interimreport2018

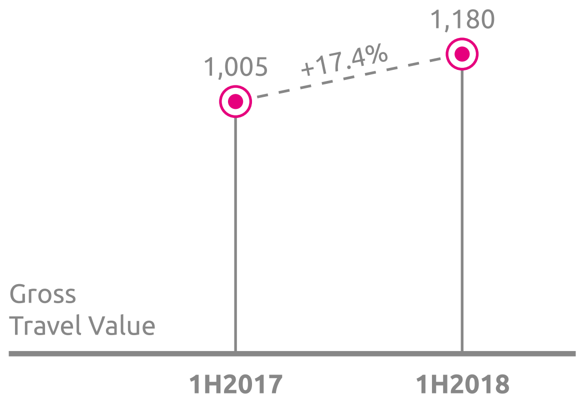
Make your heart your compass

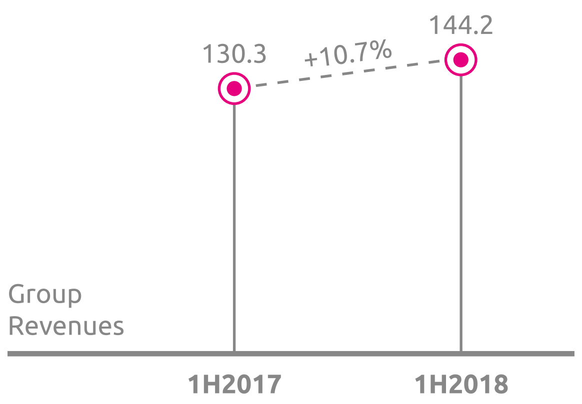
lm group

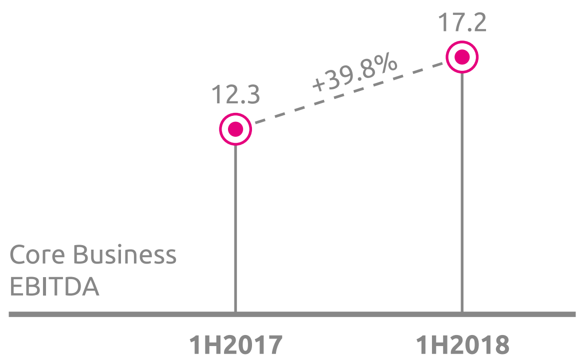
lastminute.com

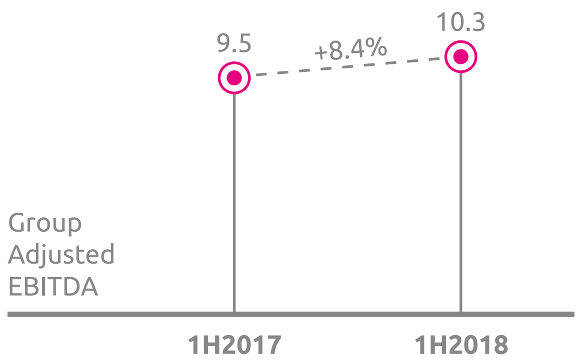
1H2018 Highlights

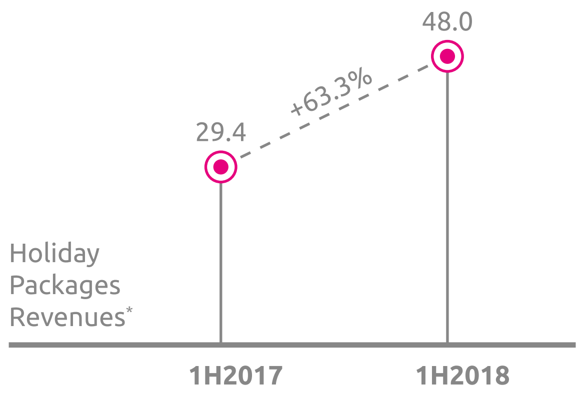
(in € million)

