

lastminute.com

NEWS RELEASE

For Immediate Release

10 May 2002

QUARTER 2 AND INTERIM FINANCIAL RESULTS AND STATEMENT

CONTINUING STRONG BUSINESS PERFORMANCE

lastminute.com today announces strong Quarter 2 and interim results. lastminute.com reaches operational profitability in the UK and France during Quarter 2, one Quarter earlier than previously indicated.

- **Customer conversion rate improves to 18.3% from 11.0% and 16.1% year on year and quarter on quarter respectively**
- **Total transaction value for the Quarter grew by 46.6% year on year and 28.4% quarter on quarter to £40.8 million (Q2 2001: £27.8m, Q1 2002: £31.7m)**
- **Gross profit for the Quarter grew by 59.3% year on year and 37.5% quarter on quarter to £6.1 million (Q2 2001: £3.9m, Q1 2002: £4.5m)**
- **Gross margin rose to 15.0%, an increase of 1.1 percentage points year on year and 0.9 percentage points quarter on quarter (Q2 2001: 13.9%, Q1 2002: 14.1%)**
- **EBITDA loss reduced to £3.2 million for the Quarter, a reduction of 66.4% year on year and 38.1% quarter on quarter (Q2 2001: loss £9.4m, Q1 2002: loss £5.1m)**
- **Loss (before goodwill amortisation and taxation) down 50.4% year on year and 26.2% quarter on quarter to £5.3 million (Q2 2001: loss £10.7m, Q1 2002: loss £7.2m)**
- **Operating cash outflow reduced to £1.4 million for the Quarter, a reduction of 85.2% year on year and 64.7% quarter on quarter (Q2 2001: £9.1m, Q1 2002: £3.8m)**
- **Cash balance remains strong at £34.7 million**
- **lastminute.com starts the process of the consolidation in the European online travel sector with the completion of its first major UK acquisition**

Commenting on the results

Allan Leighton, Chairman, said:

"The early delivery of operational profitability in the UK and France ensures that lastminute.com is well placed to meet expectations for the overall Group in the near term. We are also in a position to build upon our recent major UK acquisition and lead the consolidation of the online travel sector in Europe."

Brent Hoberman, Chief Executive Officer, added:

"The Group continues to demonstrate that lastminute.com's business model is working increasingly well, especially in the UK, our most developed market. The delivery of dynamic packaging in the Autumn will provide much greater flexibility and choice to our customers as well as adding to the overall Group margins."

lastminute.com plc
Quarter 2 2002 Results

Financial Highlights (£'000s)

<u>Year on year</u>	Quarter ended 31 Mar 2002	Quarter ended 31 Mar 2001	Growth
Registered subscribers at Quarter end	5,023,567	3,136,077	60.2%
Cumulative unique customers since inception ¹	819,912	323,747	153.3%
New unique customers in the Quarter	150,362	89,198	68.6%
Number of items sold in the Quarter	358,569	188,676	90.0%
Total transaction value (departure based) ²	£40,752	£27,805	46.6%
Total turnover (incl. share of joint ventures)	£6,764	£4,079	65.8%
Gross profit	£6,133	£3,851	59.3%
Gross margin	15.0%	13.9%	Up 1.1 percentage points
EBITDA	£(3,159)	£(9,410)	Loss down 66.4%
Loss (excl. goodwill amortisation) before taxation	£(5,296)	£(10,688)	Loss down 50.4%
Operating cash outflow	£(1,350)	£(9,143)	Outflow down 85.2%
<u>Quarter on quarter</u>	Quarter ended 31 Mar 2002	Quarter ended 31 Dec 2001	Growth
Registered subscribers at Quarter end	5,023,567	4,591,426	9.4%
Cumulative unique customers since inception ¹	819,912	669,550	22.5%
New unique customers in the Quarter	150,362	133,104	13.0%
Number of items sold in the Quarter	358,569	298,425	20.2%
Total transaction value (departure based) ²	£40,752	£31,731	28.4%
Total turnover (incl. share of joint ventures)	£6,764	£4,774	41.7%
Gross profit	£6,133	£4,461	37.5%
Gross margin	15.0%	14.1%	Up 0.9 percentage points
EBITDA	£(3,159)	£(5,104)	Loss down 38.1%
Loss (excl. goodwill amortisation) before taxation	£(5,296)	£(7,176)	Loss down 26.2%
Operating cash outflow	£(1,350)	£(3,826)	Outflow down 64.7%
Cash balance at Quarter end	£34,747	£36,530	-4.9%

¹ Only includes Degriftour's unique customers since 1 October 2000.

