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**Financial results  
for the 9 months and Quarter 3 ended  
30 June 2002**

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# Allan Leighton

Chairman

# **lastminute.com makes substantial progress on underlying retail metrics during Quarter 3**

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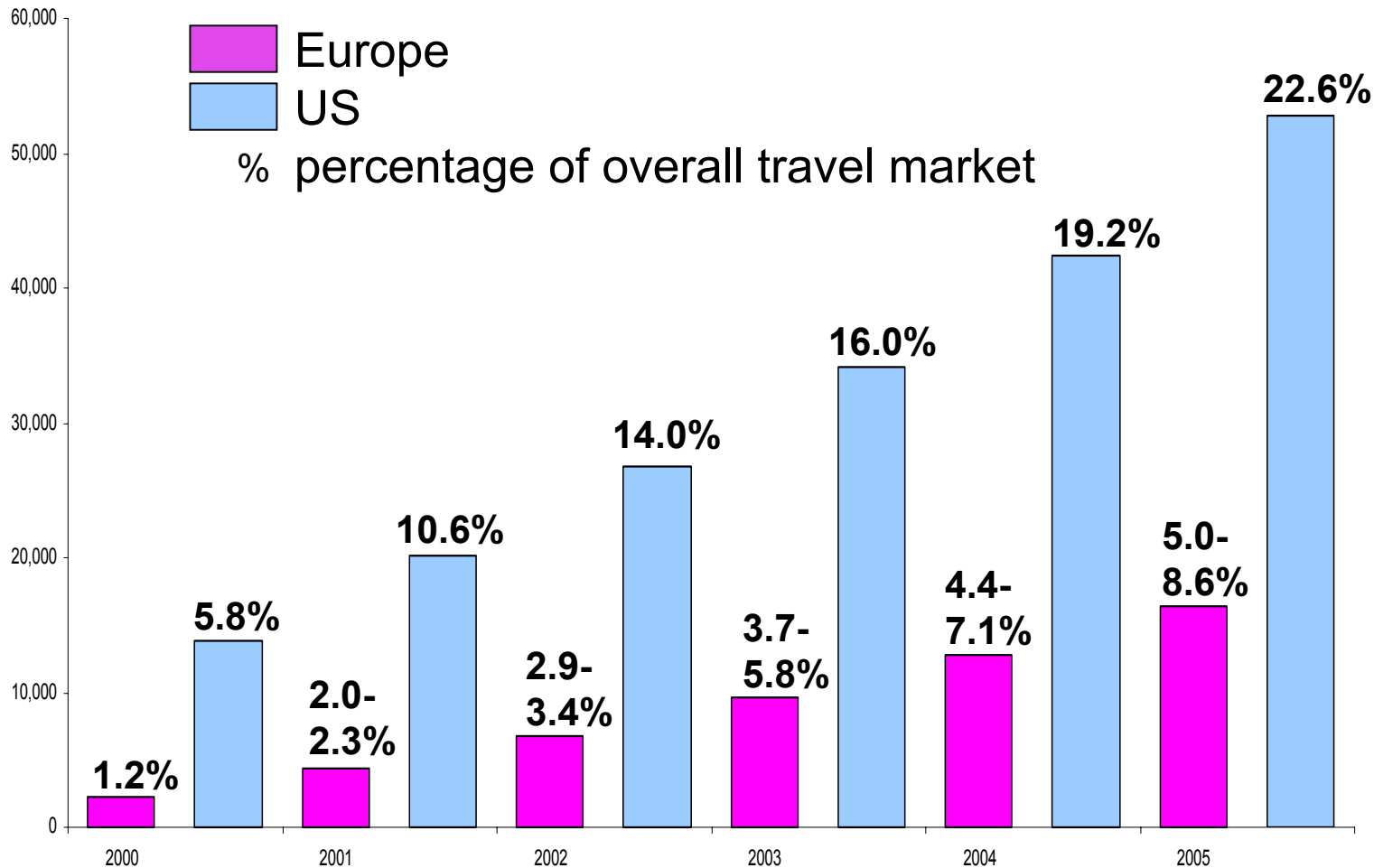
- Subscribers increase to 5.6m plus
- Conversion improves to 20.7%
- TTV increases by 108.4% year on year
- Continued growth in operational profitability in the UK and France
- Further shift towards Group profitability and positive cashflow

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**Brent Hoberman**  
Chief Executive Officer

# The online travel market place

€m



Expedia:  
\$3.4bn

Hotels.com:  
\$2.9bn

Tvly:  
\$1.3bn

Priceline:  
\$1bn

Orbitz

Hotwire

At 26 Feb 2002

Source: CSFB estimates; Forrester; PhoCusWright; Jupiter

do something **lastminute.com**

# Quarter 3 Major highlights

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- Gross profit for the quarter grew by 90.9% year on year and 28.5% quarter on quarter to a record £7.9 million
- Integration of Travelselect and The Destination Group continues well and will be completed by 30 September 02
- In July 2002, the proposed acquisition of Travelprice.com SA was announced creating the clear number 1 online travel group in Europe

# Quarter 3 International and commercial developments

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## International

- Strategic investment and partnership with LCC24, the online vehicle for Lufthansa City Center (LCC)
- Japanese joint venture launched at end of June in time for the key Summer 2002 season

## Commercial

- Joint initiative with the UK's leading UK rail retailer, thetrainline.com, to cross-promote hotel and train bookings

