

lastminute.com

NEWS RELEASE

For Immediate Release

6 February 2003

FIRST QUARTER 2003 FINANCIAL RESULTS

CONTINUED IMPROVING PERFORMANCE

lastminute.com today announces Quarter 1 2003 results and the enhancement of its Executive Management Team

- **Customer conversion rate improved to 25.6% from 16.1% year-on-year**
- **Total transaction value for the Quarter grew by 174.4% year-on-year to £87.1m (Q1 2002: £31.7m)**
- **Gross profit for the Quarter up 153.8% year-on-year to £11.3m (Q1 2002: £4.5m)**
- **Customer acquisition costs fall by £1.70 to £9.20 per customer for Quarter 1 compared with the same period last year**
- **Group EBITDA loss of £1.6m for the Quarter as expected, a reduction of 69.1% compared with the Quarter 1 2002 EBITDA loss of £5.1m**
- **Loss (before goodwill amortisation and taxation) down 46.5% year-on-year to £3.8m (Q1 2002: loss £7.2m)**
- **Operating cash outflow (before exceptional items) of £7.4m for the Quarter, (Q1 2002: £3.8m), reflecting the increased level of business following acquisitions, seasonal working capital movements and additional capital expenditure**
- **Cash balance remains strong at £41.9m (Q1 2002: £36.5m)**
- **Successful launch of "Breakbuilder", the lastminute.com dynamic packaging product**

Allan Leighton, Chairman said:

"lastminute.com continues to make progress. Despite the uncertain political and economic environment that Europe is facing, our business model allows us to anticipate 2003 being another year of sustained and improving performance."

Brent Hoberman, Chief Executive, added:

"We have achieved another quarter of significant progress. This strong performance reflects our widened geographical spread and increased depth of offering, as evidenced by the successful launch of our dynamic packaging product, Breakbuilder, in November 2002."

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Financial Highlights (£'000s)

Year-on-year	Quarter ended 31 Dec 2002	Quarter ended 31 Dec 2001	Growth
Registered subscribers at quarter end	6,828,254	4,591,426	48.7%
Cumulative unique customers since inception ¹	1,518,375	669,550	126.8%
New unique customers in the quarter	240,488	133,104	80.7%
Number of items sold in the quarter	570,052	298,425	91.0%
Total transaction value (departure based) ²	£87,079	£31,731	174.4%
Total turnover (incl. share of joint ventures)	£11,758	£4,774	146.3%
Gross profit	£11,323	£4,461	153.8%
Gross margin	13.0%	14.1%	Down 1.1 percentage points
EBITDA	£(1,575)	£(5,104)	Loss down 69.1%
Loss before taxation (pre exceptional items and goodwill amortisation)	£(3,838)	£(7,176)	Loss down 46.5%
Operating cash outflow (pre exceptional items)	£(7,383)	£(3,826)	
Cash balance at quarter end	£41,913	£36,530	
Quarter-on-quarter	Quarter ended 31 Dec 2002	Quarter ended 30 Sept 2002	Growth
Registered subscribers at quarter end	6,828,254	6,443,381	6.0%
Cumulative unique customers since inception ¹	1,518,375	1,277,887	18.8%
New unique customers in the quarter	240,488	260,955	(7.8)%
Number of items sold in the quarter	570,052	633,603	(10.0)%
Total transaction value (departure based) ²	£87,079	£112,444	(22.6)%
Total turnover (incl. share of joint ventures)	£11,758	£15,157	(22.4)%
Gross profit	£11,323	£14,787	(23.4)%
Gross margin	13.0%	13.2%	Down 0.2 percentage points
EBITDA	£(1,575)	£2,837	
(Loss)/profit before taxation (pre exceptional items and goodwill amortisation)	£(3,838)	£302	
Operating cash (outflow)/ inflow (pre exceptional items)	£(7,383)	£811	
Cash balance at quarter end	£41,913	£49,617	

1 Only includes acquired unique customers from the points of acquisition.

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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Notes to Editors:

About lastminute.com

lastminute.com operates directly in eight European countries and participates in four international joint ventures, providing inspirations and solutions for customers at the last minute. At 31 December 2002 lastminute.com had over 6.8 million subscribers to its weekly newsletter and had established over 14,700 supplier relationships. lastminute.com remains the leading independent travel and leisure site across six countries.

