Financial results for the quarter ended 31 March 2001

Allan Leighton

lastminute.com strategy

- Increased focus on retail metrics:
  - Improving the convenience and quality of our product offering
  - Increasing conversion from browsers to customers
  - Improving gross margins across all categories
  - Accelerating our path to profitability through increased technology and operating efficiencies
- We remain committed to:
  - Expanding the lastminute.com brand in the European online marketplace
  - Core and satellite country strategy
  - Building a state-of-the-art technology which can be leveraged across all platforms (online, voice, mobile, digital TV), product categories and geographies

Brent Hoberman

Business model well positioned for the long-term

- lastminute.com is not just another travel company
- Non-travel items are instrumental in:
  - attracting and retaining customers and suppliers (high conversion and repeat rates)
  - building advertising revenues and boosting long-term margins
  - cheap and effective way of building brand recognition
  - stabilising the seasonality and the cyclical nature of travel cash flows
- Expect the UK and and combined French operations to be profitable within twelve months

Highlights

- Order based total transaction value increases by 47.3% quarter on quarter to £31 million and quadruples year on year
- Gross profit increases by 39% quarter on quarter to £3.9 million and by over 5 times year on year
- Gross profit margin rises to 13.9% for the quarter and by 4 percentage points year on year
- Conversion rate increases from 8.9% to 11.0% quarter on quarter
- Operating cash-outflow reduces by 20% quarter on quarter

* Conversion defined as cumulative customers since inception/ registered subscribers at period end (excluding those applicable to JVs)

Strong momentum

'000s	Quarter ended 31 March 2001	Quarter ended 31 December 2000	Growth
TTV	£27,805	£20,233	37.4%
Gross Profit	£3,851	£2,779	38.6%
Subscribers	3,136,077	2,860,736	9.6%
- HTML	2,422,788	2,261,530	7.1%
Customers[1]	323,747	234,549	38.0%
Items sold	188,676	160,819	17.3%
Net loss[2]	£10,663	£11,708	-8.9%
Operating cash outflow	£9,143	£11,415	-19.9%
Cash balance at qtr end	£61,801	£70,928	-12.9%