² TTV does not represent the Group's statutory turnover and comprises amounts relating to the Group and its share of joint ventures.

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

Notes to Editors:

About lastminute.com

Based on the idea of matching supply and demand, lastminute.com offers consumers last minute opportunities to acquire airline tickets, hotel rooms, package holidays, entertainment tickets, restaurant reservations and home delivery, speciality services, gifts and auctions in the United Kingdom, France, Germany, Italy, Sweden, Spain, The Netherlands, Australia and South Africa. At 31 March 2002, lastminute.com had established approximately 10,700 supplier relationships, with companies such as Lufthansa, bmi british midland, United Airlines, Virgin Atlantic Airways, Starwood Hotels and Resorts Worldwide, Kempinski Hotels, Sol Melia, Six Continents, JMC, Disneyland Paris, English National Ballet, The Royal Albert Hall, Conran Restaurants and The Wayahead Box Office.

lastminute.com plc
Quarter 2 2002 Results

CHAIRMAN'S STATEMENT

The Group has continued to make significant progress during the past six months. At this half year stage I am pleased to highlight a number of the important achievements and milestones that have been attained during both the Quarter and six months ended 31 March 2002.

UK and France deliver operational profits in Quarter 2, one quarter earlier than previously indicated

For the Quarter ended 31 March 2002 our UK and French businesses have reached profitability at an operational level. This is one Quarter earlier than previously indicated and is a key milestone to show that our business model continues to work well. The acceleration of UK and French operational profits can be attributed primarily to the strong quarter on quarter sales growth, particularly in the UK business, and a major reduction in the costs of running our businesses.

Significant reduction in operating cash outflow

The Group's operating cash outflow has significantly reduced during Quarter 2 to £1.4 million, from £3.8 million for the prior Quarter, a reduction of 64.7%. This substantial improvement has been achieved due to a combination of several factors including an increased focus on working capital management and the strong trading prior to the extended Easter holiday period.

The Group's cash balance at 31 March 2002 was £34.7 million.

Subscriber numbers now in excess of 5 million

During the Quarter ended 31 March 2002 the total number of subscribers passed the 5 million mark. This is a tremendous achievement and the fact that over 5 million subscribers have elected to receive our weekly newsletter is testimony to the attraction of our customer proposition.

All share purchase of Travelselect.com Limited

On 8 April 2002 we announced the all share purchase of Travelselect.com Limited for an initial £9.0 million consideration which was satisfied through the issue of new shares in lastminute.com plc.

This is a further key milestone in the development of the UK business as it:

- is immediately earnings enhancing;
- immediately contributes positively to operating cashflow;
- creates cost synergies and additional gross profit;
- triples the existing UK flights volume;
- facilitates access to a further 27 key airline relationships whilst deepening the relationships with existing suppliers;
- transforms the current flight product to one of similar breadth and scale as the Group's hotel portfolio; and
- provides online access to the Eurostar product.

Vimal Khosla, the majority shareholder and Chief Executive of Travelselect.com Limited has joined the Board of lastminute.com plc. He brings to the Board many years experience in the travel business.

The acquisition of Travelselect.com starts a process that may eventually lead to the consolidation of the European online travel sector.

Outlook

As we enter our seasonally stronger second half of the financial year, we remain confident of continuing business growth and moving further towards overall Group profitability and positive operating cashflow.

Allan Leighton
Chairman
10 May 2002

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OPERATIONAL REVIEW

Further growth in subscribers, customers and conversion

Quarter on quarter, and year on year, we have continued to see further significant increases in the number of subscribers, customers and the conversion of lookers to bookers. Subscriber numbers are now in excess of 5 million which represents an increase of 60.2% year on year and 9.4% Quarter 2 on Quarter 1.

Ongoing enhancements to the breadth of supply, together with competitive pricing, has led to customer numbers reaching record levels during the Quarter. The cumulative number of unique customers since inception, at 31 March 2002, has grown by 153.3% year on year to approximately 820,000.

Further technological improvements to the website contribute to delivering improved conversion rates which at 31 March 2002 have risen to 18.3% from 16.1% and 11.0% at 31 December 2001 and 31 March 2001 respectively.

