

Preliminary Results Announcement

Year to 30 September 2002

22 November 2002

Allan Leighton
Chairman

2002 - a year of transformation

- High organic growth – 55%
- Three strategic acquisitions and an investment in core categories and core countries
- Profitability (before taxation, exceptional items and goodwill amortisation), Group EBITDA of £2.8m and positive operating cashflow in Quarter 4

Post year end

- Acquisition of eXhilaration in November 2002 adding materially to the lifestyle categories

Brent Hoberman
Chief Executive Officer






Mission Statement

"To become the number one European e-commerce lifestyle player by delighting our customers with great-value inspiration and solutions."

Year of transformation - high organic TTV growth

	% Organic like-for-like growth
UK	101
France	13
Germany	75
Satellite countries	109
Joint ventures	350
Overall year-on-year organic growth	55

Year of transformation - strategic acquisitions and an investment

April 2002		:	UK
June 2002		:	Germany
June 2002		:	UK
End July 2002		:	France, Italy, Spain and Belgium
Post year end: November 2002		:	UK lifestyle

Acquisition of Travelselect.com

April 2002

- Annual sales of £50m at point of acquisition
- Increased scale in UK flights volume:
 - Access to a further 27 key airlines
 - Enhanced relationships with existing suppliers
- Created cost synergies and additional gross profit
- Online access to the Eurostar product
- Fastest growing European travel brand this year - 127% growth*
- Initial cost £9.0m. Deferred consideration up to £3.0m. All shares.

The screenshot shows the homepage of lastminute.com. At the top, the logo 'lastminute.com' is displayed in pink, with the tagline 'europe's most visited travel & leisure website' below it. To the right is a graphic of the pyramids at sunset. A prominent black banner with pink text advertises 'Cuba from £939 7 nights all inclusive'. To the right of this banner is the 'travel4less' logo, with the text 'part of lastminute.com plc' and 'great deals on long haul holidays' below it. Below the banner is a blue navigation bar with a white airplane icon and the word 'Flights'. Underneath are several promotional buttons: 'offers of the week' (with an airplane icon), 'sale end of summer sale' (with a yellow 'sale' badge), 'USA specials' (with the US flag), 'worldwide cities' (with a cityscape icon), 'KLM European cities' (with the KLM logo), and 'UK fares from £65' (with the UK flag). The main content area is a search form titled 'Search all flights' with a link 'how to find the cheapest deal'. The form includes fields for 'departure point:' and 'destination:', 'departing:' and 'returning:' (with date pickers), 'adults:' (set to 1) and 'children:' (set to 0, with '(2-11)' below it). Below the main search fields is an 'Advanced Search (optional):' section with dropdown menus for 'airline:' (set to 'Any airline'), 'class:' (set to 'Economy'), and 'departure time:' (set to 'Any Time'). There is a checkbox for 'Show me direct flights first' and a 'search' button with a magnifying glass icon.

*Nielsen//NetRatings Year-on-Year Growth of Key European Travel Brands, Aug 2002

Investment of 20% in LCC24.com June 2002

- LCC24.com – online vehicle for Lufthansa City Center (LCC)
 - largest independent offline travel agency in Germany
- Turnover > €1.6 billion per annum
 - 5% to online annually
- Acquired 20% of LCC24.com - potential to increase over time
- Access to over 4.0 million customers in 300 major cities in Germany
- lastminute.com featured throughout LCC's 400 franchised travel agencies
- lastminute.com provides website technology
- Became operational 1 October 2002
- Cost £2.4m. All shares.

The screenshot shows the LCC24.COM website interface. At the top, there is a search bar with the text 'Alle Produkte' and a search button. Below the search bar, the website's logo 'LCC24.COM' is displayed, followed by the tagline 'Das Online-Reisebüro der Lufthansa City Center'. The main navigation area features several buttons for different travel services: 'Flugtickets', 'Pauschalreisen', 'Hotels', 'Mietwagen', 'Geschäftsreisen', 'Fun & Action', 'Wien, Schokolade ab 40,- Euro', and 'Eröffnungsangebot'. Below this is a 'Schnellsuche' (Quick Search) section with a form for searching flights. The form includes fields for 'Von' (Frankfurt), 'Abflug am' (04.10.2002), 'Nach' (empty), 'Rückflug am' (31.10.2002), 'Anzahl Erwachsene' (2 Personen), and 'Kinder/Kleinkinder' (0). A 'Suchen' button is located at the bottom right of the form. The page also features a sidebar with 'NEUHEITEN' and 'SPEZIELLE ANGEBOTE' sections, and a footer with a newsletter sign-up form.

Acquisition of Destination Holdings Group June 2002

- Annual sales of £50m at point of acquisition
- Added materially to the scale of the UK business
- Broadened product range:
 - tailor-made packages both short and long haul
- Carhire4less
- Key components for dynamic packaging
- travel4less brand online with 24 destination/product sites
- Further deepened relationships with key airline and hotel suppliers
- Initial consideration £12.0m. Deferred consideration up to £3.0m. £8.0m raised via a vendor placing. Balance in shares.

