

annual review and summary
financial statements 2002

lastminute.com



going away, going out, staying in

lastminute.com aims to become the number one European e-commerce lifestyle retailer by delighting our customers with great value inspiration and solutions

Business highlights

Customer/subscriber conversion rate improves to **22.6%** from 13.9% in Quarter 4 2001. Cumulative customer numbers since inception are now approaching **1.3** million.

Total transaction value for 2002 grew **98%** year-on-year to **£246.0** million (2001:£124.2m). Year-on-year organic growth in Quarter 4 amounted to **55%** across the Group.

Gross profit for 2002 grew by **93%** to **£33.3** million (2001:£17.2m).

Group EBITDA of **£2.8** million achieved in Quarter 4 for the first time, against an equivalent loss of £5.7 million for Quarter 4 2001.

Positive operating cash flow of **£0.4** million in Quarter 4, a net improvement of **£7.2** million year-on-year (Q4 2001: outflow £6.8m). Cash balance grows to **£49.6** million at 30 September 2002 (Q4 2001: £46.6m).

Wholly owned businesses:

UK
France
Germany
Italy

Spain
Netherlands
Sweden
Belgium

Joint ventures:

Australia
Spain
Japan
South Africa
New Zealand

- | | | | |
|----|------------------------------|----|---|
| 1 | Chairman's statement | 12 | Consolidated profit and loss account |
| 2 | Operational review | 12 | Consolidated statement of total recognised gains and losses |
| 5 | Financial review | 13 | Balance sheets |
| 7 | Board of Directors | 14 | Consolidated statement of cash flows |
| 8 | Summary Directors' report | 14 | Reconciliation of cash flow to movement in net funds |
| 8 | Summary remuneration report | 15 | Notice of Meeting |
| 11 | Summary financial statements | 17 | Shareholder information |
| 11 | Auditors' statement | | |

Chairman's statement

I am pleased to report that lastminute.com completed a successful year in which the Group delivered strong organic growth and strengthened its position in core markets and core sectors through three strategic acquisitions and the 20% investment in a recently launched German online travel agency. Importantly, in the key Quarter 4, lastminute.com delivered for the first time, profit before taxation (pre exceptional items and goodwill amortisation) and positive operating cash flow.

Strategic acquisitions and investment

During the year the Group has been successful in completing three strategic acquisitions which have materially enhanced the scale of the Group's operations as well as the depth of its product offering. The acquisitions have created significant opportunities for cost synergies and margin enhancement, the benefits of which are already being partially delivered. In addition the Group also completed a 20% investment in LCC24.com.

The acquisition of Travelex.com in April 2002 tripled the UK's flights volume and facilitated access to a further 27 key airline relationships. The Group benefits from a business that was immediately earnings enhancing and generating positive operating cash flow.

With the acquisition of Destination Group in June 2002, the Group strengthened the lastminute.com product portfolio through tailor-made holiday solutions for clients for both long-haul destinations and city breaks. This UK based acquisition was also immediately earnings enhancing and generating positive operating cash flow.

The acquisition of Travelprice.com at the end of July 2002, continued lastminute.com's consolidation of the online travel and leisure sector in Europe. The Travelprice.com Group was one of the largest independent online travel and leisure providers in France, Italy, Spain and Belgium. The Group will obtain significant benefits from this combination which has reinforced our position as the leading online French and Italian travel and leisure business.

In June 2002, the Group formed a strategic partnership in Germany with LCC24.com,

with a view to creating the largest online German travel agency. The Group's 20% investment in LCC24.com strengthens the already established position of lastminute.com GmbH with offline and in-store marketing in LCC's 400 German franchised travel agencies in 300 major cities. LCC24.com commenced operations in October 2002 and is providing access to 4 million customers and exclusive products.

Additionally, in November 2002 the Group announced the acquisition of Exhilaration Incentive Management Limited for an initial consideration of £1.0 million, satisfied wholly in new lastminute.com plc shares. This acquisition adds scale to the lifestyle category of lastminute.com and provides an excellent platform for international expansion.

On all key independent metrics lastminute.com remains the leading online travel and leisure provider in Europe.

Business performance

The strategic changes and transformation delivered this year are clearly reflected in our financial results. Departure based total transaction value (TTV) for the year has grown from £124.2 million to £246.0 million for the year ended 30 September 2002, an increase of 98%. The final quarter, the most important for the key travel sector, saw TTV of £112.4 million (Q4 2001: £46.9 million), an increase of 84% over the third quarter of this year and a 140% increase over the equivalent period last year.

We have also delivered for the first time in Quarter 4 profit before taxation (pre exceptional items and goodwill amortisation) of £0.3 million, Group EBITDA of £2.8 million and positive operating cash flow of £0.4 million.

Board

I would like to take this opportunity to thank Linda Fayne Levinson who stepped down from the Board in August 2002. Linda had been a Non-Executive Director of the Company since February 2000 and in that time added significant value to the growth of lastminute.com.

Vimal Khosla, previously Chief Executive of Travelex.com, has joined the Board as an Executive Director from April 2002. Vimal brings a wealth of experience from the travel and airline industry.

Outlook

lastminute.com has established itself as a major international lifestyle e-commerce retailer with a formidable brand, varied product offering and strong relationships with key suppliers. It now operates in 12 countries with a market leading position in Western and Southern Europe.

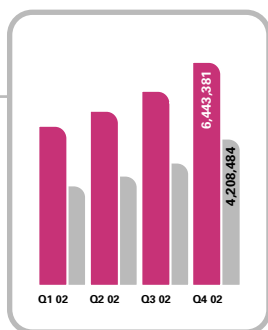
The new financial year has started strongly and we are confident of another year of sustained and improving performance as we continue to rapidly increase our scale and presence in our targeted markets and sectors.



Allan Leighton

Chairman

22 November 2002



Registered subscribers

■ Comparative 2001 figures

Operational review

In the third full year of trading the Group has advanced further towards our vision of becoming the number one European e-commerce lifestyle player by delighting our customers with great value inspirations and solutions. Our vision today remains the same as at inception, however, the business now benefits from the economies of scale following the delivery of high organic and acquisitive growth in all core countries.

Geographic expansion

During the year we have consolidated our position as the leading European online provider of travel and leisure solutions by a number of strategic acquisitions and a strategic investment.

In Europe we completed the acquisition of Travelprice.com at the end of July 2002. This acquisition has extended our markets to include Belgium as well as deepening our presence in France, Italy and Spain.

Additionally in Europe in June 2002, we completed an investment in LCC24.com. LCC24.com is the online vehicle for Lufthansa City Center (LCC), the largest independent offline travel agency in Germany with a turnover of in excess of €1.6 billion annually. LCC have committed to convert 5% of their annual sales to online booking. lastminute.com provides the website technology for LCC24.com.