The business is based on the idea of matching supply and demand. lastminute.com offers consumers opportunities to acquire airline tickets, hotel rooms, package holidays, entertainment tickets, restaurant reservations and food delivery, speciality services, gifts and auctions in the United Kingdom, France, Germany, Italy, Sweden, the Netherlands, Spain, Belgium, Australia, New Zealand, South Africa and Japan.

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OPERATIONAL REVIEW

Further growth in subscribers, customers and conversion

Year-on-year we have seen significant increases in the number of subscribers, customers and the conversion of lookers to bookers. Subscribers have increased to in excess of 6.8 million at 31 December 2002, which represents an increase of 48.7% year-on-year (Q1 2002: 4.6 million).

Our broadened supply and attractive product offering has driven further increases in customer numbers during the Quarter. The cumulative number of unique customers since inception has grown by 126.8% to in excess of 1.5 million at 31 December 2002 (Q1 2002: 0.7 million).

Further technological developments to the website have also contributed to materially improved conversion rates which at 31 December 2002 have risen to 25.6% from 16.1% at 31 December 2001.

Accelerated TTV growth and focus on margins

Due to the increased variety of products and services available through lastminute.com and the attraction of our competitive pricing, we have experienced seasonally strong year-on-year TTV growth in all product categories. During the latter half of December the demand for Flights and dynamic packages in the UK business was particularly strong.

TTV during Quarter 1 2003 on Quarter 1 2002 has grown by 174.4% to £87.1 million (Q1 2002: £31.7m) with the UK and France growing by 245.5% and 73.9% to £57.4m and £20.0m respectively. It is anticipated that the TTV growth in our German business will benefit from our investment in LCC24.com towards the end of this financial year.

Despite increases in TTV from the Flights category, which generally earns lower gross margins, Quarter 1 2003 gross margins of 13.0% have remained broadly in line with Quarter 4 2002 margins (Q4 2002: 13.2%). This achievement reflects the initial contribution from the higher margins in the eXhilaration business which was acquired in November 2002 and good contributions from commercial and advertising revenues. The initial margins on "Breakbuilder", our new dynamic packaging product, are in line with expectation to promote a new product aggressively.

Encouraging growth from Dynamic Packaging

Following the launch of our integrated dynamic packaging product, "Breakbuilder", in the UK in November 2002, we have already announced the achievement of a strong sales performance for the new product during its first full month of trading in December 2002. "Breakbuilder" enables customers to book a flight and hotel in the same shopping basket and receive an integrated price for those services.

Currently, purely a UK product, "Breakbuilder" achieved TTV for December 2002 of just over £1.0 million. For January 2003, dynamic packaging achieved TTV of £1.4m demonstrating the continued rapid growth of the category and attractiveness to our customers. This product represents approximately 7% of UK TTV for the month and will be expanded both geographically and for product depth later in the financial year.

Investment for efficiencies and cost savings

During Quarter 1 2003, we have incurred further expenditure which is anticipated to contribute to the delivery of cost savings later this financial year. In this Quarter we implemented the outsourcing of our UK data entry and a proportion of post sales customer support through a commercial outsourcing arrangement which was announced in September 2002. As well as increased flexibility from the arrangement we anticipate cost savings will be derived later in the current financial year.

In addition, further expenditure in this Quarter in the area of technological development on a number of key projects is expected to improve the efficiency and effectiveness in a number of back office areas including ticket fulfillment for the Flights product.

