

**THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION. If you are in any doubt as to the action you should take, you are advised to consult your stockbroker, bank manager, solicitor, accountant or other professional adviser authorised pursuant to the Financial Services and Markets Act 2000 immediately. If you have sold all your Ordinary Shares in lastminute.com plc you should pass this document and the accompanying Form of Proxy to the purchaser or transferee or to the person through whom the sale was effected for transmission to the purchaser or transferee.**

# lastminute.com

Registered in England & Wales  
Company number: 3852152

Registered Office:  
39 Victoria Street  
London  
SW1H 0EE

## To lastminute.com Ordinary Shareholders

25 January 2005

Dear Shareholder

### Notice of Annual General Meeting

I am writing to explain the background to proposals for a change to the Company's Articles of Association which are being submitted for approval at the Company's Annual General Meeting. Also attached to this document is the Notice of Annual General Meeting and Explanatory Notes on all the resolutions to be proposed as Ordinary and Special Business.

In July 2004 the Company announced its intention to seek to terminate its reporting obligations under the US Securities Exchange Act, and as an initial step to delist its ADRs from NASDAQ and terminate its ADR programme. The reason for doing so was that, in common with many other European businesses, the Company felt that existing and prospective obligations set down for companies with a US registration were becoming increasingly complex, onerous and costly. The anticipated additional costs of maintaining a US listing and registration were approximately £1.5m per annum. The Directors concluded that this cost significantly outweighed the benefits of having a small secondary market for the Company's shares in a market in which the Company has no direct business operations.

I can confirm that our NASDAQ listing was cancelled, the ADR programme terminated, all ADR's cancelled and, having established that the Company has less than 300 US resident shareholders, the Company made the necessary filing with the SEC to terminate its registration. However, current SEC rules (which are under review) provide that the registration obligations could recommence if in future the number of US resident shareholders rises above 300 in number. The proposed new Article is intended to address this possibility and will give the Board the ability to limit the number of US residents holding the Company's shares to not more than 275.

The new Article is not expected to affect current shareholders in respect of their current shareholdings. In the event that the Directors believe that the limit of 275 has or may be breached such that the provisions of the Article may be operated, a market announcement via a Regulatory Information Service would be made. Further details are given in the explanatory notes on page 4.

### Recommendations

Your Directors believe that all the resolutions to be considered at our AGM and as set out in the Notice of Meeting are in the best interests of shareholders as a whole and recommend you vote in favour of them. The Directors intend to vote their own beneficial and non-beneficial holdings currently amounting to 7.20% per cent of the issued ordinary share capital of lastminute.com plc in favour of these resolutions.

### What to do next

You will find a proxy form for the AGM with this letter. This allows someone else to attend the AGM and vote on your behalf. That person need not be a shareholder. Alternatively, you can use the form to allow me to vote for you. If you want to do either of these things, please fill in the form and return it to the Company's Registrar by 10am on 1st March 2005 or, if you wish to use the CREST electronic proxy appointment service, follow the instructions in note 3 to the attached notice of AGM.

Yours faithfully,



**Brian Collie**  
Chairman

## Notice of Meeting

Notice is hereby given that the Annual General Meeting of lastminute.com plc will be held at Arundel House, 13-15 Arundel Street, London WC2R 3DX on 3 March 2005 at 10.00am for the following purposes:

### Ordinary Business

- 1 To receive the report of the directors, the financial statements and the report of the Auditors for the year ended 30 September 2004.
- 2 To receive and approve the directors' remuneration report for the year ended 30 September 2004.
- 3 To elect Alan Barber who was appointed a director during the year.
- 4 To re-appoint Ernst & Young LLP as Auditors of the Company to hold office until the conclusion of the next General Meeting at which financial statements are laid before the Company and to authorise the Directors to determine their remuneration.

### Special Business

To pass as an ordinary resolution the resolution set out below:

- 5 THAT the Directors be and are hereby generally and unconditionally authorised to exercise all powers of the Company to allot relevant securities (within the meaning of Section 80 of the Companies Act 1985) up to an aggregate nominal amount of £1,348,002 provided that this authority shall expire on the date of the next Annual General Meeting or on 3 June 2006, whichever is the earlier, save that the Company may before such expiry make offers or agreements which would or might require relevant securities to be allotted after such expiry and the Board may allot relevant securities in pursuance of such offers or agreements as if the authority conferred hereby had not expired.