In the UK, our major market, we completed the acquisitions of Travelselect.com and the Destination Group in April and June 2002 respectively. These acquisitions add substantially to the overall scale of the travel components of lastminute.com UK.

In certain countries our strategy is for the Group to develop joint ventures with strong local travel partners. In addition to the existing joint ventures in Australia, South Africa and Spain, we announced the completion of a joint venture in Japan partnering lastminute.com with two of Japan's largest travel operators and other strategic partners. The Japanese site went live in June 2002. The site is operated as

a partnership with Kinki Nippon Tourist Co. Ltd., Nippon Travel Agency Co. Ltd., Mitsubishi Corporation/MC Capital Fund, Credit Saison Co. Ltd and Japan Efund. The Japanese site had over 65,000 subscribers at 30 September 2002.

Our Australian joint venture partner has recently begun trading in New Zealand, extending lastminute.com services to that market.

Overall the acquisitions and joint ventures have further consolidated our position in the online travel and leisure markets and extended our reach to 12 countries.

Integration of acquisitions

The integration of Travelselect.com and Destination Group with lastminute.com's travel categories was completed just prior to the end of the financial year. The fully integrated travel unit is now operating under a single management structure and from a single site based in Farringdon, London.

Following the acquisition of Travelprice.com at the end of July 2002, we have fundamentally changed the nature and focus of the business and implemented a single French management team responsible for delivery of the integration of the businesses as well as delivery of the synergies. The integration is proceeding as planned and is on course for completion by 28 February 2003 when we expect the majority of the team to be relocated at a single operating unit based just outside Paris. We will also utilise a single technology platform from this date. We anticipate that

full year synergies of approximately €10 million will arise following completion of the integration.

Increasing brand recognition

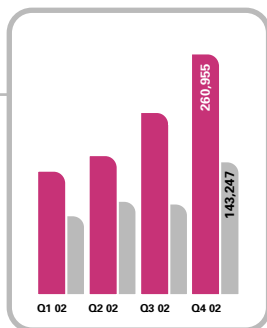
Four years from inception the lastminute.com brand continues to exhibit substantial growth. The number of subscribers receiving our weekly newsletters has increased to over 6.4 million at 30 September 2002, a growth of 53% compared with 30 September 2001.

We continue to use the brands of the companies acquired during the year as they have independent brand collateral. We actively promote and invest in the lastminute.com umbrella brand through ongoing marketing campaigns, links on the homepage, pop ups and special offers.

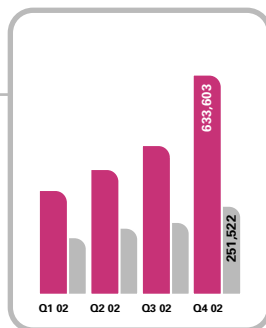
lastminute.com is recognised as the clear number one online travel and leisure brand in Europe.

Product focus through Global Product Lines

During the year we have introduced a new Global Product Lines structure across the key categories of Flights, Hotels and Tour Operating. These categories are now centrally managed across all countries and markets, thus enabling us to drive rapid growth in these areas through improved processes. This structural change has led to the implementation of a number of efficiencies across the business, while respecting local customer sensitivity. Managing product supply at a global level allows us to maximise our purchasing power with suppliers, drive group wide



New unique customers
 ■ Comparative 2001 figures
 Total 2001: 426,139
 Total 2002: 741,441



Items sold
 ■ Comparative 2001 figures
 Total 2001: 806,155
 Total 2002: 1,719,362

strategy, develop key categories and improve back office efficiencies, all of which benefit our customers. The operational and technical functions are also now focused to support these Global Product Lines.

Strengthening our product offering

An important factor in enhancing our value to customers is the expansion of our product range in all categories. This development has been assisted by the implementation of the Global Product Lines structure which over the past year has deepened relationships with existing suppliers and added key new suppliers to our offering. The enhancement of multiple relationships has been achieved via our acquisitions in Europe – with Travelselect.com extending access to a further 27 key airline relationships, Destination Group extending our relationships with hoteliers and car-hire suppliers and Travelprice.com expanding our supplier reach in Europe. We are able to provide suppliers with a ‘tool-kit’ of options for selling product at the last minute – through the push of our email or special merchandising promotions, through our search functionality and through auctions. We believe these mechanisms allow suppliers to achieve the best possible yield for their products. As our position in Europe has consolidated, our supply relationships have become more meaningful and have delivered unbeatable deals to the customer. In every category we have built exclusive value products that drive customers on-line to purchase.

Deepening supplier relationships

At 30 September 2002 we had approximately 14,500 individual supplier relationships. An important element of our success has been our ability to demonstrate to suppliers that we are able to manage their excess inventory. Our new supplier extranets for our Hotels and Holidays categories allow suppliers to upload their own products into our database thus creating back office efficiencies for lastminute.com and a more streamlined process for suppliers. We

continue to leverage our strong track record to maintain the relationships with industry leaders across all categories.

Improved customer support and services

In September 2002 we announced the completion of a contract with 7C (Holdings) to outsource our UK data entry and a proportion of post sales customer support. We continue to have locally based customer support and service teams for our European operations that deal with all direct sales related enquiries arising from our website, press coverage and marketing activities. Our customer support staff are multilingual and all communication is conducted in the relevant home country language. Our customer support policy aims to ensure that customer e-mails are answered within two hours, if received during working hours, and overnight if received outside of working hours.

The commercial outsourcing arrangement with 7C (Holdings) has the benefit of converting costs that are predominantly fixed into a variable cost thus providing added flexibility. In addition, we anticipate that cost savings of at least £2 million in a full financial year will arise as a result of this arrangement.

Technology investment and enhancements

Improved technology continues to make a major impact on the speed and user friendliness of our website. In order to maintain our competitive advantage we continue to innovate and invest approximately £15 million annually in technology. This investment ensures we stay ahead of competitors by delivering a superior customer experience and by providing further functionality for suppliers. lastminute.com also benefits from this investment through improved cost efficiencies. The efficiencies delivered during the year ended 30 September 2002 have contributed significantly to the delivery in Quarter 4 of profit before

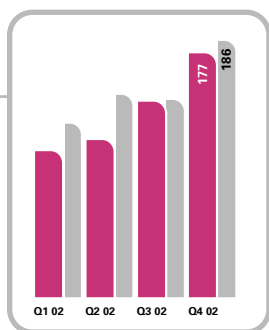
taxation (pre exceptional items and goodwill amortisation), significant Group EBITDA and positive operating cash flows.

