



## NEWS RELEASE

For Immediate Release

20 November 2003

### QUARTER 4 AND PRELIMINARY RESULTS

lastminute.com delivers overall profitability, significant EBITDA and strong cashflow for both Quarter 4 and the year as a whole

#### Results Highlights

- Total transaction value for 2003 grew by 125% year-on-year to £552.4 million (2002: £246.0 million). TTV for Quarter 4 grew by 98% to a record £222.3 million (Q4 2002: £112.4 million)
- Stronger than expected forward order bank at 30 September 2003 of £43.6 million (30 September 2002: £24.4 million)
- Significant organic like-for-like growth for the full year of 46%
- Gross margin for Quarter 4 increased significantly to 20.3% (Q4 2002: 13.2%) and in 2003 to 18.3% (2002: 13.5%)
- Gross profit for 2003 grew by 204% to £100.9 million (2002: £33.3 million) and for Quarter 4 2003 by 206% to £45.2 million (Q4 2002: £14.8 million)
- Group EBITDA before exceptional items for 2003 of £15.0 million, up 305% year-on-year (2002: EBITDA loss £7.3 million) and for Quarter 4 2003 of £14.2 million (Q4 2002: £2.8 million)
- Pre-tax profit (before goodwill amortisation and exceptional items) for the year of £0.2 million compared to a loss for 2002 financial year of £16.2 million
- Positive operating cashflow (before exceptional items) of £13.5 million for 2003 (2002: outflow £8.0 million). Quarter 4 2003 inflow £15.2 million (Q4 2002: inflow £0.8 million)

#### Allan Leighton, Chairman said:

"Another set of results that clearly demonstrate the progress we have made both in the Quarter and the year as a whole. We have strengthened our position as the clear European leader in the online travel and leisure market and are well placed to take advantage of the continued growth in the sector. We remain confident of further developments during 2004 in all key metrics."

#### Brent Hoberman, Chief Executive, added:

"The 2003 financial year has been a year of continued transformation for lastminute.com with the delivery of overall profitability, record quarterly margins and significant cashflow. Technology has played a major role in the further development of a much improved customer experience. Having completed the brand and technology integrations, 2004 has started extremely well with trading in the first quarter strong."

**lastminute.com plc**  
**Fourth Quarter and Preliminary Results**

**Financial Highlights (£000s)**

| <b>Year-on-year</b>   | <b>Year ended<br/>30 Sept 2003</b>        | <b>Year ended<br/>30 Sept 2002</b>       | <b>Growth</b>                   |
|---|---|--|---------------------------------|
| Registered subscribers at year end  | 7,745,058                                 | 6,443,381                                | 20.2%                           |
| Cumulative unique customers since inception <sup>1</sup>                        | 2,763,289                                 | 1,277,887                                | 116.2%                          |
| New unique customers in the year  | 1,485,402                                 | 741,441                                  | 100.3%                          |
| Number of items sold in the year  | 3,473,595                                 | 1,719,362                                | 102.0%                          |
| Total transaction value (departure based) <sup>2</sup>                          | £552,445                                  | £245,971                                 | 124.6%                          |
| Total turnover (incl. share of joint ventures)                                  | £190,705                                  | £35,077                                  | 443.7%                          |
| Gross profit  | £100,947                                  | £33,264                                  | 203.5%                          |
| Gross margin  | 18.3%                                     | 13.5%                                    | <b>Up 4.8 percentage points</b> |
| EBITDA (pre exceptional items)  | £15,030                                   | £(7,326)                                 | 305.2%                          |
| EBITDA  | £9,952                                    | £(7,326)                                 | 235.8%                          |
| Profit/(loss) before taxation (pre exceptional items and goodwill amortisation) | £224                                      | £(16,167)                                | <b>Loss down 101.4%</b>         |
| Operating cash inflow/ (outflow) <sup>3</sup>                                   | £13,456                                   | £(7,979)                                 | <b>Inflow up 268.6%</b>         |
| Net cash balance at year end  | £112,741                                  | £49,617                                  | 127.2%                          |
| <br><b>Quarter-on-quarter</b>   | <br><b>Quarter ended<br/>30 Sept 2003</b> | <br><b>Quarter ended<br/>30 Jun 2003</b> | <br><b>Growth</b>               |
| Registered subscribers at quarter end   | 7,745,058                                 | 7,500,393                                | 3.3%                            |
| Cumulative unique customers since inception <sup>1</sup>                        | 2,763,289                                 | 2,180,016                                | 26.8%                           |
| New unique customers in the quarter   | 583,273                                   | 358,186                                  | 62.8%                           |
| Number of items sold in the quarter   | 1,197,171                                 | 994,361                                  | 20.4%                           |
| Total transaction value (departure based) <sup>2</sup>                          | £222,251                                  | £150,866                                 | 47.3%                           |
| Total turnover (incl. share of joint ventures)                                  | £95,188                                   | £62,564                                  | 52.1%                           |
| Gross profit  | £45,199                                   | £29,462                                  | 53.4%                           |
| Gross margin  | 20.3%                                     | 19.5%                                    | <b>Up 0.8 percentage points</b> |
| EBITDA (pre exceptional items)  | £14,219                                   | £4,117                                   | 245.4%                          |
| EBITDA  | £11,793                                   | £2,810                                   | <b>Up 319.7%</b>                |
| Profit/(loss) before taxation (pre exceptional items and goodwill amortisation) | £6,643                                    | £1,646                                   | <b>Profit up 303.6%</b>         |
| Operating cash inflow <sup>3</sup>  | £15,152                                   | £4,797                                   | <b>Inflow up 215.9%</b>         |
| Net cash balance at quarter end   | £112,741                                  | £27,317                                  | 312.7%                          |

<sup>1</sup> Only includes unique customers from the point of acquisition.

<sup>2</sup> TTV does not represent the Group's statutory turnover and comprises amounts relating to the Group and its share of joint ventures.

<sup>3</sup> Pre exceptional items, acquisition related liabilities and bond issue costs.

**Enquiries:**

**lastminute.com**  
 Brent Hoberman – Chief Executive Officer  
 Martha Lane Fox – Group Managing Director  
 David Howell – Chief Financial Officer

**+44 (0) 20 7802 4399 and +44 (0) 20 7796 4133 until 12:30pm  
 on 20 November**

**Hudson Sandler**  
 Lesley Allan  
 Noémie de Andia

**+44 (0) 20 7796 4133**

High resolution photographs will be available to media at [www.vismedia.co.uk](http://www.vismedia.co.uk)

**Notes to Editors:**

**About lastminute.com**

lastminute.com operates directly in thirteen European countries and participates in three international joint ventures, providing travel and leisure inspirations and solutions to customers. At 30 September 2003 lastminute.com had over 7.7 million subscribers to its award winning weekly newsletter and had established over 15,500 supplier relationships. The business is based on the idea of matching supply and demand. lastminute.com offers consumers opportunities to acquire airline tickets, hotel rooms, holidays (both self packaged and third party packages), car hire, entertainment tickets, restaurant reservations and food delivery, speciality services, gifts and auctions.

**lastminute.com plc**  
**Fourth Quarter and Preliminary Results**

## **CHAIRMAN'S STATEMENT**

### **Business performance**

The resilience and robustness of our business model has delivered significant sales growth, both organically and through a programme of strategic acquisitions, profit (before exceptional items and amortisation) and positive cash flow in a year in which the travel industry has faced uncertainty from the Iraq war, SARS and the persistent threat of terrorism.

2003 has been a year of continuing transformation for the Group. Departure based TTV has grown from £246.0 million in 2002 to £552.4 million in 2003, an increase of 125%. The final quarter, the strongest quarter for the key travel sector of lastminute.com, delivered TTV of £222.3 million (Q4 2002: £112.4 million), an increase of 98%.

The significant profit (before exceptional items and amortisation) delivered in the last two quarters has resulted in the Group being profitable for the year as a whole. In addition, the Group has generated EBITDA of £15.0 million and positive operating cashflow of £13.5 million for the financial year. This is an extremely important milestone for the Group and has been achieved ahead of the forecasts established at the time of flotation.

### **Strategic acquisitions and convertible bond offering**

In April, the Group completed its acquisition of holiday autos group for £39.0 million. The acquisition has moved us considerably closer to our goal of delivering £1 billion of TTV with significant margins and EBITDA in the medium term. It is a logical extension to lastminute.com's existing travel and leisure offerings, is a further component for the Group's dynamic packaging product and has provided an enhanced gross margin and geographic extension for the enlarged Group's customers. Integration into the Group has started and we are pleased to report that its performance is in line with the expectations set at the time of acquisition.

In September, we raised approximately €102.6 million of unsecured convertible bonds. This enables us to:

- fund small scale acquisitions in growing European markets and in the lifestyle categories of our business
- accelerate the delivery of a number of development projects which will bring significant operational efficiencies and enhance conversion of "lookers to bookers"
- invest in key brands across Europe.

This convertible bond was the first issued by an internet company in Europe. Demand for the convertible in the pre-marketing was extremely strong.

We used a small part of these funds in September 2003 for the repurchase of the 70% shareholding in lastminute.com Spain from our joint venture partner, Sol Meliá, for €6.0 million. Integrating our businesses in Spain, one of the fastest growing European online travel markets, will enable us to further strengthen our position in Europe.

A strong pipeline of acquisition opportunities is available in a number of areas. Full details of acquisitions will be published when they are completed.

### **Board**

I would like to take this opportunity to thank Laurent Laffy and Vimal Khosla, who stepped down from the Board in March and July 2003 respectively, for their valuable contributions to the Group.

Clive Jacobs joined the Board as Executive Vice Chairman in April 2003, following the acquisition of holiday autos. Clive has extensive experience in the travel industry gained over the past eighteen years.

During the year, we have appointed two further non-executive directors, Agnès Touraine and Sven Boinet. Agnès has significant strategic planning and senior management experience, principally within the media and publishing sectors and Sven brings a wealth of knowledge of the global hotels business.

Martha Lane Fox, lastminute.com's Group Managing Director, has told the Board that she wants to stand down from her executive role at the end of 2003. Martha will be staying on with the Company as a Non-Executive Director and, of course, as a major shareholder.