FLIGHTS 4 LESS



Flight only web site offering discounted airfares to Europe and worldwide with over 60 leading scheduled airlines. View current fares, check availability and book online. [Click here](#)

HOLIDAYS 4 LESS



Our holiday portal offering packages to Florida & the USA, Caribbean, South Africa, Abu Dhabi, Dubai, India, the Far East, Australia, New Zealand, Malta and Madeira. [Click here](#)

CAR HIRE 4 LESS



Discounted car rental in Europe and worldwide with Alamo, Budget, Europcar and Hertz. View current rates and book online. [Click here](#)

CITY BREAKS 4 LESS



Our city break portal offering weekend breaks and short breaks to cities in Europe, USA, Canada, the United Arab Emirates and South Africa. [Click here](#)

Acquisition of Travelprice.com August 2002

- TTV of €67.3m in 2001, 114% growth
- Reinforced lastminute.com's position in France and Italy
- Positioned the Group for growth in Southern Europe
- Annualised synergies of €10m in a full financial year
- Initial consideration £25.8m. Maximum consideration £31.9m depending on management exercise of warrants. All shares.

Travelprice
Votre agence de voyages .fr

13 jours à prix fous!

Choisissez votre pays de résidence: FR ES IT UK DE US

24 Octobre 2002

Ajouter Travelprice à vos favoris

Compagnie de dernière minute

TARIFS EXCEPTIONNELS à partir de **187 € A/R TTC** avec **Allitalia -50%**

PROMOS VOLS

Milan	109 €
Lisbonne	103 €
Copenhague	140 €
Madrid	106 €
Lisbonne	104 €
Athènes	211 €
New York	306 €
Copenhague	172 €
Saint-Peters	400 €

NEWSLETTER
Pour recevoir gratuitement nos promotions et nos news, indiquez-nous votre e-mail

Vos billets d'avion

De: Vers:

Départ: OCT NOV

Retour: NOV

Nbre de voyageurs:

Séjours, circuits, croisières ...

Toutes les destinations Toutes les villes de départ

octobre 2002 novembre 2002

Tout les prix

Vols à prix fous !

MIAMI 277 €	LISBONNE 194 €	MOSCOU 206 €	ROME 138 €
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Vols sans Allé-Retour - Prix TTC - au départ de Paris

Promos séjours

Quelques séjours à destination de

Séjour en Suisse dans le

Séjour en Italie à

MON PROFIL CLIENT

CONTACTEZ-NOUS
0 892 350 500

À SAISIR !!
15 JOURS A PRIX FOUS !
Travelprice

SÉLECTION DU JOUR

Copenhague à Berlin en 2C
590 €

290 €

8 jours / 7 nuits en deux person
Jusqu'à 50% de réduction !
Partez le 26 octobre

Lisbonne sans arrêt en 2C
990 €

290 €

8 jours / 7 nuits en person complète
Jusqu'à 20% de réduction !
Départ le 27 octobre

Séjour au Thibaud
1370 €

810 €

10 jours / 8 nuits en All Inclusive
Profitez de 30% de réduction !
Départ le 31 octobre

Post year end - acquisition of eXhilaration November 2002

- Last reported annual sales of £1m
- Profitable and cash generative
- Margins in excess of 30%
- Existing supplier. Adds materially to the lifestyle categories
- Capable of significant growth
- Initial cost £1.0m. Deferred consideration up to £2.0m. All shares

home
search
email a friend
request a brochure
news
special offers
last minute deals
job opportunities
press information
contact

subscribe
Join our mailing list to receive our FREE monthly calendar for one of our experiences.
email address:

gift experiences **incentive vouchers** **international adventure** **corporate events**

Formed back in 1997, eXhilaration has created an unrivalled range of UK Gift Experiences from Tiger Moth Flights to Ferrari Driving, White Water Rafting to Health Spa Breaks.

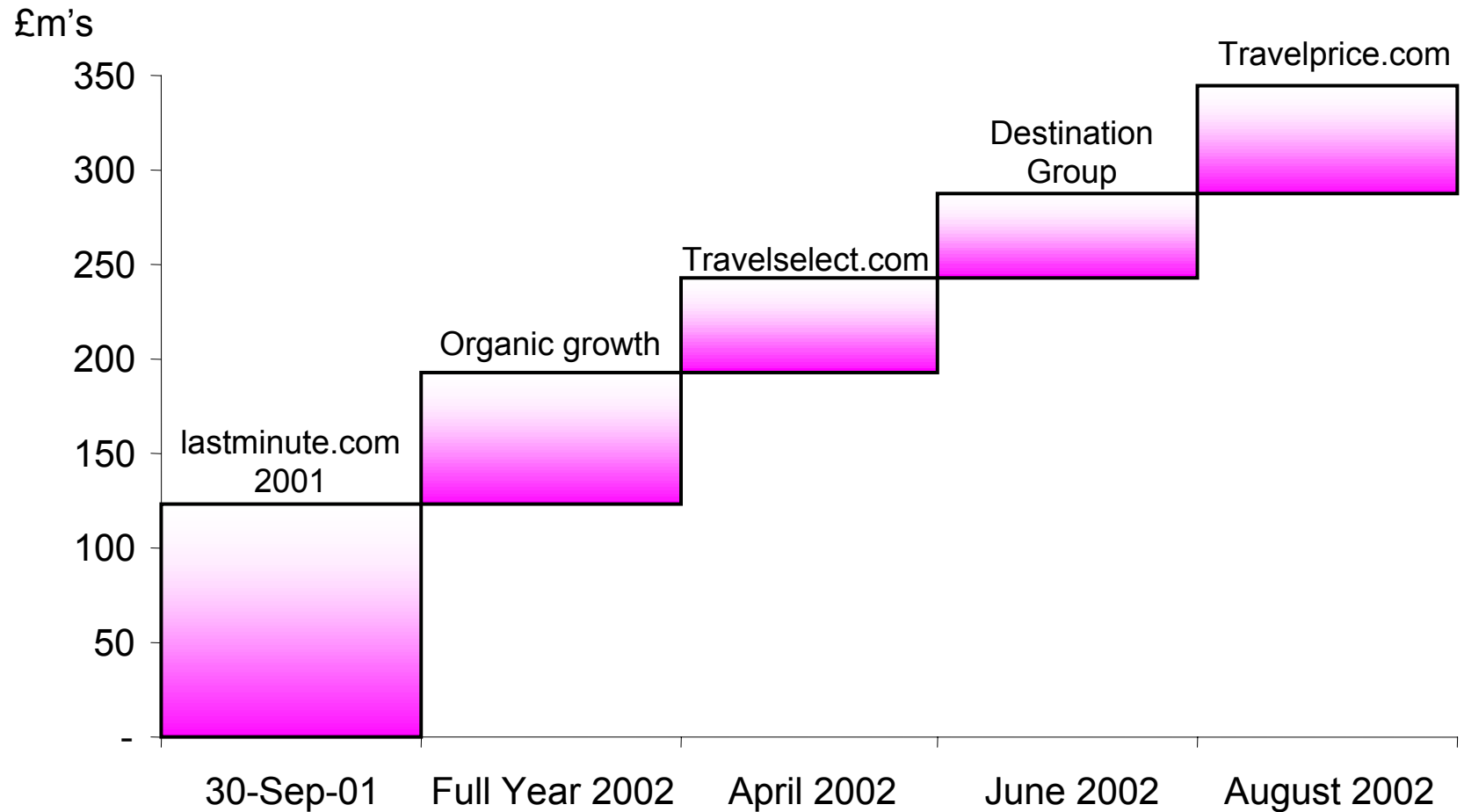
Each experience is delivered in a colour presentation gift pack, with personalised gift certificate and an open dated voucher allowing the recipient to book a time and date of their choice.