1 Only includes Degriftour's unique customers since 1 October 2000
2 Excluding amortisation of goodwill

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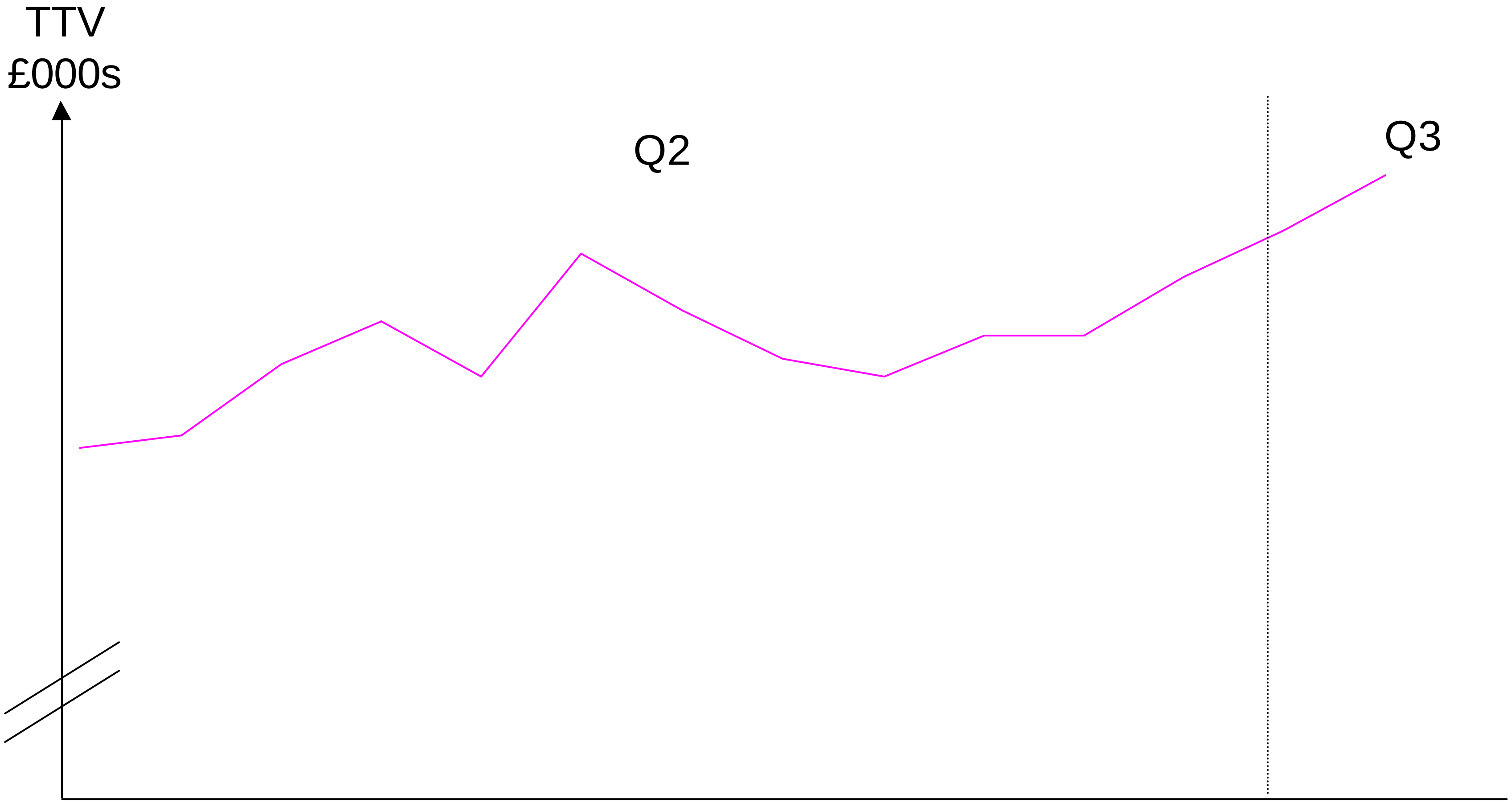
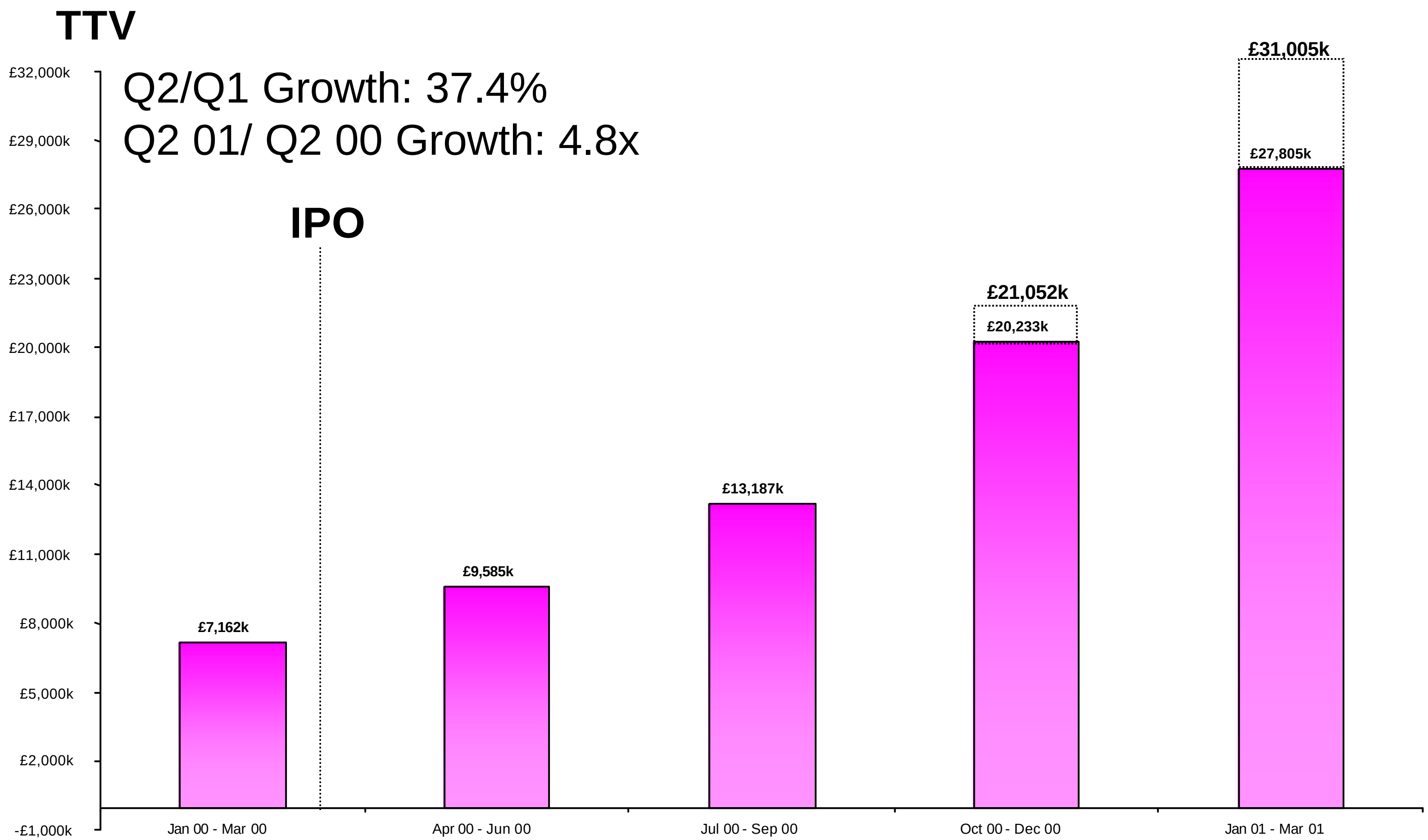
… continues through the Easter period