**lastminute.com plc**  
**Fourth Quarter and Preliminary Results**

The Company would like to thank her for her invaluable contribution and wish her every success in her new career. lastminute.com plc is delighted that Martha will remain on the board as a non-executive director and that the Group will continue to benefit from her knowledge and experience of the online industry as it continues to grow.

We are pleased to announce that with effect from today Ian McCaig, who was appointed Chief Operating Officer in August 2003, will join the Board. Ian has held senior positions at Nokia, most recently as Vice President, 3G Operations, managing 500 people in seven markets.

On behalf of the board I would like to welcome Clive, Agnès, Sven and Ian to lastminute.com and wish them every success in their new roles.

**Outlook**

Our plans to achieve synergies of £4.0 million through the integration of holiday autos have been developed during the fourth quarter of 2003 and will be delivered from the beginning of the new financial year.

The first quarter of 2004 has started well and will benefit from the strong order book carried forward at the end of the 2003 financial year. In addition, with the funding raised through our convertible bond offering, the Group is in a strong position to continue its programme of strategic acquisitions. These acquisitions will supplement the significant organic growth currently being delivered.

The macro trends for internet usage throughout Europe are very positive and moving in our favour. We have strengthened our position as the clear European leader in the online travel and leisure market and are well placed to take advantage of the continued growth in the sector. We remain confident of further developments during 2004 in all key metrics.

**Allan Leighton**  
Chairman  
20 November 2003

**lastminute.com plc**  
**Fourth Quarter and Preliminary Results**

## **OPERATIONAL REVIEW**

### **Further growth in subscribers, customers and conversion**

During 2003, we have achieved further scale through both significant organic growth and key acquisitions. These factors have enabled us to strengthen our overall position in Europe.

During the year we have made significant steps to improve the usability and reliability of the website, we have extensively deepened our product offering and feel we have provided customers with a lifestyle proposition which they can use on a daily basis to deliver inspiration and great value solutions. These enhancements have contributed towards the significant increases in the number of subscribers to our newsletters and the conversion of those subscribers to customers. Subscribers have increased to over 7.7 million at 30 September 2003, which represents an increase over last year of 20%, whilst customers have increased by 116% to 2.8 million at 30 September 2003, up from 1.3 million at 30 September 2002.

Our improved conversion rate has been supported by our increased level of customer satisfaction. In a recent online survey (conducted during September 2003), of those who responded, over 50% of visitors to the site have made a purchase from lastminute.com, 79% of users are returning visitors and 93% of visitors are satisfied with the lastminute.com offering.

### **Acquisitions**

The acquisition of eXhilaration in November 2002, which sells "experience products", has enhanced our lifestyle product offering and provides a platform for future expansion.

In March 2003, we made our largest UK acquisition to date, holiday autos, which has significantly increased the size and scale of our business. The acquisition was immediately earnings enhancing and has substantially contributed to the increase in average Group margins to 18.3% at 30 September 2003, up from 13.5% at 30 September 2002. In addition to providing further scale in those countries where lastminute.com already has offices and extending the Group's product portfolio, car hire is a logical extension to the Group's dynamic packaging product.

During September 2003, we bought back Sol Meliá's share of our Spanish joint venture which will allow us to fully integrate our businesses in Spain and more aggressively target the Spanish market, thereby delivering further scale in one of Europe's fastest growing online markets.

### **Successful launch of Dynamic Packaging**

Dynamic packaging was launched, initially in the UK, in November 2002. It enables customers, in the same shopping basket, to build a holiday which suits their individual needs and receive an integrated invoice for those products. When this service was launched, only flights and hotels were available for packaging. During 2003, the product range available within dynamic packaging was extended to include car hire, insurance and airport parking. Dynamic packaging has mainly featured scheduled airlines and city hotels, therefore enabling customers to create traditional city break holidays.

We will expand dynamic packaging further in 2004 by adding resort destinations to the offering, extending the flights product to charter flights and including restaurants and entertainments. In July 2003, we increased charter flight availability through the normal flight engine by an agreement with Avro, the UK's leading charter flight-only operator. This provided access to approximately 2 million charter seats for customers to the all important summer sun destinations.

Dynamic packaging was successfully launched in the French and Italian businesses during July 2003 (the start of the key Summer quarter) and October 2003 respectively and will be launched in Germany and Spain before the end of the 2003 calendar year.

During Quarter 4 dynamic packaging delivered total TTV of £7.0 million, representing approximately 15% of the lastminute UK url TTV. Sales for the new financial year for this product have started strongly with October delivering £3.4 million of TTV with growth in all 3 operating markets.

**lastminute.com plc**  
**Fourth Quarter and Preliminary Results**

**Brand development**

On 16 October 2003, lastminute.com celebrated its fifth anniversary. We are delighted with the strength of the brand and the progress that we have made thus far. lastminute.com remains Europe's number one online travel and leisure retailer in terms of total sales and site usage. During October 2003 [www.lastminute.com](http://www.lastminute.com) was again placed Number One in the top 10 UK online travel agency sites by Hitwise.

We continue to adapt our marketing strategy to an ever more demanding market and to tailor the 7.7 million newsletters to customers' needs. In the UK our weekly newsletter is additionally tailored to 3 further discrete editions – theatre, food and sports events produced on a weekly/monthly basis. We are pleased that our efforts were recognised by the industry at the 2003 New Media Age Awards where our weekly e-mail newsletter won the 'Best Consumer Products and Services' award.

During October 2003, lastminute.com won the CNET Networks 'e-commerce Site of the Year' award, beating tesco.com and easyjet.com. The award was given to "the candidate who was considered to have best harnessed the Internet to provide easy-to-use buying experiences that have lead to increased turnover, improved distribution and/or saved costs."

**Investment for efficiencies and cost savings – integration of acquisitions**

We have taken major steps forward during the year to improve the efficiency of operations and to streamline and integrate the cost base. We have outsourced a number of functions, including UK data entry and certain post sales customer support functions, in particular flights ticketing. These outsourcing arrangements have enabled us to move a proportion of the cost base from a fixed cost to a variable cost model.

In addition, we have achieved synergy savings by integrating recent acquisitions into the lastminute.com Group. We successfully integrated the UK travel businesses (Travelselect.com, Destination Group and lastminute.com) in September 2002 which delivered synergies throughout the 2003 financial year. We have also restructured and integrated Travelprice.com in France and Italy, which was completed as planned by the end of February 2003.

These actions have led to a stronger operational cost base which is far more efficient, provides a much better customer and supplier experience and is more flexible to adapt to future growth.

As already mentioned, the plans for the integration of holiday autos are now well established and we have started to implement them from the beginning of the new financial year.

**Ongoing development of supplier relationships and product availability**

We provide an extensive range of travel and leisure products to customers. Product offerings comprise hotels, holidays (both pre-packaged and dynamically packaged), most modes of transport including flights, cars, trains, ferries and cruise and leisure activities including music, sports, events, theatre, restaurants and food, experiences and resort tours and gifts:

**Flights**

lastminute.com has preferred partnership agreements with major airlines giving access to multimarket product at preferential rates. We have increased our charter flight supply during the year and have signed deals with two charter flight GDS suppliers which provides customers with even more flight availability.

**Hotels**

During the third quarter of 2003 we centralised our internal hotel contracting function. This transition from locally resourced and contracted hotel supply to one controlled from one focal point in London has enabled the Group to build stronger relationships with suppliers and to pass on an even greater selection of good value, high quality offers to lastminute.com customers.

We have also significantly expanded the accommodation choice and availability to customers through a strategic commercial agreement with Sol Meliá, which gives access to Sol Meliá's hotel search engine, together with exclusive Sol Meliá promotions. In November 2003, we announced an agreement with WorldRes, a leading hotel booking engine for websites worldwide. These relationships provide an even more comprehensive range of hotel product to our customers. We aim to provide access to over 45,000 properties around the world in the short term by further connectivity projects.

**lastminute.com plc**  
**Fourth Quarter and Preliminary Results**

**Holidays**

We have continued to strengthen and deepen our relationships with major tour operators thus generating more exclusive product at special rates.

**Car hire**

The acquisition of holiday autos significantly enhanced car hire supply. As a leading car hire brand in Europe, holiday autos has strong historic relationships with international and local major car rental companies. In 2003, holiday autos secured an exclusive relationship with Alamo/National for car rental supply in North America.

**Travel extras**

During the year we announced an exclusive deal with BCP, the UK's leading airport parking booking service, which allows UK customers booking travel online to save money on airport parking. In addition, we announced a partnership with Mondial to provide customers with cost effective travel insurance.

**Lifestyle**

In 2003, in the UK, over 300,000 customers purchased lifestyle products. Lifestyle products represent over 20% of items sold during the year and are counter cyclical with the travel business' quiet periods of Winter and Spring and provide strong customer repeat metrics.

We also established a partnership with Theatrenow, the independent information service for theatre-goers and late availability online ticket channel. This partnership creates a new independent ticket sale and marketing channel for producers and theatre venues and has been key to the success of our theatre newsletter.

**Strategic brand partnerships**

We have continued to develop strategic brand partnerships. We have sourced a number of white label arrangements whereby lastminute.com provides booking engine technology for use by third parties, exclusive marketing partnership deals and the supply of products to new technology platform providers.

We became the online travel partner for Tesco.com, the UK's largest online retailer, Voyages Auchan, a leading French supermarket retailer and developed a combined microsite with the "le weekend" website. Customers on these sites are offered exciting lastminute.com travel offers which are promoted by the respective website's homepages and online customer communications.

lastminute.com plc entered into an agreement during 2003 with Egg, Europe's largest online bank, to provide a monthly online newsletter to Egg's UK customers containing a full range of lifestyle offers and some exclusive lastminute.com offers for flights, holidays, hotels, dynamic packaging, entertainment and restaurants.

Also during 2003 lastminute.com's range of products including travel deals, theatre tickets and retail products, was offered to users via Sky Active. In addition we entered into a partnership with video mobile phone company '3' whereby lastminute.com offers products on Third Generation mobile services using product images.

