

Financial results for the 6 months and Quarter 2 ended 31 March 2003

15 May 2003

Allan Leighton
Chairman

Continuing significant progress in a tough quarter for the travel industry

- Strong subscriber growth
- Customer conversion rate improves to 29.1%
- TTV up 126% to £92.2m
- Improved underlying margins to 13.9%
- Operating cash inflow
- Record order bank at 31 March of £56.0 million
- Acquisition of the holiday autos group

Brent Hoberman
Chief Executive Officer

Significant progress achieved

- Strength of product mix:
 - minimised outside factors
 - improved margins
- Integration of Travelprice.com completed by 28 February
- Increased flexibility
- Dynamic packaging and brand building development
- holiday autos acquisition

Strength of product mix

- Variety of products a bonus
- Competitive pricing
- Greater percentage of short – mid haul flight sales
- Importance of supplier relationships
- Popularity of city breaks
- Continued investment to offer customers what they want
- Lifestyle proposition

Integration and flexibility

- Travelprice.com:
 - Integration completed in France on time
 - Integration completed in Italy by 28 February
 - Benefits start to come through in Q3
- Flexibility:
 - Re-organisation of cost base
 - Further outsourcing of non-core activities
 - £1.3m exceptional costs Q2
 - £1.0m exceptional costs expected Q3

Dynamic Packaging – improving gross profit

- £5.3m TTV in Q2 from Dynamic Packaging
- “Breakbuilder” now reflects 9.7% of UK TTV
- Monthly development of: £1.5m January 2003, £1.6m February 2003, £2.2m March 2003
- Further improvement in product depth later in the year to include car hire, insurance and airport parking
- Rollout to France, Germany and Italy later in the financial year

Ongoing development of supplier relationships and product availability

- In March 2003 city breaks at lowest ever prices – promotion with British Airways and 5 key international hotel partners
- New relationships announced with BCP, Alitalia and Theatrenow
- Brand partnerships: initiatives with Eurostar, Masterfoods (a division of Mars UK Limited 2003) ‘chocolcollect promotion’, McDonalds, Vodafone and BT

We sell these products at the right time on the right device



We continue to work with the biggest network operators to deliver lastminute.com products and services to people via the communications platform most relevant to them



We use the brand to build partnerships in new areas to increase product range and reach



- Long term relationship with Voyages Auchan – France



- Marketing relationship with McDonalds in UK and France

- Marketing promotions with BA and Alitalia across Europe – deepening supplier relationships



- New supply relationships with hoteliers e.g. NH Hotels, Boscolo Hotels, 6C, Le Meridien and Golden Tulip



One of five key partners in Masterfood UK's "chocollect" campaign

Mars Twix Maltesers BOUNTY SNICKERS

MY ACCOUNT UPDATE MY PROFILE ACCOUNT HISTORY **CHOCOLLECT** WHO'S INVOLVED DONATIONS WEEKLY PRIZE DRAW
TRANSFER ACCOUNTS ENTER A CODE SHOP CHECKOUT | LOG OUT |

CHOCOLLECT SHOP Pleasure you can't measure

YOUR BASKET SHOPPING BY REWARDS IN THEIR TIERS : TIER 1 (10 CREDITS)

& MONEY OFF
£5 off when you spend £25 on gifts

For one week only, collect and get £5 cashback on **lastminute.com** gifts when you spend £25 or more. Whether you want to treat yourself to a luxurious pampering session, buy flowers for that special someone or adopt your very own panda with the WWF, visit **www.lastminute.com** for great ideas and original gifts.

£5 cashback **lastminute.com**

SUBTOTAL: 0 CREDITS CHECK OUT
MY BALANCE IS : 2 CREDITS BACK NUMBER OF CREDITS: 10 ADD TO MY BASKET ADD

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Developing our relationship with BAA we positioned lastminute.com branded mannequins in key locations in all Heathrow Airport arrivals and departure lounges

