lastminute.com

NEWS RELEASE

For Immediate Release **10 February 2005**

QUARTER 1 FINANCIAL RESULTS FOR THE PERIOD ENDING 31 DECEMBER 2004

Focus remains on integration and profitable growth

Results highlights

- 80.4 per cent increase in Total Transaction Value to £264.4 million (quarter 1 2004: £146.6 million)
- Organic, pro-forma, like-for-like TTV growth of 30.4 per cent in the quarter
- Gross profit £43.7 million (quarter 1 2004: £25.0 million); gross margin 16.6* per cent for quarter 1 2005 (quarter 1 2004: 17.1 per cent)
- EBITDA loss £1.8 million (quarter 1 2004: loss of £1.1 million) reflecting an increase in the seasonality of the Group as a result of five acquisitions in 2004 financial year
- 2005 loss per share (pre goodwill amortisation) 2.84p (quarter 1 2004: loss of 1.78p). Loss before tax (pre goodwill amortisation) £9.6 million (quarter 1 2004: loss of £5.3 million)
- Overall net cash balances at 31 December 2004 £30.0 million (31 December 2003: £61.3 million).

* Includes £2 million recovery for prior year indirect taxes not recognised in 2004

Brent Hoberman, Chief Executive said:

"This is a solid set of results. We have delivered record TTV for the first quarter, partly achieved through acquisitions and partly through strong organic growth driven by enhancing the customer offering. In addition, our integration and cost reduction plans remain on track.

lastminute.com continues to benefit from the customer move from offline to online and independent booking and we remain a market leader across the major European markets."

Enquiries:

lastminute.com **+44 (0) 20 7802 4498**
Brent Hoberman – Chief Executive Officer
David Howell – Chief Financial Officer
Phil Clark – Investor Relations Director

The Maitland Consultancy **+44 (0) 20 7379 5151**
Neil Bennett
Emma Burdett
Brian Hudspith

High resolution photographs are available to media at www.vismedia.co.uk

An analyst conference call will take place at 9.30 am this morning. For further details please contact The Maitland Consultancy. The Quarter 1 presentation to analysts will be available for replay from noon GMT today, 10 February 2005, at www.lastminute.com/ir, the presentation will also be available on the website from shortly after 7.00 GMT today.

Notes to Editors:
About lastminute.com
lastminute.com, Europe's leading online independent travel and leisure group, operates directly in thirteen European countries and participates in two international joint ventures, providing travel and leisure inspirations and solutions to customers. At 31 December 2004 lastminute.com had over 9.8 million subscribers to its weekly newsletter. 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.

OPERATIONAL AND FINANCIAL REVIEW

Business Performance

The 2005 financial year has started well and is in line with the Group's expectations. Total Transaction Value (TTV) in quarter 1 2005 grew by 80.4 per cent from £146.6 million in the same period of 2004 to £264.4 million. If OTC, Med Hotels, Gemstone Travel, First Option and lastminute.de had been fully consolidated during quarter 1 2004 they would have contributed a further £56.2 million of TTV. Consequently proforma, like-for-like, organic growth amounted to 30.4 per cent year-on-year.

Gross profit for the quarter was £43.7 million, compared with £25.0 million for quarter 1 2004, an increase of 75.0 per cent year-on-year. Overall gross profit margins in the quarter were 16.6 per cent (quarter 1 2004: 17.1 per cent). This result includes a £2.0 million contribution from the recovery of European indirect taxes that we were not able to recognise at the end of the last financial year. This amount has now been agreed and the cash received. Without this contribution the gross margin would have amounted to 15.8 per cent.

The reduction year-on-year is due to commercial and advertising revenues growing at a slower pace (27 per cent year-on-year) than the overall organic growth experienced by the businesses, together with the margin dilutive impact of businesses acquired during 2004, in particular lastminute.de, First Option and OTC. Across all product categories, with the exception of flights, gross profit margins year-on-year have remained stable or improved.

