

# **Financial results**

**Quarter 1 ended 31 December 2002**

**6 February 2003**

**Allan Leighton**  
Chairman

## Continued improving performance

- Continued improvements in all underlying metrics
- Successful launch of “Breakbuilder” in November
- Enhanced Executive Management Team

**Brent Hoberman**  
Chief Executive Officer

# Encouraging growth from Dynamic Packaging

- December sales > £1.0m
- January sales > £1.4m
- Represents approximately 7% of UK TTV
- Further development in product set and geographic expansion planned later in the financial year

# Investment for the further delivery of increased efficiency and cost savings

- Continued investment in technology to deliver further efficiencies in back office processes
- Outsourcing arrangements starting to work well
  - 26 FTE's in Delhi
  - 47 FTE's in LiverpoolProvides a fully flexible scalable business model

# Integration of acquisitions

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

- Creates approximately €10m synergies in a full financial year
- Majority of people now operating from a single site in St Ouen – 30 January 2003
- Single technical platform – by end February 2003

# Ongoing development of international relationships

- Preferred supplier relationship with Hertz for online – all countries
- Long term relationship with Voyages Auchan – France
- New supply relationships with hoteliers e.g. NH Hotels, Boscolo Hotels, 6C, Le Meridian and Golden Tulip

# Enhanced Executive Management Team

- **Chip Steinmetz – CTO**
  - Walt Disney Internet Group (Head of Technology)
  - UBS
  - Barclays Capital
- **Andrew Windsor – Group Head of Sales & Marketing**
  - Thomas Cook Distribution Businesses - Managing Director
  - thomascook.com – Managing Director
  - Thomas Cook Retail – Operations Director
  - B&Q plc – General Manager

**Martha Lane Fox**

Group Managing Director

# Clear number one across Europe

Country	Rank
UK <sup>1</sup>	1
France <sup>2</sup>	1
lastminute.com	1
Degriftour.com	2
Travelprice.com	5
Italy <sup>3</sup>	1
lastminute.com	1
Travelprice.com	4
Spain <sup>4</sup>	3

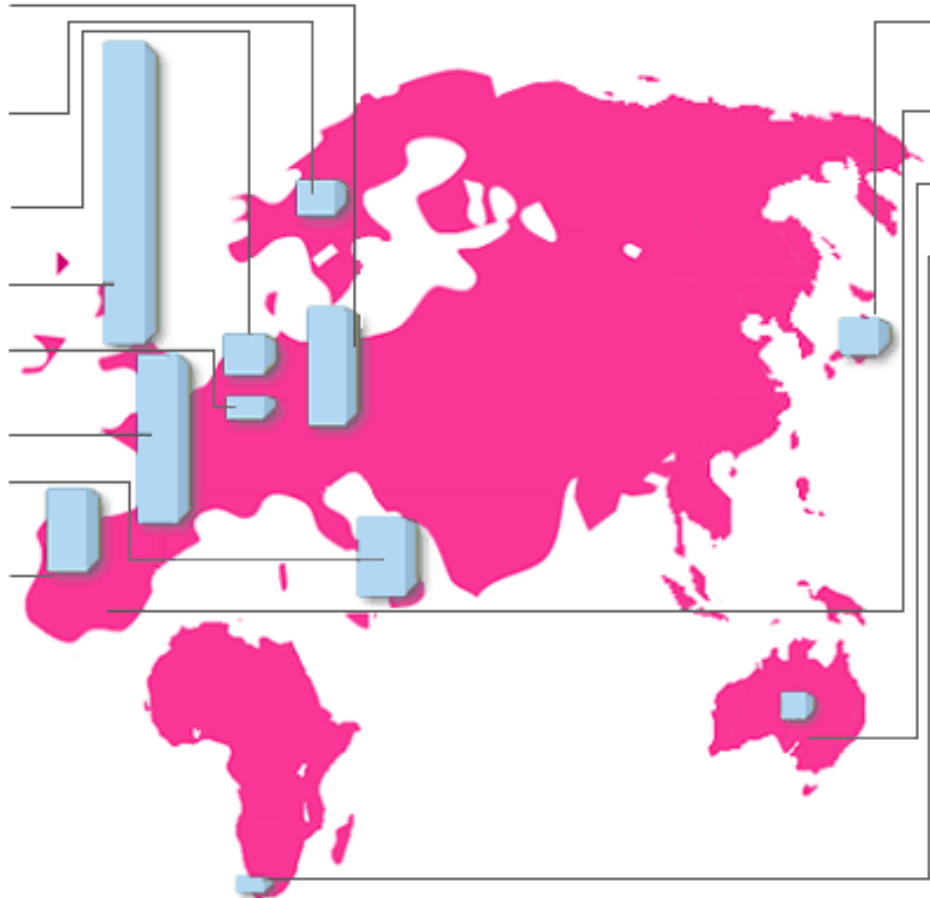
1. December 02 Nielson Netratings data
2. Spontaneous brand awareness, TNS report, December 02
3. December 02 Nielson Netratings data
4. December 02 Nielson Netratings data