Terminal 3: snowboarder



Terminal 4: snorkeller



Martha Lane Fox

Group Managing Director

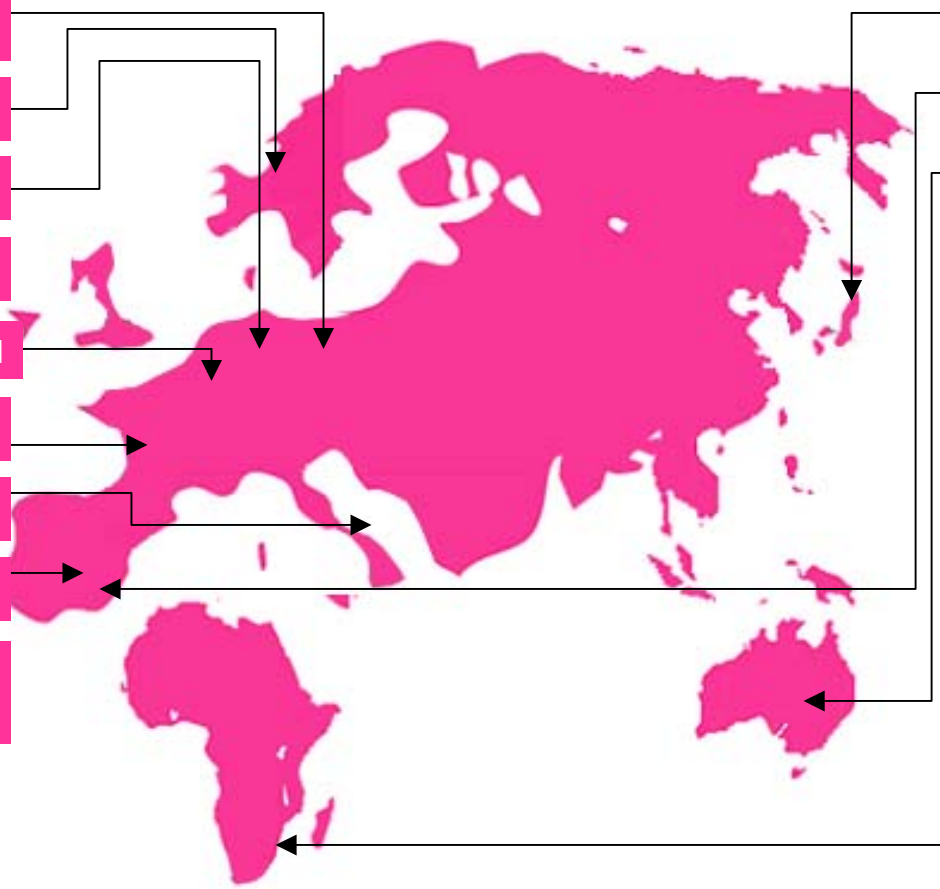
lastminute.com subscribers

at 31 March 2003

WHOLLY OWNED

▶ Germany	0.9M
▶ Sweden	0.1M
▶ Netherlands	0.3M
▶ United Kingdom	2.4M
▶ Belgium	0.03M
▶ France	1.8M
▶ Italy	0.6M
▶ Spain	0.4M

Total Subscriber Numbers
6.5M



JOINT VENTURES

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

Total Subscriber Numbers
0.5M

lastminute.com
subscribers
TOTAL
7.0M

Tailored weekly and monthly newsletters to cater for customers' specific interests

lastminute.com theatrenow

HOME | TICKETS | LISTINGS | NEWS

A FIENNES NIGHT OUT

Ralph Fiennes makes his first stage appearance with the RSC since *King Lear* in 1990 when *Brand* opens on June 6.

The production marks Adrian Noble's last as artistic director of the RSC. He said, "I've wanted to do *Brand* with Ralph for ages, so I'm delighted that it's finally happening" - [click here](#)



THE WEEK IN THEATRE

Ingmar Bergman paid a flying visit to London in the shape of his production of Ibsen's *Ghosts*, a play which dared to deal with the topic of venereal disease back in the 1880s. *Ghosts* was considered shocking in its day, but, as Cole Porter's *Anything Goes* (which this week announced a September transfer from the National to Drury Lane) famously says, 'how heaven knows, anything goes'. It certainly does at the National, where *Jerry Springer - the Opera* opened in a blaze of publicity, four letter words - and a fabulous score

Much of the theatre press has been devoted to Michael Sheen's performance in *Caligula* at the Warehouse, where Michael Grandage's directorial Christopher Oram's stylish design have also e



60 SECOND GUIDE TO THE WORLD SNOOKER CHAMPIONSHIPS

April 19 - May 5, The Crucible Theatre

The World Snooker championships have given us some of television's finest sporting moments, most famously Dennis Taylor's last frame victory over Steve Davis in 1985.

You don't want to listen to the killjoys who say the competition isn't what it used to be though.

More people watched Peter Ebdon nick the title from Stephen Hendry last year than tuned into the FA Cup final, and with Mark Williams saying of archrival Ronnie O'Sullivan, "I always want to stick it up him every time we play", there'll be no shortage of excitement this time out.

- Peter Ebdon opens his defence against the little known but highly rated Gerard Greene - an upset could be on the cards
- Ronnie O'Sullivan has been named bookmakers' favourite to collect the record £260 000 first prize - he faces Marco Fu
- Steve Davis returns to the Crucible after a three-year absence - at 45, he is the oldest of all 32 competitors

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INSIDE

A FIENNES NIGHT OUT

Ralph Fiennes returns to the London stage in *Brand*
THE WEEK IN THEATRE
All the latest from the wonderful world of theatre...

THE LONG AND SHORT

The West End's most spectacular failures

OUT & ABOUT

Our Man Bower excels himself this week with a double-entry
PICK OF THE WEEK

Our best deals laid bare for your delectation and appreciation

THE PICK OF THE WEEK

lastminute.com SPORTS MONTHLY

We're three issues old and hitting our stride like Ben Johnson with an armful of steroids. The football season is turning into a nailbiter, the US Masters looks like it's getting under way after Thursday's washout, and, best of all, the Embassy World Snooker Championships are just days away. Three glorious weeks of oddly engaging tedium punctuated by bouts of genuine brilliance - come on, admit it, you love it as much as we do.

STUFFED

THE lastminute.com FOOD MONTHLY BETTER OUT THAN IN

Why do birds suddenly appear, every time you are near...