**Technological developments**

Throughout the year we have continued to invest significantly in technology in order to deliver new products to customers, improve website reliability, responsiveness and search capabilities, generate efficiencies through the streamlining and elimination of back office processes and to ensure that we have scalable technology in place to support significant future growth.

In the first half of the year we introduced a new flights engine and technology to support the dynamic packaging product. The flights engine delivered faster performance and operational booking efficiencies. During the third quarter, a new shopping basket, ebasket was launched which makes integration and connection to other websites via XML protocols much faster. BCP (car parking) and Mondial (travel insurance) were subsequently integrated into the new shopping basket.

The new shopping basket is fully integrated into the back office operational, financial, and customer services systems which means that the completion of transactions is quicker, significantly enhancing the customer experience and new products and acquisitions can be more easily integrated into the website. Back office automation has remained a key deliverable for the technical group with Oracle Financials now installed across the majority of the Group's lastminute.com businesses. It will be implemented into the holiday autos country offices during 2004.

**lastminute.com plc**  
**Fourth Quarter and Preliminary Results**

In 2003 our site responsiveness improved significantly and from June 2003 we delivered European industry leading performance of under 4 second response times. This performance is sustainable with the anticipated TTV growth and has been achieved by firstly implementing caching technology and secondly installing IBM Blade server hardware, which run at nearly twice the speed of the previous hardware. We believe we now have the technology platforms that will support TTV of over £1 billion.

We have also developed a proprietary search tool that has halved search times. The guided navigation tool was introduced for holiday searches which enables holidays to be clustered and allows customers to drill down on geographic regions and property information until they find a holiday in the country that they desire.

In October 2003, we launched a call pre-qualification tool for customer services, which recognises a customer from their telephone number and automatically populates the customer service agent's screen with the customer's details. This will bring further efficiencies and reductions to customer service costs and enhance the customer experiences.

We continue to invest in technology in order to maintain a leading edge website and to further drive down operating costs. We firmly believe that technology has helped maintain our leading position and continues to provide significant competitive advantage.

### **Senior management**

The Group has grown substantially over the past 3 years. During the year the Board has put in place an effective management structure to manage this and future growth. In addition to the highly experienced senior management team who joined us as part of the holiday autos acquisition, we have also further broadened our management skill set by recruiting a number of experienced senior managers. During 2003 the following key appointments were made:

- Chip Steinmetz was appointed Chief Technology Officer in January 2003. Chip has held senior technical positions in a number of leading global organisations including American Airlines, UBS, Barclays Capital and most recently Walt Disney Internet Group where he was Head of Technology.
- Andrew Windsor was appointed Group Commercial Director in February 2003. Andrew is well respected in the travel industry and has extensive travel knowledge gained over many years with Thomas Cook.
- Liane Hornsey was appointed Group Director of Human Resources during September 2003. Liane has extensive HR experience, most recently two years at NTL where she overhauled the recruitment and reward process.
- Today, we announce the appointment of Pierre Paperon as French Managing Director. Pierre has significant senior management experience in France. He was previously Managing Director of the internet division of Danone, one of the largest food manufacturers in Europe, where he had responsibility for the development of their e-commerce brands and strategy growing sales from nil to €2 billion over 3 years. Before Danone, Pierre managed Alta Vista Europe, the fifth largest Internet company in Europe.

On behalf of the Board we would like to welcome them to lastminute.com and wish them every success with the Group.

**Brent Hoberman**  
Chief Executive Officer

**Martha Lane Fox**  
Group Managing Director  
20 November 2003

**lastminute.com plc**  
**Fourth Quarter and Preliminary Results**

**FINANCIAL REVIEW**

During the year ended 30 September 2003 we continued to deliver record total transaction value (TTV) and gross profit growth, more than doubling both TTV and gross profit compared to the previous financial year.

We also achieved profit before tax (pre exceptional items and goodwill amortisation) of £0.2 million, Group EBITDA (pre exceptional items) of £15.0 million and positive operating cashflow (pre exceptional items) of £13.5 million for the year ended 30 September 2003. This continues the trend started in Quarter 4 2002. In addition, we are entering 2004 with a strong forward order bank of £43.6 million.

The consolidated profit and loss account and cash flow for the year include the post acquisition results of the businesses acquired during the year. The results of eXhilaration, holiday autos and lastminute Spain have been included from November 2002, March 2003 and September 2003 respectively.

**Total transaction value (TTV), turnover and gross profit**

TTV, turnover (including share of joint ventures) and gross profit continued to show significant growth during the year, driven by strong organic growth as well as contributions from key acquisitions. This organic growth has been achieved through increasing the spend per item, increasing the number of customers and increasing the depth of the product offering, including dynamic packaging.

**TTV**

TTV, which consists of products and services sold through our websites and other electronic platforms for the year ended 30 September 2003 was £552.4 million, representing an increase of 125% over the prior year (2002: £246.0 million). During the financial year the holiday autos group contributed TTV of £127.2 million to the overall Group results, having been part of the lastminute.com Group for seven months. During Quarter 4 holiday autos contributed £68.8 million to total Group TTV.

Organic like-for-like TTV growth of 46% was delivered across the Group during the year. Our most established country, the UK, achieved annual like-for-like TTV growth of 60% for the year. The UK url lastminute.com delivered growth of 82% in the year and reflects the early benefit of technology releases and the developed lifestyle product range. lastminute.com continues to deliver organic growth in excess of the overall European online travel market.

TTV during Quarter 4 in the UK grew organically by 45% and in France by 13%. Overall the Group achieved organic growth of 36% during this key Quarter.

**Turnover**

Total turnover (including share of joint ventures) for the year was £190.7 million, representing an increase of 444% over the previous year (2002: £35.1 million).

Total cost of sales for the year amounted to £87.4 million (2002: £1.6 million). The increased level of cost of sales relative to TTV and turnover reflects the inclusion of the holiday autos business, acquired in March 2003.

**Gross profit**

Gross profit for the year was £100.9 million, an increase of 204% over last year (2002: £33.3 million).

Gross profit consists of commissions and income earned on products and services sold, including airline tickets, hotel room reservations, package holidays, car hire, tickets to entertainment events, restaurant reservations and gifts. Also included in gross profit are revenues earned from sponsorship and advertising on the websites, both of which have continued to show strong growth.

The record increase in gross profit reflects the Group's increase in scale, demonstrated by the 125% increase in TTV, and the significant improvement in the Group's gross profit margin, which increased by 4.8% points to 18.3% for the year to 30 September 2003.

Gross profit for the Quarter was £45.2 million, an increase of 205% over the prior year (Q4 2002: £14.8 million). This reflects a 7.1% point increase in the gross profit margin to a record and industry leading 20.3%.

**lastminute.com plc**  
**Fourth Quarter and Preliminary Results**

**Operating costs**

**Product development costs**

Total product development expenses for the year, before charges for depreciation and exceptional items, were £4.6 million, a decrease of 24% from £6.1 million the previous year. This reduction in technology costs year-on-year reflects the continued benefit from ongoing cost control measures and synergies achieved through the integration of the acquired businesses, as well as the increased investment in system enhancements which have been capitalised. Product development costs consist of the costs associated with maintaining the technology platform, personnel costs, web hosting fees, software license fees and other expenses associated with the ongoing operation of the websites and electronic platforms.

**Sales and marketing costs**

Total sales and marketing expenses for the year, before charges for exceptional items, were £61.9 million, an increase of 183% from £21.9 million last year. This increase reflects the costs associated with holiday autos and the inclusion of travel agency commission costs, which are proportional to sales volumes, as well as the strong TTV growth. Excluding these, sales and marketing costs have benefited from increased efficiencies as we continue to leverage the largely fixed cost base on an increased customer and subscriber base.

**General and administration costs**

General and administration costs for the year, before charges for depreciation and exceptional items, increased by 54% from £12.6 million in the year to 30 September 2002 to £19.4 million, due to the acquisition of holiday autos. Despite this, these costs as a percentage of TTV decreased from 5% to 4%. We continue to anticipate further synergies and efficiency gains from the implementation of the outsourcing process and the further integration of acquired businesses.

**Operating costs before depreciation and goodwill amortisation**

The increase in overall operating costs each quarter has been due to increased scale through organic growth and acquisitions. The overall trend in like-for-like costs has shown a reduction, reflecting the Group's tight cost control and synergies achieved from earlier acquisitions.

**EBITDA**

The Group achieved EBITDA (before exceptional items) of £15.0 million for the year ended 30 September 2003, which compares to a loss before exceptional items of £7.3 million for the year ended 30 September 2002. This significant improvement reflects the increased contribution in gross profit, which grew by 204% during the year to £100.9 million, as a result of the increased sales and improved operating margins. During Quarter 4 the Group delivered £14.2 million of EBITDA before exceptional items (Q4 2002: £2.8 million).

**Adjusted profit before tax**

The reported result before taxation and goodwill amortisation continues to show significant improvement during the course of the year, moving progressively from a loss of £3.8 million in Quarter 1 2003 to a profit of £4.2 million in Quarter 4 2003. As a result, the Group has achieved a profit before taxation, exceptional items and goodwill amortisation of £0.2 million for the year ended 30 September 2003, compared to a loss of £16.2 million for the year ended 30 September 2002.

**Exceptional items**

Exceptional items of £5.1 million relate to two areas of activity. Firstly, the "one-off" redundancy costs of outsourcing non-core functions to external partners. Secondly, the costs of implementation and delivery of the synergies relating to the holiday autos acquisition, identified during the pre acquisition process.

**Depreciation**

Depreciation charges relate to the depreciation of computer systems, equipment and computer software. Charges have increased by 51% to £14.8 million during the year, as expected, reflecting the depreciation of the continued investments in the technical infrastructure and the inclusion of depreciation associated with acquisitions.

**lastminute.com plc**  
**Fourth Quarter and Preliminary Results**

**Goodwill amortisation**

During the year goodwill amortisation totalled £42.9 million (2002: £18.8 million). The increase reflects the amortisation of goodwill relating to the acquisitions of eXhilaration and holiday autos and a full year's amortisation of goodwill relating to the acquisitions of Travelselect.com, Destination Group and Travelprice.com. Goodwill is amortised over a 4 year period from the date of acquisition or investment.