During the year we signed a contract with COLT to build an advanced hosting and network management solution to enable the Group to meet increasing customer demand. The design is now more technically robust and is distributed over two Internet Solutions Centres, which has increased the reliability of the system and boosted the capacity to handle traffic by an anticipated 400%. This development enables browsers to reach lastminute.com continuously and ensures that the service is significantly faster.

With the exception of Travelprice.com which was acquired at the end of July 2002, we have integrated all legacy technology platforms so that sites now run on a single system enabling us to further reduce technology spend and achieve a greater return on investments. The integration of Travelprice.com is proceeding to plan and the migration to the lastminute.com technical platform is scheduled to occur by the end of February 2003.

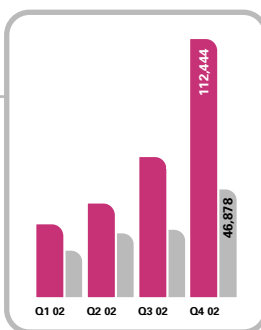
Throughout the year we have continued to improve the speed and stability of the site and introduced several enhancements to improve the customer experience thus contributing to increased conversion in every quarter.

Improved performance enhances our ability to attract and retain users, strengthen our identity and increases the sales of products through our websites. By listening to and understanding our customers’ needs we continue to apply more functionality, user tools, information and process automation to the lastminute.com experience. These elements enhance the customer experience and drive the key metrics and efficiencies across our business.



TTV per item sold (£)

■ Comparative 2001 figures



TTV (£'000s)

■ Comparative 2001 figures

Total 2001: 124,210

Total 2002: 245,971

Efficiency gains

We have completed the design and development of extranets in the Holidays and Hotels categories. These have delivered improved back office processes, a more efficient interface with suppliers and a more reliable "real time" service for customers. The integration of Degriftour, Travelselect.com and Destination Group technology, supplier relationships and back office processes have all been completed by 30 September 2002 and are starting to produce cost savings. We are insourcing our weekly newsletter distribution which will further contribute to cost reductions.

Conversion

During the year we developed new functionality to enable a new purchase system called "Fastbuy". This allows customers to streamline the purchasing process by prompting them with their payment and delivery options with pre-populated fields on the purchase page. This information is easy to amend on a purchase-by-purchase basis. This new process ensures customers can purchase quickly and easily. Throughout the year these improvements have contributed to us consistently improving the customer conversion rate to 22.6% by 30 September 2002 (30 September 2001: 13.9%).

Flights booking engine

The acquisition of Travelselect.com has provided the Group with a new flights booking engine, "Travelselector". This has been developed by Travelselect.com over a number of years and its adoption across the Group benefits customers through improved search capabilities, flight options and a simpler more user-friendly online experience.

New platforms

One of lastminute.com's stated aims is to offer customers the right product at the right time on the right communications device. During the past year we have continued to invest in technology to enable us to do so. In May 2002 we announced the

launch of our European voice automated hotel reservation service. We believe this is the first application of its type in the world and allows customers who are not near a PC to book selected hotels listed on our website automatically by telephone. We have called this service "Hotels on the move".

Personalisation

We have also enabled registered customers to customise their personal homepage ("mylastminute.com") using technology that stores personal preferences and prompts the display of products and services that are relevant to an individual's needs and lifestyle. We are also benefiting from the implementation of the e.piphany platform and as a result now regularly send over 170 targeted weekly newsletters to in excess of 2.5 million subscribers in the UK. This software will be implemented in all markets over the coming year. The ability to target offers to particular customers or geographic areas ensures that subscribers receive information relevant to them. The e.piphany platform enables us to run targeted e-mail campaigns. These targeted messages have improved click through rates which are over 30% higher than those achieved on non-targeted messages.

Dynamic packaging

lastminute.com's tour operating businesses have been transformed by the acquisition of Destination Group, which has extensive expertise in tour operating both for short European city breaks and long haul holidays. The acquisition has also accelerated the delivery of 'dynamic packaging' where customers can tailor-make their own holiday by selecting from a menu of flights and hotels products. The second phase of this functionality will be introduced before the end of 2002.

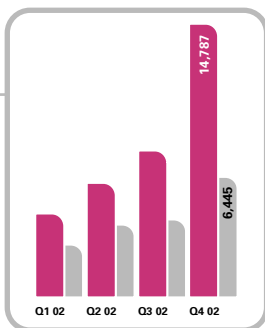
Through the further investment in technology, 2003 will see the completion of additional phases in the launch of dynamic packaging which should contribute to improvements in gross margin as well as

providing greater flexibility for customers. The integration of Travelprice.com is planned to be completed by the end of February 2003, including the migration of the Travelprice.com technology platform to the lastminute.com platform, thus achieving a single groupwide platform.

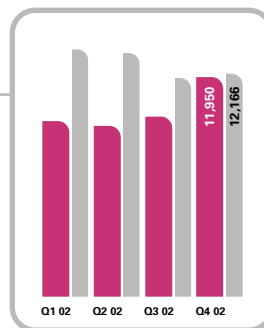
Brent Hoberman
Chief Executive Officer

Martha Lane Fox
Group Managing Director

22 November 2002



Gross profit (£'000s)
■ Comparative 2001 figures
■ 2002 figures
Total 2001: 17,204
Total 2002: 33,264



Cash costs (£'000s)
■ Comparative 2001 figures
■ 2002 figures
Total 2001: 50,794
Total 2002: 40,590

Financial review

During the year ended 30 September 2002 we successfully delivered significant organic total transaction value and gross profit growth as well as enhancing this growth, through the contributions from key acquisitions.

We have also succeeded in reducing our like-for-like year-on-year cash cost base by £13.2 million. This achievement has exceeded the commitment made at the end of the last financial year to reduce the cash cost base by £10.0 million.

We are also delighted that for the first time the Group has delivered profit before tax (pre exceptional items and goodwill amortisation) of £0.3 million, Group EBITDA of £2.8 million and positive operating cash flow of £0.4 million in our key Quarter 4.

The consolidated profit and loss account and cash flow for the year includes the post acquisition results of the businesses acquired during the year. The results of Travelselect.com, Destination Group and Travelprice.com have been included from April 2002, June 2002 and the end of July 2002 respectively.

Total transaction value (TTV), turnover and gross profit

TTV, turnover and gross profit showed substantial increases during the year under review with the increases being driven by strong organic growth as well as by contributions from acquisitions. This organic growth has been achieved from increased conversion of registered subscribers to customers, increased average spend per item sold as well as the expansion of products and services available to our customers.

TTV

TTV of products and services sold through our websites and other electronic platforms

for the year ended 30 September 2002 was £246.0 million, representing an increase of 98% over TTV for the prior year of £124.2 million.