Continued focus on quality of transactions and gross margins

Total transaction value (TTV) for the Quarter was £40.8 million (Q2 2001: £27.8m), representing an increase of 46.6% over the equivalent period of the prior year and 28.4% quarter on quarter (Q1 2002: £31.7m). The volume of forward bookings deferred at the end of Quarter 2 stood at a record quarter end level of £7.4 million for the Group.

Turnover, including our share of joint ventures, for Quarter 2 was £6.8 million (Q2 2001: £4.1m), which represents an increase of 65.8% over the equivalent period of the prior year and 41.7% quarter on quarter (Q1 2002: £4.8m).

Gross margins improved Quarter 2 on Quarter 1 from 14.1% to a record 15.0% continuing to demonstrate the success achieved through improving supply arrangements. Advertising, sponsorship and commercial revenues again increased from the level seen in the prior quarter, thus contributing to margins reaching their highest quarterly level to date.

Operational profitability achieved in our key UK and French businesses during Quarter 2, one quarter earlier than previously indicated, and an on-going reduction in net losses

Quarter 2 2002 saw our UK and French businesses reach operational profitability, one quarter earlier than previously indicated. This has been achieved through strong business volumes and focused cost controls, particularly in the UK. We have reduced the Group's net losses for the Quarter from £14.4 million last year to £9.0 million for the current quarter, a reduction of 37.6%.

Continued brand development

lastminute.com remains the No. 1 independent European travel site across nine countries (NetValue March 2002).

In April 2002 industry principals voted us "Best E-Commerce Site, Leisure Agency" at the sixth Annual Agent Achievement Awards. This award is made to leisure agents that best demonstrate achievement in either business-to-consumer travel information or travel reservation provision technology.

Broadening access to lastminute.com through further partnerships

In April 2002 we announced a partnership with BSkyB to sell our key products through BSkyB's leading interactive television service, Sky Active. The arrangement will operate from this Autumn and will extend Sky Active's line up of retail and travel services and provide a significant distribution platform for ourselves.

Also in April 2002 we announced a new marketing partnership with Rivals.net, a leading sports website. This partnership will allow us to offer our sports related products to an increased number of potential site visitors.

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Innovation through technology

In February 2002 we announced that we had signed a contract with Rapid Travel Solutions that will enable lastminute.com to continue to improve the usability of its travel proposition. Through this relationship it is anticipated that customers will benefit from a range of superior functions within the lastminute.com web site including a simpler, more user-friendly online experience within the flights engine.

Developing a scaleable infrastructure for the future

In March 2002, we announced we had signed a four-year contract with COLT to build an advanced hosting and network management solution which will enable us to meet increasing traffic demands. This solution will increase the reliability of the system and boost the capacity to handle traffic by an anticipated increase of 400 per cent thus ensuring our customers can reach our site continuously and will improve service speed.

Brent Hoberman
Chief Executive Officer

Martha Lane Fox
Group Managing Director

10 May 2002

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Quarter 2 2002 Results

FINANCIAL REVIEW

Total transaction value (TTV), turnover and gross margins

TTV for Quarter 2 was £40.8 million (Q2 2001: £27.8m, Q1 2002: £31.7m), representing an increase of 46.6% and 28.4% over the equivalent period of the prior year and prior quarter respectively. Turnover including our share of joint ventures for the Quarter totalled £6.8 million (Q2 2001: £4.1m, Q1 2002: £4.8m), which is an increase of 65.8% and 41.7% year on year and quarter on quarter respectively. Gross profit for the Quarter was £6.1 million (Q2 2001: £3.9m, Q1 2002: £4.5m) representing an increase of 59.3% and 37.5% year on year and quarter on quarter respectively.

TTV for the six months ended 31 March 2002 was £72.5 million representing an increase of 50.9% over the equivalent period of the prior year (6 months ended 2001: £48.0m).

Continuing reduction in cost base

Our continuing focus on efficiency improvements, together with the benefit from cost reduction programmes introduced in the second half of the last financial year, are delivering substantial reductions in operating costs. Year on year and quarter on quarter, total operating costs before depreciation and goodwill amortisation have fallen by £4.0 million and £0.3 million (29.9% and 2.9%) respectively to £9.3 million.

Compared with Quarter 1 2002 general and administration costs remained unchanged at £3.0 million, product development costs have fallen by 2.2% to £1.5 million and sales and marketing costs have as planned, marginally increased by 7.5% to £5.4 million. However, despite the cost reductions outlined above, we continue to invest in our core technology and the development of the brand to create further competitive advantage. The increased sales and marketing costs are in line with our expectations and represent increases in seasonal marketing activity.