**Loss on ordinary activities before taxation**

The loss on ordinary activities before taxation for the year has increased to £47.7 million (2002: £38.1 million). This increase is solely attributable to the £24.1 million increase in goodwill amortisation during the year. The loss for the year includes a share of the operating profit and losses (net loss £0.2 million) from the joint ventures operated in Australia, South Africa, Japan and Spain (until acquisition in September 2003).

**Earnings per share**

The loss per share for the year to 30 September 2003 was 17.88p (2002: loss 20.15p). Excluding goodwill amortisation and exceptional items, the profit per share was 0.11p (2002: loss 10.19p).

The earnings per share calculation has been based on the weighted average number of ordinary shares in issue during the year.

**Net cash balance and cash flow improvements**

As at 30 September 2003 the net cash position of the Group increased to £112.7 million from £49.6 million as at 30 September 2002. This includes the proceeds of €102.6 million bond issue in September 2003 which has not, as yet, been fully used for acquisitions or other purposes. Cash is placed on deposit with AAA rated credit institutions and earns competitive rates of interest.

During the year we have continued to successfully increase cash inflow such that in Quarter 4 2003, the seasonally strongest quarter, we delivered operating cash inflow (pre exceptional items, acquisition related liabilities and bond issue costs, but including capex) of £15.2 million. For the year ended 30 September 2003 we delivered operating cash inflow (pre exceptional items, acquisition related liabilities and bond issue costs, but including capex) of £13.5 million. These significant achievements have been attained through contributions from the improved scale of operations together with strong working capital management.

**Financing**

The Group finances its operations by a mixture of equity, convertible debt and overdraft facility.

In September, the Group placed an offering of €102.6 million of unsecured Convertible Bonds due 2008 at a 6% coupon. The net cash proceeds from the issue of the Bonds will be used to finance further expansion, including small scale acquisitions, early delivery of certain development projects designed to further improve operational efficiency and the conversion of "lookers to bookers" and provide further capital to consolidate and accelerate the development of key brands across a number of European markets.

**Treasury policy and risk management**

The Group finances its operations by a combination of internally generated cashflows, finance leases, short term bank borrowings and the fixed rate coupon convertible bond which was raised during September 2003.

The Board of Directors sets the treasury policies of the Group and lays down parameters within which the various aspects of treasury risk management are operated.

The Group's principal market risk is currency exchange risk. The Group enters into a limited number of derivative transactions to manage currency risks arising from its operations. The Group's policy is to hedge against certain transactional currency exposures, in particular on any significant US dollar transactions. It is, and has been throughout the period under review, the Group's policy that no trading in financial instruments nor speculative positions are taken.

At 30 September 2003, the Group had not hedged its Euro exposure from the convertible bond as it planned to use a portion of these funds to make a number of acquisitions in European countries. This policy will continue to be monitored as our pipeline of acquisitions progresses.

**lastminute.com plc**  
**Fourth Quarter and Preliminary Results**

Cash balances are placed on deposit with AAA rated credit institutions and earn competitive rates of interest.

**David Howell**  
Chief Financial Officer  
20 November 2003

lastminute.com plc  
Fourth Quarter and Preliminary Results

Consolidated profit and loss account for the year ended 30 September 2003

|  | Year ended<br>30 Sept 2003<br>Before<br>exceptional<br>items and<br>goodwill<br>amortisation<br>£000<br>(Audited) | Year ended<br>30 Sept 2003<br>Exceptional<br>items and<br>goodwill<br>amortisation<br>£000<br>(Audited) | Year ended<br>30 Sept 2003<br>Total<br>£000<br>(Audited) | Year ended<br>30 Sept 2002<br>Total<br>£000<br>(Audited) |
|--|---|---|--|--|
| <b>Total transaction value (departure based)<sup>1</sup></b>   | <b>552,445</b>  | -   | <b>552,445</b>   | <b>245,971</b>   |
| <b>Turnover</b>  |   |   |  |  |
| Group and share of joint ventures  | 190,705   | -   | 190,705  | <b>35,077</b>  |
| Less: share of joint ventures  | (2,311)   | -   | (2,311)  | <b>(187)</b>   |
| Continuing operations:   |   |   |  |  |
| - Ongoing  | 59,734  | -   | 59,734   | 34,890   |
| - Acquisitions   | 128,660   | -   | 128,660  | -  |
| <b>Group turnover</b>  | <b>188,394</b>  | -   | <b>188,394</b>   | <b>34,890</b>  |
| Cost of sales  | 87,447  | -   | 87,447   | 1,626  |
| <b>Gross profit</b>  | <b>100,947</b>  | -   | <b>100,947</b>   | <b>33,264</b>  |
| <b>Operating costs</b>   |   |   |  |  |
| Product development  | 4,606   | 1,294   | 5,900  | 6,081  |
| Sales and marketing  | 61,949  | 1,017   | 62,966   | 21,932   |
| General and administration   | 19,362  | 2,767   | 22,129   | 12,577   |
| <b>Operating costs before depreciation and goodwill amortisation</b>                                 | <b>85,917</b>   | <b>5,078</b>  | <b>90,995</b>  | <b>40,590</b>  |
| <b>EBITDA</b>  | <b>15,030</b>   | <b>(5,078)</b>  | <b>9,952</b>   | <b>(7,326)</b>   |
| Depreciation   | 14,798  | -   | 14,798   | 9,781  |
| Goodwill amortisation  | -   | 42,261  | 42,261   | 18,666   |
| <b>Total operating costs</b>   | <b>(100,715)</b>  | <b>(47,339)</b>   | <b>(148,054)</b>   | <b>(69,037)</b>  |
| <b>Operating profit/(loss)</b>   |   |   |  |  |
| Continuing operations:   |   |   |  |  |
| - Ongoing  | (6,392)   | (47,339)  | (53,731)   | (35,773)   |
| - Acquisitions   | 6,624   | -   | 6,624  | -  |
| <b>Group operating profit/(loss)</b>   | <b>232</b>  | <b>(47,339)</b>   | <b>(47,107)</b>  | <b>(35,773)</b>  |
| Share of operating loss in joint ventures  | (183)   | -   | (183)  | (413)  |
| Share of operating loss in associate   | (5)   | -   | (5)  | (4)  |
| Goodwill amortisation arising on the investment in an associate                                      | -   | (592)   | (592)  | (148)  |
| <b>Total operating profit/(loss): group and share of joint ventures and associate</b>                | <b>44</b>   | <b>(47,931)</b>   | <b>(47,887)</b>  | <b>(36,338)</b>  |
| Continuing operations:   |   |   |  |  |
| - Exceptional costs of fundamental reorganisation  | -   | -   | -  | (3,094)  |
| <b>Profit/(loss) on ordinary activities before interest and taxation</b>                             | <b>44</b>   | <b>(47,931)</b>   | <b>(47,887)</b>  | <b>(39,432)</b>  |
| Interest receivable  | 1,402   | -   | 1,402  | 1,419  |
| Interest payable and similar charges   | (1,222)   | -   | (1,222)  | (62)   |
| <b>Profit/(loss) on ordinary activities before taxation</b>  | <b>224</b>  | <b>(47,931)</b>   | <b>(47,707)</b>  | <b>(38,075)</b>  |
| Tax on profit/(loss) on ordinary activities  | 62  | -   | 62   | (6)  |
| <b>Profit/(loss) on ordinary activities after taxation</b>   | <b>286</b>  | <b>(47,931)</b>   | <b>(47,645)</b>  | <b>(38,081)</b>  |
| <b>Profit/(loss) per share - basic</b>   | <b>0.11p</b>  | <b>(17.99)p</b>   | <b>(17.88)p</b>  | <b>(20.15)p</b>  |
| <b>Profit/(loss) per share (pre goodwill amortisation) - basic</b>                                   | <b>0.11p</b>  | <b>(1.91)p</b>  | <b>(1.80)p</b>   | <b>(10.19)p</b>  |
| <b>Profit/(loss) on ordinary activities before taxation (pre goodwill amortisation) (see note 5)</b> | <b>224</b>  |   | <b>(4,854)</b>   | <b>(16,167)</b>  |

<sup>1</sup> Total transaction value does not represent the Group's statutory turnover and comprises amounts relating to the Group and its share of joint ventures.

**lastminute.com plc**  
**Fourth Quarter and Preliminary Results**

**Consolidated statement of total recognised gains and losses for the year ended 30 September 2003**

|   | <b>Year ended<br/>30 Sept 2003<br/>£000<br/>(Audited)</b> | <b>Year ended<br/>30 Sept 2002<br/>£000<br/>(Audited)</b> |
|---|---|---|
| Loss for the year excluding share of losses in joint ventures   | <b>(46,865)</b>   | (37,516)  |
| Share of joint ventures' loss for the year  | <b>(183)</b>  | (413)   |
| Share of associate's loss for the year and amortisation of goodwill arising on acquisition of associate | <b>(597)</b>  | (152)   |
| Foreign currency translation difference   | <b>(2,496)</b>  | 859   |
| <b>Total recognised gains and losses for the year</b>   | <b>(50,141)</b>   | (37,222)  |