Organic like-for-like TTV growth for the Group was 55% during the year. Our most established country, the UK, achieved annual like-for-like TTV growth of 101% which clearly demonstrates that four years from launch, the business model continues to work increasingly well. The French travel market took longer than the UK market to recover from the effects of 11 September 2001. This was reflected in the lower organic growth rates achieved in our French business in the first and second quarters of the year. Overall the French business grew 13% organically during the financial year. The acquisition of Travelprice.com, which derives in excess of 70% of its business in France, has already started to contribute to further growth in the French market.

TTV during Quarter 4 in the UK grew organically by 73% and in France by 43%. Overall the Group achieved organic growth of 55% during this key Quarter.

Turnover

Total turnover for the year was £35.1 million, representing an increase of 90% over the previous year (2001: £18.4 million).

Total cost of sales for the year amounted to £1.6 million (2001: £1.2 million). The low level of cost of sales relative to TTV and turnover continues to reflect the minimal level of risk carried by the Group.

Gross profit

Gross profit for the year was £33.3 million, an increase of 93% over last year (2001: £17.2 million).

Gross profit principally consists of commissions earned on products and services sold, including airline tickets, hotel room reservations, package holidays, tickets to entertainment events, restaurant reservations and gifts. During the year the Group has continued to be successful in substantially increasing the income earned from sponsorship and advertisements placed on our websites.

Our margins have remained relatively stable at 13.5% for the year compared with 13.9% delivered last year. The overall margin reflects the continued benefit of the significant advance in margins seen during the previous financial year. The trend of margins achieved during the year reflects the mix impact of the differing margins generated by the acquired businesses. The contribution from the sale of flights by Travelselect.com is generally at lower margins. However, these are offset by the stronger margins earned from the sale of packages and car hire derived from the Destination Group. We continue to be successful in securing strong contributions to margins from advertising and sponsorship revenues as well as enhancing margins through improved relationships and arrangements with suppliers brought about through scale and negotiation.

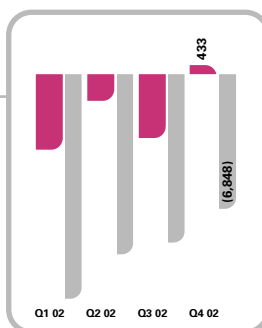


EBITDA (£'000s)

■ Comparative 2001 figures

Total 2001: (33,590)

Total 2002: (7,326)



Operating cash flow (£'000s)

■ Comparative 2001 figures

Total 2001: (35,968)

Total 2002: (7,979)

Operating costs

Product development costs

Total product development expenses for the year, before any charges for depreciation, were £6.1 million, a decrease of 22% from £7.8 million the previous year. The reduction in total product development costs year-on-year reflects the benefit from ongoing cost control measures. The like-for-like cost reduction was significantly greater as the £6.1 million includes product development costs arising in the acquired businesses. These expenses consist of the costs associated with maintaining the technology platform, personnel costs, web hosting fees, software licence fees and other expenses associated with the ongoing operation of the website and associated electronic platforms.

Sales and marketing costs

Total sales and marketing expenses for the year were £21.9 million, a decrease of 19% from £27.2 million last year. This decrease was significant as it was achieved despite the additional costs arising from the acquired businesses as well as the growth in the scale of the business generally. The reduction in sales and marketing costs year-on-year has been delivered through the use of more efficient marketing techniques, such as viral campaigns and further online activities. As a proportion of TTV, sales and marketing costs have fallen from 22% to 9% as we continue to leverage our largely fixed cost base across a wider income stream. We anticipate further efficiency gains will flow from our decision, announced in September 2002, to outsource UK data entry and a proportion of post sales customer support.

General and administration costs

General and administration costs for the year, before any charges for depreciation, decreased by 20% from £15.8 million in the year to 30 September 2001 to £12.6 million, falling as a percentage of TTV from 13% to 5%. Efficiency improvements are beginning to be derived from the new Oracle financial reporting system which was implemented in three countries shortly before year end. The roll-out of this software to the rest of the Group is scheduled to be completed during the course of the new financial year and will provide benefits through further operational efficiencies, consistent systems as well as enhanced financial reporting.

Operating costs before depreciation and goodwill amortisation

The overall trend for like-for-like operating costs has shown a reduction each quarter throughout the year. This reduction again reflects management commitment to progressively reduce the overall cost base of the business as we move forward towards profitability. Like-for-like operating costs before depreciation and goodwill

amortisation reduced by £13.2 million year-on-year.

EBITDA

The Group's EBITDA loss before exceptional items fell from £33.6 million for the year ended 30 September 2001 to £7.3 million for the year ended 30 September 2002. The reduced loss reflects the increased scale of contribution from the Group's gross profit which has almost doubled during the year as well as substantial reductions in the operating cash cost base which has fallen by approximately 25%. During Quarter 4 the Group delivered £2.8 million of EBITDA (Q4 2001: loss £5.7 million).

The reported profit/(loss) before taxation, exceptional items and goodwill amortisation shows significant improvement during the course of the year, moving progressively from a loss of £7.2 million in Quarter 1 2002 to a profit of £0.3 million in Quarter 4 2002.

Depreciation

Depreciation charges relate to the depreciation of computer systems, equipment and computer software. Charges have increased by 12% to £9.8 million during the year, as expected, reflecting the depreciation of the ongoing investments in the technical infrastructure and the inclusion of depreciation from the acquired entities (2001: £8.7 million).

Goodwill amortisation

During the year goodwill amortisation totalled £18.8 million (2001: £14.7 million). The increase reflects the amortisation of goodwill relating to the acquisitions of Travelselect.com, Destination Group and Travelprice.com and the investment in LCC24.com. Goodwill is being amortised over a four year period from the date of acquisition or investment.

Exceptional items

Following the acquisition of the Travelprice.com Group, the nature and focus of our combined operations in France and Italy are being fundamentally restructured, including moving to a single technology platform, the introduction of a more efficient management structure and restructuring our call centre and operating locations. The costs relate principally to redundancy and surplus property costs. An exceptional charge of £3.1 million has been expensed in Quarter 4 2002.

Loss on ordinary activities before taxation

The loss on ordinary activities before taxation for the year has been reduced to £38.1 million (2001: £53.7 million). The loss for the year includes a share of the operating profit and losses (net loss £0.4 million) from the joint ventures operated in Australia, South Africa, Spain and from June 2002, Japan.

Loss per share

The loss per share for the year to 30 September 2002 was 20.15p (2001: loss 31.50p). The loss 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 2002 the net cash position of the Group increased to £49.6 million from £46.6 million as at 30 September 2001. Cash is placed on deposit with AAA/AA rated credit institutions and earns competitive rates of interest.