... well, it's cos you stink of bird seed. It's getting sunnier, it's time for al fresco dining. So here's a summary of summery eats to try:

- If you've been shopping down Oxford Street, escape to the gardens at **140 Park Lane** where they've extended their two-for-one offer
- **Jaan** have recently opened their stunning Japanese influenced gardens where you can enjoy a two-course lunch & wine for £14.50
- Or if you want to DIY dining outside, how's about 50% off a Mecco swing top **barbeque** - now only £24.99
- For trips to the park, the **picnic backpack** cooler bag with 50% off, complete with cutlery, crockery and chopping board is a marvel
- Lastly, the **Chianti Classico** set of wines - buy three get three bottles free - for only £29.99 is ideal for those al fresco liquid lunches

RESTAURANT OF THE MONTH

would be cruel to these restaurants

share it. After all, edly glamorous with they're both entary bottle of ne when two



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BESTSELLERS

MODERN EUROPEAN

You'll babble on about the view at **Babylon** once you've been. Get a three-course dinner for £16.50

ITALIAN

The critics' choice **Sartoria** with its exclusive three-course set menu & glass of wine offer for £20

INDIAN

Opim's successful modern take on all-you-can-eat and Indian food. Get a two-for-one meal for £13.50

FRENCH

Get a three-course gourmet dinner at **La Rascasse** at Cafe Grand Prix for the petit prix of £20

BRITISH

The six-course menu for £15 at **Glass Restaurant & Bar** is ending soon, so book before it does

MASTERCLASS

Learn how to cook without the aid of a microwave or your mum:

BUDGET
£600 Delia Smith's Food

A recent customer survey showed that 96% of customers would repurchase from lastminute.com

lastminute.com 16



Quality hotels in Rome from £99

When in Rome...stay in a Boscolo hotel. A city as stylish as the Italian capital demands a better class of hotel and Boscolo are more than up to the challenge.

Customer Statistics

	2002 Q2	2002 Q3	2002 Q4	2003 Q1	2003 Q2	Q2-on-Q2 % growth
Subscribers (millions)	5.0	5.6	6.4	6.8	7.0	40.0%
Customers (‘000s)	150	197	261	240	303	102.0%
Items sold (‘000s)	359	429	634	570	712	98.3%
- Travel	230	287	456	384	517	124.8%
- Non travel	129	142	178	186	195	51.2%
TTV per item sold (£'s)	114	142	177	153	130	14.0%
- Travel	162	203	239	212	167	3.1%
- Non travel	27	20	20	33	30	11.1%