To pass as special resolutions the resolutions set out below:

- 6 THAT subject to the passing of resolution 5, the Directors be and are hereby empowered pursuant to Section 95 of the Companies Act 1985 to allot equity securities (within the meaning of Section 94 of the said Act) for cash pursuant to the authority conferred by resolution 8 as if sub-section (1) of Section 89 of the said Act did not apply to any such allotment provided that this power shall be limited to:
  - (i) the allotment of equity securities in connection with a rights issue in favour of Ordinary shareholders where the equity securities respectively attributable to the interests of all Ordinary shareholders are proportionate (as nearly as may be) to the respective numbers of Ordinary shares held by them, and,
  - (ii) the allotment (otherwise than pursuant to sub-paragraph (i) above) of equity securities up to an aggregate nominal amount of £170,137.

and shall expire on the date of the next Annual General Meeting or on 3 June 2006, whichever is the earlier, save that the Company may before such expiry make offers or agreements which would or might require equity securities to be allotted after such expiry and the Board may allot equity securities in pursuance of such offers or agreements as if the power conferred hereby had not expired.

- 7 THAT the Articles of Association of the Company be amended by the addition of the following as new article 39A:

#### 39A Limitation on Shareholders

39A.1 For the purposes of this Article 39A "Prohibited Share" means any US-held share which the Directors decide is a "US-held Share" beneficially owned by US Residents who are in excess of the Permitted Maximum as defined in Article 39A.2 below ("Excess US-held Shares");

"US-held Share" means any Share the owner of which is a US Resident;

"US-held Resident" means a person resident in the United States of America or its territories, possessions or any other area subject to its jurisdiction; and

any references in this Article to beneficial ownership shall be deemed to include ownership as determined in accordance with Rule 12g of the Securities Exchange Act of 1934 and references to "beneficial owner" or "beneficially owned" shall be construed accordingly.

39A.2 If at any time the Directors believe that the aggregate number of US Residents who are beneficial owners of shares or warrants giving a right to subscribe for shares is more than 275 (the "Permitted Maximum") or the holding or beneficial ownership of shares is otherwise such that there are any Prohibited Shares, then the Prohibited Shares shall be dealt with in accordance with Articles 39A.5 and 39A.6 below.

39A.3 It shall be for the Directors to decide whether or not a share is a Prohibited Share and, without prejudice to the generality of the foregoing, whether or not a US-held Share is an Excess US-held Share but, in making any decision as to whether a US-held Share is an Excess US-held Share, the Directors shall, so far as practicable, have regard to the order of date (insofar as the Directors are able to determine) in which shares become US-held Shares and/or the relative numbers of the US-held Shares held or beneficially owned by each relevant US Resident save:

- (A) in circumstances where such would in the opinion of the Directors be inequitable, when the Directors shall apply such other criterion or criteria as they consider appropriate; and
- (B) in the case of US-held Shares which become US-held Shares at or around the same time when the Directors shall be entitled to determine which of those US-held Shares are to be treated as Excess US-held Shares in such manner (whether by scaling-down or otherwise) as they shall in their absolute discretion decide.
- 39A.4 Subject to the provisions of this Article 39A.4, the Directors shall, unless any Director has reason to believe otherwise, be entitled to assume without enquiry that all shares are not US-held Shares or Prohibited Shares. Nevertheless, the Directors may at any time give notice in writing to the holder (or to any one of the joint holders) of a share requiring him to make a declaration (in such form as the Directors may prescribe) within such reasonable period as may be specified in the notice as to whether or not the share is a US-held Share. If such holder fails to comply with such notice, the Directors may, in their absolute discretion, treat any share held by such holder or holders as a Prohibited Share.
- 39A.5 The Directors may give notice in writing to the holder (or to any one of joint holders) of any share which appears to them to be a Prohibited Share requiring him within 21 days (or such extended time as in all the circumstances the Directors shall consider reasonable) to transfer (and/or procure the disposal of interests in) such share to another person so that it will cease to be a Prohibited Share. On and after the date of such notice, and until registration of a transfer of the share to which it relates pursuant to the provisions of this Article 39A.5 or Article 39A.6 such that it ceases to be a Prohibited Share, the share shall not confer any right to receive notice of or to attend or vote at general meetings of the Company and of any class of Shareholders and the rights to attend (whether in person or by proxy), to speak and to demand a vote on a poll which would have attached to the share had it not appeared to the Directors to be a Prohibited Share shall vest in the Chairman of any such meeting. The manner in which the Chairman exercises or refrains from exercising any such rights shall be entirely at his direction. The Chairman of any such meeting as aforesaid shall be informed by the Directors of any share becoming or being deemed to be a Prohibited Share.
- 39A.6 If within 21 Days after the giving of any notice pursuant to Article 39A.5 above (or such extended time as in all the circumstances the Directors shall consider reasonable) such notice is not complied with to the satisfaction of the Directors, the Directors shall arrange for the Company to sell such share at the best price reasonably obtainable to any other person so that the share will cease to be a Prohibited Share. For this purpose the Directors may, in the case of a share in certified form, authorise in writing any officer or employee of the Company to execute on behalf of the holder or holders a transfer of the share to the Purchaser and may issue a new certificate to the Purchaser and, in the case of a share in uncertified form, the Directors may take such other steps (including the giving of directions to or on behalf of the holder who shall be bound by them) as they think fit to effect the transfer of the share to that person. The net proceeds of the sale of such share shall be received by the Company whose receipt shall be a good discharge for the purchase money and shall be paid over to the Company by the former holder or holders (together with interest at such rate as the Directors consider appropriate) upon surrender by him or them of the certificate for the share.
- 39A.7 Any notice given pursuant to Articles 39A.4, 39A.5 or 39A.6 may relate to more than one share and shall in any event specify the share or shares to which it relates. For the purposes of this Article 39A, in the case of shares held by any member in uncertificated form, the Directors may, to enable the shares to be identified and dealt with in accordance with the provisions of this Article 39A, require the Operator of a relevant system to convert the shares into certificated form.
- 39A.8 The Directors shall not be required to give any reasons for any decision, determination or declaration taken or made in accordance with this Article 39A.
- 39A.9 The Directors may resolve at any time to suspend the powers conferred on them by this Article 39A indefinitely or for such period as they may in their absolute discretion determine."

**By order of the Board**



**Simon Watkins**

Company Secretary

25 January 2005

## Notes:

1. A shareholder entitled to attend and vote is entitled to appoint one or more proxies to attend and, on a poll, vote instead of him. A proxy need not be a shareholder of the Company.
2. Forms of proxy and the authority (if any) under which they are signed or a certified copy of such authority must be deposited at the offices of the company's registrars, Lloyds TSB Registrars, The Causeway, Worthing, BN99 6ED not later than 10.00am on 1st March 2005.
3. CREST members who wish to appoint a proxy or proxies through the CREST electronic proxy appointment service may do so for the Annual General Meeting to be held on 3rd March 2005 and any adjournment(s) thereof by using the procedures described in the CREST Manual. CREST Personal Members or other CREST sponsored members, and those CREST members who have appointed a voting service provider(s), should refer to their CREST sponsor or voting service provider(s), who will be able to take the appropriate action on their behalf. In order for a proxy appointment or instruction made using the CREST service to be valid, the appropriate CREST message (a "CREST Proxy Instruction") must be properly authenticated in accordance with CRESTCo's specifications and must contain the information required for such instructions, as described in the CREST Manual. The message, regardless of whether it constitutes the appointment of a proxy or an amendment to the instruction given to a previously appointed proxy must, in order to be valid, be transmitted so as to be received by the issuer's agent (ID 7RA01) by the latest time(s) for receipt of proxy appointments specified in the note 2 to the notice of meeting. For this purpose, the time of receipt will be taken to be the time (as determined by the timestamp applied to the message by the CREST Applications Host) from which the issuer's agent is able to retrieve the message by enquiry to CREST in the manner prescribed in CREST. After this time any change of instructions to proxies appointed through CREST should be communicated to the appointee through other means. CREST members and, where applicable, their CREST sponsors or voting service providers should note that CRESTCo does not make available special procedures in CREST for any particular messages. Normal system timings and limitations will therefore apply in relation to the input of CREST Proxy Instructions. It is the responsibility of the CREST member concerned to take (or, if the CREST member is a CREST personal member or sponsored member or has appointed a voting service provider(s), to procure that his CREST sponsor or voting service provider(s) take(s) such action as shall be necessary to ensure that a message is transmitted by means of the CREST system by any particular time. In this connection, CREST members and, where applicable, their CREST sponsors or voting service providers are referred, in particular, to those sections of the CREST Manual concerning practical limitations of the CREST system and timings. The Company may treat as invalid a CREST Proxy Instructions in the circumstances set out in Regulation 35(5)(a) of the Uncertificated Securities Regulations 2001.
4. The time by which a person must be entered on the Company's Register of Members in order to attend or vote at the meeting is 6pm on Tuesday 1 March 2005.
5. Biographical details of those directors seeking election or re-election are given on page 11 of the Annual Report, including membership of the principal committees. The details of the service contracts for the Executive Directors seeking election or re-election are set out in the Remuneration Report on pages 15 to 21 of the Annual Report.
6. Copies of the Directors service contracts and the Register of Directors Interests are available for inspection during normal business hours on any weekday at the Company's Registered Office, and will be available for inspection at the place of the meeting from 15 minutes before the meeting until its conclusion.