During the year we have successfully reduced the cash outflow such that by Quarter 4 2002, our seasonally strongest quarter, we delivered positive operating cash inflow of £0.4 million. Included within this inflow are outflows of approximately £0.4 million relating to exceptional items. This is a significant milestone for the Group and has been achieved through contributions from the increased scale of operations together with strong working capital management which has seen underlying trade debtors decline year-on-year.

Had the acquisition of Travelprice.com occurred at the beginning rather than at the end of July, the Quarter 4 operating cash inflow would have amounted to over £3.2 million.

Financing

The Group issued ordinary shares during the year to acquire 100% of Travelselect.com, Destination Group and Travelprice.com in April, June and August 2002 respectively. The Group also issued shares relating to its 20% investment in LCC24.com. Post year-end, we issued a further 955,110 new shares to acquire 100% of the share capital of Exhilaration Incentive Management Limited. The Group finances its operations through the holding of short term funds.

Treasury policy and risk management

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 transactional currency exposure on any significant US Dollar transactions.



David Howell
Chief Financial Officer
22 November 2002

Board of directors

1. Allan Leighton

Chairman

Aged 49. Allan was appointed Chairman of the Company in October 2000. He previously served as President and Chief Executive Officer of Wal-Mart Europe. He worked at Asda Group from June 1992 to November 2000 and was Group Chief Executive from 1996 to 2000. Allan is also the Chairman of Royal Mail Group plc, British Home Stores Limited, Cannons Group and Wilson Connolly Limited, Deputy Chairman of Leeds Sporting PLC and a Non-Executive Director of BSKyB PLC, Dyson Limited and George Weston Limited.

2. Brent Hoberman

Chief Executive Officer

Aged 33. Brent is the Chief Executive Officer of the Company. He was the Co-Founder of lastminute.com and has been an Executive Director of the Company since February 2000 and of Last Minute Network Limited since inception in April 1998. Previously Brent was a Senior Associate at Spectrum Strategy Consultants and held the business development responsibilities at Line One, an internet service provider owned by News International, British Telecom and United News & Media. Brent was also part of the founding team of the European auction site, QXL.

3. Martha Lane Fox

Group Managing Director

Aged 29. Martha is Group Managing Director of the Company. She was the Co-Founder of lastminute.com and has been an Executive Director of the Company since February 2000 and of Last Minute Network Limited since inception in April 1998. From May 1997 to April 1998 she was Business Development Manager at Carlton Communications. Prior to that she was an Associate at Spectrum Strategy Consultants, where she specialised in pay television and managed teams both in the UK and Asia.

4. David Howell

Chief Financial Officer

Aged 53. David was appointed Chief Financial Officer and an Executive Director of the Company in July 2001. Prior to this appointment he was Group Finance Director of First Choice Holidays PLC between 1997 and 2001. Previously David was Group Finance Director of Central Transport Rental Group PLC and Group Chief Executive of GN Comtext Limited, a subsidiary of GN Great Nordic. Since 1999 David has also acted as a Non-Executive Director of Nestor Healthcare Group PLC.

5. Vimal Khosla

Director, Global Flights

Aged 53. Vimal is Director of Global Flights and was appointed an Executive Director of the Company in April 2002. Vimal has been in the travel industry for over 30 years and was co-founder, major shareholder and Chief Executive of Globepost Limited and Travelselect.com Limited prior to the acquisition of these companies by lastminute.com in April 2002.

6. Bob Collier *+

Vice Chairman and Non-Executive Director

Aged 62. Bob has been Vice Chairman and a Non-Executive Director of the Company since February 2000, and was previously a Director of Last Minute Network Limited from October 1998. He previously served as a Vice-Chairman of Saison Overseas BV, the former parent company of Intercontinental Hotels Group, after serving as Joint Managing Director of Intercontinental Hotels Group from 1994 to 1997. He is Non-Executive Chairman of both Bristol Golf Club Ltd and Myhotels Limited, and is also a Non-Executive Director of Green Globe Limited, London Wasps Holdings PLC, Daniel Thwaites Plc and Pegasus Solutions Inc

7. Laurent Laffy *+

Non-Executive Director

Aged 40. Laurent has been a Non-Executive Director of the Company since February 2000, and was previously a Director of Last Minute Network Limited from June 1998, serving as Chairman from June 1998 to November 1998. He is a Partner of Arts Alliance Advisors, which acts as an investment advisor to Cheetah International Investment Limited. Laurent currently serves on the boards of Asserta Holdings Limited, Chateau-Online SA, Kiala SA, PrePay Technologies Limited, Servista.com Limited, Venture Capital Report Limited, Liberty TV.com and SmartJog SA.

8. Brian Collie *+

Non-Executive Director

Aged 48. Brian has been a Non-Executive Director of the Company since February 2000. He has been Group Retail Director and an Executive Director of BAA plc since 1997, responsible for all commercial income at BAA's airports globally, and was responsible for establishing World Duty Free, the international duty free subsidiary of BAA; he was previously Retail Director at Gatwick Airport. Brian is Chairman of World Duty Free plc.

+ Member of Remuneration Committee

* Member of Audit Committee

Summary Directors' report

The full Directors' report is set out on page 16 of the Group's annual report.

Principal activities

The principal activities and review for the year are contained on pages 1 to 6.

Dividends

The Directors recommend that no dividend be paid for the year ended 30 September 2002 (2001: nil). This is consistent with the intentions of the Group set out in the Listing Particulars relating to lastminute.com plc dated 1 March 2000.

Post balance sheet events

In November 2002 the Group announced the acquisition of Exhilaration Incentive Management Limited for an initial consideration of £1.0m, satisfied wholly by the issue of new ordinary shares in lastminute.com plc.

Directors and their interests

The names of the Directors at the date of this report, together with their biographical details, are set out on page 7. The interests of Directors in the ordinary shares of the

Company are given in the summary remuneration report on pages 8 to 10. All the Directors held office throughout the year other than Vimal Khosla who was appointed a Director on 8 April 2002. Pierre Alzon resigned as a Director on 21 November 2001 and Linda Fayne Levinson resigned as a Director on 28 August 2002.

In accordance with the Articles of Association, Vimal Khosla, who was appointed a Director during the year, retires at the Annual General Meeting and will offer himself for election. Vimal Khosla's biographical details are set out on page 7. In addition, Brent Hoberman, Martha Lane Fox, Robert Collier, Brian Collie and Laurent Laffy retire by rotation and, being eligible, will offer themselves for re-election at the Annual General Meeting.

Political and charitable donations

The Group made charitable donations of £nil during the year (2001: £5,000). No political donations were made during the year (2001: nil).

Auditors

Ernst & Young LLP acted as auditor to the Company throughout the year. A resolution to reappoint Ernst & Young LLP as the Company's auditor will be proposed at the forthcoming Annual General Meeting.