## WHOLLY OWNED

▶ Germany	0.9M
▶ Sweden	0.1M
▶ Netherlands	0.2M
▶ United Kingdom	2.3M
▶ Belgium	0.03M
▶ France	1.8M
▶ Italy	0.6M
▶ Spain	0.4M

TOTAL SUBSCRIBER NUMBERS  
6.3M

## lastminute.com subscribers at 31st December 2002



## JOINT VENTURES

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

TOTAL SUBSCRIBER NUMBERS  
0.5M

lastminute.com  
subscribers  
TOTAL  
6.8M

# Customer Statistics - 1

	2002 Q1	2002 Q2	2002 Q3	2002 Q4	<b>2003 Q1</b>	Q1-on-Q1 % growth
Subscribers (millions)	4.6	5.0	5.6	6.4	<b>6.8</b>	48.7%
Customers (‘000s)	133	150	197	261	<b>240</b>	80.7%
Items Sold (‘000s)	298	359	429	634	<b>570</b>	91.0%
- Travel	185	230	287	456	<b>384</b>	107.6%
- Non travel	113	129	142	178	<b>186</b>	64.6%
TTV per item sold (£'s)	106	114	142	177	<b>153</b>	44.3%
- Travel	155	162	203	239	<b>212</b>	36.8%
- Non travel	27	27	20	20	<b>33</b>	22.2%

## Customer Statistics - 2

£'s	2002 Q1	2002 Q2	2002 Q3	2002 Q4	<b>2003 Q1</b>	Q1-on-Q1 % growth
<b>Customer acquisition costs</b>						
UK	6.4	5.9	6.4	4.7	<b>7.1</b>	10.9%
France	17.8	20.3	15.9	11.7	<b>14.9</b>	(16.3)%
Germany	51.5	43.8	19.7	14.1	<b>21.7</b>	(57.9)%
Satellite Countries	15.2	12.7	8.0	4.8	<b>7.6</b>	(50.0)%
<b>Total Group</b>	10.9	11.4	9.0	7.3	<b>9.2</b>	(15.6)%

**David Howell**  
Chief Financial Officer

# Q1 2003 Financial Highlights

- TTV £87.1m – 175% growth on Q1 2003 on Q1 2002
- Group EBITDA £(1.6)m – 69% improvement on Q1 2002
- Cash balance remains strong at £41.9m
- Q1 operational cashflow (pre exceptional items) of £(7.4)m – in line with expectations

# Departure based TTV

<b>£ millions</b>	2002 Q1	2002 Q2	2002 Q3	2002 Q4	<b>2003 Q1</b>	Q1-on-Q1 % growth
UK	17.6	20.4	38.6	61.8	<b>57.4</b>	226.1
France	10.5	15.6	16.1	40.1	<b>20.0</b>	90.5
Germany	2.0	2.8	3.3	3.8	<b>2.7</b>	35.0
Satellite Countries	1.2	1.7	2.6	6.1	<b>6.3</b>	425.0
Joint ventures	0.4	0.4	0.4	0.6	<b>0.7</b>	75.0
<b>Total Group</b>	31.7	40.9	61.0	112.4	<b>87.1</b>	174.4

