holdings Corp. can be found on the investor relations section on our website at www.onlinevacationcenter.com.

Sincerely,



Edward B. Rudner
Chief Executive Officer

THE OPPORTUNITY

According to the Travel Industry Association, the travel and tourism industry is estimated at over \$646 billion annually. The business is competitive and highly fragmented, with over 20,000 travel companies in the U.S. To succeed, we believe travel service providers will need to offer an array of superior services and products on demand, and be able to market them to a sizable audience. With a seasoned management team, a successful base business, and an aggressive acquisition plan underway, Online Vacation Center has the opportunity to build a much larger enterprise.

ACHIEVING THE GOAL

Even before going public in March of 2006, Online Vacation Center was one of the largest cruise retailers in the country, and cruises continue to represent the largest segment of our business today. However, we know that our customers also purchase non-cruise vacations. This created an opportunity to capture a larger portion of their travel budget by acquiring companies that offered complementary travel offerings. The companies we acquired also brought their own set of customers that are now being cross-sold using our online marketing capabilities.

Our acquisitions also diversified our business into travel publishing and advertising. By building an extensive consumer database, now in excess of one million households, we are also able to provide our marketing partners, cruise lines, hotels and other travel providers, attractive outlets for marketing their products.



ACQUISITIONS

Phoenix International Publishing LLC, acquired in August 2006, is the publisher of *Essentially America*, a consumer magazine in the United Kingdom focused on travel and lifestyle in the USA and Canada. Phoenix also publishes a wide range of travel guides.



Thoroughbred Travel, Inc., d/b/a Journeys Unlimited was acquired in late September. It is an upscale travel agency with a very experienced travel staff based in Houston, Texas.



La Fern, Inc, d/b/a eLeisureLink.com was acquired in October 2006. eLeisureLink.com sells land-based vacations and their Miami-based operations were moved into our headquarters in Plantation.

La Tours and Cruises, Inc, d/b/a West University Travel, acquired in January 2007, is another upscale Houston, Texas based agency which has been consolidated with our Journeys Unlimited business.

Dunhill Vacations, Inc. was also acquired in January and publishes the e-mail-based vacation values newsletter Dunhill's Vacation News.



Certain assets of SmartTraveler.com Inc. were acquired in January 2007 including two online consumer travel newsletters, Cruise Newsletter and Travel Newsletter, as well as a home-based travel selling group.

THE ROAD AHEAD

Online Vacation Center will continue to look for complementary acquisitions that enhance our product offerings, expand our consumer database or enable cross-selling opportunities across the wide spectrum of the travel and tourism industry. With our growing portfolio of travel publishers and industry newsletters and our e-mail expertise, we believe we are also creating a very exciting advertising and marketing outlet for vacation suppliers.

Importantly, we have a seasoned management team with decades of experience in the travel industry, which will help us to navigate the challenges and opportunities ahead.

Online Vacation Center Holdings Corp.

Form 10-K

Corporate Information

Company Headquarters

Online Vacation Center Holdings Corp.
1801 NW 66th Avenue
Suite 102
Plantation, FL 33313
T: 954-377-6400
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W: www.onlinevacationcenter.com

Board of Directors

Frank D. Bracken
Retired President and COO of Haggar Clothing Co

Brian P. Froelich
President and CEO of Fenevations, LLC

Tony McKinnon, Chairman
Founder Vacation.com, former CEO of Amadeus
North America

Edward B. Rudner
President and CEO

Management

Edward B. Rudner
President and CEO
Online Vacation Center Holdings Corp.
Online Vacation Center, Inc.

Mary Lou Ruderman
CFO
Online Vacation Center, Inc.

Brenda Josowitz
VP of Sales
Online Vacation Center, Inc.

Simon Todd
President
Phoenix International Publishing, LLC

Kurt Homfelt
President
Dunhill Vacations, Inc.

Forward-Looking Statements

This Annual Report contains forward-looking statements within the meaning of The Private Securities Litigation Reform Act of 1995. These forward-looking statements may include projections of matters that affect revenue, operating expenses or net earnings; projections of growth; and assumptions relating to the foregoing. Forward-looking statements are inherently subject to risks and uncertainties, some of which cannot be predicted or qualified. Future events and actual results could differ materially from those set forth in, contemplated by, or underlying the forward-looking information. These factors are discussed in greater detail in the company's filings with the Securities and Exchange Commission

Common Stock

Online Vacation Center Holdings Corp. common stock is traded on the OTC Bulletin Board under the symbol ONVC.

Independent Auditors

Jewett, Schwartz, Wolfe & Assoc.
2514 Hollywood Blvd.
Suite 508
Hollywood, FL 33020

Legal Counsel

Tripp Scott
110 South East 6th Street
15th Floor
Fort Lauderdale, FL 33301

Transfer Agent

Securities Transfer Corporation
2591 Dallas Parkway, Suite 102,
Frisco, TX 75034
469-633-0101

Annual Meeting

May 15, 2007 at 8:30 a.m.
Sheraton Suites Plantation
311 North University Drive
Plantation, FL 33324

Investor Relations

Those seeking information about our company should visit the Investor Information section of our corporate website at www.onlinevacationcenter.com, or contact Investor Relations at either our corporate headquarters or at Cameron Associates at 212-245-8800.



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