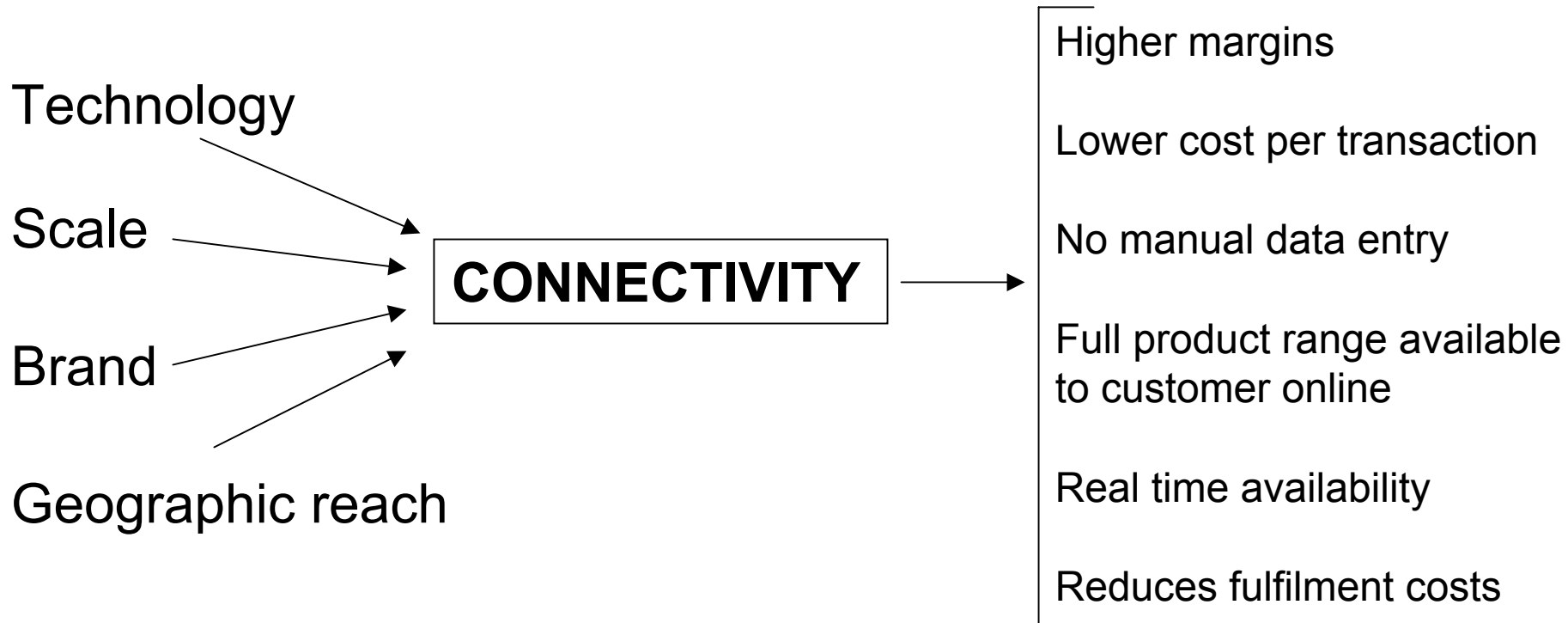
# The immediate future - technology

Projects planned for completion by 31 December 2002

Efficiency Gains	Conversion	Supply	New Platforms	CRM
<ul style="list-style-type: none"> <li>• Oracle Financials (<i>on track</i>)</li> <li>• <b>Hotels extranet</b> (<i>completed</i>)</li> <li>• <b>Holidays extranet</b> (<i>completed</i>)</li> <li>• Degriftour integration (<i>on-track</i>)</li> </ul> <p><b>NEW:</b></p> <ul style="list-style-type: none"> <li>• Travelprice integration</li> <li>• <i>Newsletter In-source</i></li> </ul>	<ul style="list-style-type: none"> <li>• Browse Search (<i>on-track</i>)</li> <li>• <b>FastBuy 1-click</b> (<i>completed</i>)</li> <li>• <b>Dynamic Packaging</b> (<i>on-track, P1 – completed</i>)</li> </ul> <p><b>NEW:</b></p> <ul style="list-style-type: none"> <li>• Europayment</li> <li>• E-Vouchers</li> </ul>	<ul style="list-style-type: none"> <li>• Flights (<i>TravelSelect</i>)</li> <li>• <b>Hols Source TicToc</b> (<i>completed</i>)</li> </ul> <p><b>NEW:</b></p> <ul style="list-style-type: none"> <li>• Tour Op / Dest Group</li> <li>• External Integrated Basket</li> <li>• LCC24</li> <li>• Mondial</li> <li>• JPN Integration</li> </ul>	<ul style="list-style-type: none"> <li>• Sky Active (<i>on track</i>)</li> <li>• Orange Mall (<i>on track</i>)</li> <li>• <b>Hotels Voice</b> (<i>completed</i>)</li> </ul> <p><b>NEW:</b></p> <ul style="list-style-type: none"> <li>• Minitel</li> </ul>	<ul style="list-style-type: none"> <li>• <b>E.piphany segmentation</b> (<i>completed</i>)</li> <li>• Call Qualification (<i>on-track</i>)</li> </ul> <p><b>NEW:</b></p> <ul style="list-style-type: none"> <li>• Post Consumption Email</li> </ul>

# Leveraging supply and technology

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- Enhanced customer experience
- Better profit margins

# According to Net Value we are the number 1 travel and tourism site across 6 European countries

Net Value data – June 2002

Country	Rank	% Reach
UK	1	6.8*
France (combined)	2**	8.3
lastminute.com	2	3.3
Travelprice.com	3	2.9
Degriftour	6	2.1
Italy	1	4.8
lastminute.com	1	3.5
Travelprice.com	2	1.3
Spain	2***	4.1
Germany	5	1.9