Integration of acquisitions

The integration benefits of the Travelprice.com Group remain on track to be delivered by the end of February 2003. The anticipated full financial year synergies of approximately €10m will start to flow through following completion of the integration.

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The integration of the UK travel businesses (Travelselect.com, Destination Group and lastminute.com) completed in September 2002 has started to deliver synergies which will be further supplemented by the completion of a number of technical developments.

Ongoing development of supplier relationships and product availability

During the Quarter, Hertz and lastminute.com signed a preferred supplier partnership agreement to provide global car rental to customers. This partnership will benefit our customers through offering real time online access to car hire product.

In addition, during the Quarter, we announced a long-term partnership with Voyages Auchan, the travel business of French hypermarket giant Auchan, for the distribution of last minute holidays and flights originating in France.

In our hotels category new supply relationships were concluded with NH Hotels, Boscolo Hotels, 6C, Le Meridian and Golden Tulip during the Quarter, all of which add to the overall breadth of this important product.

Recently we announced the launch of one of our highest profile marketing campaigns in conjunction with McDonald's where lastminute.com will be featured in over 1,200 McDonald's restaurants and on various point of sale materials. lastminute.com will feature on Big Mac™ packaging offering specific tailor made holidays as prizes for a period of 4 weeks.

Further enhancement of our Executive management team

Our Senior Executive management team is key to the development of the Group and we are delighted to announce the appointments of Chip Steinmetz as Chief Technology Officer and Andrew Windsor as Group Head of Sales and Marketing. Both bring with them a wealth of experience in their relevant sectors and we believe this combined expertise will benefit the Group. Chip has held senior technical positions in a number of leading global organisations including UBS, Barclays Capital and most recently Walt Disney Internet Group where he was Head of Technology. Andrew is well respected in the travel industry and his knowledge gained over many years with Thomas Cook will significantly contribute to the growth of the travel segment of our business.

Board change

Laurent Laffy will be stepping down from the Board as a Non-Executive Director at the Annual General Meeting on 6 March 2003. Laurent has served on the lastminute.com Board since October 1998 and we would like to express our appreciation of all the help and guidance he has given the company since that time.

Brent Hoberman
Chief Executive Officer

Martha Lane Fox
Group Managing Director
6 February 2003

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FINANCIAL REVIEW

Total transaction value (TTV), turnover and gross margins

TTV for Quarter 1 was £87.1m (Q1 2002: £31.7m), representing an increase of 174.4% over the equivalent period of the prior year. Turnover including our share of joint ventures for the Quarter totalled £11.8m (Q1 2002: £4.8m), which is an increase of 146.3% year-on-year. Gross profit for the Quarter was £11.3m compared with £4.5m for the equivalent period of the prior year, representing an increase of 153.8%.

Significant reduction in cost base

Operating costs before depreciation and goodwill amortisation have increased year-on-year to £12.9m (Q1 2002: £9.6m), as expected. This increase is due to the inclusion of the costs related to the acquisitions made during the financial year 2002. Underlying like-for-like costs have fallen significantly. As a percentage of TTV, total "cash" operating costs have declined to 14.8% of TTV for the Quarter compared with 30.1% in the equivalent Quarter of last year.

During the Quarter we have continued to invest in Product Development in order to deliver efficiency savings later in the financial year. Quarterly Sales and Marketing costs reflect the initial investments made in outsourcing data entry and post sales customer support to our outsourcing partner. They also reflect the significant increase in the scale of TTV compared with the equivalent quarter last year.

EBITDA improvements

Losses before interest, taxation, depreciation and goodwill amortisation have reduced by 69.1% to £1.6m from Quarter 1 2002 to Quarter 1 2003 (Q1 2002: £5.1m). These significant improvements have been achieved through the increase in the volume of transactions and growth in gross margin, together with tight cost control.

Operating cash outflow in line with expectations

At 31 December 2002 the cash position of the Group stood at £41.9m. Operating cash outflow (before exceptional items) was £7.4m which is in line with the guidance given at the time of the preliminary results announcement in November 2002.