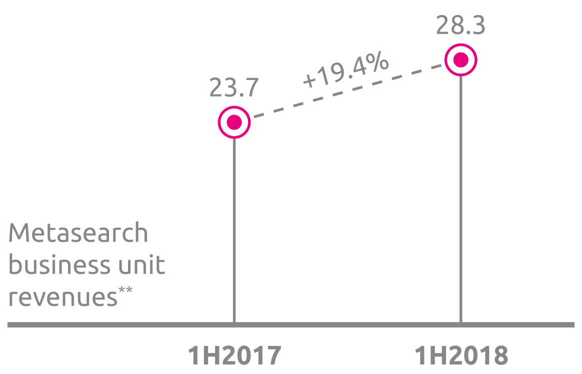








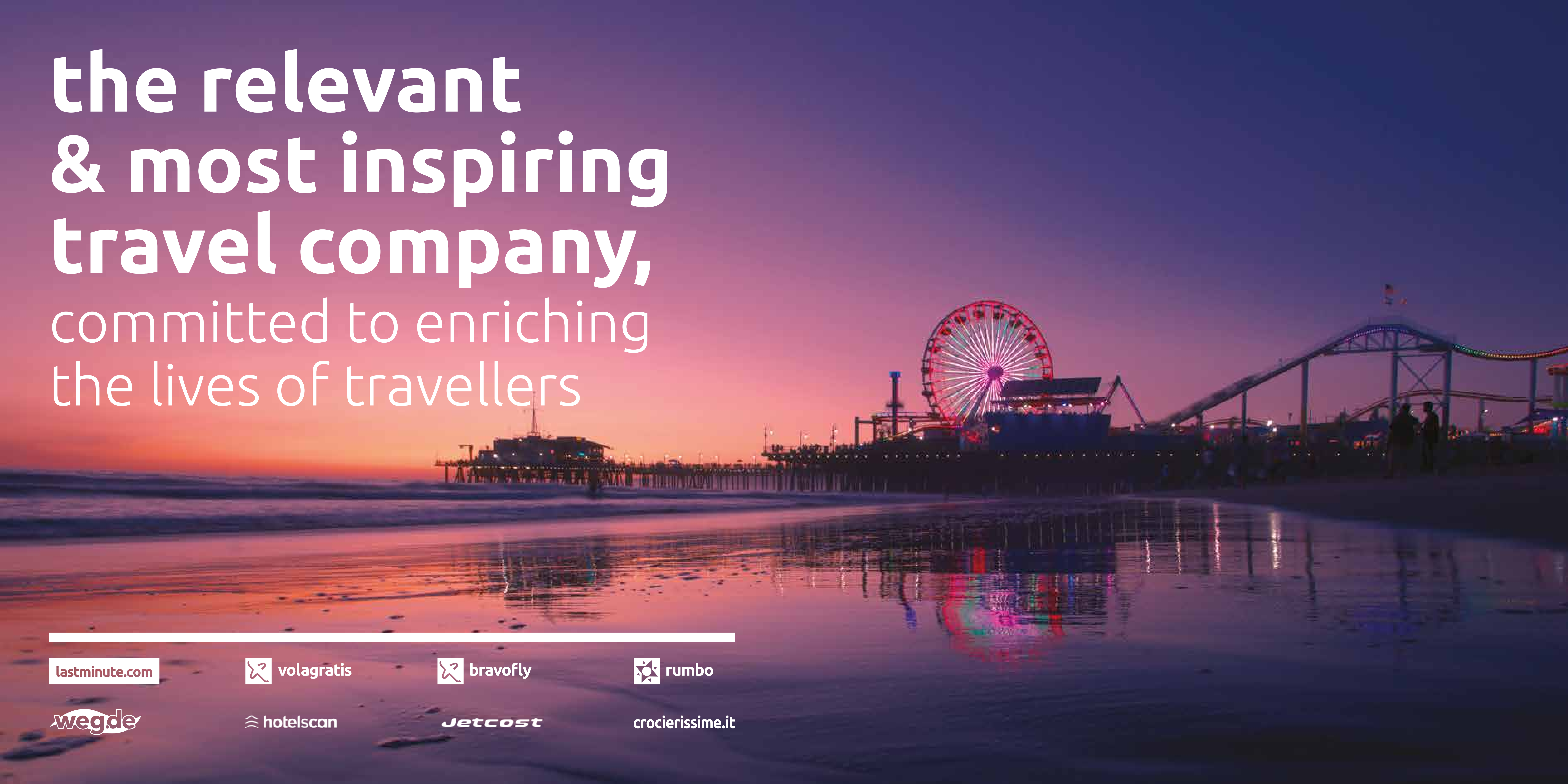




* They include Dynamic Packages and Tour Operator Packages revenues

** They refer to Jetcost and Hotelscan revenue and they do not include intersegment revenues. Gross Revenues are 1H2017 = €27.9M, 1H2018 = €30.5M

Content


the relevant
& most inspiring
travel company,
committed to enriching
the lives of travellers
lastminute.com
volagratis
bravofly
rumbo
weg.de
hotelscan
Jetcost
crocierissime.it

A travel & media business **incorporated** under a holding company

lm group

lm holding

Group CEO Fabio Cannavale

- Dutch Holding Company* listed in Switzerland
- Corporate services and functions

