

Financial results for the third quarter ended 30 June 2001

“Business continues well on track”

Allan Leighton

do something lastminute.com

lastminute.com quarter three focus

- Continued focus on retail metrics:
 - Improved conversion rate of lookers to bookers
 - Improved number of items sold
 - Improved margins, costs and cashflow
- Leads to:
 - Significant growth in forecast TTV for Q4
 - Operational breakeven in the UK and France in nine months time

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Brent Hoberman

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Quarter 3 - Highlights

- Total transaction value will exceed £120 million for the full year
- Total transaction value increases by 5.4% quarter on quarter to £29.3 million and triples year on year
- Gross margin rises to 14.1% for the quarter and by 4.2 percentage points year on year
- Gross margin increases by 7.2% quarter on quarter to £4.1 million and by over 4 times year on year
- Conversion rate increases from 11.0% to 12.4% quarter on quarter
- Operating cash-outflow reduces by 6.4% quarter on quarter to £8.6 million
- New strategic relationships with Sol Melia and Fnac.com

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

Quarter 3 – Strategic Partnerships

- **Spanish joint venture with Sol Melia**
 - Public company in Spain
 - World's 10th largest hotelier
 - Provides access to hotel inventory at most competitive prices
 - Merges on-line Spanish travel brands
- **Major content contracts with Granada Broadband and Yahoo UK & Ireland**
- **New relationship with Fnac.com**
- **Extension across Europe of the relationships with Air France and Alitalia**

Quarter 3 – Technology developments

- Significant enhancements in User Interface
 - Location based searching
- Simplified 4 step booking process
- Improved search capabilities on a new home page
- Development of “Staying-in” concept
- Site now 9 times faster than launch
- Improved control of hotel inventories using a voice extranet

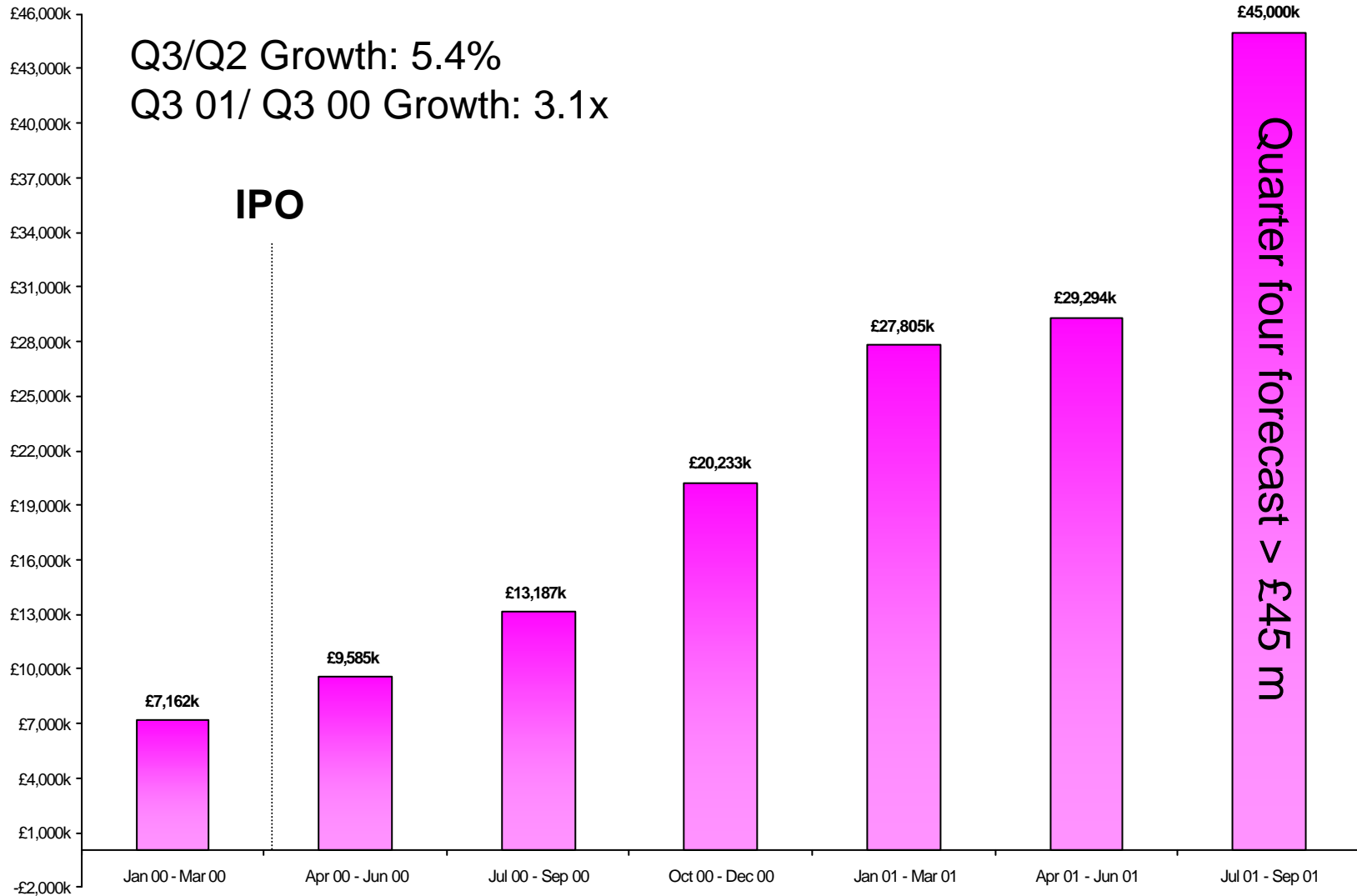
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David Howell