**lastminute.com plc**  
**Fourth Quarter and Preliminary Results**

**Consolidated balance sheet at 30 September 2003**

|  | 30 Sept 2003<br>£000<br>(Audited) | 30 Sept 2002<br>£000<br>(Audited) |
|--|-----------------------------------|-----------------------------------|
| <b>FIXED ASSETS</b>  |                                   |                                   |
| Intangible assets  | 127,018                           | 81,457                            |
| Tangible assets  | 21,815                            | 12,081                            |
| Investments  |                                   |                                   |
| - joint ventures - gross assets  | 1,139                             | 1,255                             |
| - gross liabilities  | (180)                             | (396)                             |
| - total net assets   | 959                               | 859                               |
| - associate  | 1,644                             | 2,232                             |
| Total investments  | 2,603                             | 3,091                             |
| <b>Total fixed assets</b>  | 151,436                           | 96,629                            |
| <b>CURRENT ASSETS</b>  |                                   |                                   |
| Stocks   | 240                               | 75                                |
| Debtors  | 38,905                            | 16,101                            |
| Cash at bank and in hand   | 112,741                           | 49,617                            |
| <b>CREDITORS:</b> amounts falling due within one year  | 151,886<br>(131,669)              | 65,793<br>(53,690)                |
| <b>NET CURRENT ASSETS</b>  | 20,217                            | 12,103                            |
| <b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>   | 171,653                           | 108,732                           |
| <b>CREDITORS:</b> amounts falling due after more than one year<br>including convertible bond | (70,620)                          | (42)                              |
| <b>PROVISIONS FOR LIABILITIES AND CHARGES</b>  | (3,892)                           | (4,114)                           |
| <b>TOTAL NET ASSETS</b>  | 97,141                            | 104,576                           |
| <b>CAPITAL AND RESERVES</b>  |                                   |                                   |
| Called up share capital  | 2,969                             | 2,360                             |
| Share premium account  | 143,805                           | 123,631                           |
| Shares to be issued  | 4,095                             | 3,600                             |
| Merger reserve   | 123,555                           | 99,848                            |
| Other reserves   | 4,160                             | 6,439                             |
| Profit and loss account  | (181,443)                         | (131,302)                         |
| <b>TOTAL EQUITY SHAREHOLDERS' FUNDS</b>  | 97,141                            | 104,576                           |

**lastminute.com plc**  
**Fourth Quarter and Preliminary Results**

**Consolidated statement of cash flows for the year ended 30 September 2003**

|  | Year ended<br>30 Sept 2003<br>£000<br>(Audited) | Year ended<br>30 Sept 2002<br>£000<br>(Audited) |
|--|---|---|
| <b>NET CASH INFLOW/(OUTFLOW) FROM OPERATING ACTIVITIES</b>   | <b>29,054</b>                                   | <b>(2,706)</b>                                  |
| Cash outflow from exceptional items and acquisition related liabilities (see note 6)   | (7,989)   | (378)   |
| <b>RETURNS ON INVESTMENTS AND SERVICING OF FINANCE</b>   |   |   |
| Bond issue costs   | (2,076)   | -   |
| Interest received  | 1,224   | 1,419   |
| Interest paid  | (1,218)   | (55)  |
| Interest element of finance lease rental payments  | (406)   | (7)   |
| <b>Net returns on investments and servicing of finance</b>   | <b>(2,476)</b>                                  | <b>1,357</b>                                    |
| <b>TAXATION</b>  |   |   |
| Overseas tax paid  | -   | (241)   |
| <b>CAPITAL EXPENDITURE AND FINANCIAL INVESTMENT</b>  |   |   |
| Payments to acquire tangible fixed assets  | (15,198)  | (6,682)   |
| Receipts from sale of tangible fixed assets  | -   | 671   |
| <b>NET CASH INFLOW/(OUTFLOW) BEFORE ACQUISITIONS AND MANAGEMENT OF LIQUID RESOURCES AND FINANCING</b>                              | <b>3,391</b>                                    | <b>(7,979)</b>                                  |
| <b>ACQUISITIONS</b>  |   |   |
| Overdraft acquired with subsidiary undertakings  | (9,376)   | -   |
| Payments to acquire subsidiary undertakings/joint venture <sup>1</sup>   | (22,006)  | (16,127)  |
| Cash acquired with subsidiary undertakings   | 1,207   | 19,088  |
| <b>NET CASH OUTFLOW BEFORE MANAGEMENT OF LIQUID RESOURCES AND FINANCING</b>  | <b>(26,784)</b>                                 | <b>(5,018)</b>                                  |
| <b>MANAGEMENT OF LIQUID RESOURCES</b>  |   |   |
| Increase in short term deposits  | (5,569)   | (6,043)   |
| <b>FINANCING</b>   |   |   |
| Issue of bond  | 72,063  | -   |
| Issue of share capital   | 17,729  | 9,024   |
| Share issue costs  | -   | (155)   |
| Repayment of loan  | -   | (766)   |
| Repayment of capital elements of finance leases  | (939)   | (85)  |
| <b>INCREASE/(DECREASE) IN CASH</b>   | <b>56,500</b>                                   | <b>(3,043)</b>                                  |
| <b>RECONCILIATION OF CASH FLOW TO MOVEMENT IN NET FUNDS</b>  |   |   |
| <b>INCREASE/(DECREASE) IN CASH</b>   | <b>56,500</b>                                   | <b>(3,043)</b>                                  |
| Cash inflow from issue of bond   | (72,063)  | -   |
| Bond issue costs   | 2,076   | -   |
| Cash outflow to short term deposits  | 5,569   | 6,043   |
| Repayment of capital elements of finance leases  | 939   | 85  |
| Changes in net funds resulting from cash flows   | (6,979)   | 3,085   |
| New finance leases   | (2,842)   | (282)   |
| Exchange difference  | 1,812   | -   |
| NET FUNDS AT THE BEGINNING OF THE YEAR   | 49,420  | 46,617  |
| <b>NET FUNDS AT THE END OF THE YEAR</b>  | <b>41,411</b>                                   | <b>49,420</b>                                   |
| <b>Operating cash inflow/(outflow) before exceptional items, acquisition related liabilities and bond issue costs (see note 6)</b> | <b>13,456</b>                                   | <b>(7,979)</b>                                  |

<sup>1</sup> For the year ended 30 September 2003, payments to acquire subsidiary undertakings included £2,338,000 deferred consideration in respect of the acquisition of Travelprice.

**lastminute.com plc**  
**Fourth Quarter and Preliminary Results**

**ADDITIONAL INFORMATION**

**Consolidated profit and loss account**

|  | Quarter ended<br>30 Sept 2003<br>Before<br>exceptional<br>items and<br>goodwill<br>amortisation<br>£000<br>(Unaudited) | Quarter ended<br>30 Sept 2003<br>Exceptional<br>items and<br>goodwill<br>amortisation<br>£000<br>(Unaudited) | Quarter ended<br>30 Sept 2003<br>Total<br>£000<br>(Unaudited) | Quarter ended<br>30 Sept 2002<br>£000<br>(Unaudited) | Quarter ended<br>30 Jun 2003<br>£000<br>(Unaudited) |
|--|--|--|---|--|---|
| <b>Total transaction value (departure based)<sup>1</sup></b>   | <b>222,251</b>   | -  | <b>222,251</b>  | 112,444  | 150,866   |
| <b>Turnover</b>  |  |  |   |  |   |
| Group and share of joint ventures  | 95,188   | -  | 95,188  | 15,157   | 62,564  |
| Less: share of joint ventures  | (731)  | -  | (731)   | (55)   | (1,126)   |
| Continuing operations:   |  |  |   |  |   |
| - Ongoing  | 24,290   | -  | <b>24,290</b>   | 15,102   | 12,681  |
| - Acquisitions   | 70,167   | -  | <b>70,167</b>   | -  | 48,757  |
| <b>Group turnover</b>  | <b>94,457</b>  | -  | <b>94,457</b>   | 15,102   | 61,438  |
| Cost of sales  | 49,258   | -  | <b>49,258</b>   | 315  | 31,976  |
| <b>Gross profit</b>  | <b>45,199</b>  | -  | <b>45,199</b>   | 14,787   | 29,462  |
| <b>Operating costs</b>   |  |  |   |  |   |
| Product development  | 222  | 378  | <b>600</b>  | 1,061  | 1,134   |
| Sales and marketing  | 23,601   | 869  | <b>24,470</b>   | 5,436  | 20,619  |
| General and administration   | 7,157  | 1,179  | <b>8,336</b>  | 5,453  | 4,899   |
| <b>Operating costs before depreciation and goodwill amortisation</b>                                 | <b>30,980</b>  | <b>2,426</b>   | <b>33,406</b>   | 11,950   | 26,652  |
| <b>EBITDA</b>  | <b>14,219</b>  | <b>(2,426)</b>   | <b>11,793</b>   | 2,837  | 2,810   |
| Depreciation   | 7,027  | -  | <b>7,027</b>  | 2,917  | 2,878   |
| Goodwill amortisation  | -  | 13,382   | <b>13,382</b>   | 6,606  | 12,351  |
| <b>Total operating costs</b>   | (38,007)   | (15,808)   | (53,815)  | (21,473)   | (41,881)  |
| <b>Operating profit/(loss)</b>   |  |  |   |  |   |
| Continuing operations:   |  |  |   |  |   |
| - Ongoing  | 1,431  | (15,808)   | (14,377)  | (6,686)  | (13,691)  |
| - Acquisitions   | 5,761  | -  | 5,761   | -  | 1,272   |
| <b>Group operating profit/(loss)</b>   | <b>7,192</b>   | <b>(15,808)</b>  | <b>(8,616)</b>  | (6,686)  | (12,419)  |
| Share of operating (loss)/profit in joint ventures   | (258)  | -  | (258)   | (81)   | 454   |
| Share of operating loss in associate   | -  | -  | -   | (3)  | -   |
| Goodwill amortisation arising on the investment in an associate                                      | -  | (148)  | (148)   | (148)  | (148)   |
| <b>Total operating profit/(loss): group and share of joint ventures and associate</b>                | <b>6,934</b>   | <b>(15,956)</b>  | <b>(9,022)</b>  | (6,918)  | (12,113)  |
| Continuing operations:   |  |  |   |  |   |
| - Exceptional costs of a fundamental reorganisation  | -  | -  | -   | (3,094)  | -   |
| <b>Profit/(loss) on ordinary activities before interest and taxation</b>                             | <b>6,934</b>   | <b>(15,956)</b>  | <b>(9,022)</b>  | (10,012)   | (12,113)  |
| Interest receivable  | 475  | -  | 475   | 482  | 358   |
| Interest payable and similar charges   | (766)  | -  | (766)   | (16)   | (405)   |
| <b>Profit/(loss) on ordinary activities before taxation</b>  | <b>6,643</b>   | <b>(15,956)</b>  | <b>(9,313)</b>  | (9,546)  | (12,160)  |
| Tax on profit/(loss) on ordinary activities  | 62   | -  | <b>62</b>   | (6)  | -   |
| <b>Profit/(loss) on ordinary activities after taxation</b>   | <b>6,705</b>   | <b>(15,956)</b>  | <b>(9,251)</b>  | (9,552)  | (12,160)  |
| <b>Profit/(loss) per share - basic</b>   | <b>2.28p</b>   | <b>(5.43)p</b>   | <b>(3.15)p</b>  | (4.40)p  | (4.22)p   |
| <b>Weighted number of Ordinary Shares outstanding</b>  |  |  | <b>293,954,684</b>  | 217,131,869  | 288,488,283   |
| <b>Profit/(loss) on ordinary activities before taxation (pre goodwill amortisation) (see note 5)</b> |  |  | <b>4,217</b>  | 302  | 339   |

<sup>1</sup> TTV does not represent the Group's statutory turnover and comprises amounts relating to the Group and its share of joint ventures.