EBITDA losses have, as expected, widened in the quarter from £1.1 million in quarter 1 2004 to £1.8 million. This is a consequence of the seasonal nature of five acquisitions made during the 2004 financial year where those businesses are mainly loss making in the winter periods and very profitable in the summer. Losses are generated during the first half of the year and significant profitability generated during the second half of the year. The overall loss before tax for the quarter increased by £8.2 million to £26.5 million compared to a loss of £18.3 million in the comparable period last year. This increase was principally due to increases in depreciation (£1.1 million), goodwill amortisation (£4.0 million) and interest payable (£1.9 million). The increase in interest payable was due to unrealised foreign exchange charges arising on the convertible debt.

Loss per share (pre goodwill amortisation) increased quarter-on-quarter to 2.84 pence from 1.78 pence in the same period last year reflecting the seasonal nature of the winter losses.

Customers and TTV

For the Group as a whole, the number of unique customers has increased in quarter 1 to 0.7 million compared with 0.5 million in quarter 1 2004, growth of approximately 50 per cent over the previous year. Those customers purchased 1.5 million items in this quarter (quarter 1 2004: 1.0 million).

Customer acquisition costs for the quarter amount to £8.20 per customer, a reduction of 38.0 per cent year-on-year (quarter 1 2004: £13.23).

Dynamic Packaging purchases (the ability for the customer to create a packaged break that is unique to them) continued to show substantial growth. Dynamic Packaging TTV for the quarter amounted to £22.6 million, an increase of 152.8 per cent compared with quarter 1 2004. Dynamic Packaging represented 8.6 per cent of total TTV in the quarter (quarter 1 2004: 6.1 per cent of total TTV).

The Flights category has seen stronger than expected year-on-year growth driven by both acquisitions and strong consumer demand.

The Hotels category continues to show significant growth, with 271.5 per cent year-on-year growth in TTV, partly driven by acquisition, in particular Med Hotels, and a strong organic performance from the existing businesses. Depth and breadth of product continue to be a key driver of growth for the Hotels category.

Costs

Overall operating costs, before depreciation and goodwill amortisation, have increased year-on-year to £45.6 million (Q1 2004: £26.1 million). This was largely due to the inclusion of the costs related to the acquisitions made during the 2004 financial year, which increased the operating cost base by £10.9 million, and the growth of the overall business together with a strong performance in the Flights category.

Product development costs increased from £1.2 million in quarter 1 2004 to £2.2 million in quarter 1 2005 reflecting the growth in the Group. Agents commission costs have increased from £4.7 million quarter 1 2004 to £8.4 million in quarter 1 2005, reflecting the inclusion of a full quarter's costs relating to Med Hotels together with the growth in that business, and the growth of lastminute.com affiliate business during the quarter. Other sales and marketing costs comprise the fixed and variable costs of procurement, fulfilment, call centres and internal and external marketing costs. These costs have increased by 32.9 per cent from £14.8 million to £21.3 million year-on-year largely reflecting the inclusion of the acquisitions made during the 2004 financial year. As a percentage of TTV other sales and marketing costs represented 8.1 per cent of TTV in quarter 1 2005 compared with 10.1 per cent in the prior period of 2004.

General and administration costs have increased from £5.5 million in quarter 1 2004 to £13.7 million in quarter 1 2005, again principally due to the inclusion of the costs related to the acquisitions made during the 2004 financial year and a higher proportion of variable costs associated with strong Flights growth.

Integration and cost reduction programme

It is our intention to integrate and consolidate a number of the Group's operations in order to eliminate duplicate functions, increase operating efficiencies and enhance margins, delivering a £13 million improvement in cash operating costs in the 2005 financial year.

We are exercising great care with the timing and implementation of our plans to minimise the impact on TTV or gross margins.

The initial tranche of savings will result from the closure of six of our twenty-four offices and the reduction of 130 full time employees from the 2400 workforce at 30 September 2004.

We remain on track for the delivery of an operating cash cost saving of £2.2 million in quarter 2 2005.

Management changes

David Howell, our Chief Financial Officer, will leave the Group at the end March 2005. I would like to take this opportunity on behalf of the Board to thank David for his valuable contribution to the Group over the past four years.

The executive search for a new Chief Financial Officer is well under way. Graham Sutton, a former audit partner with KPMG, was appointed as interim Chief Financial Officer during early January. Graham will assist with the handover of David's responsibilities at the appropriate time.