Julian Culhane

Total Transaction Value



* excluding VAT and airport taxes

* Order based TTV represents TTV calculated with reference to booking date rather than departure date, the latter being the basis for lastminute.com's stated accounting policy when accounting for TTV.

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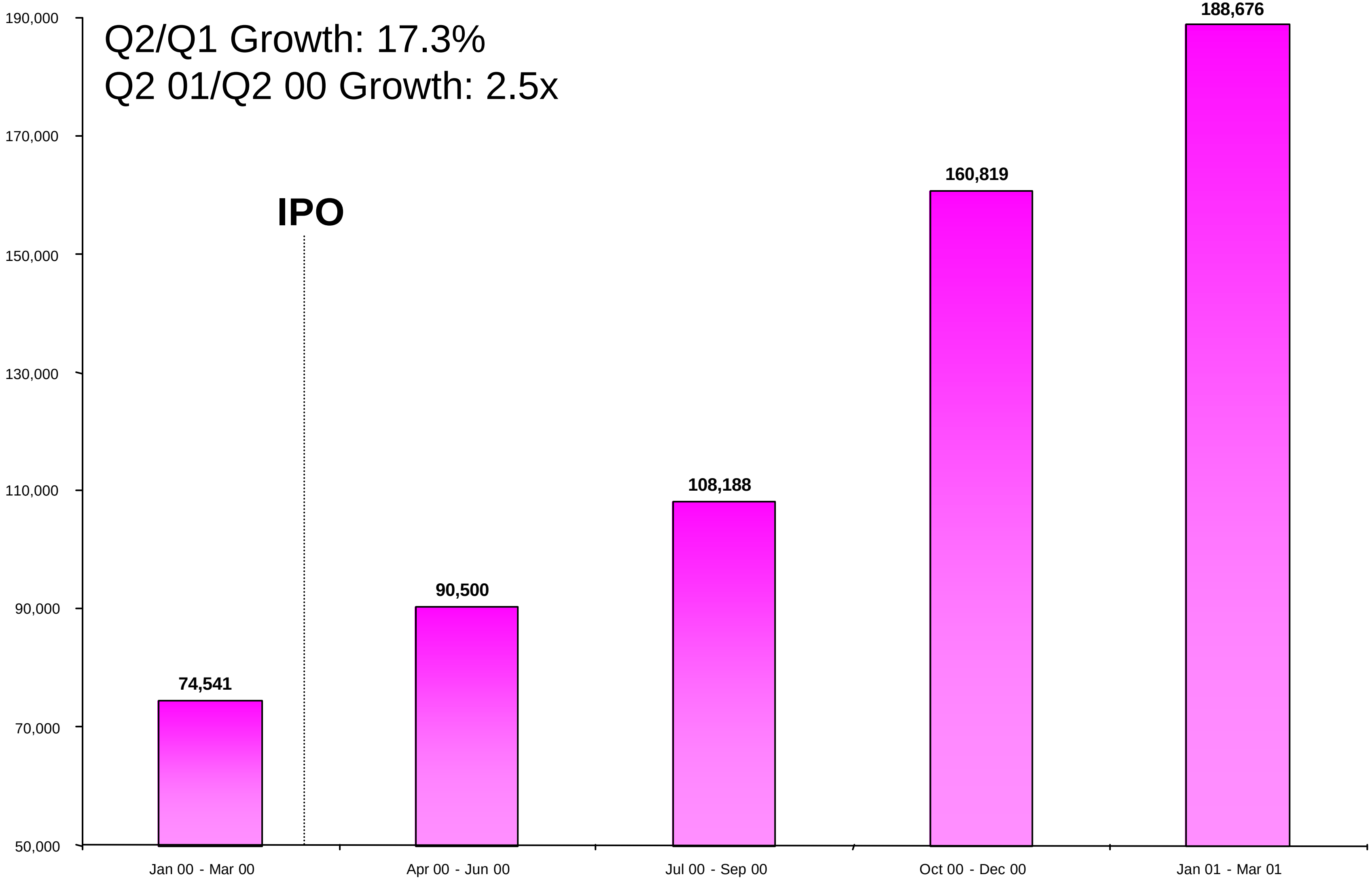
Items Sold