\* UK Reach figure includes Travelexport.com and Travel4Less.co.uk

\*\* After SNCF – the French railway

\*\*\* After el netro – a content only site

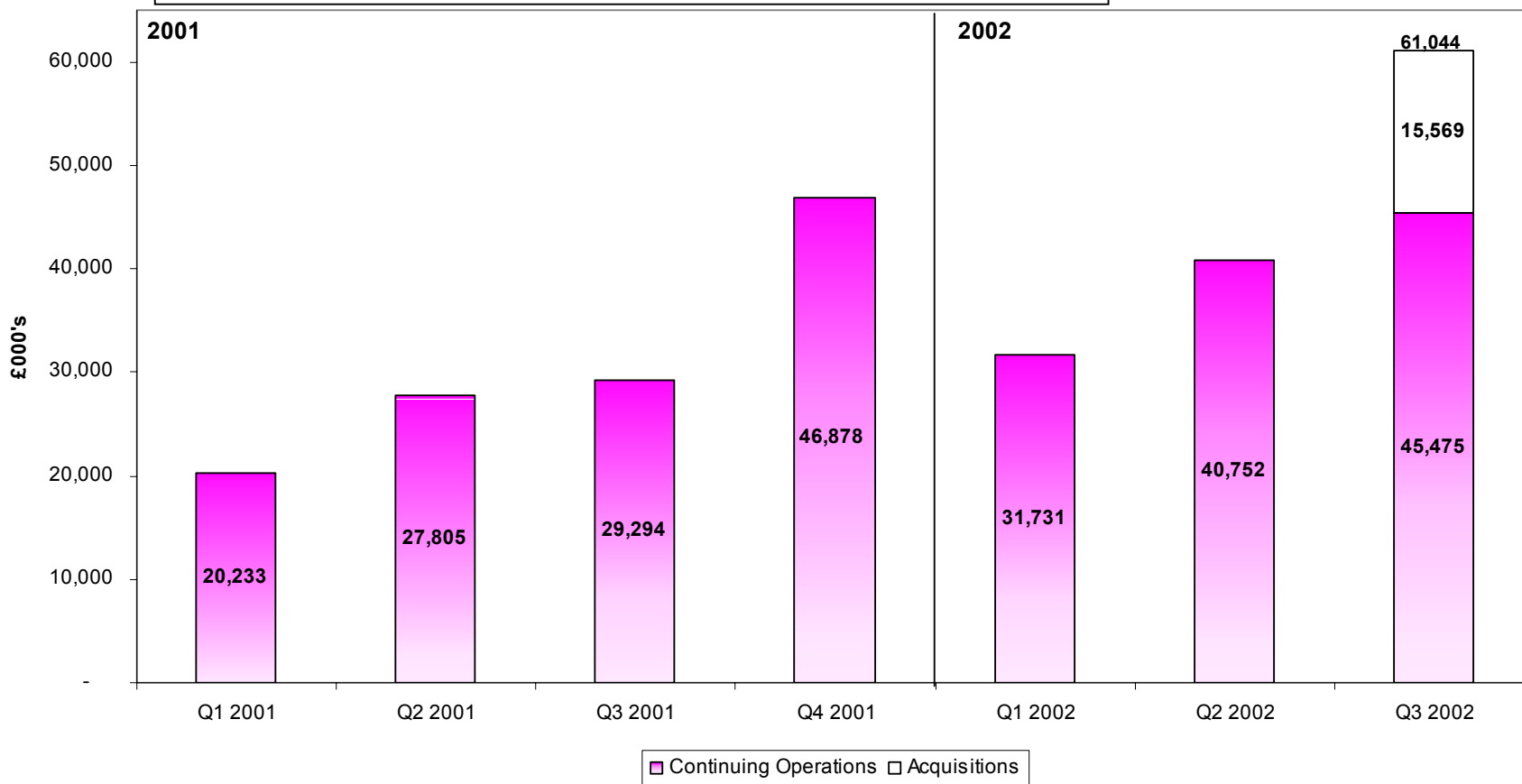
do something **lastminute.com**

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**David Howell**  
Chief Financial Officer

# Departure based total transaction value

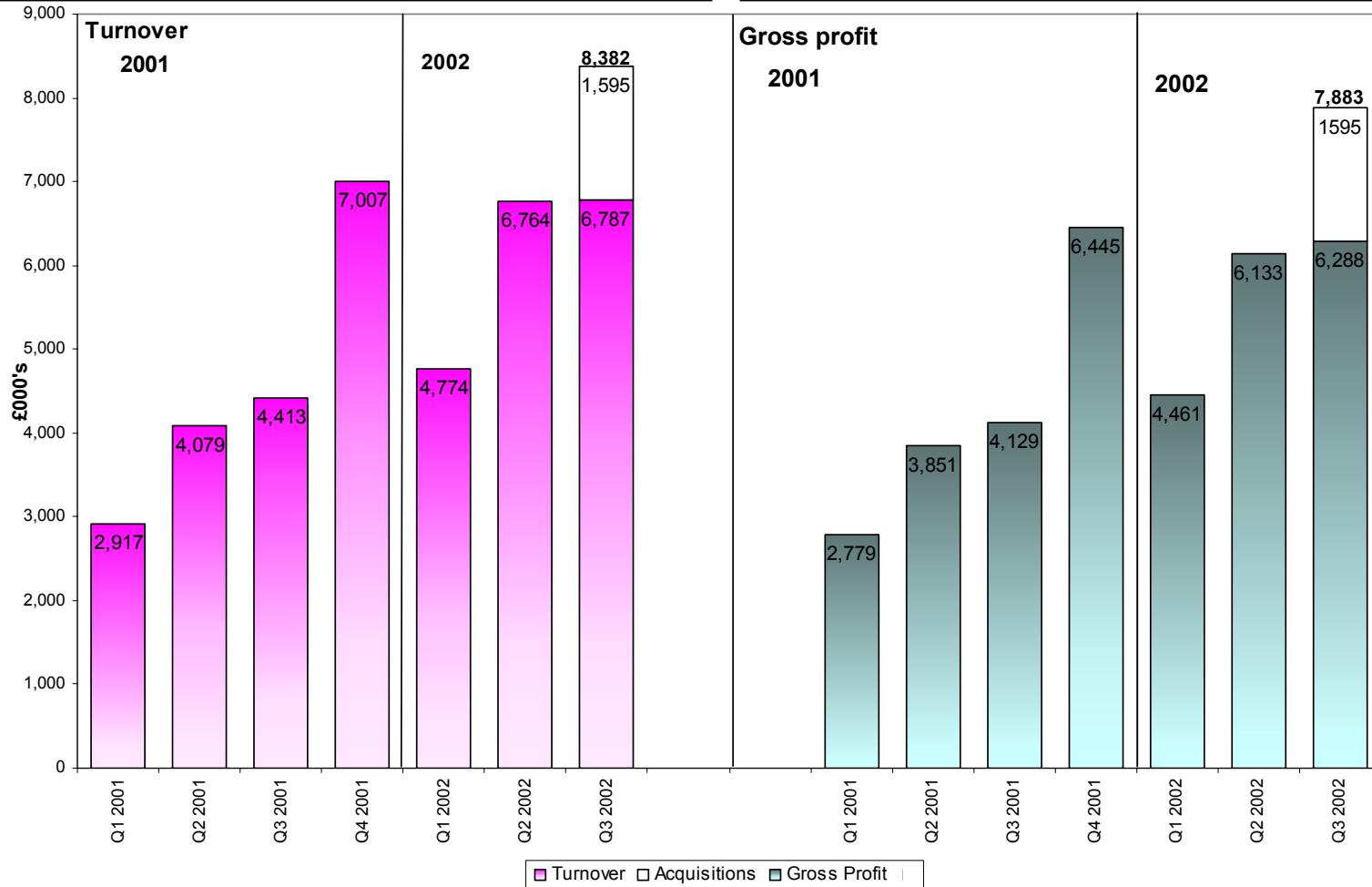
<b>Q3 2002/Q3 2001 Growth:</b>	<b>108.4 %</b>
<b>Q3 YTD 2002/Q3 YTD 2001 Growth:</b>	<b>72.7 %</b>
<b>Like for like Q3 2002/Q3 2001:</b>	<b>55.2%</b>
<b>Like for like Q3 2002/Q2 2002:</b>	<b>11.6%</b>



# Turnover and gross profit

Q3 2002/Q3 2001 Turnover growth:	89.9 %
Q3 YTD 2002/Q3 YTD 2001 Turnover growth:	74.6 %
Like for like Q3 2002/Q3 2001:	53.8 %
Like for like Q3 2002/Q2 2002:	0.3 %