During quarter 1 2005 the Group has implemented a new, streamlined UK management structure to manage and integrate the UK businesses. Mark Jones, former Chief Executive of OTC, has been appointed as the new UK overall Managing Director.

Net cash balance and operating cash flow

At 31 December 2004 the net cash (before taking account of the convertible bond) position of the Group stood at £30.0 million (quarter 1 2004: £61.3 million). Operating cash outflow for the quarter was £57.1 million (quarter 1 2004 outflow: £42.3 million). The increase in the outflow has been driven by the unwinding of the additional seasonal negative working capital impact driven by the 2004 acquisitions and exacerbated by the acquisition of Med Hotels and OTC where their working capital needs are typical of a trade biased business.

Outlook

The 2005 financial year has started with trading in line with expectations. However, the first quarter of the financial year is the Group's seasonally weakest quarter and usually generates less than 20 per cent of annual TTV. The result for the year is very dependent, as normal, on the second half performance when the Group delivers approximately 60 per cent of annual TTV.

The solid start to the financial year has continued into quarter 2 with TTV continuing in line with our expectations. We expect operating cashflow to be broadly neutral in quarter 2, following a similar operating cashflow profile to that achieved in 2004.

Brent Hoberman
Chief Executive Officer
10 February 2005

INDEPENDENT REVIEW REPORT to lastminute.com plc

Introduction

We have been instructed by the Group to review the financial information for the three months ended 31 December 2004, which comprises the Consolidated Profit and Loss Account, Consolidated Balance Sheet, Consolidated Statement of Cash Flows and the related notes 1 to 6. We have read the other information contained in the interim report and considered whether it contains any apparent misstatements or material inconsistencies with the financial information.

This report is made solely to the Group in accordance with guidance contained in Bulletin 1999/4 'Review of Interim Financial Information' issued by the Auditing Practices Board. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Group for our work, for this report, or for the conclusions we have formed.

Directors' responsibilities

The interim report, including the financial information contained therein, is the responsibility of, and has been approved by the directors. The directors are responsible for preparing the interim report in accordance with the Listing Rules of the Financial Services Authority which require that the accounting policies and presentation applied to the interim figures should be consistent with those applied in preparing the preceding annual accounts except where any changes, and the reasons for them, are disclosed.

Review work performed

We conducted our review in accordance with guidance contained in Bulletin 1999/4 'Review of interim financial information' issued by the Auditing Practices Board for use in the United Kingdom. A review consists principally of making enquiries of group management and applying analytical procedures to the financial information and underlying financial data, and based thereon, assessing whether the accounting policies and presentation have been consistently applied, unless otherwise disclosed. A review excludes audit procedures such as tests of controls and verification of assets, liabilities and transactions. It is substantially less in scope than an audit performed in accordance with United Kingdom Auditing Standards and therefore provides a lower level of assurance than an audit. Accordingly we do not express an audit opinion on the financial information.

Review conclusion

On the basis of our review we are not aware of any material modifications that should be made to the financial information as presented for the three months ended 31 December 2004.