If you can't see what you want on our website or in our brochure, one of our highly trained customer service advisors will do their utmost to find you the experience of your dreams, no matter where in the world it may be.

An experience is a gift that will be remembered for a lifetime...

[click here to view our extensive range](#)

Pro-forma Total Transaction Value 2002 – effect of acquisitions



Integration of acquisitions - 1

Degriftour - complete

- Single technology platform
- Call centre relocated to Ales – November 2002
- Following the acquisition of Travelprice.com in August 2002 the majority of people relocated from Cergy to St Ouen – by February 2003
- Single French management structure

Integration of acquisitions - 2

Travelselect.com - **Complete**
Destination Holdings Group
lastminute.com travel elements

- Operating from a single site in Farringdon
- Creates synergies of £2.0m in a full financial year
- Creates the opportunity to outsource data entry and post sales customer support. Saves a further £2.0m in a full financial year
- Single technology platform
- Single travel management structure
- Enables creation of Global Product Lines for flights, hotels and tour operating = improved margins

Integration of acquisitions - 3

**Travelprice.com - On track to complete
by 28 February 2003**

- Creates €10.0m synergies in a full financial year
- On track for majority of people to single site in St Ouen – February 2003
- On track for single technical platform – February 2003
- Single management team
- Integration processes in line with expectations

Technology is key

- Efficiency projects
 - Oracle Financials
 - Holidays extranet
 - Hotels extranet
 - Newsletter insourcing
 - Hotels voice
- Customer related projects
 - Dynamic packaging – phase 1
 - Fastbuy
 - e.piphany segmentation
 - LCC24.com
 - Post consumption e-mail
- New platforms
 - Sky Active
 - Mobile commerce

“Continued investment in technology
to create competitive advantage”

Technology projects in the pipeline

- Dynamic packaging
 - November 2002 – Phase 2: flights & hotels
 - January 2003 – Phase 3: other products
- Improved search functionality
- Caller pre-qualification
- V3 Shopping basket