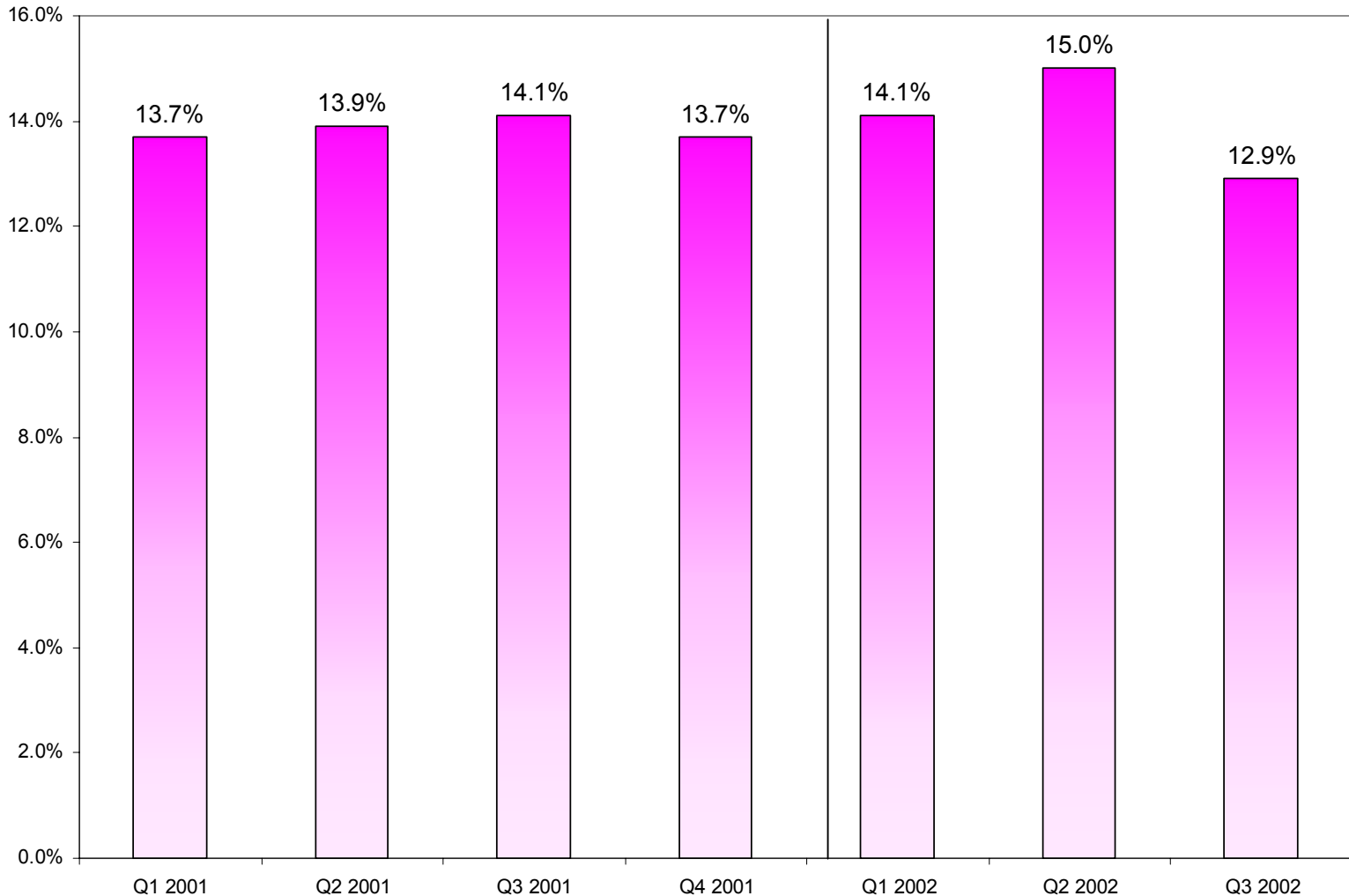
Q3 2002/Q3 2001 Gross profit growth:	90.9 %
Q3 YTD 2002/Q3 YTD 2001 Gross profit growth:	71.7 %
Like for like Q3 2002/Q3 2001:	52.3 %
Like for like Q3 2002/Q2 2002:	2.5 %



# Percentage gross margin

**Q3 2002/Q3 2001 down: 1.2 % points**  
**Q3 2002/Q2 2002 down: 2.1 % points**

**Like for like margins in the core underlying businesses were 1.0% higher than 1 year ago**



# Q3 Segmental analysis

## Net profit/(loss) before taxation

£'000s	3 mths to 30.06.02	3 mths to 30.06.01	Variance	% Variance
UK – ongoing	923	(1,098)	2,021	184.1
– acquisitions	209	-	209	n/a
<b>Total UK</b>	<b>1,132</b>	<b>(1,098)</b>	<b>2,230</b>	<b>203.1</b>
France	262	(1,663)	1,925	115.8
Germany	(409)	(385)	(24)	(6.2)
<b>Core Countries EBITDA</b>	<b>985</b>	<b>(3,146)</b>	<b>4,131</b>	<b>131.3</b>
Satellite Countries	(202)	(1,010)	808	80.0
Joint Ventures/Associates	(155)	(42)	(113)	(269.0)
<b>Country &amp; JV EBITDA</b>	<b>628</b>	<b>(4,198)</b>	<b>4,826</b>	<b>115.0</b>
<b>Central Costs:</b>				
Tech and HQ	(2,683)	(3,620)	937	25.9
Depreciation	(2,240)	(2,228)	(12)	(0.5)
Interest received - net	298	758	(460)	(60.7)
<b>Net loss before taxation and goodwill amortisation</b>	<b>(3,997)</b>	<b>(9,288)</b>	<b>5,291</b>	<b>57.0</b>
Goodwill amortisation	(4,730)	(3,665)	(1,065)	(29.1)
<b>Net loss before taxation</b>	<b>(8,727)</b>	<b>(12,953)</b>	<b>4,226</b>	<b>32.6</b>