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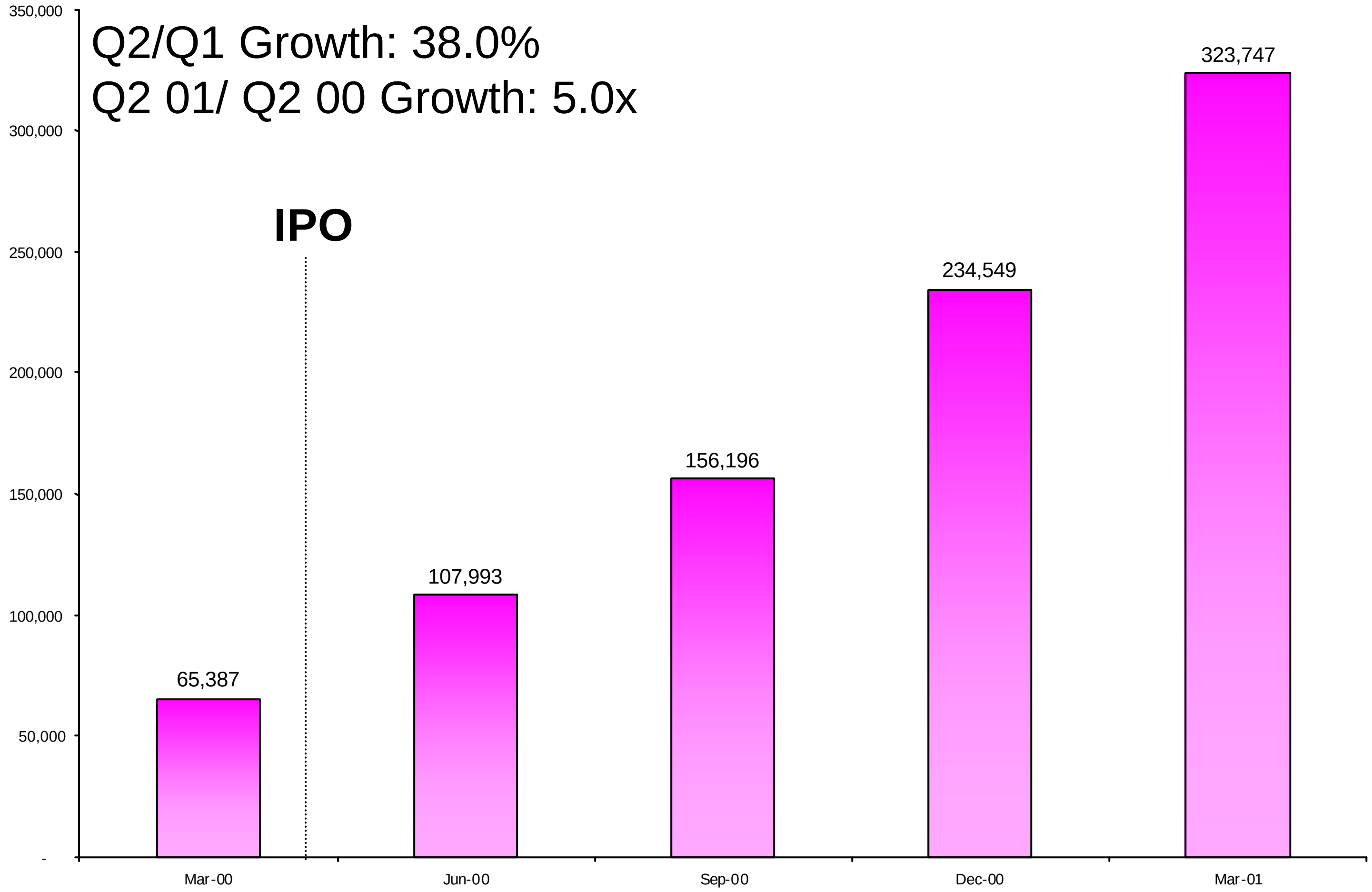
Customers*