David Howell
Chief Financial Officer
6 February 2003

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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 months ended 31 December 2002, which comprises the Consolidated Profit and Loss Account, Consolidated Balance Sheet, Consolidated Statement of Cash Flows and the related notes 1 to 5. 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 months ended 31 December 2002.

Ernst & Young LLP
London
6 February 2003

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Consolidated profit and loss account

	Quarter ended 31 Dec 2002 £000s (Unaudited)	Quarter ended 31 Dec 2001 £000s (Unaudited)	Quarter ended 30 Sept 2002 £000s (Unaudited)
Total transaction value (departure based)¹	87,079	31,731	112,444
Consolidated profit and loss account			
Turnover			
Group and share of joint ventures	11,758	4,774	15,157
Less: share of joint ventures	(73)	(47)	(55)
Continuing operations:			
- Ongoing	11,435	4,727	9,623
- Acquisitions	250	-	5,479
Group turnover	11,685	4,727	15,102
Cost of sales	362	266	315
Gross profit	11,323	4,461	14,787
Operating costs			
Product development	1,660	1,557	1,482
Sales and marketing	7,148	5,047	6,622
General and administration	4,090	2,961	3,846
Operating costs before depreciation and goodwill amortisation	12,898	9,565	11,950
EBITDA	(1,575)	(5,104)	2,837
Depreciation	2,403	2,359	2,917
Goodwill amortisation	7,273	3,665	6,606
Total operating costs	22,574	15,589	21,473
Operating profit/(loss)			
Continuing operations:			
- Ongoing	(11,306)	(11,128)	(7,612)
- Acquisitions	55	-	926
Group operating loss	(11,251)	(11,128)	(6,686)
Share of operating loss in joint ventures	(113)	(87)	(81)
Share of operating loss in associate	(5)	-	(3)
Goodwill amortisation arising on the investment in an associate	(148)	-	(148)
Total operating loss: Group and share of joint ventures	(11,517)	(11,215)	(6,918)
Continuing operations:			
- Exceptional costs of a fundamental reorganisation	-	-	(3,094)
Loss on ordinary activities before interest and taxation	(11,517)	(11,215)	(10,012)
Interest receivable	274	387	482
Interest payable and similar charges	(16)	(13)	(16)
Loss on ordinary activities before taxation	(11,259)	(10,841)	(9,546)
Tax on loss on ordinary activities	-	-	(6)
Loss on ordinary activities after taxation	(11,259)	(10,841)	(9,552)
Loss per share - basic and diluted	(4.72)p	(6.25)p	(4.40)p
Weighted number of Ordinary Shares outstanding	238,310,865	173,390,768	217,131,869
Profit/(loss) on ordinary activities before taxation (pre exceptional items and goodwill amortisation) (see note 3)	(3,838)	(7,176)	302

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 Dec 2002 £000s (Unaudited)	At 31 Dec 2001 £000s (Unaudited)	At 30 Sept 2002 £000s (Audited)
FIXED ASSETS			
Intangible assets	76,408	40,326	81,457
Tangible assets	12,271	12,229	12,081
Investments – joint ventures			
– gross assets	1,177	469	1,255
– gross liabilities	(450)	(127)	(396)
– total net assets	727	342	859
– associate	2,089	-	2,232
Total investments	2,816	342	3,091
Total fixed assets	91,495	52,897	96,629
CURRENT ASSETS			
Stock	159	96	75
Debtors	16,431	10,306	16,101
Cash at bank and in hand	41,913	36,530	49,617
CREDITORS: amounts falling due within one year	58,503 (49,444)	46,932 (21,310)	65,793 (53,690)
NET CURRENT ASSETS	9,059	25,622	12,103
TOTAL ASSETS LESS CURRENT LIABILITIES	100,554	78,519	108,732
CREDITORS: amounts falling due after more than one year	(6)	(150)	(42)
PROVISIONS FOR LIABILITIES AND CHARGES	(2,838)	(512)	(4,114)
TOTAL NET ASSETS	97,710	77,857	104,576
CAPITAL AND RESERVES			
Called up share capital	2,425	1,738	2,360
Share premium account	128,330	112,959	123,631
Shares to be issued	4,600	-	3,600
Merger reserve	100,851	61,892	99,848
Other reserves	3,955	6,346	6,439
Profit and loss account	(142,451)	(105,078)	(131,302)
TOTAL EQUITY SHAREHOLDERS' FUNDS	97,710	77,857	104,576