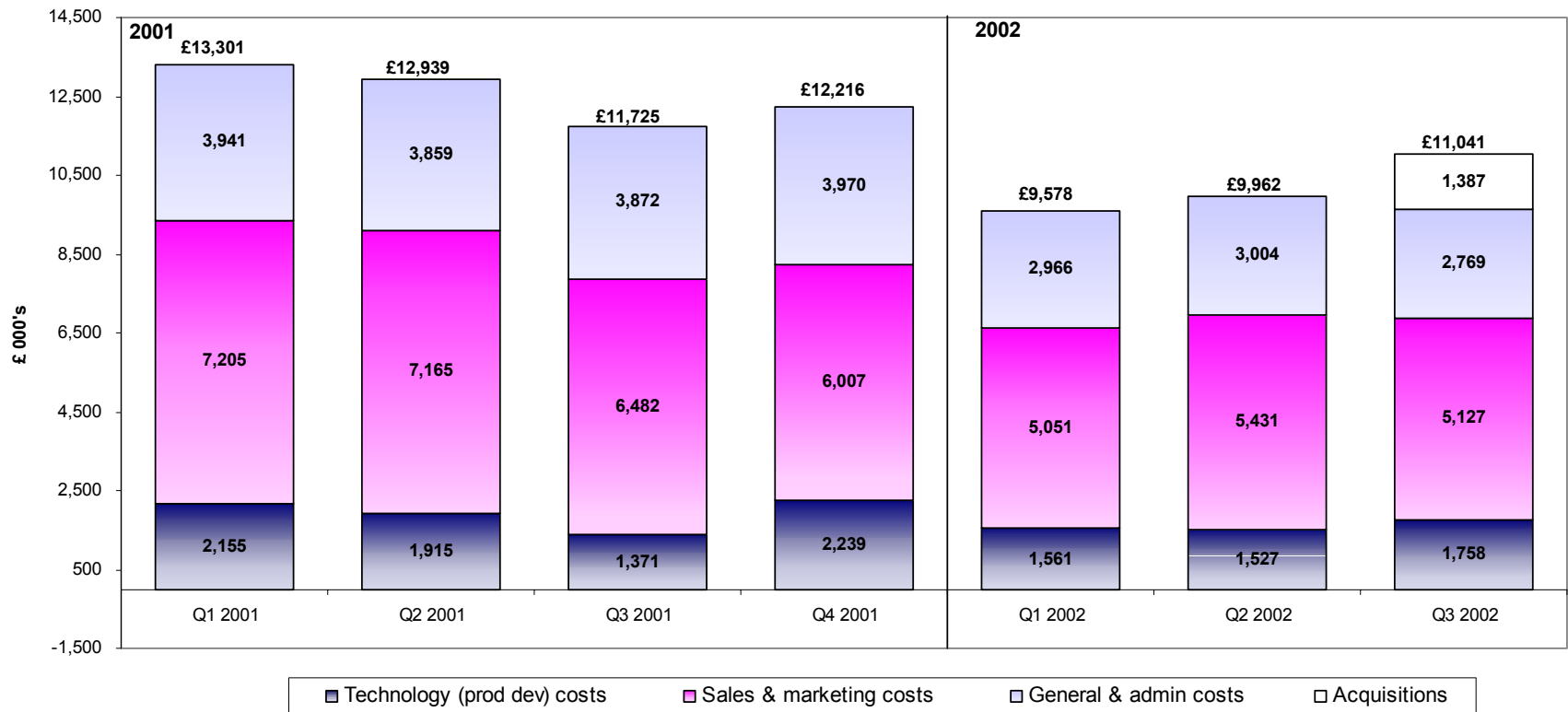
# Year to Date Segmental analysis

## Net profit/(loss) before taxation

£'000s	9 mths to 30.06.02	9 mths to 30.06.01	Variance	% Variance
UK – ongoing	1,069	(4,334)	5,403	124.7
– acquisitions	209	-	209	n/a
<b>Total UK</b>	<b>1,278</b>	<b>(4,334)</b>	<b>5,612</b>	<b>129.5</b>
France	67	(3,870)	3,937	101.7
Germany	(1,455)	(2,782)	1,327	47.7
<b>Core Countries EBITDA</b>	<b>(110)</b>	<b>(10,986)</b>	<b>10,876</b>	<b>99.0</b>
Satellite Countries	(963)	(3,256)	2,293	70.4
Joint Ventures/Associates	(333)	(140)	(193)	(137.9)
<b>Country &amp; JV EBITDA</b>	<b>(1,406)</b>	<b>(14,382)</b>	<b>12,976</b>	<b>90.2</b>
<b>Central Costs:</b>				
Tech and HQ	(9,090)	(13,627)	4,537	33.3
Depreciation	(6,864)	(6,456)	(408)	(6.3)
Interest received - net	891	2,760	(1,869)	67.7
<b>Net loss before taxation and goodwill amortisation</b>	<b>(16,469)</b>	<b>(31,705)</b>	<b>15,236</b>	<b>48.1</b>
Goodwill amortisation	(12,060)	(10,995)	(1,065)	(9.7)
<b>Net loss before taxation</b>	<b>(28,529)</b>	<b>(42,700)</b>	<b>14,171</b>	<b>33.2</b>

# Quarterly cash costs (excluding non-cash share based compensation and national insurance provisions)

	Costs as % of TTV		
	Q3 2002	Q3 2001	% Change
Tech	3.2	4.7	(31.9)
S&M	9.9	22.1	(55.2)
G&A	5.1	13.2	(61.4)