**lastminute.com plc**  
**Fourth Quarter and Preliminary Results**

**Consolidated profit and loss accounts**

|  | Quarter ended<br>30 Sept 2003<br>£000<br>(Unaudited) | Quarter ended<br>30 Jun 2003<br>£000<br>(Unaudited) | Quarter ended<br>31 Mar 2003<br>£000<br>(Unaudited) | Quarter ended<br>31 Dec 2002<br>£000<br>(Unaudited) | Quarter ended<br>30 Sept 2002<br>£000<br>(Unaudited) |
|--|--|---|---|---|--|
| <b>Total transaction value (departure based)<sup>1</sup></b>   | <b>222,251</b>                                       | 150,866   | 92,249  | 87,079  | 112,444  |
| <b>Turnover</b>  |  |   |   |   |  |
| Group and share of joint ventures  | 95,188   | 62,564  | 21,195  | 11,758  | 15,157   |
| Less: share of joint ventures  | (731)  | (1,126)   | (381)   | (73)  | (55)   |
| Continuing operations  |  |   |   |   |  |
| - Ongoing  | 24,290   | 12,681  | 11,328  | 11,435  | 15,102   |
| - Acquisitions   | 70,167   | 48,757  | 9,486   | 250   | -  |
| <b>Group turnover</b>  | <b>94,457</b>  | 61,438  | 20,814  | 11,685  | 15,102   |
| Cost of sales  | 49,258   | 31,976  | 5,851   | 362   | 315  |
| <b>Gross profit</b>  | <b>45,199</b>  | 29,462  | 14,963  | 11,323  | 14,787   |
| <b>Operating costs</b>   |  |   |   |   |  |
| Product development  | 600  | 1,134   | 2,506   | 1,660   | 1,061  |
| Sales and marketing  | 24,470   | 20,619  | 10,729  | 7,148   | 5,436  |
| General and administration   | 8,336  | 4,899   | 4,804   | 4,090   | 5,453  |
| <b>Operating costs before depreciation and goodwill amortisation</b>                                 | <b>33,406</b>  | 26,652  | 18,039  | 12,898  | 11,950   |
| <b>EBITDA</b>  | <b>11,793</b>  | 2,810   | (3,076)   | (1,575)   | 2,837  |
| Depreciation   | 7,027  | 2,878   | 2,490   | 2,403   | 2,917  |
| Goodwill amortisation  | 13,382   | 12,351  | 9,255   | 7,273   | 6,606  |
| <b>Total operating costs</b>   | <b>(53,815)</b>                                      | (41,881)  | (29,784)  | (22,574)  | (21,473)   |
| <b>Operating profit/(loss)</b>   |  |   |   |   |  |
| Continuing operations:   |  |   |   |   |  |
| - Ongoing  | (14,377)   | (13,691)  | (14,357)  | (11,306)  | (6,686)  |
| - Acquisitions   | 5,761  | 1,272   | (464)   | 55  | -  |
| <b>Group operating loss</b>  | <b>(8,616)</b>                                       | (12,419)  | (14,821)  | (11,251)  | (6,686)  |
| Share of operating (loss)/profit in joint ventures   | (258)  | 454   | (266)   | (113)   | (81)   |
| Share of operating loss in associate   | -  | -   | -   | (5)   | (3)  |
| Goodwill amortisation arising on the investment in an associate                                      | (148)  | (148)   | (148)   | (148)   | (148)  |
| <b>Total operating loss: group and share of joint ventures and associate</b>                         | <b>(9,022)</b>                                       | (12,113)  | (15,235)  | (11,517)  | (6,918)  |
| Continuing operations:   |  |   |   |   |  |
| - Exceptional costs of a fundamental reorganisation  | -  | -   | -   | -   | (3,094)  |
| <b>Loss on ordinary activities before interest and taxation</b>                                      | <b>(9,022)</b>                                       | (12,113)  | (15,235)  | (11,517)  | (10,012)   |
| Interest receivable  | 475  | 358   | 295   | 274   | 482  |
| Interest payable and similar charges   | (766)  | (405)   | (35)  | (16)  | (16)   |
| <b>Loss on ordinary activities before taxation</b>   | <b>(9,313)</b>                                       | (12,160)  | (14,975)  | (11,259)  | (9,546)  |
| Tax on loss on ordinary activities   | 62   | -   | -   | -   | (6)  |
| <b>Loss on ordinary activities after taxation</b>  | <b>(9,251)</b>                                       | (12,160)  | (14,975)  | (11,259)  | (9,552)  |
| <b>Loss per share - basic</b>  | <b>(3.15)p</b>                                       | (4.22)p   | (6.07)p   | (4.72)p   | (4.40)p  |
| <b>Weighted number of Ordinary Shares outstanding</b>  | <b>293,954,684</b>                                   | 288,488,283   | 246,835,901   | 238,310,865   | 217,131,869  |
| <b>Profit/(loss) on ordinary activities before taxation (pre goodwill amortisation) (see note 5)</b> | <b>4,217</b>   | 339   | (5,572)   | (3,838)   | 302  |

<sup>1</sup> Total transaction value does not represent the Group's statutory turnover and comprises amounts relating to the Group and its share of joint ventures.

**lastminute.com plc**  
**Fourth Quarter and Preliminary Results**

**Consolidated balance sheets**

|   | At<br>30 Sept 2003<br>£000<br>(Audited) | At<br>30 Jun 2003<br>£000<br>(Unaudited) | At<br>31 Mar 2003<br>£000<br>(Unaudited) | At<br>31 Dec 2002<br>£000<br>(Unaudited) | At<br>30 Sept 2002<br>£000<br>(Audited) |
|---|---|--|--|--|---|
| <b>FIXED ASSETS</b>   |   |  |  |  |   |
| Intangible assets   | 127,018                                 | 130,690                                  | 140,907                                  | 76,408                                   | 81,457                                  |
| Tangible assets   | 21,815                                  | 18,902                                   | 19,763                                   | 12,271                                   | 12,081                                  |
| Investments   |   |  |  |  |   |
| – joint ventures – gross assets   | 1,139                                   | 1,472                                    | 974                                      | 1,177                                    | 1,255                                   |
| – gross liabilities   | (180)                                   | (556)                                    | (512)                                    | (450)                                    | (396)                                   |
| – total net assets  | 959                                     | 916                                      | 462                                      | 727                                      | 859                                     |
| – associate   | 1,644                                   | 1,793                                    | 1,941                                    | 2,089                                    | 2,232                                   |
| Total investments   | 2,603                                   | 2,709                                    | 2,403                                    | 2,816                                    | 3,091                                   |
| <b>Total fixed assets</b>   | <b>151,436</b>                          | <b>152,301</b>                           | <b>163,073</b>                           | <b>91,495</b>                            | <b>96,629</b>                           |
| <b>CURRENT ASSETS</b>   |   |  |  |  |   |
| Stock   | 240                                     | 250                                      | 515                                      | 159                                      | 75                                      |
| Debtors   | 38,905                                  | 38,272                                   | 32,623                                   | 16,431                                   | 16,101                                  |
| Cash at bank and in hand  | 112,741                                 | 28,554                                   | 52,334                                   | 41,913                                   | 49,617                                  |
| <b>CREDITORS: amounts falling due within one year</b>                                     | <b>(131,669)</b>                        | <b>(112,009)</b>                         | <b>(126,777)</b>                         | <b>(49,444)</b>                          | <b>(53,690)</b>                         |
| <b>NET CURRENT ASSETS/ (LIABILITIES)</b>  | <b>20,217</b>                           | <b>(44,933)</b>                          | <b>(41,305)</b>                          | <b>9,059</b>                             | <b>12,103</b>                           |
| <b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>  | <b>171,653</b>                          | <b>107,368</b>                           | <b>121,768</b>                           | <b>100,554</b>                           | <b>108,732</b>                          |
| <b>CREDITORS: amounts falling due after more than one year including convertible bond</b> | <b>(70,620)</b>                         | <b>-</b>                                 | <b>-</b>                                 | <b>(6)</b>                               | <b>(42)</b>                             |
| <b>PROVISIONS FOR LIABILITIES AND CHARGES</b>   | <b>(3,892)</b>                          | <b>(1,236)</b>                           | <b>(1,236)</b>                           | <b>(2,838)</b>                           | <b>(4,114)</b>                          |
| <b>TOTAL NET ASSETS</b>   | <b>97,141</b>                           | <b>106,132</b>                           | <b>120,532</b>                           | <b>97,710</b>                            | <b>104,576</b>                          |
| <b>CAPITAL AND RESERVES</b>   |   |  |  |  |   |
| Called up share capital   | 2,969                                   | 2,859                                    | 2,587                                    | 2,425                                    | 2,360                                   |
| Share premium account   | 143,805                                 | 141,291                                  | 141,280                                  | 128,330                                  | 123,631                                 |
| Shares to be issued   | 4,095                                   | 7,868                                    | 30,845                                   | 4,600                                    | 3,600                                   |
| Merger reserve  | 123,555                                 | 123,556                                  | 100,851                                  | 100,851                                  | 99,848                                  |
| Other reserves  | 4,160                                   | 3,304                                    | 3,305                                    | 3,955                                    | 6,439                                   |
| Profit and loss account   | (181,443)                               | (172,746)                                | (158,336)                                | (142,451)                                | (131,302)                               |
| <b>TOTAL EQUITY SHAREHOLDERS' FUNDS</b>   | <b>97,141</b>                           | <b>106,132</b>                           | <b>120,532</b>                           | <b>97,710</b>                            | <b>104,576</b>                          |