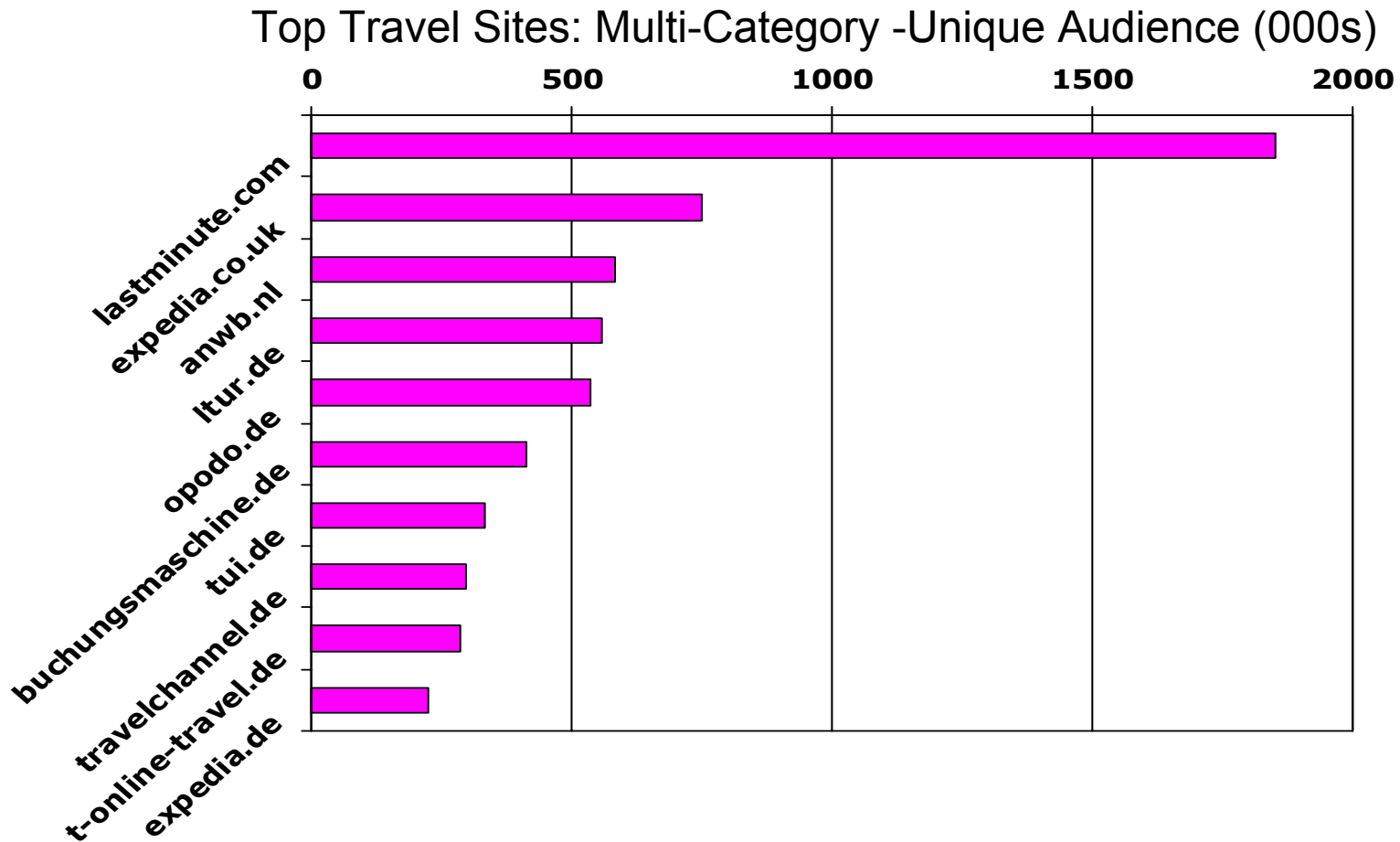
Industry trends

- Penetration of PC's into the home
- Shift to broadband
- Greater acceptance of booking online, especially for travel
- Additional security for credit card transactions online
- Greater acceptance by travel suppliers that e-commerce provides an excellent yield management tool
- European consolidation in the e-travel space

Martha Lane Fox

Group Managing Director

The clear number one online travel and leisure brand in Europe



Source: Nielsen//NetRatings, August 2002

Clear number one across Europe

Country	Rank
UK ¹	1
France ²	1
Degriktour	1
lastminute.com	2
Travelprice.com	3
Italy ³	1
lastminute.com	1
Travelprice.com	4
Spain ⁴	2
Germany ⁵	1

In a Taylor Nelson Sofres study published in September 2002 81% of French internet users recognised one of lastminute.com, Degriktour or Travelprice.com brands

1. September 02 NetValue data - UK Reach figure includes Travelselect.com and Flights4Less.co.uk
2. Spontaneous brand awareness, TNS report, Sept 02, note Travelprice joint 3rd with SNCF and Nouvelles Frontieres
3. September 02 NetValue data
4. September 02 NetValue data - After lanetro.com – a content only site
5. Stern Trend Profile Report Aug 02