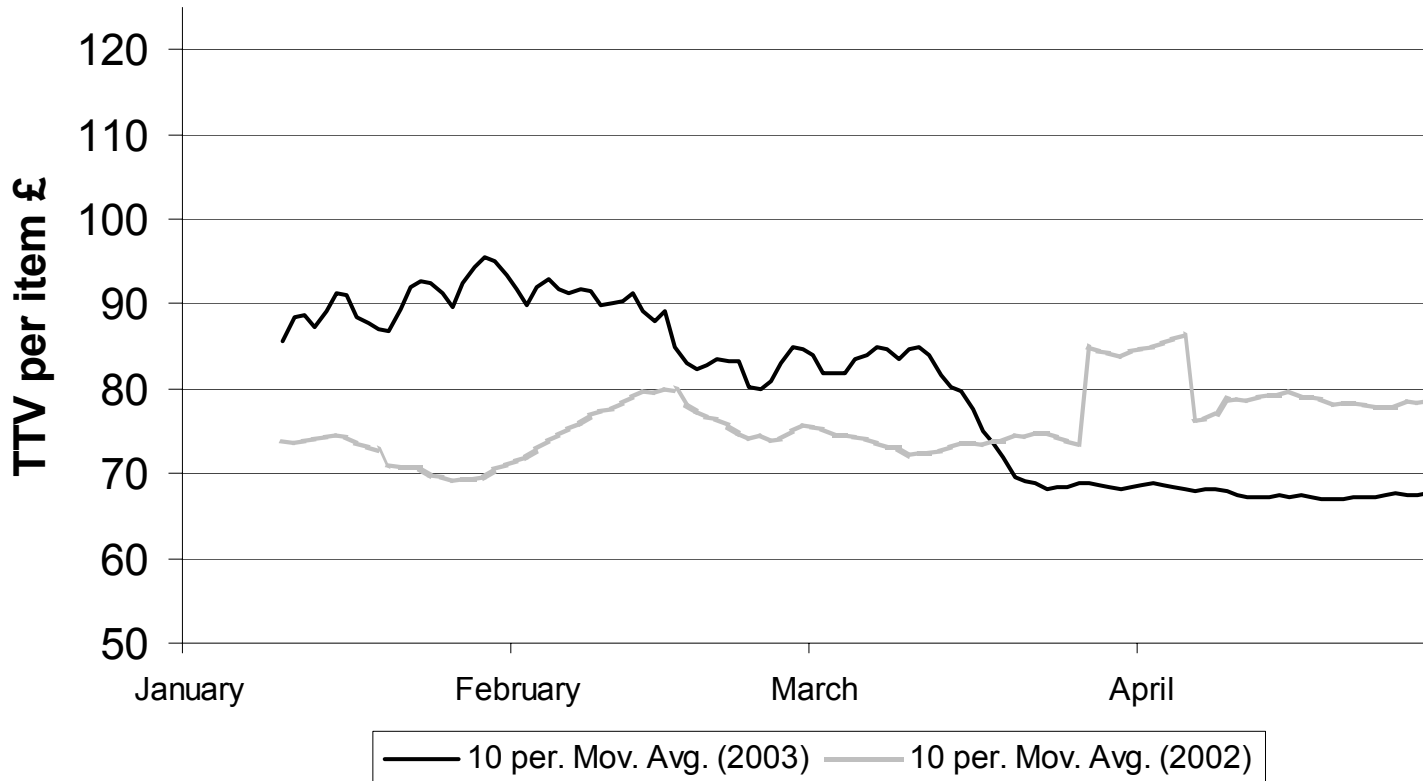
TTV analysis – travel/non travel

£ millions	2002 Q2	2002 Q3	2002 Q4
Holidays	20.9	28.4	62.6
Flights	8.5	22.5	36.5
Hotels	7.9	7.3	9.8
Car hire	-	-	-
Total Travel	37.3	58.2	108.9
Non Travel	3.5	2.8	3.5
Total Group	40.8	61.0	112.4

2003 Q1	2003 Q2	Q2-on-Q2 Growth	2003 Q3 % mix
36.4	38.1	82.3%	41.3%
34.9	28.6	236.5%	31.0%
8.9	10.3	30.4%	11.2%
-	9.5	-	10.3%
80.2	86.5	131.9%	93.8%
6.9	5.7	62.9%	6.2%
87.1	92.2	126.4%	100.0%

TTV analysis – UK hotel room rates

Hotels TTV per item



TTV analysis – by destination

£ millions	Q1 2003	Q2 2003	Q2 2003 Short haul %	Q2 2003 Long haul %
	Holidays	36.4	38.1	80%
Flights	34.9	28.6	50%	50%
Hotels	8.9	10.3	98%	2%
Car hire	-	9.5	85%	15%
Total Travel	80.2	86.4	70%	30%

David Howell
Chief Financial Officer

Q2 2003 Financial Highlights

- TTV £92.2m – 126.4% growth Q2 2003 on Q2 2002
- Q2 2003 Group EBITDA (pre exceptional items) £(1.7)m – 45.2% improvement on Q2 2002
- H1 2003 Group EBITDA (pre exceptional items) £(3.3)m – 60.2% improvement on H1 2002
- Q2 operational cash inflow (pre exceptional items) of £0.9m
- Q2 gross margin 16.2% - underlying margin up to 13.9%

Departure based TTV

£ millions	2002 Q2	2002 Q3	2002 Q4	2003 Q1	2003 Q2	Q2-on-Q2 Growth
UK	20.3	38.6	61.8	57.4	54.7	169.5%
France	15.5	16.1	40.1	20.0	22.6	45.8%
Germany	2.8	3.3	3.8	2.7	6.6	135.7%
Italy	0.9	1.5	2.0	3.3	4.0	344.4%
Satellite countries	0.9	1.1	4.1	3.0	3.5	288.9%
Joint ventures	0.4	0.4	0.6	0.7	0.8	100.0%
Total Group	40.8	61.0	112.4	87.1	92.2	126.4%

Record forward bookings of £56.0m

Organic TTV Growth

£ millions	2002 Q2	2003 Q2	Q2-on-Q2 % growth
Continuing businesses			
UK	20.3	36.5	79.8%
France	15.5	19.9	28.4%
Germany	2.8	3.4	21.4%
Italy	0.9	2.6	188.9%
Satellite countries	0.9	2.1	133.3%
JVs	0.4	0.8	100.0%
	40.8	65.3	60.0%
Acquired businesses	-	26.9	-
Total Group	40.8	92.2	126.4%

Gross profit development

£ millions	2002	2002	2002	2003	2003	Q2-on-Q2
	Q2	Q3	Q4	Q1	Q2	Growth
UK	2.9	4.5	8.6	7.6	9.2	217.2%
France	2.7	2.7	5.1	2.7	3.0	11.1%
Germany	0.3	0.4	0.5	0.3	1.6	433.3%
Italy	0.1	0.2	0.1	0.4	0.4	300.0%
Satellite countries	0.1	0.1	0.5	0.3	0.8	700.0%
Total GP	6.1	7.9	14.8	11.3	15.0	145.9%
Commercial revenues included in GP	1.2	1.4	2.2	1.6	1.8	50.0%
% GP margin	15.0	12.9	13.2	13.0	16.2	1.2% points

Q2 2003 underlying margin 13.9%

Retail gross profit percentage development

%	2002 Q2	2002 Q3	2002 Q4	2003 Q1	2003 Q2	Q2-on-Q2 growth
Retail gross margins						
UK	10.2	10.0	11.1	11.5	14.6	4.4% points
France	14.5	12.8	12.0	11.3	11.1	(3.4)% points
Germany	9.3	8.5	13.9	11.9	24.2	14.9% points
Italy	11.1	13.3	5.0	12.1	10.0	(1.1)% points
Satellite countries	12.5	9.1	12.2	10.0	22.9	10.4% points
Average retail margin	11.6	10.6	11.2	11.2	14.3	2.7% points
Commercial revenues	3.4	2.3	2.0	1.8	1.9	(1.5)% points
Total Group gross profit	15.0	12.9	13.2	13.0	16.2	1.2% points