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Consolidated Statement of Cash Flows

	Quarter ended 31 Dec 2002 £000s (Unaudited)	Quarter ended 31 Dec 2001 £000s (Unaudited)	Quarter ended 30 Sept 2002 £000s (Unaudited)
NET CASH (OUTFLOW)/INFLOW FROM OPERATING ACTIVITIES	(5,090)	(3,550)	3,336
Cash outflow from exceptional items and acquisition related liabilities of Travelprice.com (see note 4)	(1,879)	-	(378)
RETURNS ON INVESTMENTS AND SERVICING OF FINANCE			
Interest received	274	387	482
Interest paid and interest element of finance lease rental payments	(16)	(13)	(16)
Net returns on investments and servicing of finance	258	374	466
TAXATION			
Overseas tax paid	-	-	(241)
CAPITAL EXPENDITURE AND FINANCIAL INVESTMENT			
Payments to acquire tangible fixed assets	(2,551)	(932)	(3,139)
Receipts from sale of tangible fixed assets	-	282	389
NET CASH (OUTFLOW)/INFLOW BEFORE ACQUISITIONS AND MANAGEMENT OF LIQUID RESOURCES AND FINANCING	(9,262)	(3,826)	433
ACQUISITIONS			
Cash acquired with subsidiary undertakings	44	-	8,479
Payments to acquire subsidiary undertakings	(966)	(6,268)	(8,716)
NET CASH (OUTFLOW)/INFLOW BEFORE MANAGEMENT OF LIQUID RESOURCES AND FINANCING	(10,184)	(10,094)	196
MANAGEMENT OF LIQUID RESOURCES			
Increase in short term deposits	(1,485)	(1,395)	(4,615)
FINANCING			
Issue of share capital	2,677	7	8,915
Share issue costs	-	-	(155)
Repayment of loan	-	-	(766)
Repayment of capital elements of finance leases	(36)	-	(85)
(DECREASE)/INCREASE IN CASH	(9,028)	(11,482)	3,490
RECONCILIATION OF CASH FLOW TO MOVEMENT IN NET FUNDS			
MOVEMENT IN CASH	(9,028)	(11,482)	3,490
Cash outflow from short term deposits	1,485	1,395	4,615
Repayment of capital elements of finance leases	36	-	85
Changes in net funds resulting from cash flows	(7,507)	(10,087)	8,190
New finance leases	-	-	(282)
NET FUNDS AT THE BEGINNING OF THE QUARTER	49,420	46,617	41,512
NET FUNDS AT THE END OF THE QUARTER	41,913	36,530	49,420
Operating cash (outflow)/inflow before exceptional items and acquisition related liabilities of Travelprice.com (see note 4)	(7,383)	(3,826)	811

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Notes to the Preliminary Results

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 2002. 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 2002. Those accounts, upon which the auditors issued an unqualified opinion, have been delivered to the Registrar of Companies.