## Appendix 1 Explanatory notes to resolutions:

### Resolution 1

The Directors must lay the report of the directors, the financial statements and the report of the Auditors before shareholders at a General Meeting.

### Resolution 2

The Directors must put the directors' remuneration report before shareholders at a General meeting at which the accounts are laid.

### Resolution 3

Under the Company's articles of association, each Director who was appointed during the year must stand for election at the next Annual General Meeting.

### Resolution 4

At each General Meeting at which accounts are laid before the members, the Company is required to appoint auditors to stand until the next such meeting. This resolution also authorises the Directors to determine the Auditors remuneration.

### Resolutions 5 and 6

The Companies Act prevents Directors from allotting unissued shares without the authority of shareholders in General Meeting. Most companies seek authority from shareholders at each Annual General Meeting for the Directors to issue further shares subject to certain limits. In resolution 5, the Directors are seeking authority to issue shares representing up to one third of the nominal value of the unissued share capital of the company at the date of the annual report plus shares required to be issued in relation to employee share options subsisting at the date of this notice. There are no current plans to allot shares other than in connection with employee share schemes. Resolution 6 disapplies shareholder pre-emption rights over the allotment of certain shares for cash. The limit of resolution 9 is 5% of the nominal value of the issued share capital as at the date of the annual report.

### Resolution 7

During 2004 the Board determined to seek to remove the Company from the onerous filing and reporting regime under US securities laws on grounds that the costs and effort associated with compliance with the relevant rules, particularly the extensive requirements of the Sarbanes-Oxley legislation, out-weighed the benefit to the Company and shareholders. Following the termination of the listing of the Company's American Depositary Shares on NASDAQ on 20 August 2004 and the termination of the associated ADR programme, the Company undertook a review of its US shareholder base and subsequently filed Form 15 with the Securities and Exchange Commission on 24 November 2004. This filing, when fully effective after the lapse of 90 days, terminates the Company's registration with the SEC and so ends the Company's obligation to file accounts and other information with the SEC, including Form 20-F. However, it is possible under current SEC rules for the Company to re-enter the SEC registration and filing regime if at some future stage it comes to the Company's knowledge that the number of US Residents holding its shares has risen above 300. In order to ensure that the Company can prevent that arising, a new article 39A is proposed which entitles the Board to limit the number of US Residents holding shares in the Company to a maximum of 275. The new Article entitles the Board to require a declaration of residence and, where the Board believes the maximum may be breached, to require disposal of shares within 21 days of notice to a shareholder. Whilst the Directors will have a discretion in selecting shares which may be subject to such transfer, for example to avoid circumstances where such would be inequitable, it is expected that the Directors will select any such shares by reference to the date on which the relevant shares became US held shares on a last in, first out basis.

It is understood that the SEC is reviewing the application of its deregistration rules and is likely to announce changes to the rules in the Spring of 2005. As a result, it may become unnecessary to have the power conferred by the proposed new Article. It contains provision, therefore, allowing the Board to suspend operation of its provisions.