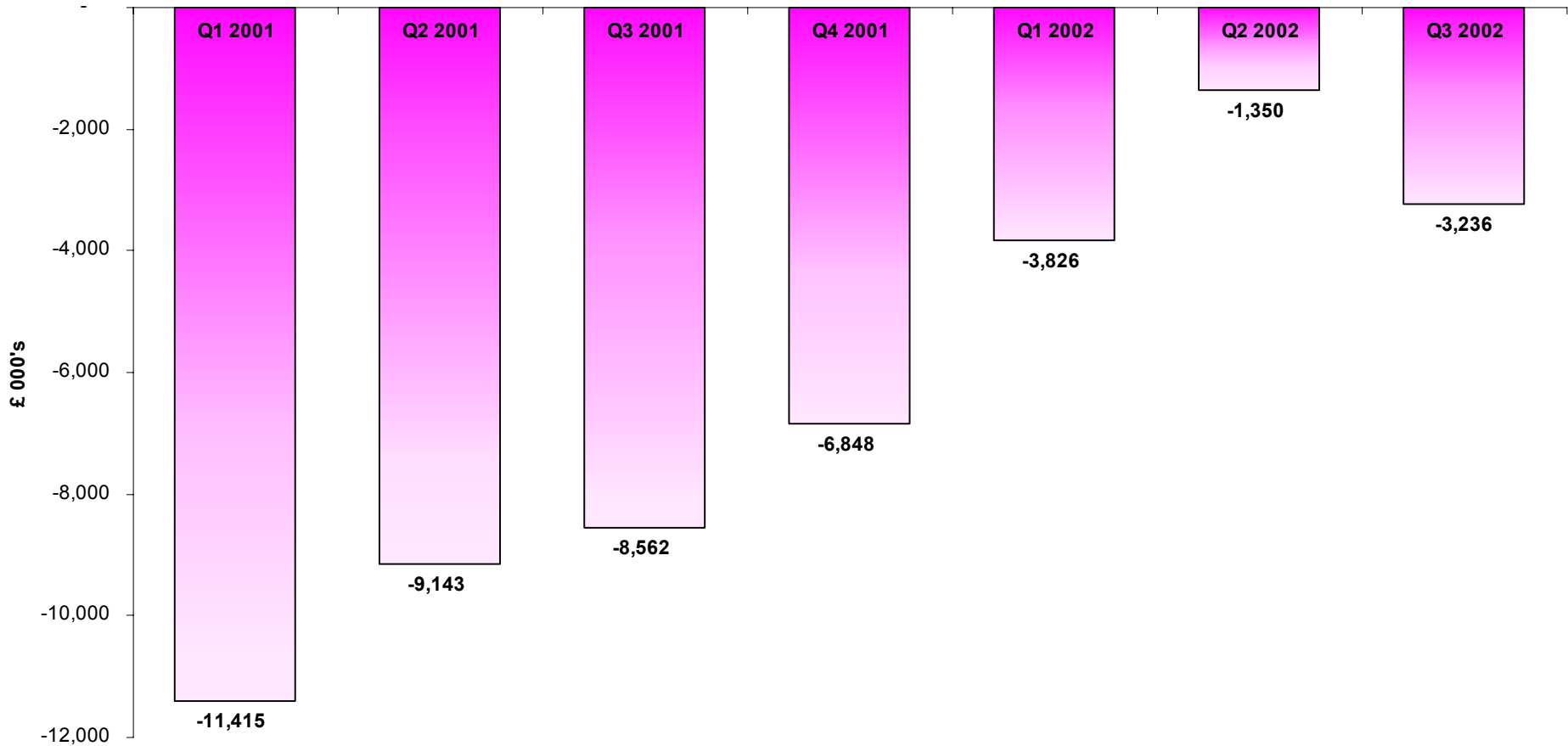


# Balance sheet highlights

£ millions	30 Jun 02	31 Mar 02	30 Jun 01
Fixed Assets	72.2	48.3	62.8
Current assets:			
Stock	0.1	0.1	0.1
Debtors	12.2	9.9	13.9
<b>Cash at bank</b>	<b>41.5</b>	<b>34.7</b>	<b>53.3</b>
	<b>53.8</b>	<b>44.7</b>	<b>67.3</b>
Current liabilities	(44.3)	(24.1)	(28.6)
Net current assets	9.5	20.6	38.7
Provisions/long term liabilities	(0.9)	(0.6)	(1.4)
Shareholders' funds	80.8	68.3	100.1

# Operating cash outflow

Q3 2002/Q2 2002 increase: 139.7%  
Q3 2002/Q3 2001 reduction: 62.2%



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**Martha Lane Fox**  
Group Managing Director

# Growth and conversion

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- Conversion improves to 20.7% from 12.4% Q3 2001 and 18.3% Q2 2002
- Customers up from 98k Q3 2001 to 233k Q3 2002
- Overall customer acquisition costs fall from £22.0 Q3 2001 to £9.8 Q3 2002 (-55.5%)
- UK customer acquisition costs fall from £14.0 Q3 2001 to £6.4 Q3 2002 (-54.3%)
- French customer acquisition costs fall from £29.1 Q3 2001 to £15.9 Q3 2002 (-45.4%)

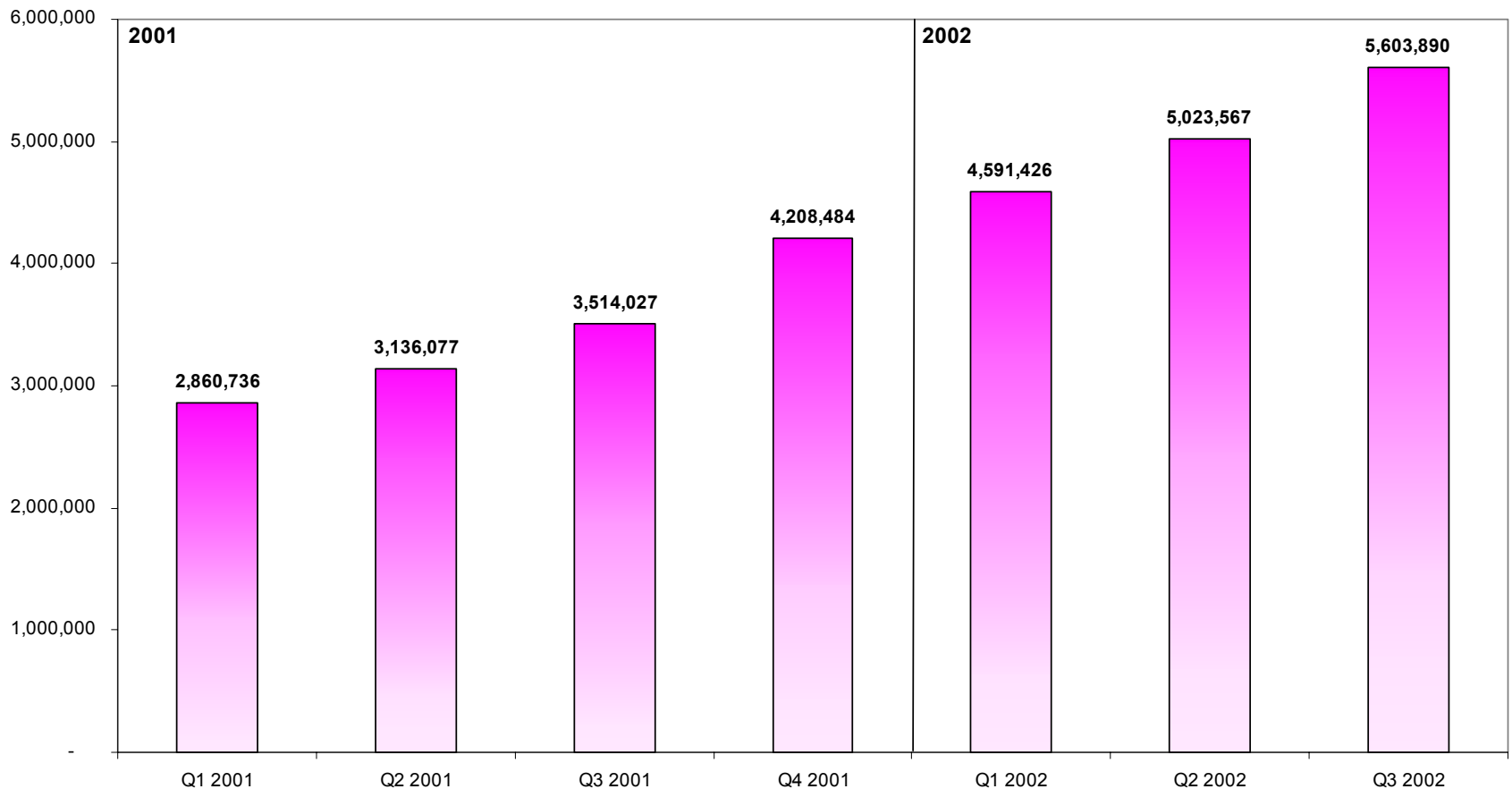
# Key retail metrics - highlights

	Year on year		
	Q3 2002	Q3 2001	Change
Customer acquisition costs:			
Group *	£9.8	£22.0	-55.5%
UK *	£ 6.4	£ 14.0	-54.3%
France	£15.9	£29.1	-45.4%
Customers	233k	98k	137.8%
Gross profit per shopping basket:			
Group *	£ 27.9	£ 36.4	-23.4%
UK *	£26.1	£25.0	4.4%
France	£59.8	£63.3	-5.5%