SIX Swiss Exchange

lm venture

Venture Initiatives

- Destination Italia Gartour – Majority
- ubi – Minority
- DOVECLUB – Minority

lastminute.com

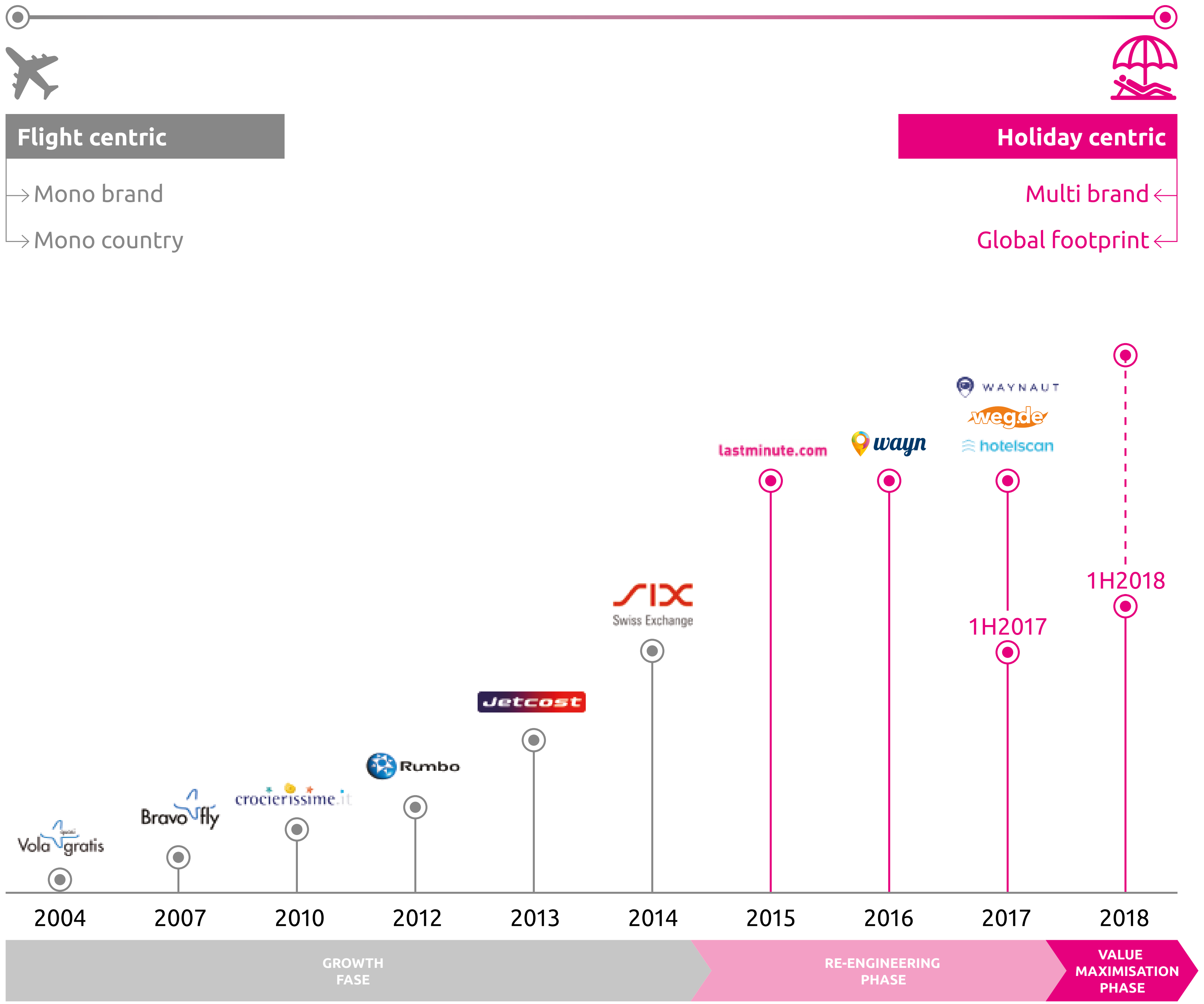
CEO Marco Corradino

OTA | MEDIA | META

rumbo, bravofly, volagratis, travelpeople, crocierissime.it, weg.de, Jetcost, hotelscan

* registered in The Netherland as lastminute.com N.V., listed under the ticker symbol LMN:SW

An entrepreneurial journey of **growth** both organic and through M&A



* Bars show revenue growth

Group CEO's letter

Dear shareholders, I'm glad to present our 2018 first semester interim report that brings a set of robust results in continuity with the trend showed last year.

We are experiencing a clear shift from a "flight and hotel-only" transactional model to a more comprehensive holiday-focused proposition. We have invested in Dynamic Package technology since the IPO and with a distinctive effort after the acquisition of lastminute.com in 2015, following our belief that "bundled products" gain relevance in the customer perception and purchasing preferences. We are pleased to see how these investments bear fruit and are driving the growth of our OTA business which is more "holiday centric" than ever. The success of our Dynamic Package comes from a unique proposition capable of bringing value to both customers looking for the perfectly fitting travel solution at great value, and suppliers which can integrate an effective distribution channel and better manage their inventories.

On the other hand, Metasearch business is running very well. Jetcost is a unique example of capability to balance the equation between revenue growth and sustainable profitability. In the context of the still small hotel business, Hotelscan, acquired in the second semester of 2017, is demonstrating how much scalable the business is and how fast the growth could be in such a segment. The Company expects Hotelscan to achieve a triple digit revenue increase on full year basis and to land to breakeven EBITDA level at the end of the year.

The Media business is demonstrating the resilience of its revenue model and, even in the context of tremendously growing mobile traffic, the capability to monetise well and diversify the proposition in the B2B area result in revenue growth. Travelpeople, the company's Media brand, has launched more services in the reporting period, thus attracting more clients and resulting in a very good performance of its co-marketing practices.

