

lastminute.com

NEWS RELEASE

For Immediate Release

14 August 2000

lastminute.com acquires Dégriftour Group, France's largest e-commerce company, for £58.9 million, payable in cash and shares

- Consolidates lastminute.com's leadership of the European last minute marketplace, making it the third largest e-commerce company in Europe and the largest European-based e-commerce company¹. The combined company will have pro-forma value of total transactions of £64.1 million and pro-forma gross profit of £10.3 million for the year ended 31 March 2000
- Dégriftour Group, an online retailer since 1991, is France's largest e-travel company with 50% market share (based on 1999 revenues), 45% brand awareness², and approximately 250,000 customers³ since April 1998
- Transforms lastminute.com's French operations and enhances the group's overall franchise:
 - Dégriftour Group together with lastminute.com creates considerable scale with consequent benefits
 - immediately enhances lastminute.com's key performance metrics
 - complementary product offering with over 90% of Dégriftour Group's transactions occurring in the last minute space
- Accelerates lastminute.com's progress to cash profitability:
 - Dégriftour Group has historically been cash flow positive and profitable on an earnings basis
 - Dégriftour Group enjoys an average value per item sold more than double that of lastminute.com
 - cost savings and enhanced revenues, net of integration costs, are expected to be generated
 - increases gross profit margin
 - instant step-change in number of customers
- Strengthens management team of enlarged business, particularly in the area of travel and packaged products:
 - Pierre Alzon, General Manager of Dégriftour Group, becomes General Manager of the combined businesses in France and will be invited to join the lastminute.com Board of Directors
 - Frédéric Battut, Deputy General Manager of Dégriftour Group, becomes lastminute.com's Head of Global Packaging
 - lastminute.com and Dégriftour Group intend to retain both teams, with complementary strengths, in France

¹ All market share data based on 1999 web-based revenues – Source: Jupiter, IDC, MMXI Europe

² BVA carried out an Omnitel survey (a telephone survey on a national representative sector of men and women aged 15 and over). For the survey 939 men and women aged 18 and over were interviewed on 28 and 29 March 2000.

³ The cumulative number of confirmed and paid bookings from 1 April 1998 only, including repeat business

- Aggregate purchase price of £58.9 million. Consideration to be paid in the form of £27.1 million in cash (of which £5.9 million is payable one year after completion) and the issue of 19.7 million new Ordinary lastminute.com shares
- Transaction subject to lastminute.com shareholder approval
 - notice of extraordinary general meeting of lastminute.com and circular to shareholders to be sent out shortly

Brent Hoberman, Chief Executive Officer of lastminute.com, said:

"This is a great deal. It achieves today what our business plan would have taken two to three years to achieve in France. It gives us clear market leadership in France to add to our UK leadership. Our gross profit increases by almost nine times. Our top management is strengthened and it accelerates the time in which we become cash flow positive. This is a step jump in our ability to deliver the lastminute marketplace."

Pierre Alzon, General Manager of Dégriftour Group, said:

"As the pioneer of online last minute travel in France, we have today instantly moved closer to our long-term ambition of radically transforming the European online marketplace. We are delighted to have found a partner that is complementary in philosophy and vision and allows us to offer customers a unique global last minute solution."

Martha Lane Fox, Chief Operating Officer of lastminute.com, said:

"France is one of the top destinations for European travellers and we are very excited by the opportunity to combine our depth and breadth of supply with Dégriftour Group to offer even more compelling offers for our combined customer base across Europe."

Dégriftour Group is France's largest e-travel company in terms of 1999 web-based revenues⁴ and enjoys household name status with national brand awareness of 45%. Launched in 1991 by Francis Reversé (Chairman, passive since mid-1998) as a "last minute" retailer of unsold packaged travel products over the Minitel, Dégriftour Group has grown rapidly, diversifying its offerings across travel and non-travel products and, in February 1996, extended its sales reach onto the internet.

Some 60% of total transaction value for the quarter ended June 2000 was originated over the internet, compared to some 50% for the financial year ended 31 March 2000. Dégriftour Group's operating profits will be affected in the short term by Dégriftour Group's strategic decision to invest, both in marketing and technology.