\* Excluding acquired businesses

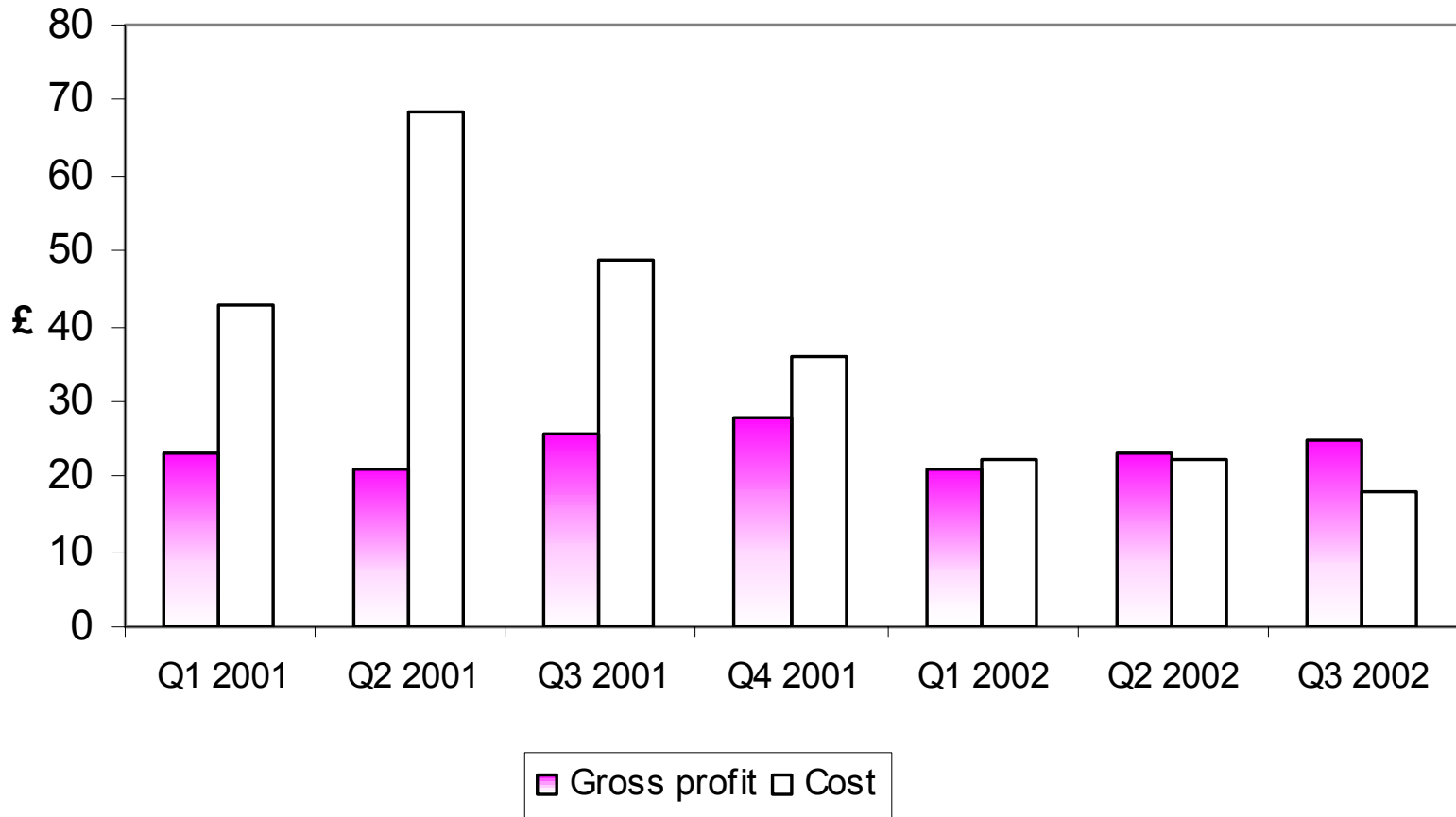
# We now email in excess of 5.6 million people per week across 10 countries with their permission

Q3 2002/Q2 2002 growth: 11.6%  
Q3 2002/Q3 2001 growth: 59.5%



do something [lastminute.com](http://lastminute.com)

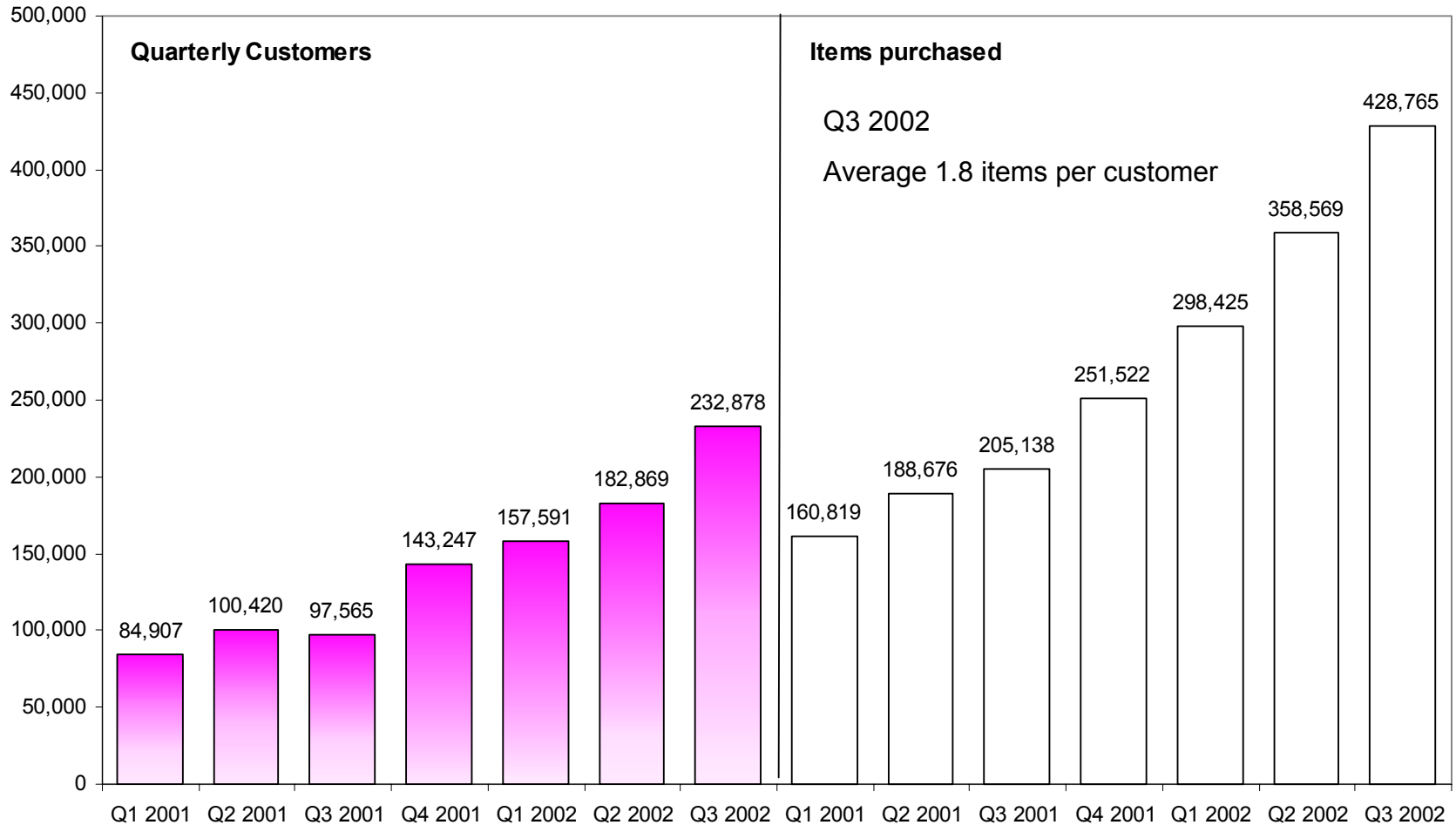
# UK gross profit vs operating cost per basket (excluding central/tech cost allocation)