* Cumulative customers since inception for lastminute.com and cumulative customers since 1 October 2000 for Degriftour

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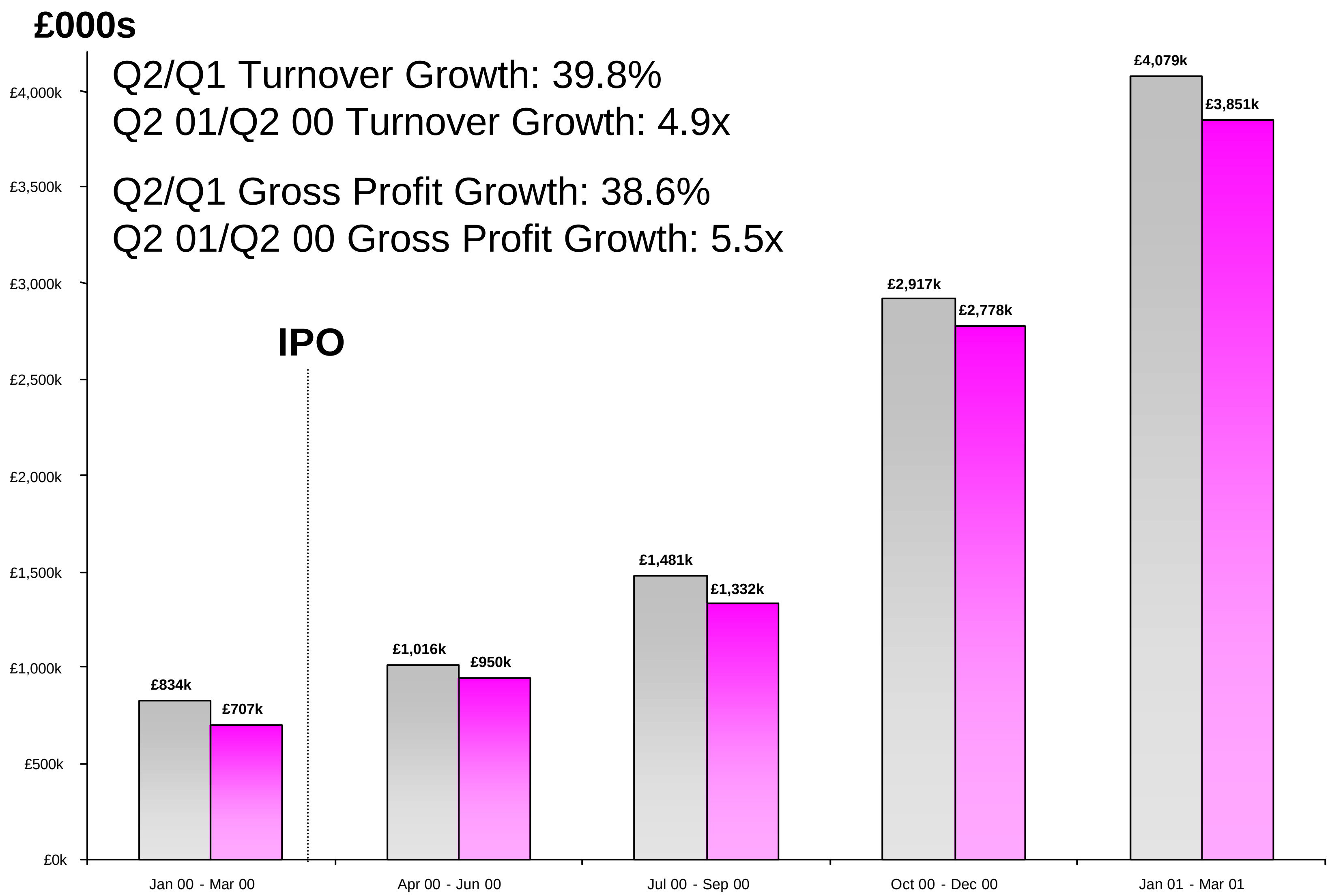
Turnover/Gross Profit Growth