## TTV analysis – travel/non travel

<b>£ millions</b>	2002 Q1	2002 Q2	2002 Q3	2002 Q4	<b>2003 Q1</b>	Q1-on-Q1 % growth
Holidays	14.4	20.9	28.4	62.6	<b>36.4</b>	152.8%
Flights	7.2	8.5	22.5	36.5	<b>34.9</b>	384.7%
Hotels	7.0	7.9	7.3	9.8	<b>8.9</b>	27.1%
<b>Total Travel</b>	28.6	37.3	58.2	108.9	<b>80.2</b>	180.4%
<b>Non Travel</b>	3.1	3.6	2.8	3.5	<b>6.9</b>	122.6%
<b>Total Group</b>	31.7	40.9	61.0	112.4	<b>87.1</b>	174.4%

# Gross profit development

<b>£ millions</b>	2002 Q1	2002 Q2	2002 Q3	2002 Q4	<b>2003 Q1</b>	Q1-on-Q1 % growth
UK	2.4	2.9	4.5	8.6	<b>7.6</b>	216.7%
France	1.7	2.7	2.7	5.1	<b>2.7</b>	58.8%
Germany	0.2	0.3	0.4	0.5	<b>0.3</b>	50.0%
Satellite Countries	0.2	0.2	0.3	0.6	<b>0.7</b>	250.0%
<b>Total GP</b>	4.5	6.1	7.9	14.8	<b>11.3</b>	151.1%
<b>Commercial revenues included in GP</b>	1.0	1.2	1.4	2.2	<b>1.6</b>	60.0%
<b>% GP margin</b>	14.1	15.0	12.9	13.2	<b>13.0</b>	(1.1)% points

# Retail gross profit percentage development

%	2002 Q1	2002 Q2	2002 Q3	2002 Q4	<b>2003 Q1</b>	Q1-on-Q1 % growth
<b>Retail gross margins</b>						
UK	9.7	10.2	10.0	11.1	<b>11.5</b>	1.8% points
France	13.6	14.5	12.8	12.0	<b>11.3</b>	(2.3)% points
Germany	11.7	9.3	8.5	13.9	<b>11.9</b>	0.2% points
Satellite Countries	11.8	10.6	9.3	9.0	<b>9.6</b>	(2.2)% points
<b>Average retail margin</b>	11.0	11.6	10.6	11.2	<b>11.2</b>	0.2% points
<b>Commercial revenues</b>	3.1	3.4	2.3	2.0	<b>1.8</b>	(1.3)% points
<b>Total Group gross profit</b>	14.1	15.0	12.9	13.2	<b>13.0</b>	(1.1)% points