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TTV

Total Transaction Value

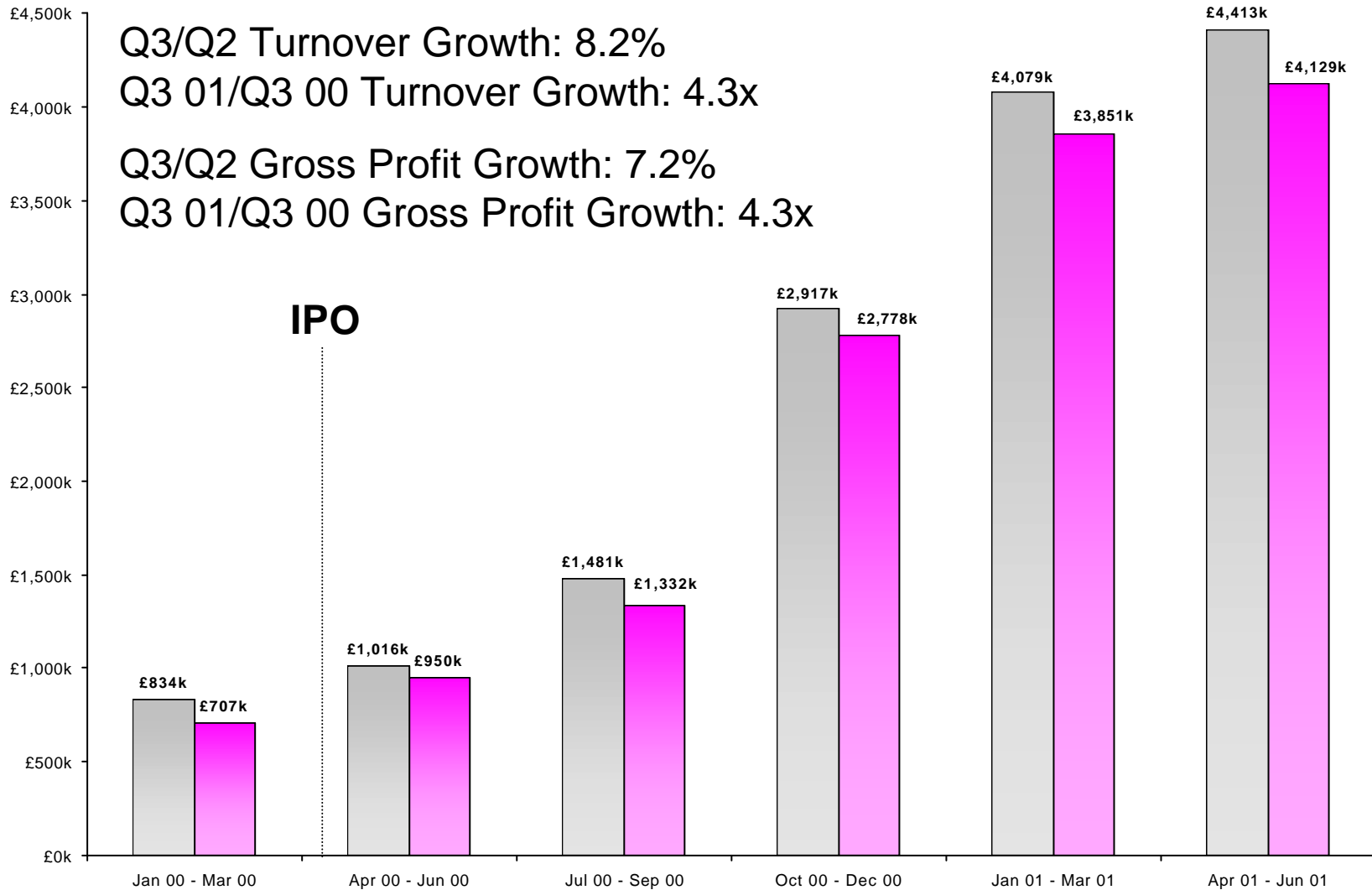


* excluding VAT and airport taxes

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Turnover/Gross Profit Growth

£'000s



Profit & Loss Account Highlights

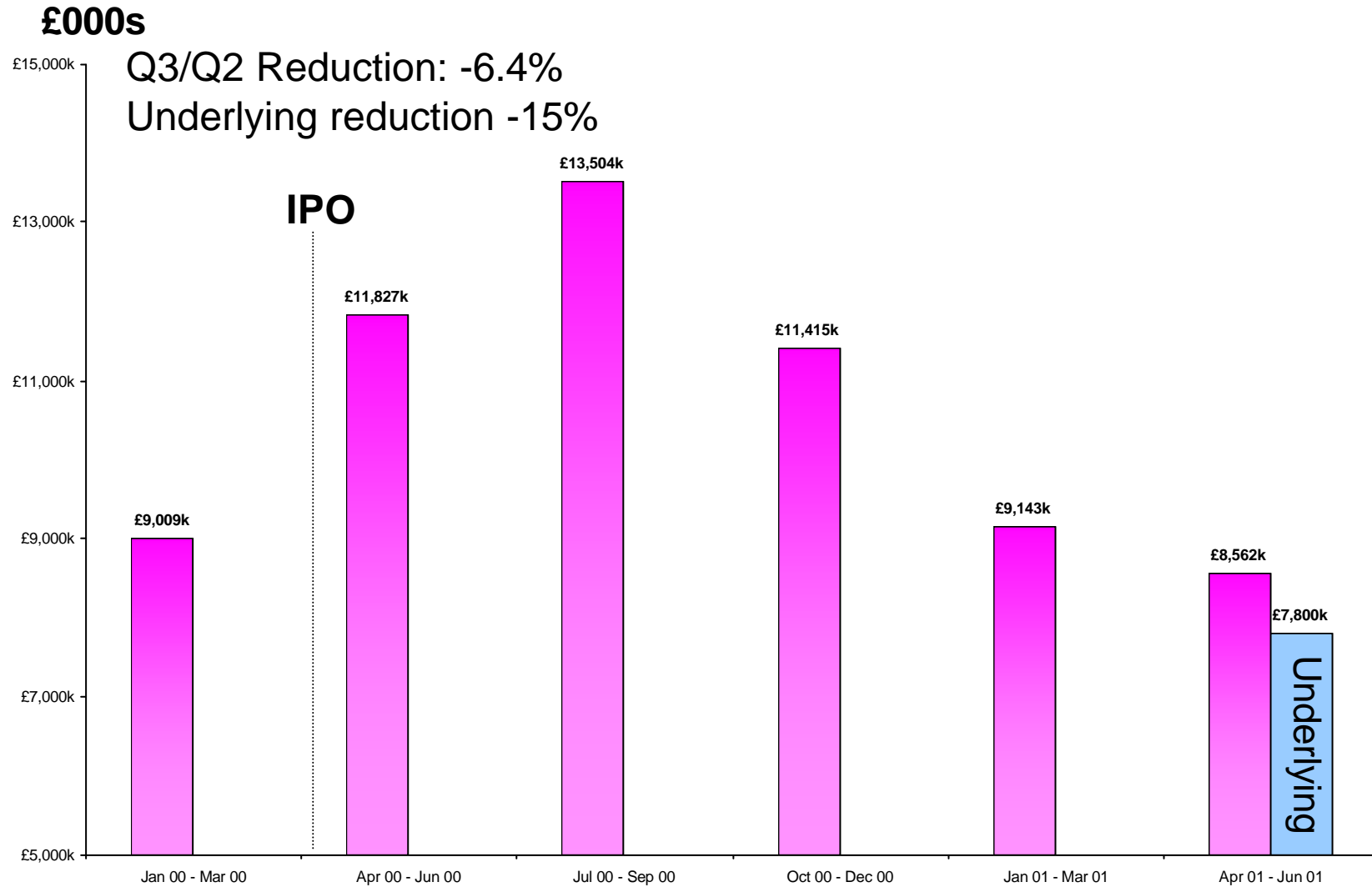
£'000s	Q3 to <u>Jun 01</u>	Q2 to <u>Mar 01</u>	Q3 to <u>Jun 00</u>
Gross Profit	4,129	3,851	950
Key Operating Costs:			
Product Development	2,850	3,247	2,430
Sales and Marketing	6,482	7,165	5,850
G&A	4,641	4,734	2,886
Total key operating costs	(13,973)	(15,146)	(11,166)
Operating loss *	(9,844)	(11,295)	(10,216)