WHOLLY OWNED

▶ **Germany**

▶ **Sweden**

▶ **Netherlands**

▶ **United Kingdom**

Travelselect.com

TRAVELSELECT.com

Destination Group Holdings



▶ **Belgium**

Travelprice.com



▶ **France**

Degriftour.com

degriftour.com

Travelprice.com



▶ **Italy**

Travelprice.com

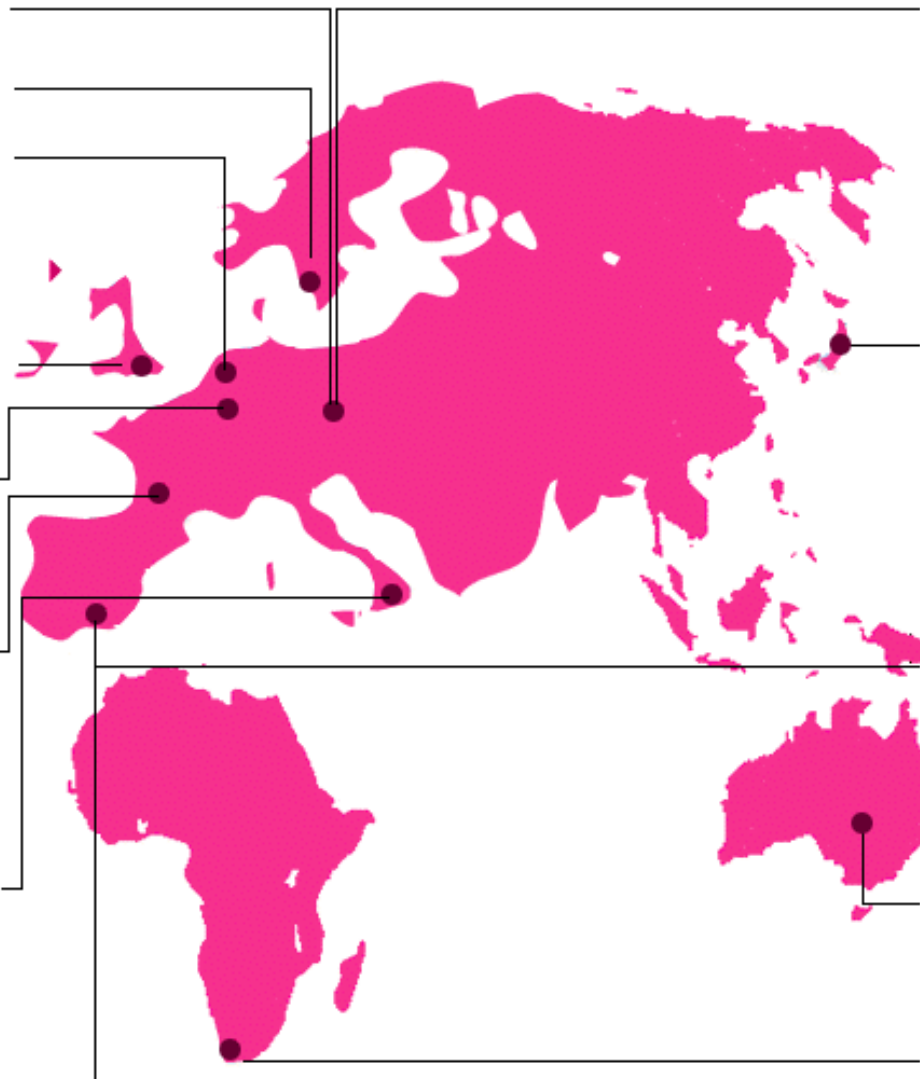


▶ **Spain**

Travelprice.com



International brands and partners



JOINT VENTURES

Germany ◀

LCC24.com (online arm of Lufthansa City Center)

LCC24.COM
Das Online-Passagierbüro der Lufthansa City Center

Japan ◀

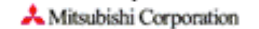
Kinki Nippon Tourist Company



Nippon Travel Agency



Mitsubishi Corporation



Credit Saison



Japan Efund

Spain ◀

Sol Melia



Australia ◀

Travel.com.au



South Africa ◀

Tourvest (Tourism Investment Corporation Limited part of Imperial Holdings)



what do we do?

suppliers: 14,500

going away

Airlines Hotels
Package holidays Short breaks

going out

Theatre ticket agents Experiences
Restaurants Sports

staying in

Food delivery DVD home delivery
Personalised TV listings

Gift merchants

do something

lastminute.com

degriftour.com

TRAVEL SELECT
part of lastminute.com plc

LCC24.COM
Das Online-Reisebüro der Lufthansa City Center

travel4less
part of lastminute.com plc

Travelprice
Votre agence de voyages .fr

**customers:
over 1.3m**



**Year End Forecast '02:
Pro-forma TTV €540M**

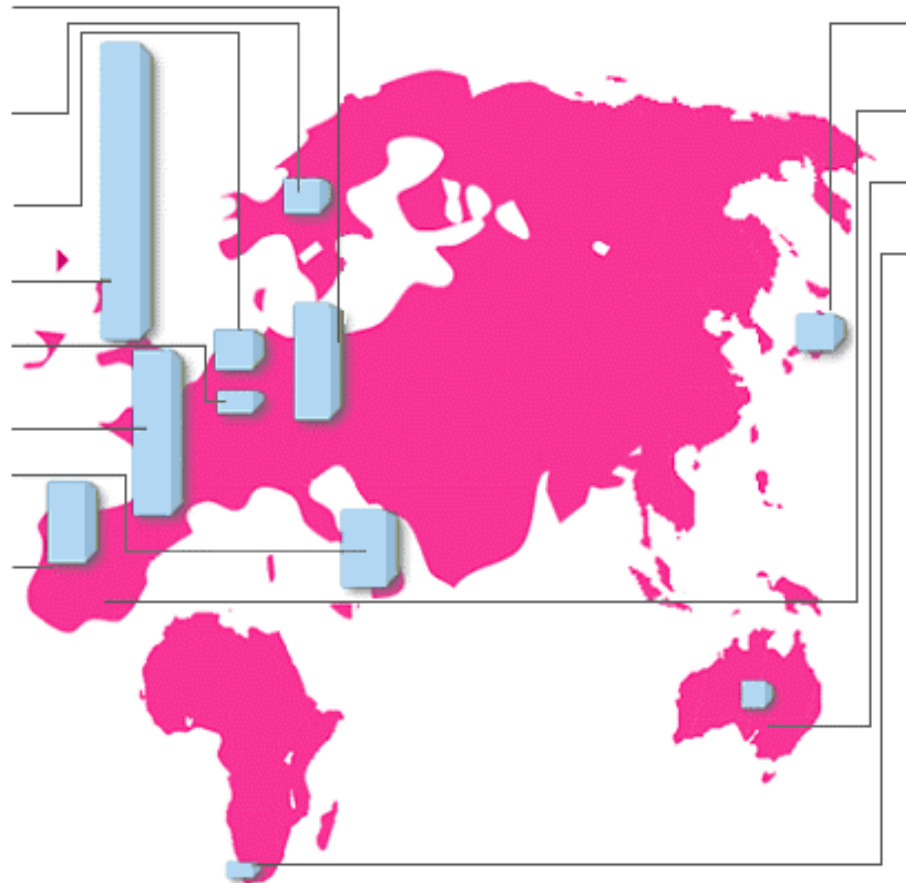
* only includes Degriftour, Travelselect, Destination Group and Travelprice unique customers from point of acquisition

WHOLLY OWNED

▶ Germany	0.9M
▶ Sweden	0.1M
▶ Netherlands	0.2M
▶ United Kingdom	2.1M
▶ Belgium	0.03M
▶ France	1.6M
▶ Italy	0.6M
▶ Spain	0.4M