2. Additional information

	Quarter ended 31 Dec 2002	Quarter ended 30 Sept 2002	Quarter ended 30 Jun 2002	Quarter ended 31 Mar 2002	Quarter ended 31 Dec 2001
Number of registered subscribers at period end	6,828,254	6,443,381	5,603,890	5,023,567	4,591,426
Number of customers at period end	1,518,375	1,277,887	1,016,932	819,912	669,550
Number of items sold in period	570,052	633,603	428,765	358,569	298,425
Number of suppliers at period end	14,732	14,454	15,324	10,737	10,113

3. Reconciliation of (loss)/profit on ordinary activities before taxation (pre exceptional items and goodwill amortisation)

£'000s	Quarter ended 31 Dec 2002	Quarter ended 31 Dec 2001	Quarter ended 30 Sept 2002
Loss on ordinary activities before taxation	(11,259)	(10,841)	(9,546)
Add: goodwill amortisation (group and associate)	7,421	3,665	6,754
exceptional costs of a fundamental reorganisation	-	-	3,094
(Loss)/profit on ordinary activities before taxation (pre exceptional items and goodwill amortisation)	(3,838)	(7,176)	302

4. Reconciliation of operating cash (outflow)/inflow (before exceptional items and acquisition related liabilities of Travelprice.com)

£'000s	Quarter ended 31 Dec 2002	Quarter ended 31 Dec 2001	Quarter ended 30 Sept 2002
NET CASH (OUTFLOW)/INFLOW BEFORE ACQUISITIONS AND MANAGEMENT OF LIQUID RESOURCES AND FINANCING	(9,262)	(3,826)	433
Add: cash outflow from exceptional items	1,230	-	378
cash outflow from acquisition related liabilities of Travelprice.com	649	-	-
Operating cash (outflow)/inflow (before exceptional items and acquisition related liabilities of Travelprice.com)	(7,383)	(3,826)	811

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5. 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:

£'000s	TTV (by destination and source)		Turnover (by destination and source)	
	Quarter ended 31 Dec 2002	Quarter ended 31 Dec 2001	Quarter ended 31 Dec 2002	Quarter ended 31 Dec 2001
By geographical area:				
United Kingdom	57,359	17,552	7,915	2,542
France	20,023	10,564	2,750	1,651
Germany	2,667	1,958	347	281
Other European Union Countries	6,298	1,226	673	253
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Group	86,347	31,300	11,685	4,727
Joint ventures	732	431	73	47
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	87,079	31,731	11,758	4,774
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			Net assets/(liabilities) ²	
			Quarter ended	At
	Quarter ended	Quarter ended	31 Dec 2002	31 Dec 2001
	31 Dec 2002	31 Dec 2001		
By geographical area:				
United Kingdom ¹	(4,392)	(5,411)	79,318	30,008
France	(6,201)	(4,743)	(14,300)	26,979
Germany	(544)	(545)	(10,452)	(8,381)
Other European Union countries	(114)	(429)	(1,585)	(7,621)
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	(11,251)	(11,128)	52,981	40,985
Share of operating loss and net assets of joint ventures	(113)	(87)	727	342
Share of operating loss and net assets of associate	(5)	-	2,089	-
Amortisation of goodwill arising on the acquisition of associate	(148)	-		
Net interest receivable	258	374		
Interest bearing assets			41,913	36,530
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	(11,259)	(10,841)	97,710	77,857
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¹ The UK losses include central technical development and maintenance costs and the expenses related to the Group management functions, which are not apportioned across the Group's operating businesses.

² Net loss on ordinary activities before taxation for Quarter ended 31 December 2002 includes £7,421,000 of goodwill amortisation (Quarter ended 31 December 2001: £3,665,000). Net assets/(liabilities) include £78,497,000 of goodwill (31 December 2001: £40,326,000).

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Definitions

Registered subscribers are users of the lastminute.com website 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-mail. 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 commission 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 inflow/(outflow) is defined as net cash inflow/(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 customers (excluding repeat customers) since the inception of lastminute.com and the cumulative number of Degriktour, Travelselect.com, Destination Group and Travelprice.com's customers (excluding repeat customers) since acquisition in October 2000, April 2002, June 2002 and end of July 2002 respectively. Customers are defined as individuals who have purchased goods and services over lastminute.com'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.

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Quarter 1 2003 Results

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 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.