* Before goodwill amortisation, share based compensation, other operating income, joint ventures and net interest

Balance Sheet Highlights

£'m's	As at <u>30 Jun 01</u>	As at <u>31 Mar 01</u>	As at <u>30 Jun 00</u>
Fixed Assets	62.3	66.4	8.3
Current assets:			
Stock	0.1	0.1	-
Debtors	13.9	14.3	5.8
Cash at bank	53.3	61.8	117.5
	67.3	76.2	123.3
Current liabilities	(28.6)	(29.4)	(6.5)
Net current assets	38.7	46.8	116.8
Provisions/long term liabilities	(1.4)	(1.2)	(2.4)
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Shareholders' funds	99.6	112.0	122.7
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Net cash outflow



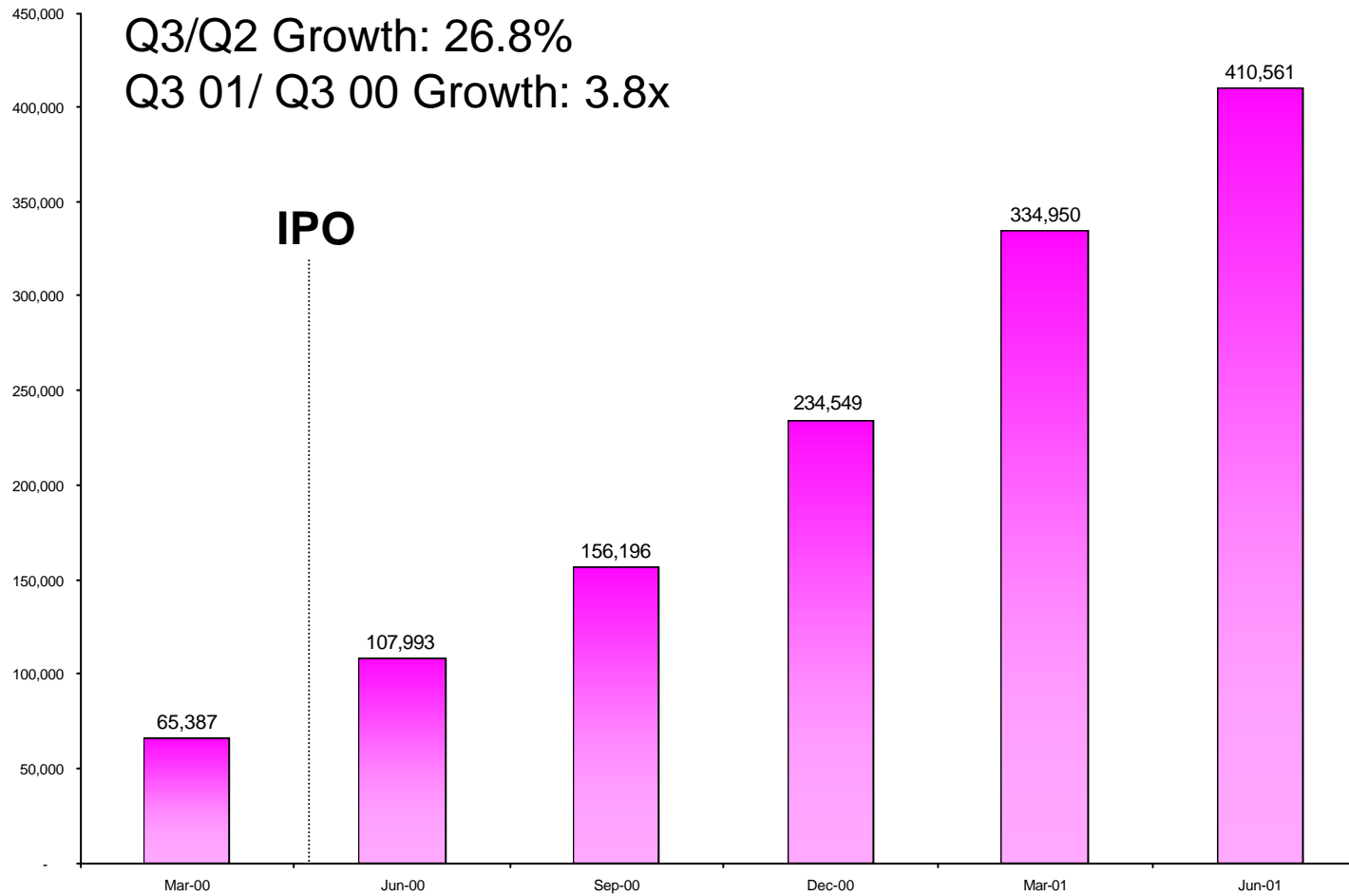
Martha Lane Fox

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Key retail metrics

- UK customer acquisition cost decreased by 44% quarter on quarter to £14
- Number of items sold in the quarter rose by 8.7% from 188k in quarter two to 205k
- Group average value per item sold in the quarter £143
- Group gross profit (including advertising and other revenues) per item £20.12