TOTAL SUBSCRIBER NUMBERS
5.9M

lastminute.com subscribers



JOINT VENTURES

0.1M	Japan ◀
0.1M	Spain ◀
0.3M	Australia ◀
0.04M	South Africa ◀

TOTAL SUBSCRIBER NUMBERS
0.5M

lastminute.com
subscribers
TOTAL
6.4M

6.4 million weekly newsletters

170+ personalised editions

12 countries, 9 languages

**half price
October**

half price DVDs
choose from thousands of titles and rent two movies for the price of one

shark diving
come face to face with a Great White Shark in SA

five star Brussels
save 80% at the first class Radisson SAS Hotel in the heart of the city

name a star
a gift that's out of this world - £20


Woman in Black
a lastminute.com two-for-one special & trust us you don't want to go alone

indoor paintball
take it out on your friends at this new

lastminute.com NEWSLETTER

ISSUE NO.202 21OCT02

Banish wintry chills with our hot half-price ideas. From **wicked weekends** to **hot entertainment**, make the dark nights brighter and **do something lastminute.com**

FRIDAY	SATURDAY	SUNDAY
 <p>18.00 tuck into a pre-theatre feast with the Atlantic Bar & Grill two course set menu for only £14.50</p> <p>19.30 catch the Lieutenant of Inishmore, the bloodcurdling West End hit you don't want to miss</p>	<p>10.00 Eye & Thames cruise start the day on a high with two unique views of the capital</p> <p>15.00 Man U v Southampton hospitality at Old Trafford</p> <p>20.00 invite your mates around to help you finish your case of South American wine & order a Mexican takeaway</p>	<p>10.00 cane it around Silverstone in a single seater racer</p> <p>15.00 follow the Trail Of The Vampires at Madame Tussaud's - save £4</p> <p>20.00 relax with your favourite DVD and play it on your micro DVD player</p> 

CLICK
HERE!

THE
Man
BOOKER
PRIZE
2002

The Booker Prize for Fiction 2002
Yann Martel, Rohinton Mistry, Carol Shields, William Trevor, Sarah Waters & Tim Winton are the **six authors shortlisted** for the Booker Prize for Fiction 2002 - the UK's best known literary award. Here's a brilliant opportunity for you to own the complete set for only £9.99! For more info, [click here](#)

60 SECOND GUIDE TO
THE PERFECT WEEKEND

A lastminute.com supplier diary

We sold 4,200 room nights in a special promotion for Millenium & Copthorne

We took over 1,000 people to the US to celebrate Thanksgiving with families & friends

We sold over 31,000 gifts during the Christmas period. We also sold over 3,000 vouchers for the London Eye

Via a promotion for the Livebait restaurant we sold enough covers to fill the restaurant 4 times over

We sold approximately 7,000 covers for restaurants for Valentines Day

We sold approximately 6,000 tickets for the Oasis concert in Finsbury Park in July - over 6% of the tickets sold



We sold approximately 2,000 tickets to the stage show Chicago and over 1,000 tickets to London Fashion Weekend

We sent over 2,000 clients on holiday to Mauritius from January to September

We sent over 6,500 clients on holiday to Tunisia from France in the month

From the French website we sold over 2,500 tickets to see Stomp over a 3 week period