Quarterly EBITDA development

£ millions	2002 Q2	2002 Q3	2002 Q4	2003 Q1	2003 Q2	Q2-on-Q2 % change
Gross profit	6.1	7.9	14.8	11.3	15.0	145.9%
Operating costs						
Product development	1.5	1.6	1.5	1.7	1.9	26.7%
Sales and marketing	5.4	5.3	6.5	7.1	10.7	98.1%
General and administration	2.4	2.9	4.0	4.1	4.1	70.8%
Total operating costs	9.3	9.8	12.0	12.9	16.7	79.6%
EBITDA (pre exceptional items)	(3.2)	(1.9)	2.8	(1.6)	(1.7)	46.9%
Exceptional items	-	-	-	-	(1.3)	-
EBITDA	(3.2)	(1.9)	2.8	(1.6)	(3.0)	(6.3)%

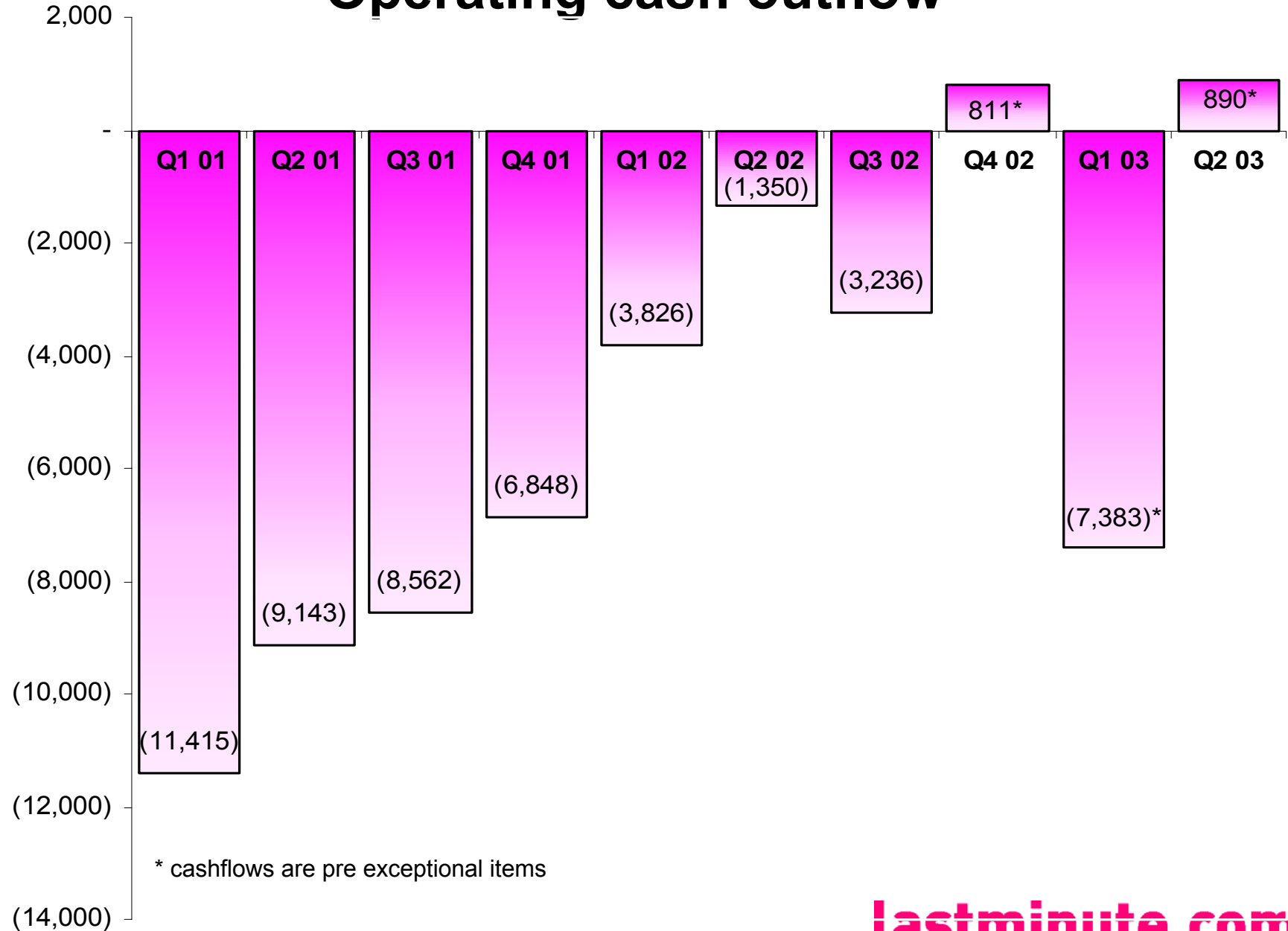
EBITDA

£ millions	2002 Q2	2002 Q3	2002 Q4	2003 Q1	2003 Q2	Q2-on-Q2 growth
UK	0.2	1.2	3.4	2.5	3.8	180.0%
France	0.2	0.3	1.7	(0.9)	0.3	50.0%
Germany	(0.5)	(0.4)	(0.2)	(0.5)	(0.2)	60.0%
Italy	(0.1)	-	0.1	-	(0.1)	-
Satellite Countries	(0.3)	(0.2)	(0.2)	0.3	(1.7)	466.7%
Country EBITDA	(0.5)	0.9	4.8	1.4	2.1	520.0%
Central costs:						
Product development and HQ	(2.7)	(2.8)	(2.0)	(3.0)	(3.8)	40.7%
Group EBITDA (pre exceptionals)	(3.2)	(1.9)	2.8	(1.6)	(1.7)	46.9%
Exceptional costs	-	-	-	-	(1.3)	-
Depreciation	(2.3)	(2.3)	(2.9)	(2.4)	(2.5)	8.7%
Amortisation	(3.6)	(4.7)	(6.6)	(7.3)	(9.3)	158.3%
Operating loss	(9.1)	(8.9)	(6.7)	(11.3)	(14.8)	62.6%