**lastminute.com plc**  
**Fourth Quarter and Preliminary Results**

**Consolidated Statement of Cash Flows**

|  | Quarter ended<br>30 Sept 2003<br>£000<br>(Unaudited) | Quarter ended<br>30 Jun 2003<br>£000<br>(Unaudited) | Quarter ended<br>31 Mar 2003<br>£000<br>(Unaudited) | Quarter ended<br>31 Dec 2002<br>£000<br>(Unaudited) | Quarter ended<br>30 Sept 2002<br>£000<br>(Unaudited) |
|--|--|---|---|---|--|
| <b>NET CASH INFLOW/(OUTFLOW) FROM OPERATING ACTIVITIES</b>   | <b>23,510</b>  | 6,861   | 3,773   | (5,090)   | 3,336  |
| Cash outflow from exceptional items and acquisition related liabilities (see note 6)   | (1,424)  | (1,199)   | (3,487)   | (1,879)   | (378)  |
| <b>RETURNS ON INVESTMENTS AND SERVICING OF FINANCE</b>   |  |   |   |   |  |
| Bond issue costs   | (2,076)  | -   | -   | -   | -  |
| Interest received  | 298  | 357   | 295   | 274   | 482  |
| Interest paid and interest element of finance lease rental payments  | (1,168)  | (405)   | (35)  | (16)  | (16)   |
| <b>Net returns on investments and servicing of finance</b>   | <b>(2,946)</b>                                       | (48)  | 260   | 258   | 466  |
| <b>TAXATION</b>  |  |   |   |   |  |
| Overseas tax paid  | -  | -   | -   | -   | (241)  |
| <b>CAPITAL EXPENDITURE AND FINANCIAL INVESTMENT</b>  |  |   |   |   |  |
| Payments to acquire tangible fixed assets  | (7,488)  | (2,016)   | (3,143)   | (2,551)   | (3,139)  |
| Receipts from sale of tangible fixed assets  | -  | -   | -   | -   | 389  |
| <b>NET CASH INFLOW/(OUTFLOW) BEFORE ACQUISITIONS AND MANAGEMENT OF LIQUID RESOURCES AND FINANCING</b>                              | <b>11,652</b>  | 3,598   | (2,597)   | (9,262)   | 433  |
| <b>ACQUISITIONS</b>  |  |   |   |   |  |
| Overdraft acquired with subsidiary undertakings  | 175  | -   | (9,551)   | -   | -  |
| Payments to acquire subsidiary undertakings/joint venture <sup>1</sup>   | (2,050)  | (18,893)  | (97)  | (966)   | (8,716)  |
| Cash acquired with subsidiary undertakings   | 1,163  | -   | -   | 44  | 8,479  |
| <b>NET CASH INFLOW/(OUTFLOW) BEFORE MANAGEMENT OF LIQUID RESOURCES AND FINANCING</b>   | <b>10,940</b>  | (15,295)  | (12,245)  | (10,184)  | 196  |
| <b>MANAGEMENT OF LIQUID RESOURCES</b>  |  |   |   |   |  |
| Increase in short term deposits  | (3,575)  | (219)   | (290)   | (1,485)   | (4,615)  |
| <b>FINANCING</b>   |  |   |   |   |  |
| Issue of bond  | 72,063   | -   | -   | -   | -  |
| Issue of share capital   | 2,108  | 283   | 12,661  | 2,677   | 8,915  |
| Share issue costs  | -  | -   | -   | -   | (155)  |
| Repayment of loan  | -  | -   | -   | -   | (766)  |
| Repayments of capital elements of finance leases   | (831)  | (36)  | (36)  | (36)  | (85)   |
| <b>INCREASE/(DECREASE) IN CASH</b>   | <b>80,705</b>  | (15,267)  | 90  | (9,028)   | 3,490  |
| <b>RECONCILIATION OF CASH FLOW TO MOVEMENT IN NET FUNDS</b>  |  |   |   |   |  |
| <b>INCREASE/(DECREASE) IN CASH</b>   | <b>80,705</b>  | (15,267)  | 90  | (9,028)   | 3,490  |
| Cash inflow from issue of bond   | (72,063)   | -   | -   | -   | -  |
| Bond issue costs   | 2,076  | -   | -   | -   | -  |
| Cash outflow to short term deposits  | 3,575  | 219   | 290   | 1,485   | 4,615  |
| Repayment of capital elements of finance leases  | 831  | 36  | 36  | 36  | 85   |
| Changes in net funds resulting from cash flows   | 15,124   | (15,012)  | 416   | (7,507)   | 8,190  |
| New finance leases   | (2,842)  | -   | -   | -   | (282)  |
| Exchange difference  | 1,812  | -   | -   | -   | -  |
| <b>NET FUNDS AT THE BEGINNING OF THE QUARTER</b>   | <b>27,317</b>  | 42,329  | 41,913  | 49,420  | 41,512   |
| <b>NET FUNDS AT THE END OF THE QUARTER</b>   | <b>41,411</b>  | 27,317  | 42,329  | 41,913  | 49,420   |
| <b>Operating cash inflow/(outflow) before exceptional items, acquisition related liabilities and bond issue costs (see note 6)</b> | <b>15,152</b>  | 4,797   | 890   | (7,383)   | 811  |

<sup>1</sup>For the year ended 30 September 2003, payments to acquire subsidiary undertakings included £2,338,000 deferred consideration in respect of the acquisition of Travelprice.

**lastminute.com plc**  
**Fourth Quarter and Preliminary Results**

## Notes to the Preliminary Results

### 1. Basis of reporting

The preliminary financial results for the year ended 30 September 2003 have been prepared on the basis of the policies set out in the Group's statutory accounts for the year ended 30 September 2003. These results do not constitute statutory accounts within the meaning of Section 240 of the Companies Act 1985. The figures for the year ended 30 September 2003 are audited. The figures for the year ended 30 September 2002 have been based on the Group's financial statements for the year ended 30 September 2002, which have been delivered to the Registrar of Companies and on which the auditors have issued an unqualified audit report.

### 2. Additional Information

|  | Quarter ended<br>30 Sept 2003 | Quarter ended<br>30 Jun 2003 | Quarter ended<br>31 Mar 2003 | Quarter ended<br>31 Dec 2002 | Quarter ended<br>30 Sept 2002 |
|--|-------------------------------|------------------------------|------------------------------|------------------------------|-------------------------------|
| Number of registered subscribers at period end | <b>7,745,058</b>              | 7,500,393                    | 7,048,395                    | 6,828,254                    | 6,443,381                     |
| Number of customers at period end              | <b>2,763,289</b>              | 2,180,016                    | 1,821,830                    | 1,518,375                    | 1,277,887                     |
| Number of items sold in period                 | <b>1,197,171</b>              | 994,361                      | 712,011                      | 570,052                      | 633,603                       |
| Number of suppliers at period end              | <b>15,514</b>                 | 15,317                       | 15,014                       | 14,732                       | 14,454                        |

### 3. Exceptional costs

In 2003, exceptional items relate to two areas of activity. Firstly, the redundancy costs of outsourcing further non-core functions to external partners. Secondly, implementation and delivery of the synergies relating to the holiday autos acquisition, identified during the pre acquisition process.

In 2002, following the acquisition of Travelprice.com Group, the nature and focus of our combined operations were fundamentally restructured. The costs related principally to redundancy and surplus property costs.

### 4. Acquisitions

In March 2003, the Group acquired holiday autos group limited for a consideration of £39.0m, which was satisfied in April 2003 by the issue of 27,191,771 new ordinary shares at 84.5 pence each by lastminute.com and cash of £16.0m, £12.0m of which was raised through a placement on 28 March 2003. In addition to the initial consideration, lastminute.com will pay further consideration depending on the total transaction value of the car hire business for the year ended 31 October 2003. The additional consideration has been capped to a maximum payment of £3.3m and may be satisfied either in new shares or cash, at the option of lastminute.com. Preliminary goodwill arising on the acquisition has been assessed as £77.9m and has been capitalised and amortised over four years. The acquisition has been included in the Group balance sheet using the acquisition method of accounting at its fair value. Net liabilities included within the preliminary goodwill assessment totalled £32.7m, including a £9.4m overdraft.

lastminute.com plc  
Fourth Quarter and Preliminary Results

**5. Reconciliation of profit/(loss) on ordinary activities before taxation (pre goodwill amortisation)**

|   | Year ended<br>30 Sept 2003<br>£000 | Quarter ended<br>30 Sept 2003<br>£000 | Quarter ended<br>30 Jun 2003<br>£000 | Quarter ended<br>31 Mar 2003<br>£000 | Quarter ended<br>31 Dec 2002<br>£000 | Quarter ended<br>30 Sept 2002<br>£000 |
|---|------------------------------------|---------------------------------------|--------------------------------------|--------------------------------------|--------------------------------------|---------------------------------------|
| Loss on ordinary activities before taxation   | (47,707)                           | (9,313)                               | (12,160)                             | (14,975)                             | (11,259)                             | (9,546)                               |
| Add: Goodwill amortisation (group and associate)  | 42,853                             | 13,530                                | 12,499                               | 9,403                                | 7,421                                | 6,754                                 |
| Add: Exceptional cost of a fundamental reorganisation                                   | -                                  | -                                     | -                                    | -                                    | -                                    | 3,094                                 |
| <b>Profit/(loss) on ordinary activities before taxation (pre goodwill amortisation)</b> | <b>(4,854)</b>                     | <b>4,217</b>                          | <b>339</b>                           | <b>(5,572)</b>                       | <b>(3,838)</b>                       | <b>302</b>                            |