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Profit & Loss Account Highlights

£000s	3m to Mar 01	3m to Dec 00	3m to Mar 00
Additional Information			
Total Transaction Value	27,805	20,233	7,162
P&L Highlights			
Turnover	4,079	2,917	834
Cost of Sales	228	138	127
Gross Profit	3,851	2,779	707
Product Development	3,247	3,426	2,571
Sales & Marketing	7,165	7,205	4,801
General Admin	4,734	4,691	1,991
Subtotal	15,146	15,322	9,363
Depreciation of goodwill	3,665	3,665	-
Non cash stock charge	293	619	1,854
NI provision	29	(458)	925
Operating Costs	19,133	19,148	12,142
Other income/(charge)	-	-	75
Operating Loss	(15,282)	(16,369)	(11,360)

Balance Sheet Highlights

£000s	As at 31 Mar 01	As at 31 Dec 00	As at 31 Mar 00
Intangible fixed assets	51,306	54,971	-
Tangible fixed assets	15,216	15,040	4,144
Investments	(114)	(92)	-
	66,408	69,919	4,144
Stock	133	115	35
Debtors	14,279	10,771	5,874
Cash at bank	61,801	70,928	131,155
	76,213	81,814	137,064
Creditors < 1 year	(29,372)	(24,523)	(7,609)
Provisions/Creditors>1 yr	1,228	1,189	2,563
Net assets	112,021	126,021	131,036