Balance sheet highlights

£ millions	31 March 03	31 Dec 02	31 March 02
Fixed assets	163.1	91.5	48.3
Current assets:			
Stock	0.5	0.2	0.1
Debtors	32.6	16.4	9.9
Cash at bank	52.3	41.9	34.7
	85.4	58.5	44.7
Current liabilities	(126.7)	(49.4)	(24.1)
Net current (liabilities)/assets	(41.3)	9.1	20.6
Provisions/long term liabilities	(1.3)	(2.9)	(0.6)
Shareholders' funds	120.5	97.7	68.3

Operating cash outflow



Allan Leighton
Chairman

Summary

“Our model demonstrated its resilience in the last Quarter which was tough for the travel industry. Quarter 3 has started well with a record order bank for Easter departures. We remain confident that we will meet our expectations of continued growth and overall Group profitability for the current Quarter and the year as a whole.”

Appendices

holiday autos is the world's largest leisure car rental broker

- Largest leisure car rental broker in the world selling approximately 7.0 million car rental days annually
- Corporately owned sales offices in 10 countries
- Additional sales offices in a further 30 countries
- Risk free model with no fleet position
- Aggressively moving the business online – currently generating over 60% of bookings online in the UK
- Strong direct and trade business
- Approximately 70% of all transactions are for destinations in Europe

Creates an unbeatable product portfolio for customers in a self packaged environment

- Strengthens the car hire product for the lastminute.com Group
- Provides an enhanced product offering for customers
- Provides a major component for Breakbuilder
- Advancement of the merchant model
- Brings over 15 years of travel supplier relationships to lastminute.com
- Brings increased hotel scale with holiday hotels