Significant EBITDA improvements

Losses before interest, taxation, depreciation and goodwill amortisation have reduced by 38.1% Quarter 2 on Quarter 1 to £3.2 million and year on year by 66.4%. These significant improvements continue to be delivered through increased sales, improved operating margins and significant cost reductions.

Operating loss improvements

Quarter 2 operating losses of £9.1 million are a reduction of 18.3% from the level seen in the previous quarter. During Quarter 2 we have delivered operational profitability in the UK and France, one quarter earlier than previously indicated.

Significant reduction in operating cash outflow

At 31 March 2002 the cash position of the Group stood at £34.7 million. Operating cash outflow (before outflows relating to acquisitions and investment in joint ventures) fell significantly in the Quarter to £1.4 million, from £3.8 million for the prior quarter a reduction of 64.7%. Year on year the operating cash outflow fell from £9.1 million to £1.4 million, a reduction of 85.2%. This further improvement was achieved as a result of a number of factors including continued focus on working capital management, which has seen debtors fall by £0.4 million or 4.0% despite strong quarter on quarter revenue growth, and the receipt of £0.7 million from commercial and royalty arrangements concluded in the Quarter.

During Quarter 2 we paid £0.4 million as part of the investment in our Japanese joint venture.

David Howell
Chief Financial Officer
10 May 2002

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INDEPENDENT REVIEW REPORT to lastminute.com plc

Introduction

We have been instructed by the company to review the financial information for the three and six months ended 31 March 2002, which comprises the Consolidated Profit and Loss Account, Consolidated Balance Sheet, Consolidated Statement of Cash Flows and the related notes 1 to 3. 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.

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 and six months ended 31 March 2002.

Ernst & Young LLP
London
10 May 2002

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	Quarter ended 31 Mar 2002 £000s (Unaudited)	Quarter ended 31 Mar 2001 £000s (Unaudited)	Quarter ended 31 Dec 2001 £000s (Unaudited)	6 mths ended 31 Mar 2002 £000s (Unaudited)	6 mths ended 31 Mar 2001 £000s (Unaudited)
Total transaction value (departure based)¹	40,752	27,805	31,731	72,483	48,038
Consolidated profit and loss account					
Turnover					
Group and share of joint ventures	6,764	4,079	4,774	11,538	6,996
Less: share of joint ventures	(41)	-	(47)	(88)	-
Group turnover	6,723	4,079	4,727	11,450	6,996
Cost of sales	590	228	266	856	366
Gross profit	6,133	3,851	4,461	10,594	6,630
Operating costs					
Product development	1,527	1,915	1,561	3,088	4,070
Sales and marketing	5,431	7,165	5,051	10,482	14,370
General and administration	3,004	3,859	2,966	5,970	7,800
Non-cash share-based compensation	(834)	293	(38)	(872)	912
National Insurance provision	164	29	25	189	(429)
Operating costs before depreciation and goodwill amortisation	9,292	13,261	9,565	18,857	26,723
EBITDA	(3,159)	(9,410)	(5,104)	(8,263)	(20,093)
Depreciation	2,265	2,207	2,359	4,624	4,228
Goodwill amortisation	3,665	3,665	3,665	7,330	7,330
Operating loss	(9,089)	(15,282)	(11,128)	(20,217)	(31,651)
Share of operating loss in joint ventures	(91)	(29)	(87)	(178)	(98)
Total operating loss: Group and share of joint ventures	(9,180)	(15,311)	(11,215)	(20,395)	(31,749)
Interest receivable	236	978	387	623	2,033
Interest payable and similar charges	(17)	(20)	(13)	(30)	(31)
Loss on ordinary activities before taxation	(8,961)	(14,353)	(10,841)	(19,802)	(29,747)
Taxation on ordinary activities	-	-	-	-	-
Loss on ordinary activities after taxation	(8,961)	(14,353)	(10,841)	(19,802)	(29,747)
Loss per share -					
Basic and diluted	(5.14)p	(8.42)p	(6.25)p	(11.39)p	(17.72)p
Weighted number of Ordinary Shares outstanding	174,305,296	170,462,722	173,390,768	173,875,106	167,877,880