Ernst & Young LLP
London
10 February 2005

lastminute.com plc

Quarter 1 2005 results

Consolidated profit and loss account

£'000	Quarter ended 31 Dec 2004 Unaudited	31 Dec 2003 Unaudited	Quarter ended 30 Sep 2004 before exceptional items and goodwill	exceptional items and goodwill	30 Sep 2004 total Unaudited
Total transaction value (departure based)[1]	**264,370**	146,577	398,017	-	398,017
Turnover					
Group and share of joint ventures	**126,761**	48,978	160,407	-	160,407
Less: share of joint ventures	**(158)**	(126)	(174)	-	(174)
Continuing operations:					
- Ongoing	**126,603**	48,852	160,233	-	160,233
- Acquisitions	**-**	-	-	-	-
Group turnover	**126,603**	48,852	160,233	-	160,233
Cost of sales	**(82,859)**	(23,854)	(87,868)	(2,264)	(90,132)
Gross profit	**43,744**	24,998	72,365	(2,264)	70,101
Operating costs					
Product development	**2,177**	1,160	2,931	-	2,931
Sales and marketing - agents' commission	**8,440**	4,710	15,377	-	15,377
Sales and marketing - other	**21,299**	14,752	21,223	-	21,223
General and administration	**13,658**	5,460	10,534	-	10,534
Operating costs before depreciation and goodwill amortisation	**45,574**	26,082	50,065	-	50,065
Operating exceptionals - restructuring costs	**-**	-	-	11,943	11,943
EBITDA					
- Pre exceptional items	**(1,830)**	(1,084)	22,300	-	22,300
- Post exceptional items	**(1,830)**	(1,084)	22,300	(14,207)	8,093
Depreciation	**(4,692)**	(3,536)	(4,522)	-	(4,522)
Goodwill amortisation	**(16,797)**	(12,852)	-	(21,767)	(21,767)
Total operating costs	**(67,063)**	(42,470)	(54,587)	(33,710)	(88,297)
Operating (loss)/profit					
Continuing operations:					
- Ongoing	**(23,319)**	(17,472)	17,778	(35,974)	(18,196)
- Acquisitions	**-**	-	-	-	-
Group operating loss	**(23,319)**	(17,472)	17,778	(35,974)	(18,196)
Share of operating profit/(loss) in joint ventures	**(53)**	194	(132)	-	(132)
Profit on disposal of investment in associate	**-**	491	258	-	258
Goodwill amortisation arising on the investment in an associate	**(86)**	(148)	-	(48)	(48)
Total operating loss: Group and share of joint ventures and associate	**(23,458)**	(16,935)	17,904	(36,022)	(18,118)
Interest receivable	**508**	276	1,368	-	1,368
Interest payable and similar charges	**(3,560)**	(1,635)	(3,954)	-	(3,954)
Loss on ordinary activities before taxation	**(26,510)**	(18,294)	15,318	(36,022)	(20,704)
Tax on loss on ordinary activities	**77**	-	762	-	762
Loss on ordinary activities after taxation	**(26,433)**	(18,294)	16,080	(36,022)	(19,942)
Loss per share - basic	**(7.80)p**	(6.14)p	4.77p	(10.68)p	(5.91)p
(Loss)/profit per share (pre tax, exceptionals and goodwill amortisation)	**(2.84)p**	(1.78)p	4.53p	-	4.53p
Weighted number of Ordinary Shares outstanding	**338,997,911**	298,086,945	337,374,550	337,374,550	337,374,550
(Loss)/profit on ordinary activities before taxation (pre exceptionals and goodwill amortisation) (see note 3)	**(9,627)**	(5,294)	15,318	-	15,318

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

Consolidated balance sheet

£'000	At 31 Dec 2004 Unaudited	31 Dec 2003 Unaudited	30 Sep 2004 Unaudited
Fixed assets			
Intangible assets	**161,427**	134,385	178,480
Tangible assets	**32,214**	23,325	32,527
Investments			
Joint ventures - gross assets	**914**	1,325	994
- gross liabilities	**(370)**	(180)	(319)
- total net assets	**544**	1,145	675
Associate	**548**	485	554
Total investments	**1,092**	1,630	1,229
Total fixed assets	**194,733**	159,340	212,236
Current assets			
Stock	**1,252**	241	565
Debtors	**109,022**	46,187	106,839
Cash at bank and in hand	**30,009**	73,396	85,944
	140,283	119,824	193,348
Creditors: amounts falling due w ithin one year	**(190,301)**	(114,609)	(237,560)
Net current (liabilities)/assets	**(50,018)**	5,215	(44,212)
Total assets less current liabilities	**144,715**	164,555	168,024
Creditors: amounts falling due after more than one year	**(71,064)**	(71,307)	(68,964)
Provisions for liabilities and charges	**(3,345)**	(2,640)	(3,818)
Total net assets	**70,306**	**90,608**	**95,242**
Capital and reserves			
Called up share capital	**3,387**	2,999	3,375
Share premium account	**140,430**	151,775	139,413
Shares to be issued	**6,000**	10,595	6,000
Merger reserve	**201,972**	123,555	201,972
Other reserves	**1,267**	4,159	1,331
Profit and loss account	**(282,750)**	(202,475)	(256,849)
Total equity shareholders' funds	**70,306**	**90,608**	**95,242**