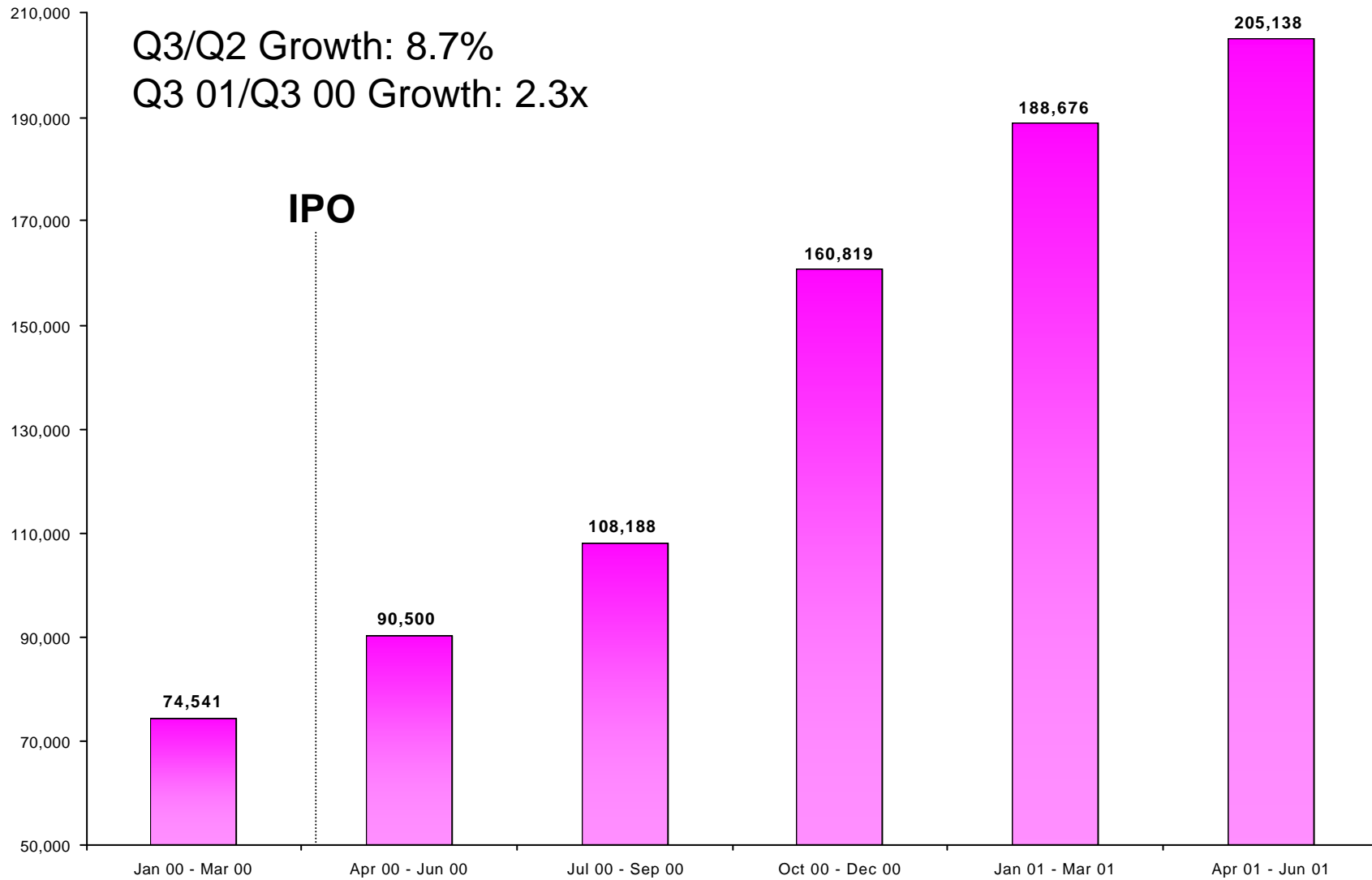
Customers*



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

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Items Sold



Quarter three – Brand developments

- **New relationship with Sol Melia in Spain**

Joint venture with Sol Melia in Spain

- Largest hotel chain in Spain and 10th largest in the world
- Largest resort hotel company in the world
- 98% brand awareness amongst Spanish travellers
- Recently launched Melia Viajes, a full service travel portal

Lastminute.com Spain

- Sol Melia provides all funding, marketing support and traffic
- lastminute.com provides branding and technology
- lastminute.com will have a 30% minority stake with an option to take 50% in 3 years
- Territory Spain and Portugal. Possible partner in future Latin American expansion

Strategic alliance

- Sol Melia provides best distributor pricing on its hotel offers for the lastminute.com Group
- Sol Melia becomes a major partner for hotel sales

- **New relationship with Fnac.com in France**

Fnac.com is France's largest e-commerce site for leisure and cultural goods
lastminute.com will be the exclusive travel provider for Fnac.com
Supplements the existing relationships with Yahoo!, Wanadoo and AOL
Full details to be provided in September

Conversion increases from 11.0% to 12.4%

- **Better site**
 - site performance and reliability improved (9 times faster since launch)
- **Improved User Interface**
 - Improved search facilities
 - Major improvements in flights booking engine
 - New home page introduced
- **Greater product availability**
 - Key relationships now operating across the whole Group
 - 200% increase in products year on year
- **Enhanced depth of product offering**
 - “Staying-in” category introduced supported by the acquisition of Urbanbite

Allan Leighton

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Highlights

- Continued improvement on all the retail basics
- Anticipate £45million plus of TTV in Q4
- Expect UK and French businesses to be operating at breakeven within nine months