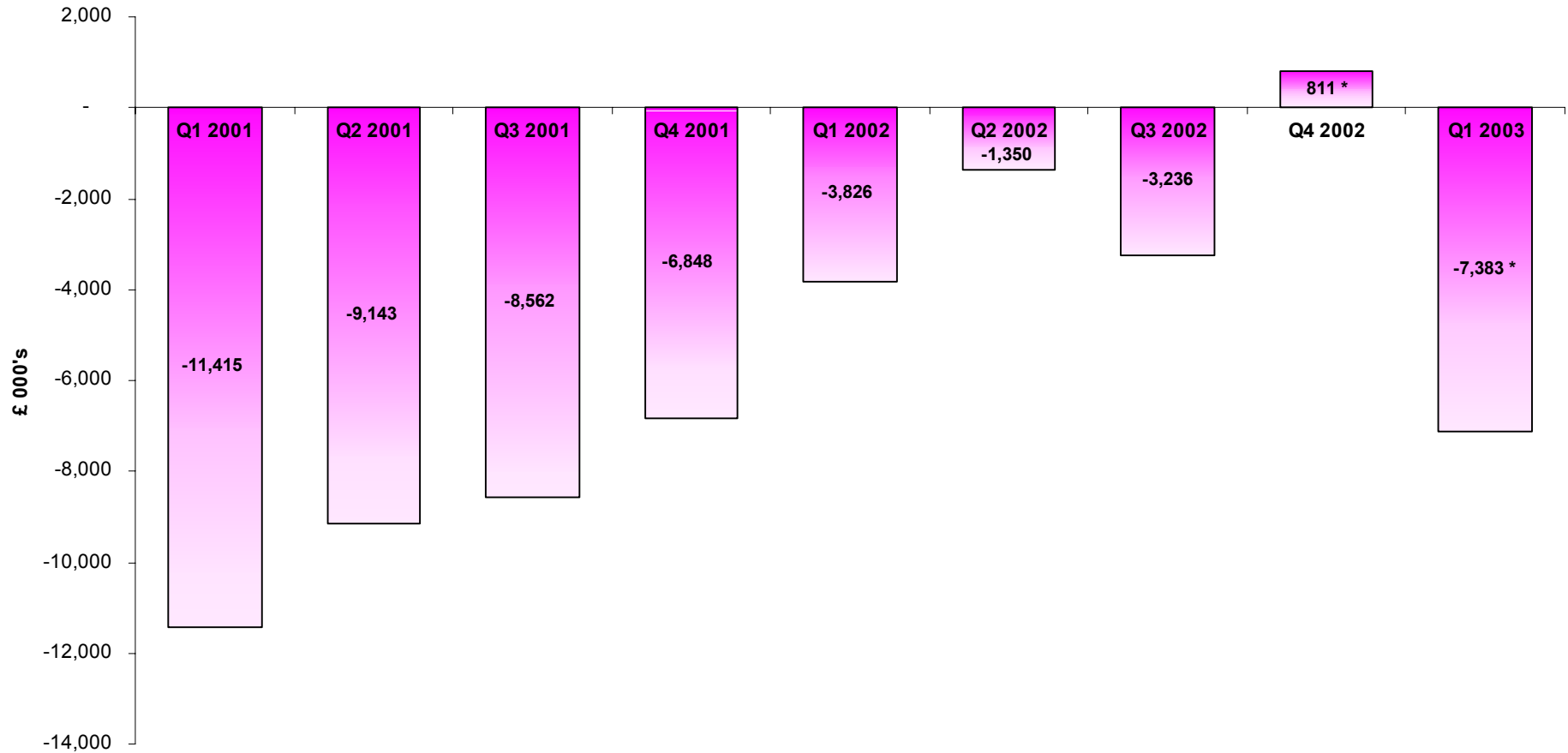
# Quarterly EBITDA development

£ millions	2002 Q1	2002 Q2	2002 Q3	2002 Q4	2003 Q1	Q1-on-Q1 % change
<b>Gross profit</b>	4.5	6.1	7.9	14.8	<b>11.3</b>	151.1
<b>Operating costs</b>						
Product development	1.6	1.4	1.6	1.5	<b>1.7</b>	6.3
Sales and marketing	5.0	5.1	5.3	6.5	<b>7.1</b>	42.0
General and administration	3.0	2.8	2.9	4.0	<b>4.1</b>	36.7
<b>Total operating costs</b>	9.6	9.3	9.8	12.0	<b>12.9</b>	34.4
<b>EBITDA</b>	(5.1)	(3.2)	(1.9)	2.8	<b>(1.6)</b>	69.1

# Balance sheet highlights

£ millions	31 Dec 02	30 Sept 02	31 Dec 01
Fixed Assets	91.5	96.6	52.9
Current assets:			
Stock	0.2	0.1	0.1
Debtors	16.4	16.1	10.3
<b>Cash at bank</b>	<b>41.9</b>	<b>49.6</b>	<b>36.5</b>
	58.5	65.8	46.9
Current liabilities	(49.4)	(53.7)	(21.3)
Net current assets	9.1	12.1	25.6
Provisions/long term liabilities	(2.9)	(4.1)	(0.6)
Shareholders' funds	97.7	104.6	77.9

# Operating cash outflow



\* Pre exceptional items

**Allan Leighton**  
Chairman

## Summary

**“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.”**