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

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Consolidated Balance Sheet

	At 31 Mar 2002 £000s (Unaudited)	At 31 Mar 2001 £000s (Unaudited)	At 31 Dec 2001 £000s (Unaudited)	At 30 Sept 2001 £000s (Audited)
FIXED ASSETS				
Intangible assets	36,661	51,306	40,326	43,992
Tangible assets	11,048	15,216	12,229	13,656
Investments – joint ventures				
– gross assets	827	412	469	455
– gross liabilities	(189)	(62)	(127)	(78)
Total joint venture net assets	638	350	342	377
Total fixed assets	48,347	66,872	52,897	58,025
CURRENT ASSETS				
Stock	107	133	96	40
Debtors	9,893	14,279	10,306	11,173
Cash at bank and in hand	34,747	61,801	36,530	46,617
	44,747	76,213	46,932	57,830
CREDITORS: amounts falling due within one year	(24,172)	(29,372)	(21,310)	(26,400)
NET CURRENT ASSETS	20,575	46,841	25,622	31,430
TOTAL ASSETS LESS CURRENT LIABILITIES	68,922	113,713	78,519	89,455
CREDITORS: amounts falling due after more than one year	(116)	(149)	(150)	-
PROVISIONS FOR LIABILITIES AND CHARGES	(554)	(1,079)	(512)	(543)
TOTAL NET ASSETS	68,252	112,485	77,857	88,912
CAPITAL AND RESERVES				
Called up share capital	1,743	1,711	1,738	1,733
Share premium account	112,950	112,936	112,959	112,983
Profit and loss account	(113,845)	(70,023)	(105,078)	(94,080)
Merger reserve	61,892	61,746	61,892	61,892
Other reserves	5,512	6,115	6,346	6,384
TOTAL EQUITY SHAREHOLDERS' FUNDS	68,252	112,485	77,857	88,912

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Consolidated Statement of Cash Flows	Quarter ended 31 Mar 2002 £000s (Unaudited)	Quarter ended 31 Mar 2001 £000s (Unaudited)	Quarter ended 31 Dec 2001 £000s (Unaudited)	6 mths ended 31 Mar 2002 £000s (Unaudited)	6 mths ended 31 Mar 2001 £000s (Unaudited)
NET CASH OUTFLOW FROM OPERATING ACTIVITIES	(485)	(7,861)	(3,550)	(4,035)	(17,358)
RETURNS ON INVESTMENTS AND SERVICING OF FINANCE					
Interest received	236	978	387	623	2,033
Interest paid	(17)	(2)	(13)	(30)	(13)
Net returns on investments and servicing of finance	219	976	374	593	2,020
CAPITAL EXPENDITURE AND FINANCIAL INVESTMENT					
Payments to acquire tangible fixed assets	(1,084)	(2,258)	(932)	(2,016)	(5,220)
Receipts from sale of tangible fixed assets	-	-	282	282	-
NET CASH OUTFLOW BEFORE ACQUISITIONS AND MANAGEMENT OF LIQUID RESOURCES AND FINANCING	(1,350)	(9,143)	(3,826)	(5,176)	(20,558)
ACQUISITIONS					
Payments to acquire subsidiary ¹ /investment in joint venture ²	(436)	-	(6,268)	(6,704)	(21,350)
NET CASH OUTFLOW BEFORE MANAGEMENT OF LIQUID RESOURCES AND FINANCING	(1,786)	(9,143)	(10,094)	(11,880)	(41,908)
MANAGEMENT OF LIQUID RESOURCES					
(Increase)/decrease in short term deposits	(178)	-	(1,395)	(1,573)	11
FINANCING					
Issue of share capital	3	16	7	10	21
DECREASE IN CASH	(1,961)	(9,127)	(11,482)	(13,443)	(41,876)
RECONCILIATION OF CASH FLOW TO MOVEMENT IN NET FUNDS					
MOVEMENT IN CASH	(1,961)	(9,127)	(11,482)	(13,443)	(41,876)
Cash outflow/(inflow) from short term deposits	178	-	1,395	1,573	(11)
	(1,783)	(9,127)	(10,087)	(11,870)	(41,887)
NET FUNDS AT THE BEGINNING OF THE PERIOD	36,530	70,928	46,617	46,617	103,688
NET FUNDS AT THE END OF THE PERIOD	34,747	61,801	36,530	34,747	61,801

¹ December 2001 payment relates to deferred consideration on the acquisition of the Degrifour Group.

² February 2002 payment relates to investment in the Japanese joint venture.

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Notes to the Interim Financial Statements

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 2001. 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 2001. Those accounts, upon which the auditors issued an unqualified opinion, have been delivered to the Registrar of Companies.