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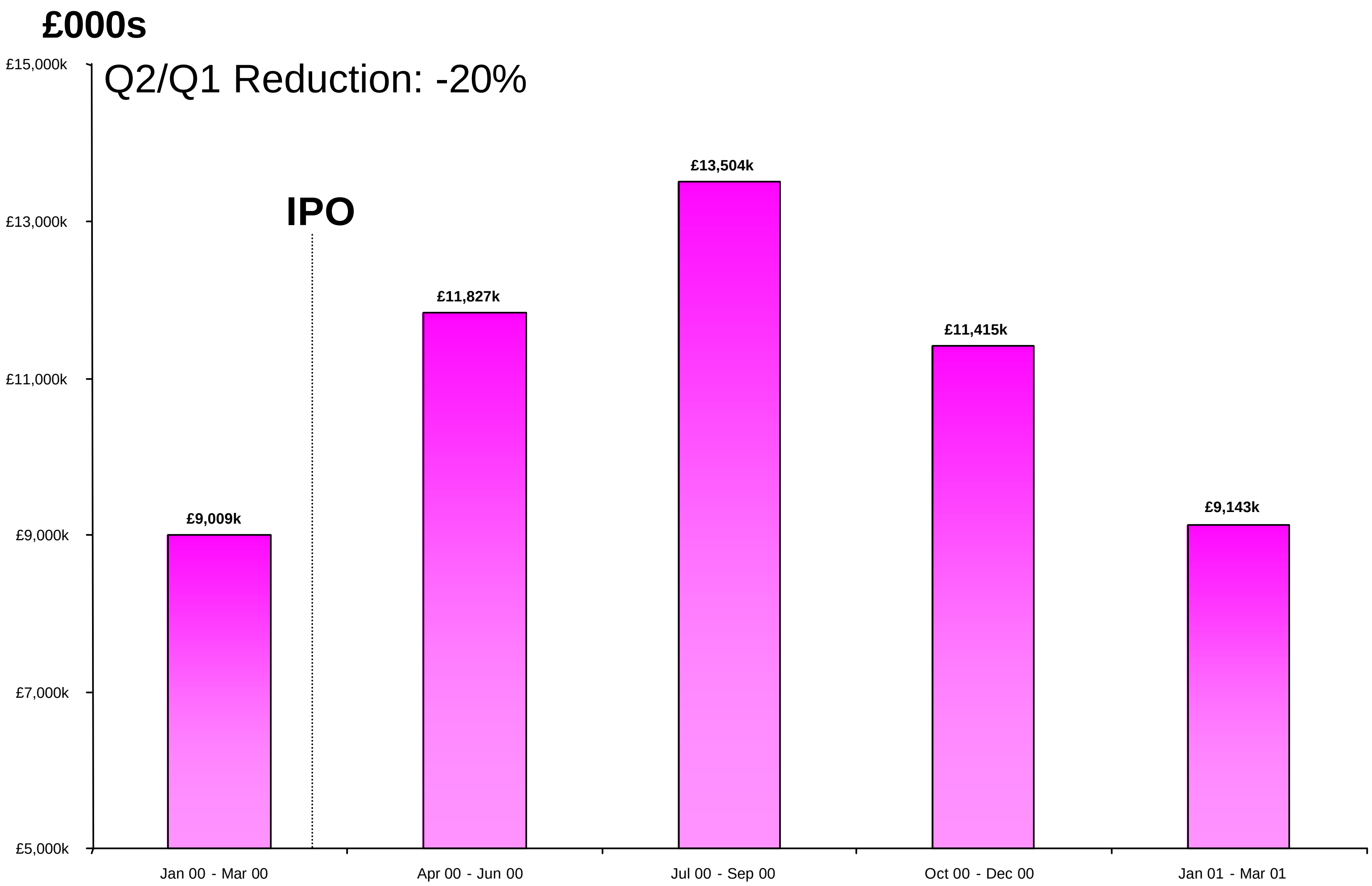
Cash Flow Highlights

£000s

	3m to Mar 01	3m to Dec 00	3m to Mar 00
Net cash (outflow)	(7,861)	(9,497)	(6,363)
Interest received	978	1,055	326
Interest paid	(2)	(11)	(18)
	976	1,044	308
Capital expenditure*	(2,258)	(2,962)	(2,954)
Payments to acquire Subsidiary	-	(21,350)	-
Decrease in short term deposits	-	11	-
Issue of shares	16	5	137,817
Increase/(decrease) in cash	(9,127)	(32,749)	128,808

*incl. capitalised technology costs

Cash outflow (ex equity financing and acquisitions)



Martha Lane Fox

Economies of scale are starting to show

- UK customer acquisition cost decreased by 29% quarter on quarter to £25 and 56% year on year
- A greater return on media spend demonstrated by a reduction in UK media spend of 36% year on year
- Group average value of item sold in the quarter increased by 25% to £164 quarter on quarter
- Group gross profit (including advertising and other revenues) per item rose by 27% quarter on quarter to £22.80