Over the year 27,000 people purchased Eurostar packages from us

We sold over 2,000 digital cameras via the UK website

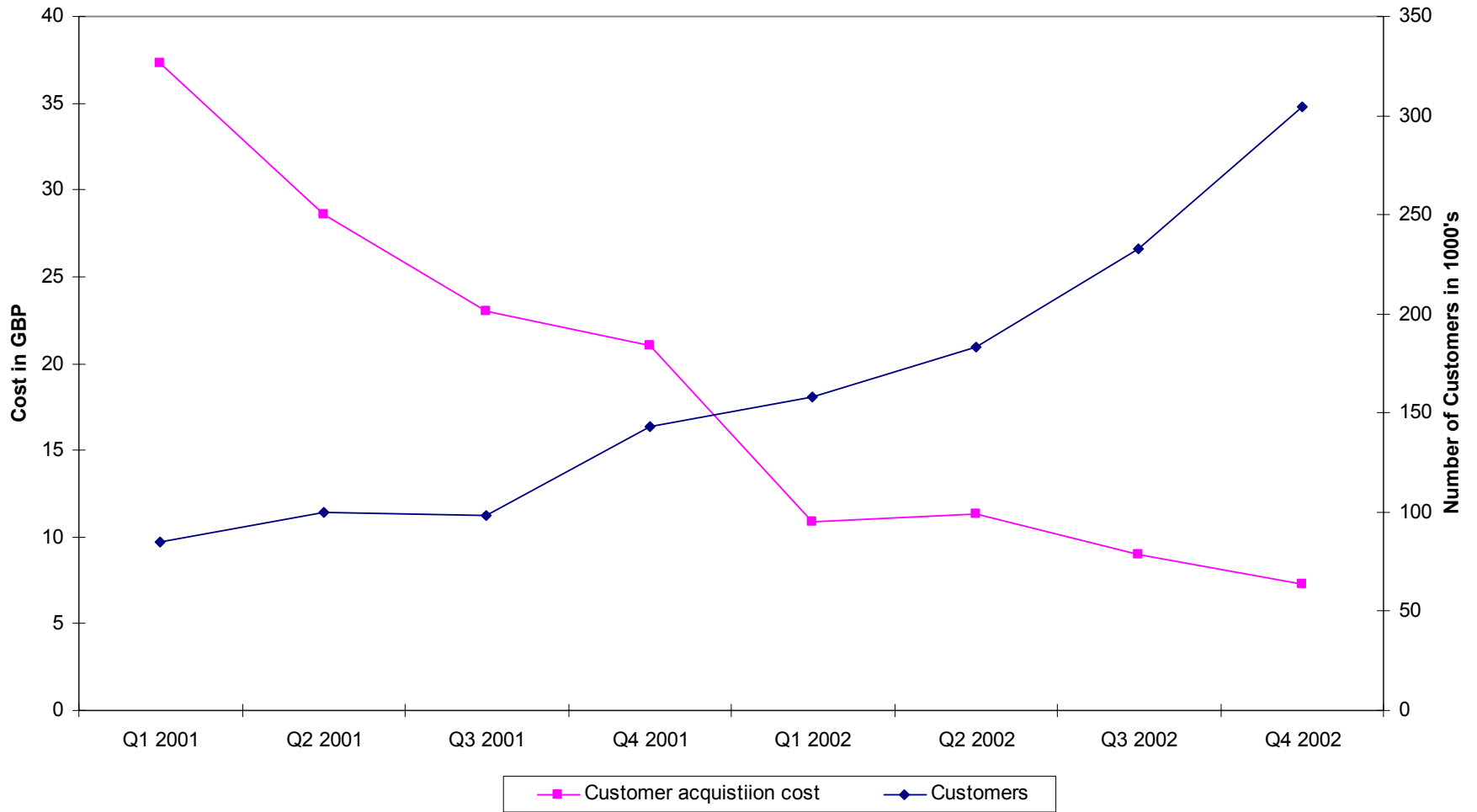
Customer Statistics - 1

	Q1	Q2	Q3	Q4	2002	2001	Year-on-Year % Growth
Subscribers (millions)	4.6	5.0	5.6	6.4	6.4	4.2	52.4
Customers (‘000s)	133	150	197	261	741	536	38.3
Items Sold (‘000s)	298	359	429	634	1,720	806	113.4
- Travel	185	230	287	456	1,158	524	121.0
- Non travel	113	129	142	178	562	282	99.3
TTV per item sold (£'s)	106	114	142	177	143	154	(7.1)
- Travel	155	162	203	239	201	223	(9.9)
- Non travel	27	27	20	20	23	26	(11.5)

Customer Statistics - 2

£s	Q1	Q2	Q3	Q4	Average 2002	Average 2001	Year-on-Year % Growth
Customer acquisition costs							
UK	6.4	5.9	6.4	4.7	5.9	16.7	(64.7)
France	17.8	20.3	15.9	11.7	16.4	39.9	(59.8)
Germany	51.5	43.8	19.7	14.1	32.3	57.1	(43.5)
Satellite Countries	15.2	12.7	8.0	4.8	10.2	80.2	(87.3)
Total Group	10.9	11.4	9.0	7.3	9.7	29.6	(67.2)

Customer acquisition costs/unique customers



David Howell
Chief Financial Officer

2002 Financial Highlights

- TTV year-on-year growth - 98%
- Positive EBITDA UK & France – Q2, Q3 & Q4
- Positive EDITDA Group – Q4
- Profit before tax, exceptional items and goodwill amortisation - Q4
- Positive operational cashflow - Q4
- Cash balance improved to £49.6m - Q4 2002
- Strong balance sheet

Departure based TTV

£ millions	Q1	Q2	Q3	Q4	2002	2001	Year-on-Year % Growth
UK	17.6	20.4	38.6	61.8	138.4	48.7	184.2
France	10.5	15.6	16.1	40.1	82.3	64.0	28.6
Germany	2.0	2.8	3.3	3.8	11.9	6.8	75.0
Satellite Countries	1.2	1.7	2.6	6.1	11.6	4.3	169.8
Joint ventures	0.4	0.4	0.4	0.6	1.8	0.4	350.0
Total Group	31.7	40.9	61.0	112.4	246.0	124.2	98.1

TTV analysis – travel/non travel

£ millions	Q1	Q2	Q3	Q4	2002	2001	Year-on-Year % Growth
Holidays	14.4	20.9	28.4	62.6	126.3	72.1	75.2
Flights	7.2	8.5	22.5	36.5	74.7	27.6	170.7
Hotels	7.0	7.9	7.3	9.8	32.0	17.1	87.1
Total Travel	28.6	37.3	58.2	108.9	233.0	116.8	99.5
Non Travel	3.1	3.6	2.8	3.5	13.0	7.4	75.7
Total Group	31.7	40.9	61.0	112.4	246.0	124.2	98.1

Gross profit development

£ millions	Q1	Q2	Q3	Q4	2002	2001	Year-on-Year % Growth
UK	2.4	2.9	4.5	8.6	18.4	6.5	183.1
France	1.7	2.7	2.7	5.1	12.2	9.4	29.8
Germany	0.2	0.3	0.4	0.5	1.4	0.7	100.0
Satellite Countries	0.2	0.2	0.3	0.6	1.3	0.6	116.7
Total GP	4.5	6.1	7.9	14.8	33.3	17.2	93.6
Commercial revenues included in GP	1.0	1.2	1.4	2.2	5.8	2.0	190.0
% GP margin	14.1	15.0	12.9	13.2	13.5	13.9	(0.4)% points

Retail gross profit percentage development

	Q1	Q2	Q3	Q4	2002	2001	Year-on-Year % Growth
Retail gross margins							
UK	9.7	10.2	10.0	11.1	10.5	11.6	(1.1)% points
France	13.6	14.5	12.8	12.0	12.8	13.8	(1.0)% points
Germany	11.7	9.3	8.5	13.9	10.9	10.3	0.6% points
Satellite Countries	11.8	10.6	9.3	9.0	9.6	9.7	(0.1)% points
Commercial revenues	3.1	3.4	2.3	2.0	2.4	1.6	0.8% points
Total Group gross profit	14.1	15.0	12.9	13.2	13.5	13.9	(0.4)% points