2. Additional Information

	Quarter ended 31 Mar 2002	Quarter ended 31 Dec 2001	Quarter ended 30 Sept 2001	Quarter ended 30 Jun 2001	Quarter ended 31 Mar 2001	Quarter ended 31 Dec 2000
Number of items sold in the period	358,569	298,425	251,522	205,138	188,676	160,819
Number of registered subscribers at period end	5,023,567	4,591,426	4,208,484	3,514,027	3,136,077	2,860,736
Cumulative unique customers at period end	819,912	669,550	536,446	410,561	323,747	234,549
Number of new unique customers in the Quarter	150,362	133,104	125,885	86,814	89,198	78,353
Number of suppliers at period end	10,737	10,113	9,286	8,524	9,147	9,200

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

The Group is engaged in the provision of last minute 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:

	TTV (by destination and source)				Turnover (by destination and source)			
	Quarter ended 31 Mar 2002 £'000s	Quarter ended 31 Mar 2001 £'000s	6 months ended 31 Mar 2002 £'000s	6 months ended 31 Mar 2001 £'000s	Quarter ended 31 Mar 2002 £'000s	Quarter ended 31 Mar 2001 £'000s	6 months ended 31 Mar 2002 £'000s	6 months ended 31 Mar 2001 £'000s
By geographical area:								
United Kingdom	20,327	9,054	37,879	17,222	3,206	1,224	5,748	2,520
Other European Union countries	20,027	18,751	33,775	30,816	3,517	2,855	5,702	4,476
Joint Ventures	398	-	829	-	41	-	88	-
	40,752	27,805	72,483	48,038	6,764	4,079	11,538	6,996
	Net profit/(loss) on ordinary activities before taxation				Net assets/(liabilities)			
By geographical area:								
United Kingdom	129	(2,678)	(18)	(3,701)	56,454	55,741		
Other European Union countries ¹	(914)	(2,502)	(2,212)	(6,508)	(23,587)	(5,407)		
Central costs ²	(8,304)	(10,102)	(17,987)	(21,442)	-	-		
	(9,089)	(15,282)	(20,217)	(31,651)	32,867	50,334		
Share of operating loss and net assets of joint ventures	(91)	(29)	(178)	(98)	638	350		
Net interest receivable	219	958	593	2,002	-	-		
Interest bearing assets	-	-	-	-	34,747	61,801		
	(8,961)	(14,353)	(19,802)	(29,747)	68,252	112,485		

¹ Net assets include £36,661,000 of goodwill at 31 March 2002 (31 March 2001: £51,306,000).

² Central costs for both quarters include technical development and maintenance costs and the expenses related to the Group management functions which are not apportioned across the Group's operating businesses. In addition central costs include £3,665,000 of goodwill amortisation for each quarter.

Definitions

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 the Company but elect not to receive its weekly e-mails. 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 does not represent statutory turnover. In the majority of transactions, where lastminute.com acts as agent or cash collector, total transaction value represents the price at which products or services have been sold, net of value added tax and associated taxes. 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 total transaction value represents the flat fee earned. In the small number of cases where lastminute.com acts as principal, total transaction value represents the price at which products or services are sold, net of value added tax and associated taxes. Departure based total transaction value represents total transaction value calculated with reference to the date of departure.

Turnover - in the majority of cases, lastminute.com does not take ownership of the products or services being sold and acts as agent, receiving a commission from the supplier of the products or services being sold. In these cases, turnover represents commission earned, less amounts due or paid on any commission shared. In a limited number of cases, lastminute.com acts as principal and purchases the products or services for resale. Where lastminute.com acts as principal, turnover represents the price at which the products or services are sold. Turnover is recognised once charges to the customer's credit card have been made except for travel, which is recognised on the date of departure, and is stated exclusive of value added tax and associated taxes. Additional revenue streams (e.g. sponsorship) also contribute to turnover.

Gross margin is defined as gross profit over total transaction value.

Operating cash outflow is defined as net cash 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 unique customers (excluding repeat customers) since the inception of lastminute.com and the cumulative number of Degriktour's unique customers (excluding repeat customers) since 1 October 2000. Customers are defined as individuals who have purchased goods and services over lastminute.com's and Degriktour's platforms.

An **item sold** is an individually priced product or service purchased by a customer within the period.

The **number of suppliers** includes individual airlines, hotels, holiday package suppliers, entertainment vendors, gift suppliers, restaurants and specialty service suppliers.

lastminute.com plc
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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 in 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 1995. 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.