Leveraging network benefits across Europe

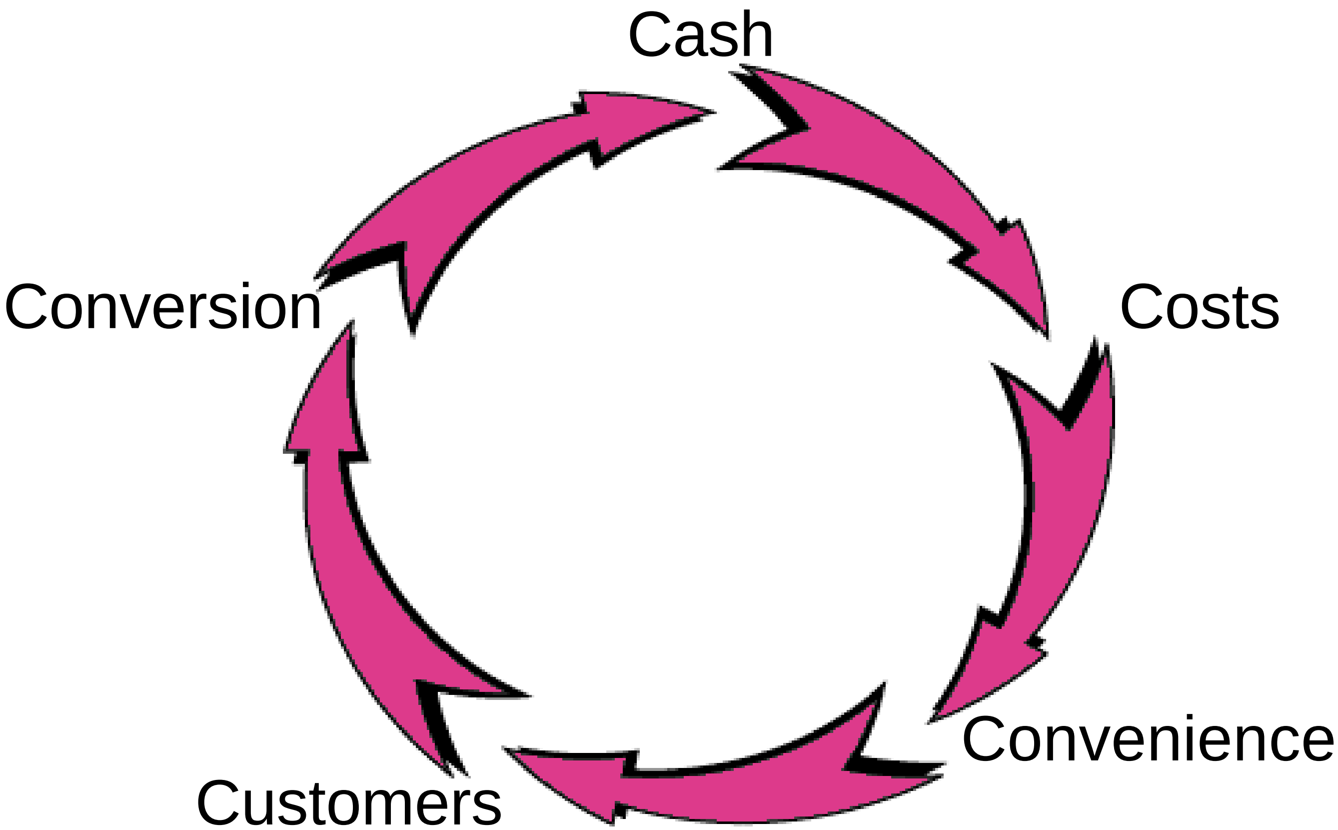
- Leverage development cost of: brand, content and technology across Europe
- Core countries: UK, France and Germany which represent 65% of total e-commerce market and over two thirds of online travel market in Europe
- Subsidiary countries (Spain, Italy, Sweden, Netherlands) performing at lower cost:
  - fast growing e-commerce markets
  - large outbound customer bases
  - valuable sources of destination supply
  - can be run with increasing efficiency, beginning to reduce operating costs with little effect on sales

Conversion increases from 8.9% to 11.0%

- **Faster site** – site performance and availability improved; overall downtime reduced by approximately 50%
- **Improved User Interface** – introduction of superior merchandising layer, enhanced search function and a simplified 4-step buying process
- **Greater product availability** – deployment of Degriftour's full service flights booking service increases our ability to bring solutions at the last minute
- **Customer service efficiencies** – enhanced online Helpdesk function and call logging system improve customer service and reduce customer contacts per order by over 30%

Allan Leighton

Virtuous or vicious – This is the circle



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