Building the lastminute.com vision

Suppliers: 15,000

going away

Airlines Short breaks
Package holidays Hotels

CAR HIRE

going out

Theatre ticket agents Experiences
Restaurants Sports

staying in

Food delivery DVD home delivery
Personalised TV listings

Gift merchants

do something

lastminute.com

holiday
autos

travel4less
part of lastminute.com plc

LCC24.COM
Das Online-Reisebüro der Lufthansa City Center

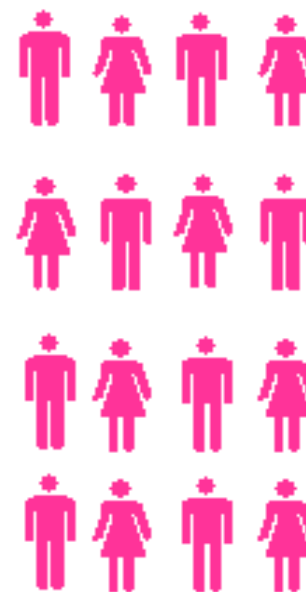
eXhilaration
part of lastminute.com plc

degriftour.com

Travelprice
Votre agence de voyages .fr

TRAVELSELECT
part of lastminute.com plc

Customers*: 1.8M

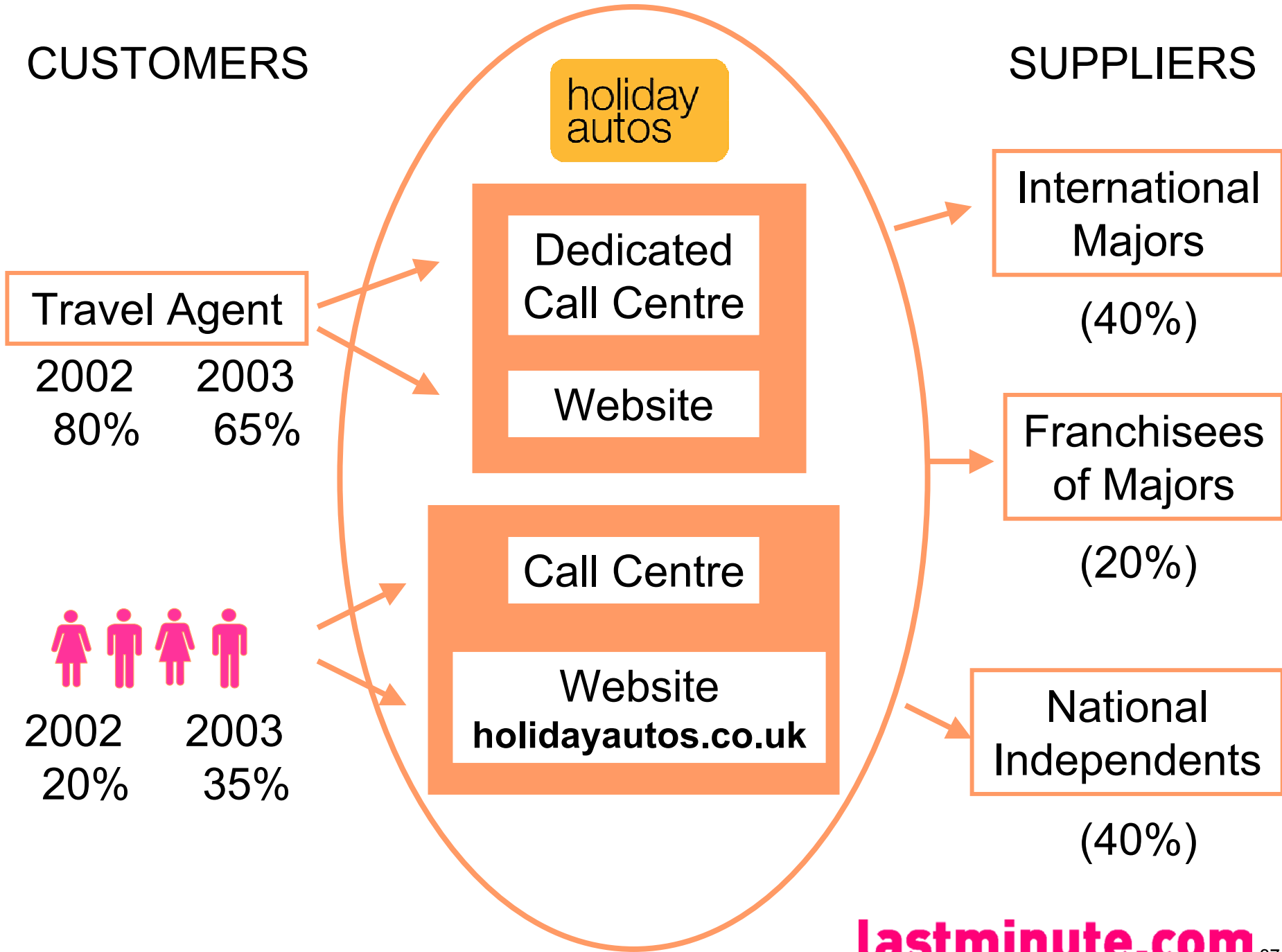


**Combined Pro Forma
Forecast 2003
TTV > €1bn**

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

CUSTOMERS

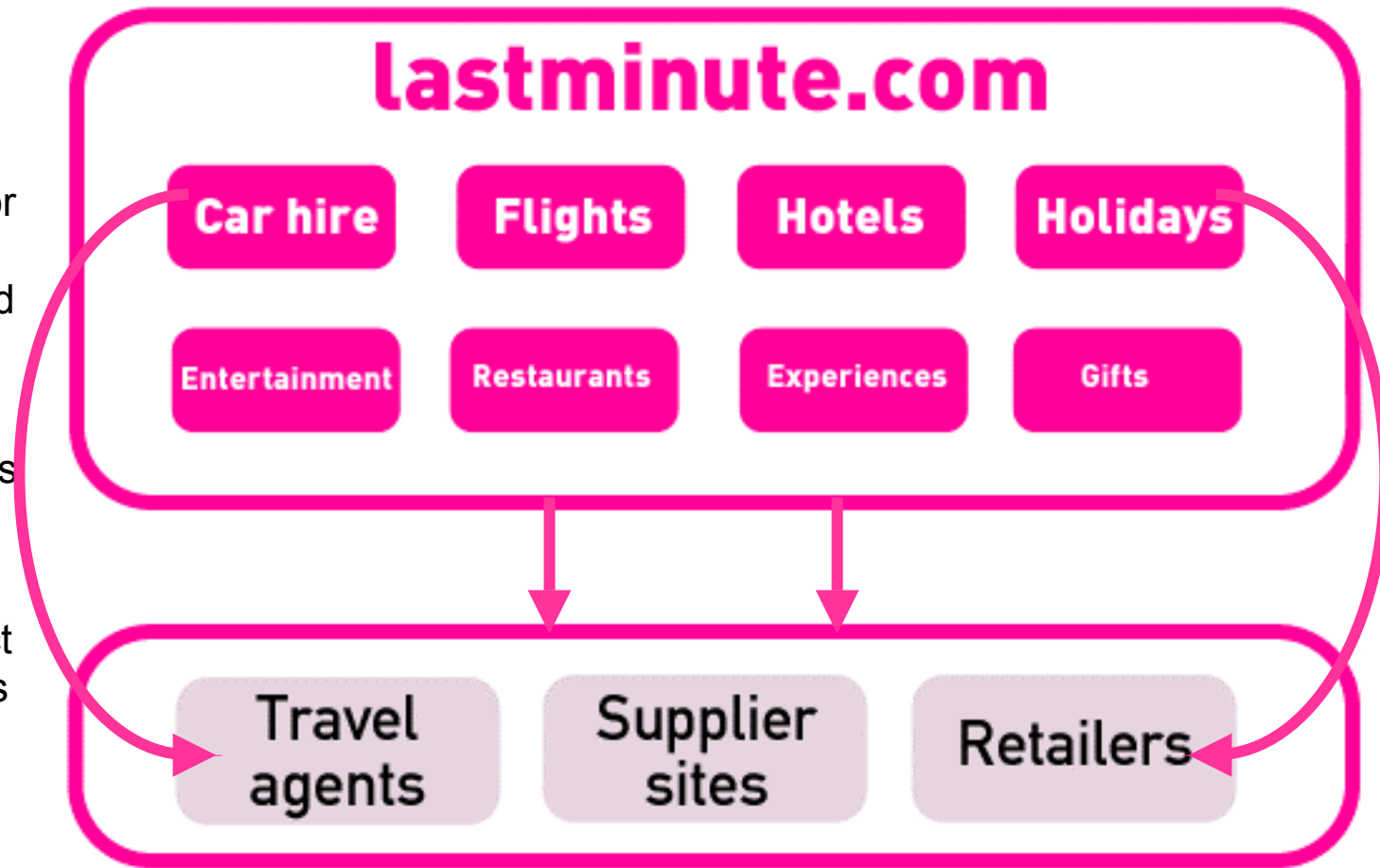
SUPPLIERS



Together we can create an unbeatable product for trade partners that allows us to leverage technology investments and build scale in revenues at very low cost

Selling points to trade:

- Any one component or total package can be provided giving a broad product offering
- We can leverage our technology investments to their benefit with no cost to the company
- Can brand the product on a “white label” basis



TTV analysis – travel/non travel

Year to Date

£ millions	2002 H1	2002 H2	2003 H1	H1-on-H1 Growth	2003 H1 % mix
Holidays	35.3	91.0	74.5	110.0%	41.5%
Flights	15.7	59.0	63.5	304.5%	35.4%
Hotels	14.8	17.1	19.2	29.7%	10.7%
Car hire	-	-	9.5	-	5.3%
Total Travel	65.8	167.1	166.7	153.3%	92.9%
Non Travel	6.7	6.3	12.6	88.1%	7.1%
Total Group	72.5	173.4	179.3	147.3%	100.0%

Departure based TTV – Year to Date

£ millions	2002 H1	2002 H2	2003 H1	H1-on-H1 Growth
UK	37.8	100.4	112.1	195.6%
France	26.1	56.2	42.6	63.2%
Germany	4.8	7.1	9.3	93.8%
Italy	1.6	3.5	7.3	356.3%
Satellite countries	1.4	5.2	6.5	364.3%
Joint ventures	0.8	1.0	1.5	87.5%