Annual general meeting

The Annual General Meeting of the Company will be held at Arundel House, 13-15 Arundel Street, London, WC2R 3DX on Thursday 6 March 2003 at 10.00 am. The notice of meeting is set out on pages 15 and 16.

By order of the Board



Simon A. Watkins

Secretary
22 November 2002

Summary remuneration report

The Remuneration Committee is responsible for developing policy on remuneration for Executive Directors and senior management and to determine specific remuneration packages for each of the Executive Directors. No Director is involved in deciding his or her own remuneration. Brian Collie has been Chairman of the Committee since 6 August 2002, with Bob Collier and Laurent Laffy as Committee members; they are all Non-Executive Directors. Laurent Laffy was appointed to the Committee on 6 August 2002; Linda Fayne Levinson was Chairman of the Committee until 6 August 2002.

The objective of the remuneration policy is to provide a remuneration package which is competitive to attract, motivate and retain Directors and senior management of high calibre.

The main components of the remuneration package are:

1. Salary and benefits

The Committee reviews the salary for each Executive Director on an annual basis; there is no automatic adjustment in respect of inflation. During the year, the salaries of Martha Lane Fox and Vimal Khosla were increased to bring them into line with market rates. Benefits comprise life assurance, permanent health and private medical insurance.

2. Annual bonus

Neither Brent Hoberman nor Martha Lane Fox have contractual arrangements to participate in the Group's annual bonus scheme; the payment of any bonus will be determined by the Committee having regard to the Company's performance. David Howell is entitled to a discretionary

annual bonus of up to 30% of base salary depending on specific targets set for each year; the targets for the current financial year include meeting Group financial targets and business objectives in addition to individual performance objectives. Any bonus paid may be in the form of cash or allocated as a grant of share options at the option of the Director. Vimal Khosla has no contractual bonus entitlement.

3. Pensions

In line with the standard employee remuneration package, the Company provides each Executive Director with a salary supplement of 14% of basic salary, which may be taken in cash or by way of a contribution to their individual pension arrangements.

Summary remuneration report continued

4. Share options

The Company currently operates five employee share schemes in which all employees and Directors in the Group can participate, and one scheme which has been utilised to grant options to some Non-Executive Directors. Options are viewed as an integral part of the total remuneration package for all employees. Directors and senior executives may be granted initial enhanced option grants as part of the negotiation of their overall remuneration package on joining. As the current schemes are applicable to all employees there are no performance conditions attaching to the options.

5. Service agreements

Brent Hoberman and Martha Lane Fox have service agreements with the Company dated 24 February 2000, David Howell has a service agreement with Last Minute Network Limited dated 21 June

2001 and Vimal Khosla has a service agreement with Last Minute Network Limited dated 8 April 2002. The agreements may be terminated by either the Director or the respective company by giving six months' notice in the case of Brent Hoberman, Martha Lane Fox and David Howell, and by giving four months' notice in the case of Vimal Khosla. With the exception of the payment of any salary and benefits and any accrued bonus for David Howell, for the six month notice period, no further compensation is payable on any termination of contract.

Pierre Alzon had an employment contract with Voyages Sur Mesures dated 15 July 1992. Pursuant to an agreement dated 19 September 2001, the employment contract terminated on 18 December 2001. Full details of the compensation payable to Pierre Alzon are given below.

6. Non-Executive Directors

All Non-Executive Directors have letters of appointment from the Company. Allan Leighton receives reimbursement for reasonable expenses. Brian Collie, Laurent Laffy and Bob Collier receive fees of £20,000 per annum with effect from 1 July 2002, with the recommendation that all post tax income be used to purchase shares in the Company; prior to this date Bob Collier received fees equal to £500 per month.

Directors' remuneration

The remuneration of the Directors was as follows:

	Basic salary and fees £	Cash supplement in lieu of pensions £	Bonus £	Benefits £	Total 2002 £	Total 2001 £
Executive Directors:						
Brent Hoberman	150,000	21,000	–	1,930	172,930	173,295
Martha Lane Fox	126,583	17,722	–	1,902	146,207	137,589
David Howell	140,000	19,600	35,000	565	195,165	39,965
Vimal Khosla	39,600	–	–	825	40,425	–
Pierre Alzon ¹	–	–	–	–	–	138,051
Non-Executive Directors:						
Bob Collier	9,500	–	–	–	9,500	6,000
Brian Collie	5,000	–	–	–	5,000	–
Laurent Laffy	5,000	–	–	–	5,000	–

¹In addition to his emoluments paid during employment, Pierre Alzon received a total of £102,877 compensation payable as a result of the termination of his employment contract. This amount was fully accrued and disclosed within the year to 30 September 2001.

No other bonuses were paid during the year.

The Company does not remunerate any other Director for services on the Board of Directors or any Committee of the Board.

The highest paid Director was David Howell whose emoluments are shown above.

Summary remuneration report continued

Directors' interests in shares

The Directors' beneficial interests in the ordinary shares of the Company were as follows:

	30 September 2002	1 October 2001 (or date of appointment if later)
	Number	Number
Brian Collie	19,155	19,155
Bob Collier	13,157	13,157
Brent Hoberman	15,836,133	15,836,133
Vimal Khosla	6,457,423	6,457,423
Laurent Laffy ¹	17,738,065	25,738,065
Martha Lane Fox	10,207,879	10,207,879
Allan Leighton	197,273	197,273

¹Laurent Laffy is a partner in Arts Alliance Advisors, investment advisor to Cheetah International Investments Limited which has an interest over 17,738,065 (2001: 25,738,065) ordinary shares. He disclaims beneficial ownership of these shares, except for his proportional interest over 45,600 of these shares.

No other Director has any interest in ordinary shares.

Share options

The Directors' interests in share options over ordinary shares were as follows:

	Exercise Price	At	Granted	At	
	Pence	30 September	during year	30 September	Exercisable
		2001	Number	2002	until
		Number	Number	Number	
Executive Directors:					
Brent Hoberman	2.31	151,335	–	151,335	28 June 2008
Martha Lane Fox	2.31	129,675	–	129,675	28 June 2008
David Howell	34.00	1,000,000	–	1,000,000	3 July 2011
	48.00	–	19,791	19,791	1 December 2005
Vimal Khosla ¹	61.25	–	600,000	600,000	8 April 2012
Non-Executive Directors:					
Bob Collier	2.31	320,625	–	320,625	31 October 2008
Allan Leighton	137.50	1,000,000	–	1,000,000	7 January 2011

¹Vimal Khosla has share options over 300,000 ordinary shares and an interest over an option granted to Gillian Khosla over 300,000 ordinary shares.

No options held by any current Director lapsed or were exercised during the year. The options are granted in accordance with the terms and conditions laid out in the 1998 Unapproved Executive Share Option Scheme, the 2000 Approved Executive Share Option Scheme, the 2000 Unapproved Executive Share Option Scheme, the Non-Executive Share Option Scheme 2000 and the Sharesave Scheme.