Consolidated statement of cash flows

£'000	Quarter ended 31 Dec 2004 Unaudited	 31 Dec 2003 Unaudited	 30 Sep 2004 Unaudited
Net cash (outflow)/inflow from operating activities	**(52,982)**	(37,041)	61,344
Cash outflow from exceptional items and acquisition related liabilities (see note 4)	**(551)**	(430)	(13,052)
Returns on investments and servicing of finance			
Bond issue costs	**-**	-	-
Interest received	**501**	276	352
Interest paid and interest element of finance lease rental payments	**(198)**	(486)	(3,953)
Net returns on investments and servicing of finance	**303**	(210)	(3,601)
Taxation			
Tax paid	**-**	-	(61)
Capital expenditure and financial investment			
Payments to acquire tangible fixed assets	**(4,379)**	(5,046)	(10,393)
Net cash (outflow)/inflow before acquisitions and management of liquid resources and financing	**(57,609)**	(42,727)	34,237
Acquisitions			
Payments to acquire subsidiary undertakings	**-**	(12,267)	(17,953)
Cash acquired with subsidiary undertakings	**-**	2,460	1,086
Cash received from part disposal of associate	**-**	-	874
Net cash (outflow)/inflow before management of liquid resources and financing	**(57,609)**	(52,534)	18,244
Management of liquid resources			
Increase/(decrease) in short term deposits	**5,579**	1,716	(1,379)
Financing			
Issue of share capital	**1,028**	257	622
Repayment of capital elements of finance leases	**(91)**	(219)	38
(Decrease)/increase in cash	**(51,093)**	(50,780)	17,525
Reconciliation of cash flow to movement in net funds			
(Decrease)/increase in cash	**(51,093)**	(50,780)	17,525
Cash outflow from short term deposits	(5,579)	(1,716)	1,379
Repayment of capital elements of finance leases	91	219	(38)
Change in net funds resulting from cash flows	(56,581)	(52,277)	18,866
Amortisation of Eurobond issue costs	(117)	-	(421)
Write-off of finance leases	-	-	782
Exchange difference	(1,540)	(186)	3,945
Other	-	75	-
Net funds/(debt) at beginning of the quarter	16,609	41,411	(6,563)
Net (debt)/funds at the end of the quarter	(41,629)	(10,977)	16,609
Operating cash (outflow)/inflow before exceptional items (see note 4)	**(57,058)**	**(42,297)**	**47,289**

Notes to the Preliminary Results

1. Basis of reporting

The interim financial statements have been prepared on the basis of the accounting policies set out in the Group's statutory accounts for the year ending 30 September 2004. The financial information contained in this interim statement does not constitute statutory accounts within the meaning as defined in Section 240 of the Companies Act 1985. The financial information for the full preceding year is based on the statutory accounts for the financial year ended 30 September 2004. Those accounts, upon which the auditors issued an unqualified opinion, have been delivered to the Registrar of Companies.

2. Additional information

	Quarter ended				
	31 Dec 2004	**30 Sep 2004**	**30 Jun 2004**	**31 Mar 2004**	**31 Dec 2003**
Number of registered subscribers at period end	**9,806,535**	9,335,620	9,645,971	8,336,186	8,042,492
Number of cumulative customers at period end	**6,321,447**	5,592,919	4,536,793	3,754,856	3,245,477
Number of items sold in period	**1,539,230**	2,093,862	1,895,466	1,423,053	979,942

3. Reconciliation of loss on ordinary activities before taxation (pre exceptional items and goodwill amortisation)

	Quarter ended		
£'000	**31 Dec 2004**	**31 Dec 2003**	**30 Sep 2004**
Loss on ordinary activities before taxation	(26,510)	(18,294)	(20,704)
Add: exceptional items	-	-	14,207
Add: goodwill amortisation (group and associate)	16,883	13,000	21,815
(Loss)/profit on ordinary activities before taxation (pre exceptionals and goodwill amortisation)	**(9,627)**	**(5,294)**	15,318

4. Reconciliation of operating cash (outflow)/inflow (before exceptional items)

	Quarter ended		
£'000	**31 Dec 2004**	**31 Dec 2003**	**30 Sep 2004**
Net cash (outflow)/inflow before acquisitions and management of liquid resources and financing	**(57,609)**	(42,727)	34,237
Add:			
Cash outflow from exceptional items	**551**	430	13,052
Operating cash (outflow)/inflow (before exceptional items)	**(57,058)**	(42,297)	47,289