Total Group	72.5	173.4	179.3	147.3%

Excluding holiday autos H1 2003 TTV £169.8m

Gross profit development – Year to Date

£ millions	2002 H1	2002 H2	2003 H1	H1-on-H1 Growth
UK	5.3	13.1	16.8	217.0%
France	4.4	7.8	5.7	29.5%
Germany	0.5	0.9	1.9	280.0%
Italy	0.3	0.3	0.8	166.7%
Satellite countries	0.1	0.6	1.1	1,000.0%
Total GP	10.6	22.7	26.3	148.1%
Commercial revenues included in GP	2.2	3.6	3.4	54.5%
% GP margin	14.6	13.1	14.7	0.1% points

Retail gross profit percentage development

Year to Date

%	2002 H1	2002 H2	2003 H1	H1-on-H1 growth
Retail gross margins				
UK	10.3	11.1	13.0	2.7% points
France	14.6	11.4	11.0	(3.6)% points
Germany	8.3	11.3	20.4	12.1% points
Italy	12.5	8.6	9.6	(2.9)% points
Satellite countries	7.1	7.7	15.4	8.3% points
Average retail margin	11.6	11.0	12.8	1.2% points
Commercial revenues	3.0	2.1	1.9	(1.1)% points
Total Group gross profit	14.6	13.1	14.7	0.1% points

Quarterly EBITDA development

Year to Date

£ millions	2002 H1	2002 H2	2003 H1	H1-on-H1 % change
Gross profit	10.6	22.7	26.3	148.1%
Operating costs				
Product development	3.1	3.1	3.6	16.1%
Sales and marketing	10.5	11.8	17.8	69.5%
General and administration	5.3	6.9	8.2	54.7%
Total operating costs	18.9	21.8	29.6	56.6%
EBITDA (pre exceptional items)	(8.3)	0.9	(3.3)	60.2%
Exceptional items	-	-	(1.3)	-
EBITDA	(8.3)	0.9	(4.6)	44.6%

EBITDA – year to date

£ millions	2002 H1	2002 H2	2003 H1	Q2-on-Q2 growth
UK	0.1	4.6	6.3	620.0%
France	(0.2)	2.0	(0.6)	200.0%
Germany	(1.0)	(0.6)	(0.7)	30.0%
Italy	(0.3)	0.1	(0.1)	66.7%
Satellite countries	(0.5)	(0.4)	(1.4)	180.0%
Country EBITDA	(1.9)	5.7	3.5	284.2%
Central costs:				
Product development and HQ	(6.4)	(4.8)	(6.8)	6.3%
Group EBITDA (pre exceptionals)	(8.3)	0.9	(3.3)	60.2%
Exceptional costs	-	-	(1.3)	-
Depreciation	(4.6)	(5.2)	(4.9)	6.5%
Amortisation	(7.3)	(11.3)	(16.6)	127.4%
Operating loss	(20.2)	(15.6)	(26.1)	29.2%