The market price of the Company's shares on 30 September 2002 was 88.5p and the high and low share prices during the year were 102.0p and 19.0p respectively (2001: 140.0p and 19.5p).

There have been no changes in the interests of the Directors since 30 September 2002. Full details of Directors' shareholdings and options are contained in the Register of Directors' Interests which is kept by the Company and is open to inspection in accordance with the provisions of the Companies Act 1985.

Summary financial statements

These summary financial statements which comprise the summary Directors' report on page 8, the summary remuneration report on pages 8 to 10 and the financial information on pages 12 to 14, are a summary of the information in the annual report and financial statements of lastminute.com plc. They do not contain sufficient information to allow a full understanding of the results of the Group and state of affairs of the Company or of the Group. For further information, the full annual report and financial statements and

the report of the auditors on those financial statements should be consulted. Copies of the full annual report for the year ended 30 September 2002 are available, free of charge, from the Group Company Secretary, lastminute.com plc, 4 Buckingham Gate, London, SW1E 6JP.

The auditors have reported on the full financial statements, their report was not qualified and did not contain statements under section 237(2) or 237(3) of the Companies Act 1985.

Auditors' statement to the shareholders of lastminute.com plc

We have examined the Group's summary financial statements for the year ended 30 September 2002 which comprise the Consolidated profit and loss account, Consolidated statement of total recognised gains and losses, Consolidated balance sheet, Company balance sheet, and Consolidated statement of cash flows.

Respective responsibilities of Directors and Auditors

The Directors are responsible for preparing the annual review and summary financial statements in accordance with applicable law.

Our responsibility is to report to you our opinion on the consistency of the summary financial statements within the annual review and summary financial statements

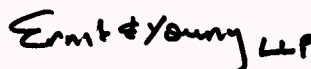
with the full annual accounts and Directors' report, and its compliance with the relevant requirements of section 251 of the Companies Act 1985 and the regulations made thereunder. We also read the other information contained in the annual review and summary financial statements and consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the summary financial statements.

Basis of opinion

We conducted our examination in accordance with Bulletin 1999/6 'The auditors' statement on the summary financial statement' issued by the Auditing Practices Board for use in the United Kingdom.

Opinion

In our opinion the summary financial statements are consistent with the full annual accounts and Directors' report of lastminute.com plc for the year ended 30 September 2002 and complies with the applicable requirements of section 251 of the Companies Act 1985, and regulations made thereunder.



Ernst & Young LLP
Registered Auditor
London
22 November 2002

Consolidated profit and loss account for the year ended 30 September 2002

	Year ended 30 September 2002 £'000s	Year ended 30 September 2001 £'000s
Total transaction value (TTV)¹	245,971	124,210
Turnover		
Group and share of joint ventures	35,077	18,416
Less share of joint ventures	(187)	(47)
Continuing operations:		
Ongoing	27,816	18,369
Acquisitions	7,074	–
Group turnover	34,890	18,369
Cost of sales	1,626	1,165
Gross profit	33,264	17,204
Operating costs		
Product development	6,081	7,800
Sales and marketing	21,932	27,207
General and administration	12,577	15,787
Operating costs before depreciation and goodwill amortisation	40,590	50,794
EBITDA	(7,326)	(33,590)
Depreciation	9,781	8,744
Goodwill amortisation	18,666	14,660
Total operating costs	69,037	74,198
Operating (loss)/profit		
Continuing operations:		
Ongoing	(36,843)	(56,994)
Acquisitions	1,070	–
Group operating loss	(35,773)	(56,994)
Share of operating loss in joint ventures	(413)	(196)
Share of operating loss in associate	(4)	–
Goodwill amortisation arising on the investment in an associate	(148)	–
Total operating loss: group and share of joint ventures	(36,338)	(57,190)
Continuing operations:		
Exceptional costs of a fundamental reorganisation	(3,094)	–
Loss on ordinary activities before interest and taxation	(39,432)	(57,190)
Interest receivable	1,419	3,480
Interest payable and similar charges	(62)	(36)
Loss on ordinary activities before taxation	(38,075)	(53,746)
Tax on loss on ordinary activities	(6)	158
Loss for the financial year and transfer from reserves	(38,081)	(53,588)
Loss per share – basic and diluted	(20.15)p	(31.50)p

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

Consolidated statement of total recognised gains and losses

for the year ended 30 September 2002

	Year ended 30 September 2002 £'000s	Year ended 30 September 2001 £'000s
Loss for the year excluding share of losses in joint ventures and associate	(37,516)	(53,392)
Share of joint ventures' loss for the year	(413)	(196)
Share of associate's loss for the year and amortisation of goodwill arising on investment in an associate	(152)	–
Gain on the establishment of joint ventures	–	202
Foreign currency translation difference	859	(414)
Total recognised gains and losses for the year	(37,222)	(53,800)

Balance sheets at 30 September 2002

	Group 2002 £'000s	Group 2001 £'000s	Company 2002 £'000s	Company 2001 £'000s
Fixed assets				
Intangible assets	81,457	43,992	–	–
Tangible assets	12,081	13,656	–	–
Investments				
Subsidiary undertakings	–	–	15,333	1,427
Joint ventures – gross assets	1,255	455	–	–
– gross liabilities	(396)	(78)	–	–
– total net assets	859	377	–	–
Associate	2,232	–	2,383	–
Total investments	3,091	377	17,716	1,427
Total fixed assets	96,629	58,025	17,716	1,427
Current assets				
Stocks	75	40	–	–
Debtors	16,101	11,173	132,082	118,604
Cash at bank and in hand	49,617	46,617	6	6,475
	65,793	57,830	132,088	125,079
Creditors: amounts falling due within one year	(53,690)	(26,400)	(342)	–
Net current assets	12,103	31,430	131,746	125,079
Total assets less current liabilities	108,732	89,455	149,462	126,506
Creditors: amounts falling due after more than one year	(42)	–	–	–
Provisions for liabilities and charges	(4,114)	(543)	–	–
Net assets	104,576	88,912	149,462	126,506
Capital and reserves				
Called up share capital	2,360	1,733	2,360	1,733
Share premium account	123,631	112,983	123,631	112,983
Shares to be issued	3,600	–	3,600	–
Merger reserve	99,848	61,892	–	–
Other reserves	6,439	6,384	3,899	6,384
Profit and loss account	(131,302)	(94,080)	15,972	5,406
Total equity shareholders' funds	104,576	88,912	149,462	126,506

These financial statements were approved by the Board of Directors on 22 November 2002.