5. a) Reconciliation of operating loss to net cash (outflow)/inflow from operating activities

	Quarter ended		
£'000	**31 Dec 2004**	**31 Dec 2003**	**30 Sep 2004**
Operating loss	(23,319)	(17,472)	(18,196)
Depreciation	4,692	3,536	4,522
Goodwill amortisation - subsidiary undertakings	16,797	12,852	21,767
Net working capital movement	(51,152)	(35,957)	53,251
Net cash (outflow)/inflow from operating activities	(52,982)	(37,041)	61,344

5. b) Reconciliation of net cash to net (debt)/funds

£'000	At 31 Dec 2004	At 31 Dec 2003	At 30 Sep 2004
Net cash balance at end of quarter (includes short term deposits)	30,009	61,260	85,944
Convertible Bond (included within creditors due after more than one year)	(71,064)	(70,390)	(68,670)
Finance leases	(574)	(1,847)	(665)
Net (debt)/funds at end of quarter	(41,629)	(10,977)	16,609

6. Total transaction value (TTV), turnover and segmental analysis

The Group is engaged in the provision of 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

£'000	TTV (by destination and source)		Turnover (by destination and source)	
	Quarter ended			
	31 Dec 2004	31 Dec 2003	31 Dec 2004	31 Dec 2003
By geographical area:				
United Kingdom	**182,262**	90,329	**100,220**	24,939
France	**32,372**	23,920	**4,022**	3,775
Germany	**22,370**	13,974	**13,350**	12,187
Italy	**10,152**	6,316	**1,200**	765
Spain	**6,910**	2,535	**895**	275
Other European Union countries	**9,339**	8,808	**6,916**	6,911
Group	**263,405**	145,882	**126,603**	48,852
Joint ventures	**965**	695	**158**	126
	264,370	146,577	**126,761**	48,978

£'000	Net loss on ordinary activities before taxation[2]		Net assets/(liabilities)[2]	
	Quarter ended			
	31 Dec 2004	31 Dec 2003	31 Dec 2004	31 Dec 2003
By geographical area:				
United Kingdom[1]	**(16,794)**	(9,142)	**57,107**	70,950
France	**(3,033)**	(5,980)	**12,011**	48,803
Germany	**(2,715)**	(430)	**46,331**	(14,326)
Italy	**25**	182	**(937)**	(451)
Spain	**(145)**	(167)	**(1,176)**	(1,153)
Other European Union countries	**(657)**	(1,935)	**(3,067)**	(3,868)
	(23,319)	(17,472)	**110,269**	99,955
Share of operating profit/(loss) and net assets of joint ventures	**(53)**	194	**544**	1,145
Share of operating loss and net assets of associate	**-**	-	**548**	485
Amortisation of goodwill arising on the acquisition of associate	**(86)**	(148)	**-**	-
Profit on disposal of investment in associate	**-**	491	**-**	-
Net interest (payable)/receivable	**(3,052)**	(1,359)	**-**	-
Convertible bond	**-**	-	**(71,064)**	(70,390)
Interest bearing assets	**-**	-	**30,009**	59,413
	(26,510)	(18,294)	**70,306**	90,608

[1] The UK losses 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 business.

[2] Net loss on ordinary activities before taxation for quarter ended 31 December 2004 includes £16,797,000 of goodwill amortisation (quarter ended 31 December 2003: £12,852,000). Net assets include £161,427,000 goodwill (31 December 2003: £134,385,000).

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.

Proforma organic like-for-like growth is calculated on a quarterly basis and represents the quarter-on-quarter growth in total businesses compared to proforma like-for-like TTV for the prior year.

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 recognised on the date of departure.

Gross margin is defined as pre-exceptional 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 Degriftour, Travelselect.com, Destination Group,Travelprice.com, holiday autos, Med Hotels, First Option, Gemstone, OTC and lastminute.de's customers (excluding repeat customers) since acquisition in October 2000, April 2002, June 2002, July 2002, March 2003, December 2003, January 2004, March 2004, April 2004 and June 2004 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.

Customer acquisition costs are defined as external media spend divided by the number of unique customers in the period.

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 1955. 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.