**6. Reconciliation of operating cash inflow/(outflow) (before exceptional items, acquisition related liabilities and bond issue costs)**

|   | Year ended<br>30 Sept 2003<br>£000 | Quarter ended<br>30 Sept 2003<br>£000 | Quarter ended<br>30 Jun 2003<br>£000 | Quarter ended<br>31 Mar 2003<br>£000 | Quarter ended<br>31 Dec 2002<br>£000 | Quarter ended<br>30 Sept 2002<br>£000 |
|---|------------------------------------|---------------------------------------|--------------------------------------|--------------------------------------|--------------------------------------|---------------------------------------|
| Net cash inflow/(outflow) before acquisitions and management of liquid resources and financing                          | 3,391                              | 11,652                                | 3,598                                | (2,597)                              | (9,262)                              | 433                                   |
| Add: cash outflow from exceptional items  | 6,719                              | 1,424                                 | 1,179                                | 2,886                                | 1,230                                | 378                                   |
| cash outflow from acquisition related liabilities   | 1,270                              | -                                     | 20                                   | 601                                  | 649                                  | -                                     |
| bond issue costs  | 2,076                              | 2,076                                 | -                                    | -                                    | -                                    | -                                     |
| <b>Operating cash inflow/(outflow) (before exceptional items, acquisition related liabilities and bond issue costs)</b> | <b>13,456</b>                      | <b>15,152</b>                         | <b>4,797</b>                         | <b>890</b>                           | <b>(7,383)</b>                       | <b>811</b>                            |

**lastminute.com plc**  
**Fourth Quarter and Preliminary Results**

**7. TTV, turnover and segmental analysis**

The Group is engaged in the provision of last minute travel, leisure and gift solutions to its customers via the Internet and other related electronic distribution platforms. The Group's TTV and turnover are all generated within this segment.

**Geographical analysis:**

|                                | <b>TTV</b>                                  |   | <b>Turnover</b>                             |   |
|--------------------------------|---|---|---|---|
|                                | <b>(by destination and source)</b>          |   | <b>(by destination and source)</b>          |   |
|                                | <b>Year ended<br/>30 Sept 2003<br/>£000</b> | <b>Year ended<br/>30 Sept 2002<br/>£000</b> | <b>Year ended<br/>30 Sept 2003<br/>£000</b> | <b>Year ended<br/>30 Sept 2002<br/>£000</b> |
| By geographical area:          |   |   |   |   |
| United Kingdom                 | <b>316,536</b>                              | 138,444                                     | <b>96,785</b>                               | 19,254                                      |
| France                         | <b>122,378</b>                              | 82,269                                      | <b>19,274</b>                               | 12,769                                      |
| Germany                        | <b>53,447</b>                               | 11,861                                      | <b>41,654</b>                               | 1,490                                       |
| Italy                          | <b>18,917</b>                               | 5,138                                       | <b>2,094</b>                                | 621   |
| Spain                          | <b>5,538</b>                                | 976   | <b>468</b>                                  | 68  |
| Other European Union Countries | <b>31,260</b>                               | 5,465                                       | <b>28,119</b>                               | 688   |
|                                | <b>548,076</b>                              | 244,153                                     | <b>188,394</b>                              | 34,890                                      |
| Group                          |   |   |   |   |
| Joint ventures                 | <b>4,369</b>                                | 1,818                                       | <b>2,311</b>                                | 187   |
|                                | <b>552,445</b>                              | 245,971                                     | <b>190,705</b>                              | 35,077                                      |

|   | <b>Net profit/(loss) on ordinary<br/>activities before taxation<sup>2</sup></b> |   | <b>Net assets/(liabilities)<sup>2</sup></b> |                                     |
|---|---|---|---|-------------------------------------|
|   | <b>Year ended<br/>30 Sept 2003<br/>£000</b>                                     | <b>Year ended<br/>30 Sept 2002<br/>£000</b> | <b>At<br/>30 Sept 2003<br/>£000</b>         | <b>At<br/>30 Sept 2002<br/>£000</b> |
|   | By geographical area:   |   |   |                                     |
| United Kingdom <sup>1</sup>   | <b>(23,845)</b>   | (16,373)                                    | <b>29,992</b>                               | 69,176                              |
| France  | <b>(24,222)</b>   | (19,214)                                    | <b>41,432</b>                               | (10,484)                            |
| Germany   | <b>567</b>  | (1,762)                                     | <b>(13,533)</b>                             | (9,269)                             |
| Italy   | <b>236</b>  | 261   | <b>195</b>                                  | (1,470)                             |
| Spain   | <b>(399)</b>  | (63)  | <b>(1,941)</b>                              | (63)                                |
| Other European Union countries                                      | <b>916</b>  | (1,716)                                     | <b>(5,084)</b>                              | 3,978                               |
|   | <b>(46,747)</b>   | (38,867)                                    | <b>51,061</b>                               | 51,868                              |
| Share of operating loss and net<br>assets of joint ventures         | <b>(183)</b>  | (413)                                       | <b>959</b>                                  | 859                                 |
| Share of operating loss and net assets<br>of associate              | <b>(5)</b>  | (4)   | <b>1,644</b>                                | 2,232                               |
| Amortisation of goodwill arising on the<br>acquisition of associate | <b>(592)</b>  | (148)                                       | -   | -                                   |
| Net interest receivable   | <b>(180)</b>  | 1,357                                       | -   | -                                   |
| Convertible bond  | -   | -   | <b>(69,264)</b>                             | -                                   |
| Interest bearing assets   | -   | -   | <b>112,741</b>                              | 49,617                              |
|   | <b>(47,707)</b>   | (38,075)                                    | <b>97,141</b>                               | 104,576                             |

<sup>1</sup> The UK losses for both 2003 and 2002 include central technical development and maintenance costs and the expenses related to the Group management functions, which are not apportioned across the Group's operating businesses.

<sup>2</sup> Net loss on ordinary activities before taxation for 2003 includes £42,853,000 of goodwill amortisation (2002: £18,814,000). Net assets include £128,651,000 of goodwill (2002: £83,673,000).

**lastminute.com plc**  
**Fourth Quarter and Preliminary Results**

**Definitions**

**Registered subscribers** are users of the lastminute.com website who have submitted their e-mail addresses and other data and have elected to receive lastminute.com's weekly e-mail. This does not include users who register with the company, but elect not to receive its weekly e-mail. Since lastminute.com counts its registered subscribers based on their e-mail addresses, users who register multiple times using different e-mail addresses will count as multiple registered subscribers. For example, if a user has registered with lastminute.com using an e-mail address at work and one at home, the user will be counted as two registered subscribers.

**Total transaction value ("TTV")** does not represent statutory turnover. Where lastminute.com acts as agent or cash collector, TTV represents the price at which products or services have been sold across the Group's various platforms. In other cases, for example the reservation of restaurant tables, a flat fee is earned, irrespective of the value of products or services provided. In such cases TTV represents the flat fee commission earned. Where lastminute.com acts as principal, TTV represents the price at which goods or services are sold across the Group's various platforms.

**Organic growth** is calculated on a quarterly basis and represents the quarter-on-quarter growth in continuing businesses. Organic growth for the year excludes any acquisitions post 30 September 2002.

**Turnover** represents the aggregate amount of revenue from products sold and is stated exclusive of recoverable VAT and associated taxes. Where the Group acts as agent and does not take ownership of the products or services being sold, turnover represents commission earned less amounts due or paid on any commission shared. Where the Group acts as principal and purchases the products or services for resale, turnover represents the price at which the products or services have been sold across the Group's various platforms. Turnover also includes advertising and sponsorship income which is recognised over the period to which it relates. Travel turnover is recognized on the date of departure.

**Gross margin** is defined as gross profit over total transaction value.

**Operating cash inflow/(outflow)** is defined as net cash inflow/(outflow) before management of liquid resources, financing and acquisitions.

**Conversion** is defined as the **number of customers** over the number of **registered subscribers** (excluding those applicable to joint ventures).

The **number of customers** is the cumulative number of customers (excluding repeat customers) since the inception of lastminute.com and the cumulative number of Degriktour, Travelselect.com, Destination Group, Travelprice.com and holiday autos' customers (excluding repeat customers) since acquisition in October 2000, April 2002, June 2002, end of July 2002 and March 2003 respectively. Customers are defined as individuals who have purchased goods and services over lastminute.com's platforms.

An **item sold** is an individually priced product or service purchased by a customer within the period.

The **number of suppliers** includes individual airlines, hotels, holiday package suppliers, car rental companies, entertainment vendors, gift suppliers, restaurants and specialty service suppliers.

**lastminute.com plc**  
**Fourth Quarter and Preliminary Results**

This press release may contain forward-looking statements. Expressions of future goals, including without limitation, “intend”, “will”, “should”, “are well on track”, “expect” or “continue”, and similar expressions reflecting something other than historical fact are intended to identify forward looking statements. The following factors, among others, could cause lastminute.com’s actual results to differ materially from those described in the forward looking statements: management of lastminute.com’s rapid growth; speed of technological change, including introduction of new architecture for its web sites; systems-related failures; the ability to attract and retain qualified personnel; adverse changes in lastminute.com’s relationships with airlines and other product and service providers; adverse changes in the services provided by lastminute.com’s suppliers; lastminute.com’s ability to attract and develop an adequate international supplier and customer base; potential adverse changes in its commission rates; the effects of increased competition; risks relating to operating internet - based commerce in foreign markets; lastminute.com’s dependence on its ability to establish its brand; lastminute.com’s ability to protect its domain names and other intellectual property rights; legal and regulatory risks; a slow down in the continued growth of e-commerce and the internet; unforeseen events affecting the travel industry and factors adversely affecting lastminute.com’s share price. All such forward-looking statements are made in reliance on the safe harbour provision of the US Private Securities Litigation Reform Act of 1995. These and other risk factors are described in detail in lastminute.com’s shareholder circular dated 8 September 2000, which has been filed with the Securities and Exchange Commission, USA and the Financial Services Authority, UK.