For the financial year ended 31 March 2000, Dégriftour Group generated total transaction value of £50.3 million and gross profit of £9.1 million. Compared to the year ended 31 March 1999, these represented increases of 31% and 17% respectively. As at 31 March 2000, Dégriftour Group's cash balance stood at £7.3 million and its net assets were £1.6 million.

Dégriftour Group has a strong management team, which over the past nine years has developed excellent long-term relationships with major European travel and leisure suppliers. Its product offer focuses on packaged tours, airline tickets, hotel and other accommodation as well as theatre tickets and restaurants. Its site currently has approximately 24,000 offers and in addition has a full-service booking engine.

⁴ Extracted from Jupiter Research reports (June 2000)

Dégriftour Group is a private company, owned approximately 78% by the founder, Francis Reversé, and his immediate family and associates, and some 22% by management and their families.

The current Dégriftour shareholders have agreed to hold their new lastminute.com shares for at least 18 months, subject to certain limited exceptions, and Francis Reversé and family may only dispose of shares during the subsequent 12 months pursuant to an orderly disposal agreement with lastminute.com.

Pierre Alzon (aged 36), General Manager of Dégriftour Group, will be invited to join the lastminute.com Board of Directors and will assume responsibility for managing the enlarged French operations. His service contract can be terminated on a six months' notice.

Frédéric Battut (aged 40), Dégriftour Group's Deputy General Manager, will become Head of Global Packaging for the enlarged entity and will remain Deputy General Manager of Dégriftour Group in France.

Philippe Merlhiot (aged 41), Dégriftour Group's Finance Director, will become Finance Director for lastminute.com's enlarged French business.

Denis Philipon (aged 33), Managing Director of lastminute.com France will become Joint Deputy Managing Director of lastminute.com's enlarged French business.

There will be a supervisory board of French operations formed, which will include Linda Levinson (non-executive director of lastminute.com plc), Brent Hoberman (CEO), Martha Lane Fox (COO), Julian Culhane (CFO) and Laurent Thézien (Head of Continental Europe) as members.

The acquisition of Dégriftour Group, even ignoring the effect of the anticipated revenue synergies and cost savings, should enable lastminute.com to become cashflow positive sooner than on a stand-alone basis. Significant cost savings are expected from eliminating duplication in infrastructure, marketing and technology investment. Revenue synergies are expected through cross-selling the wider inventory available to all lastminute.com sites, leveraging existing supplier and strategic relationships, leveraging lastminute.com's technology across Dégriftour Group's product offerings and customer base and through enhanced ability to secure pan-European content, benefiting from the enlarged group's greater buying power.

The intention is to link lastminute.com's and Dégriftour Group's web sites. In France, a dual brand strategy will be operated initially, but with lastminute.com immediately visible to Dégriftour Group visitors and vice-versa.

Morgan Stanley Dean Witter is acting as the financial advisor to lastminute.com and sponsor in connection with the transaction and the application for new Ordinary lastminute.com shares to be admitted to the Official List.

Arthur Andersen Corporate Finance is financial advisor to Dégriftour Group and its shareholders.

The transaction is subject to approval by lastminute.com shareholders. Shareholder documents will be mailed shortly. Details are also available on lastminute.com investor relations site: www.lastminute.com.com/ir

Summary Financial and Operating Measures

| | lastminute.com | | Dégriftour Group | | |
|--|--|---|--|--|---|
| | As at year ended 31 Mar 2000 | As at quarter ended 30 Jun 2000 | As at year ended 31 Mar 1999 | As at year ended 31 Mar 2000 | As at quarter ended 30 Jun 2000 |
| Non-Financial Operating Data | | | | | |
| Registered subscribers at the period end (1) | 1,385,042 | 2,078,395 | n/a | n/a | n/a |
| Cumulative customers at the period end (2) | 65,387 | 107,993 | 93,468 | 214,791 | 247,912 |
| Number of items sold in the period (3) | 135,591 | 90,500 | 154,268 | 213,753 | 54,485 |
| Number of suppliers at the period end (4) | 2,466 | 3,458 | n/a | n/a | 6,078 |
| Financial Data (stated in GBP'000) | | | | | |
| Average value per item sold (£) (5) | 102 | 106 | 250 | 235 | n/a |
| Total transaction value in the period | 13,764 | 9,585 | 38,550 | 50,318 | n/a |
| Gross profit in the period | 1,209 | 950 | 7,810 | 9,103 | n/a |
| Gross profit margin in the period (6) | 8.8% | 9.9% | 20.3% | 18.1% | n/a |
| Net cash at the period end | 131,155 | 117,474 | 5,601 | 7,314 | n/a |
| Net assets at the period end | 131,036 | 122,770 | 1,383 | 1,598 | n/a |

n/a = not available

Notes:

(1) In respect of lastminute.com, registered subscribers are users of the lastminute.com web site 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 lastminute.com, but elect not to receive lastminute.com's weekly e-mails.

(2) In respect of lastminute.com, the cumulative customers is the cumulative number of customers from 30 September 1999. No customer numbers are included for Dégriftour Group for the period prior to 1 April 1998. In respect of Dégriftour Group, the cumulative customers is the cumulative number of confirmed and paid bookings from 1 April 1998 only, and includes repeat business.

(3) The number of items sold as an individually priced product or service purchased by a customer in a given period.

(4) In respect of lastminute.com, the number of individual suppliers at the end of a given period, and includes individual airlines, hotels, package holiday suppliers, entertainment vendors, gift suppliers, restaurants and speciality service suppliers. In respect of Dégriftour Group, the number of individual suppliers as at 31 July 2000, and includes individual airlines, hotels and package holiday suppliers since inception. Dégriftour cannot distinguish between active and non-active suppliers.

(5) The total transaction value in the period divided by the number of items sold in the period.

(6) Defined as gross profit/total transaction value.

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A UK analyst conference will take place on Monday 14 August 2000 at the City Presentation Centre (4 Chiswell Street, London EC2) at 12.00 p.m. for 12.30 p.m.

Notes to editors:

1. About lastminute.com

The lastminute.com.com web site (www.lastminute.com) was launched in the UK in October 1998.

Based on the idea of matching supply and demand at the last minute via the Internet, lastminute.com.com works with a range of suppliers in the travel, entertainment, restaurant and gift industries and is dedicated to bringing its customers attractive products and services. lastminute.com aims to provide solutions and inspiration to its customers at short notice.

Following the success of the UK site, localised versions of the web site were launched in France, Germany and Sweden in September, October and December 1999 respectively. Joint venture agreements were signed for operations in Australia and South Africa in March and May 2000 respectively.

At 30 June 2000, lastminute.com.com had approximately 2.1 million registered subscribers and relationships with over 3,400 key suppliers, including international scheduled airlines, hotels, package tour operators, theatre, sports and entertainment promoters, restaurants, speciality service providers and gift suppliers, both in the UK and internationally. In the quarter ended 30 June 2000, 47% of goods sold were non-travel related. Supplier relationships include British Airways, British Midland, Virgin Atlantic Airways, Bass Hotels and Resorts, Starwood Hotels and Resorts Worldwide, English National Ballet, The Royal Albert Hall, Conran Restaurants, One for the Road and SFX.

2. About Dégriftour Group

Dégriftour Group is France's largest e-travel company by net revenues, offering a range of travel products including own-brand products. It was founded in April 1991 by Francis Reversé with the business objective to sell off at the last minute unsold packaged holidays at discounted rates via Minitel. The company has since diversified its offering into promotional offers, negotiated packages, hotel and restaurant services and show-offerings for all budgets.

In February 1996, Dégriftour Group opened the first internet site for online bookings, www.Degriftour.fr, which today is a full-service e-travel site. Dégriftour Group has an estimated 50% market share of the e-travel market in France and is the 2nd most visited e-travel site in France (after SNCF, the state-owned railway). Approximately 60% of the customer bookings are today executed through the internet. Since April 1998, Dégriftour Group has transacted approximately 250,000 orders and has relationships with more than 6,000 suppliers, comprising tour operators, airlines and hotels. Approximately 90% of customer bookings are last-minute products

Dégriftour Group is a privately-owned business, 78% owned by Francis Reversé.

3. Exchange rates

Euro to £ exchange rate = 1.6632 and FF_r to £ exchange rate = 10.8188
(as at Friday 11 August 2000)