# Customers per quarter and items purchased

Q3 2002/Q3 2001 growth: **138.7%**  
 Q3 YTD 2002/Q3 YTD 2001 growth: **102.7%**

Q3 2002/Q3 2001 growth: **109.0%**  
 Q3 YTD 2002/Q3 YTD 2001 growth: **95.8%**

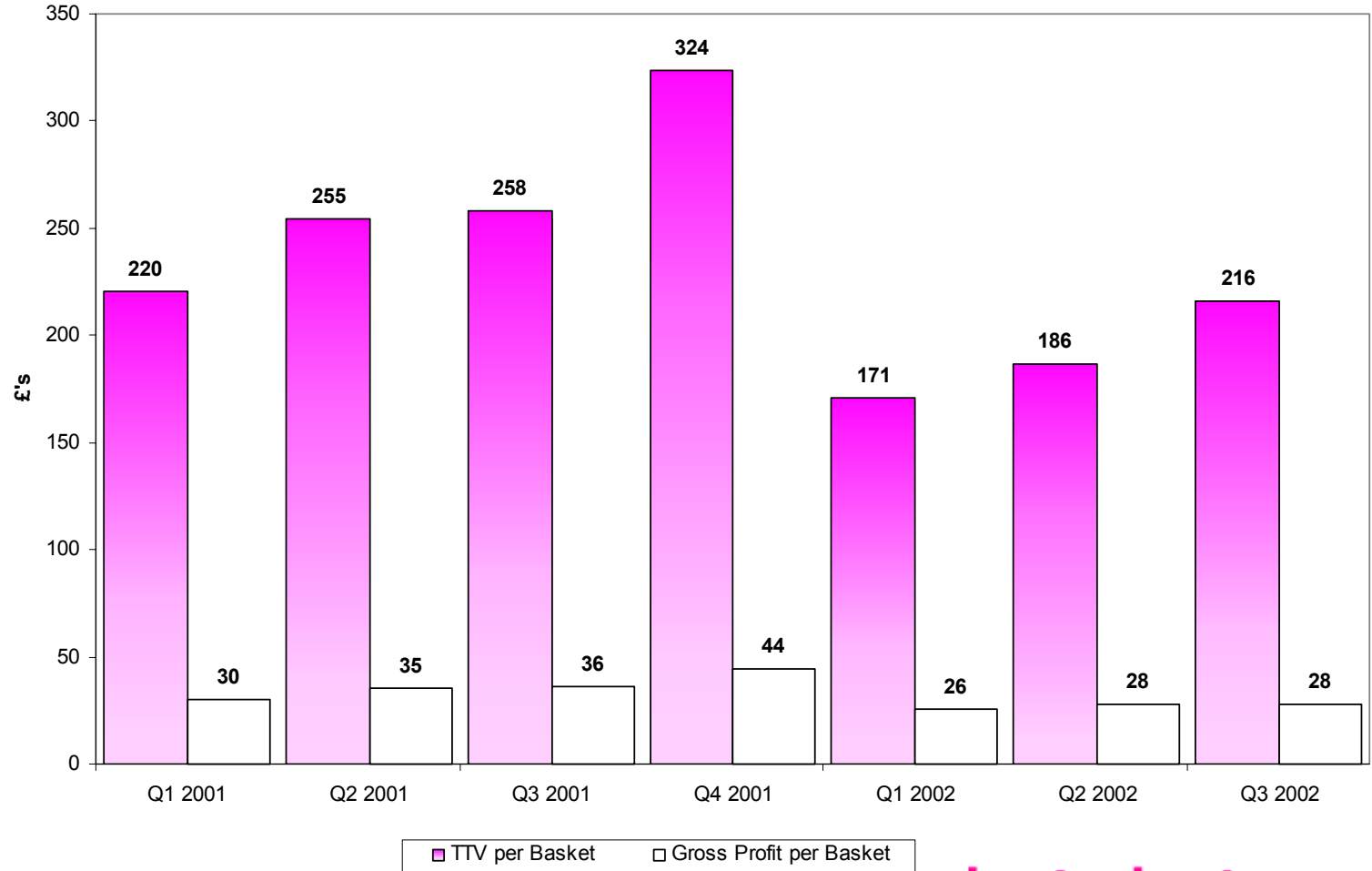


■ Customers    □ Items

# TTV and gross profit per shopping basket

**TTV per shopping basket**  
Q3 2002/Q3 2001 change: -16.3%  
Q3 2002/Q2 2002 change: 16.1%

**Gross profit per shopping basket**  
Q3 2002/Q3 2001 change: -22.2%  
Q3 2002/Q2 2002 change: 0.0%



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**Allan Leighton**  
**Chairman**

# Summary

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“These results demonstrate the further shift towards Group profitability and positive cashflow. All metrics show underlying improvement and development.”