David Howell
Director

Consolidated statement of cash flows for the year ended 30 September 2002

	Year ended 30 September 2002 £'000s	Year ended 30 September 2001 £'000s
Net cash outflow from operating activities	(2,706)	(31,079)
Cash outflow from exceptional item	(378)	–
Returns on investments and servicing of finance		
Interest received	1,419	3,480
Interest paid	(55)	(36)
Interest element of finance lease rental payments	(7)	–
Net returns on investments and servicing of finance	1,357	3,444
Taxation		
Overseas tax paid	(241)	–
Capital expenditure and financial investment		
Payments to acquire tangible fixed assets	(6,682)	(8,420)
Receipts from sale of tangible fixed assets	671	87
Net cash outflow before acquisitions and management of liquid resources and financing	(7,979)	(35,968)
Acquisitions		
Cash acquired with subsidiary undertakings	19,088	160
Payments to acquire subsidiary undertakings/joint venture ¹	(16,127)	(21,350)
Net cash outflow before management of liquid resources and financing	(5,018)	(57,158)
Management of liquid resources		
Increase in short-term deposits	(6,043)	(1,502)
Financing		
Issue of share capital	9,024	87
Share issue costs	(155)	–
Repayment of loan	(766)	–
Repayments of capital elements of finance leases	(85)	–
Decrease in cash	(3,043)	(58,573)

Reconciliation of cash flow to movement in net funds

	Year ended 30 September 2002 £'000s	Year ended 30 September 2001 £'000s
Movement in cash	(3,043)	(58,573)
Cash outflow from short-term deposits	6,043	1,502
Repayments of capital elements of finance leases	85	–
Changes in net funds resulting from cash flows	3,085	(57,071)
New finance leases	(282)	–
Net funds at the beginning of the year	46,617	103,688
Net funds at the end of the year	49,420	46,617

¹ Payments to acquire subsidiary undertakings/joint venture include £904,000 in respect of the investment in lastminute.com Japan Limited and £6,268,000 of deferred consideration in respect of the acquisition of Degriktour.

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 Thursday 6 March 2003 at 10:00 a.m. 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 2002.
- 2 To elect Vimal Khosla who was appointed a Director during the year.
- 3 To re-elect Brent Hoberman as a Director.
- 4 To re-elect Martha Lane Fox as a Director.
- 5 To re-elect Robert Collier as a Director.
- 6 To re-elect Brian Collie as a Director.
- 7 To re-elect Laurent Laffy as a Director.
- 8 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:

- 9 That:
 - (a) the Directors be generally and unconditionally authorised pursuant to and in accordance with Section 80 of the Companies Act 1985 to exercise all the powers of the Company to allot relevant securities up to an aggregate nominal amount of £996,880;
 - (b) such authority shall expire on the date of the next annual general meeting or on 6 June 2004, whichever is the earlier, and shall be in substitution for all previous authorities pursuant to the said Section 80, which are hereby revoked, without prejudice to any allotment of securities pursuant thereto;
 - (c) by such authority the Directors may make offers or agreements which would or might require relevant securities to be allotted after the expiry of such period; and
 - (d) for the purpose of this resolution, words and expressions defined in or for the purposes of the said Section 80 shall bear the same meanings herein.

To pass as a special resolution the resolution set out below:

- 10 That:
 - (a) subject to the passing of resolution 9 conferring authority under Section 80 of the Companies Act 1985 (the "Act"), the Directors be empowered to allot equity securities wholly for cash:
 - (i) in connection with an offer of such securities by way of rights to holders of ordinary shares in proportion to their respective holdings of such shares, but subject to such exclusions or other arrangements as the Directors may deem necessary or expedient in relation to fractional entitlements or legal or practical problems under the laws of, or the requirements of any regulatory body or any stock exchange in any territory or otherwise whatsoever; and
 - (ii) otherwise than in connection with a rights issue, up to an aggregate nominal amount of £120,731 as if Section 89(1) of the Act did not apply to any such allotment;
 - (b) such authority shall expire on the date of the next annual general meeting or on 6 June 2004, whichever is the earlier, and shall be in substitution for all previous disapplications of Section 89 of the Act, which are hereby revoked, without prejudice to any allotment of securities pursuant thereto;
 - (c) by such authority the Directors may make offers or agreements which would or might require relevant securities to be allotted after the expiry of such period.

Registered Office:

4 Buckingham Gate
London SW1E 6JP

By order of the Board



Simon Watkins

Company Secretary
24 January 2003

Notice of Meeting continued

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 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 4 March 2003.
- 3 Details of those directors seeking election or re-election are given on page 7, including membership of the principal committees. The details of the service agreements for the executive directors seeking election or re-election are set out in the Summary remuneration report on pages 8 and 9.
- 4 Copies of the Directors service agreements 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.

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

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.

Resolutions 3 to 7

Under the Company's articles of association, each Director must stand for re-election every three years. The Directors listed fall under these provisions and, being eligible, seek re-election.

Resolution 8

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 9 and 10

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 9, the Directors are seeking authority to issue shares of up to approximately one third of the nominal value of the issued share capital of the company plus unexercised share options as at 31 December 2002. Resolution 10 disapplies shareholder pre-emption rights over the allotment of certain shares for cash. The limit of resolution 10 is 5% of the nominal value of the issued share capital as at 31 December 2002. There are no current plans to allot shares other than in connection with employee share schemes.

Shareholder information

Registered Office

4 Buckingham Gate
London
SW1E 6JP
Company number 3852152

Registrar

Our Registrar should be contacted to advise change of address and also for any enquiries relating to lost share certificates or other enquiries relating to share registration. They can be contacted at:

Capita IRG Plc
Bourne House
34 Beckenham Road
Beckenham
Kent
BR3 4TU

Tel: 0870 162 3100 (if calling from the UK)
+44 20 8639 2157 (if calling from outside the UK)
Fax: +44 (0) 20 8639 2403
email: ssd@capita-irg.com

Further information is also available at <http://www.capita-irg.com>

American Depositary Receipts (ADR's)

The company has sponsored an ADR programme for which JP Morgan Chase Bank act as Depositary. Each ADR represents 5 ordinary shares of the Company. For enquiries, JP Morgan Chase Bank can be contacted at:

JP Morgan Service Center
PO Box 43013
Providence
RI 02940-3013
USA

Tel: +1 781 575 4328
Toll free (for US residents only): +1 800 428 4237

Further information is also available at <http://www.adr.com>

Website

Additional shareholder information including press releases can be found on the Group's Investor Relations website at www.lastminute.com/ir.



lastminute.com/entertainment



lastminute.com/eatin



lastminute.com/experiences

4 Buckingham Gate
London SW1E 6JP
tel (0)20 7802 4200
fax (0)20 7802 9300

lastminute.com plc