Quarterly EBITDA development

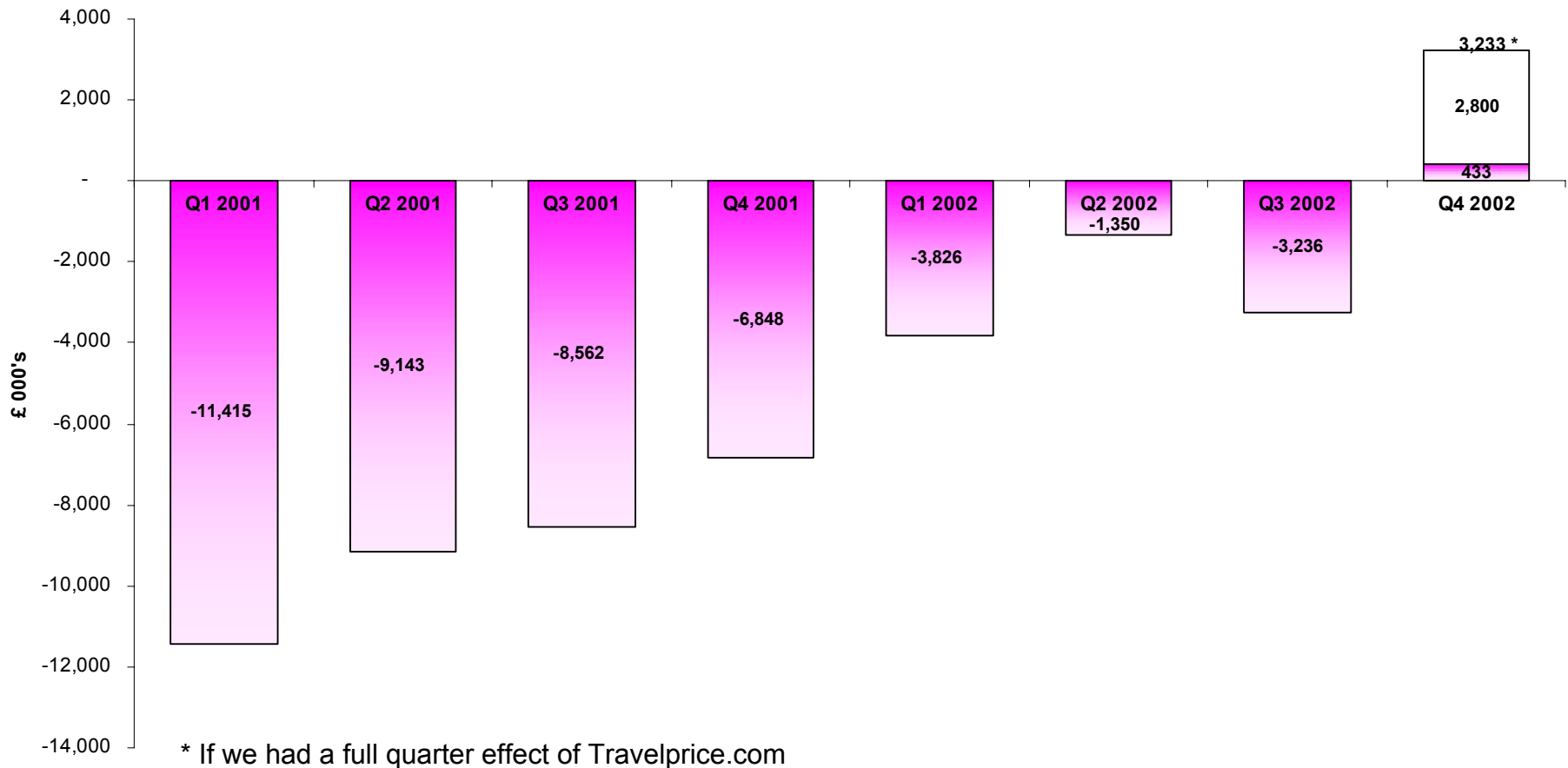
£ millions	Q1	Q2	Q3	Q4	2002	2001	Year-on-Year % change
Gross profit	4.5	6.1	7.9	14.8	33.3	17.2	93.6
Operating costs							
Product development	1.6	1.4	1.6	1.5	6.1	7.8	(21.8)
Sales and marketing	5.0	5.1	5.3	6.5	21.9	27.2	(19.5)
General and administration	2.9	2.8	2.9	4.0	12.6	15.8	(20.3)
Total operating costs	9.5	9.3	9.8	12.0	40.6	50.8	(20.1)
EBITDA	(5.0)	(3.2)	(1.9)	2.8	(7.3)	(33.6)	78.3

Balance sheet highlights

£ millions	30 Sept 02	30 Jun 02	30 Sept 01
Fixed Assets	96.6	72.2	58.0
Current assets:			
Stock	0.1	0.1	0.1
Debtors	16.1	12.2	11.1
Cash at bank	49.6	41.5	46.6
	65.8	53.8	57.8
Current liabilities	(53.7)	(44.3)	(26.4)
Net current assets	12.1	9.5	31.4
Provisions/long term liabilities	(4.1)	(0.9)	(0.5)
Shareholders' funds	104.6	80.8	88.9

Operating cashflow

Q4 2002/Q3 2002 Positive improvement: 112.5%



Allan Leighton
Chairman

Summary

"The new financial year has started strongly and we are confident of another year of sustained and improving performance as we continue to rapidly increase our scale and presence in targeted markets and sectors."