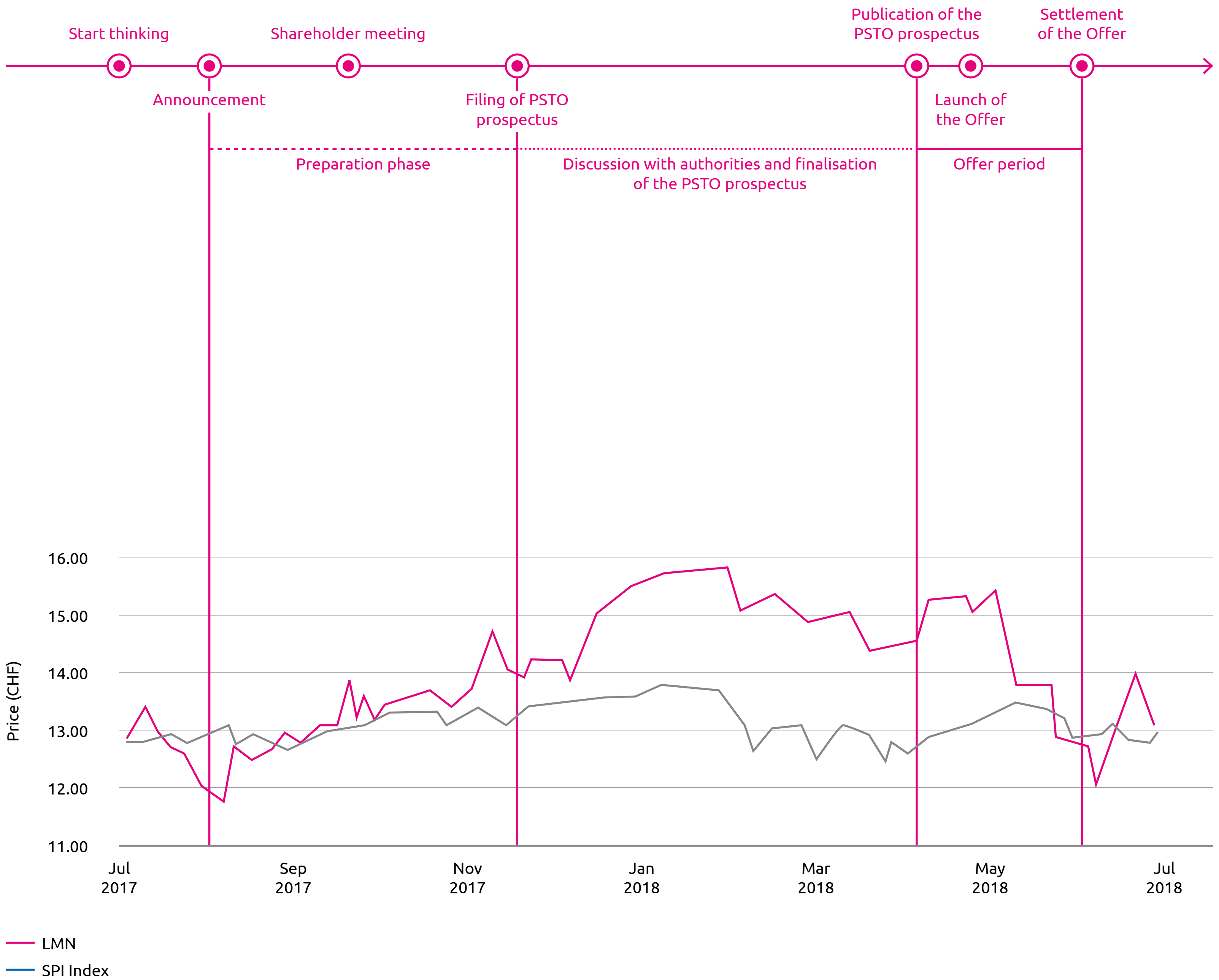
The Group is also expanding its geographical footprint particularly in Germany, ranked as the largest european market according to Gross Travel Value in the holiday packages segment. The great performance of weg.de - the main owned brand of Comvel GmbH - since the first weeks after the acquisition closed on December 2017, demonstrates again our ability to spot, acquire and quickly integrate attractive companies.

This first semester was also characterised by the execution of the most relevant transaction on our capital since IPO time. The Partial Self Tender Offer, launched on April and closed on May 2018 is the way we clearly demonstrated ourselves the commitment we still have in the Company and in its vision. It was a significant investment of resources, around € 30M, that gives the opportunity to investors willing to partially divest their stakes to benefit from a liquidity event at a fairly premium price. We look at this as a transaction that satisfied both, minority and main shareholders and that consolidated the ownership structure around long-term oriented investors.

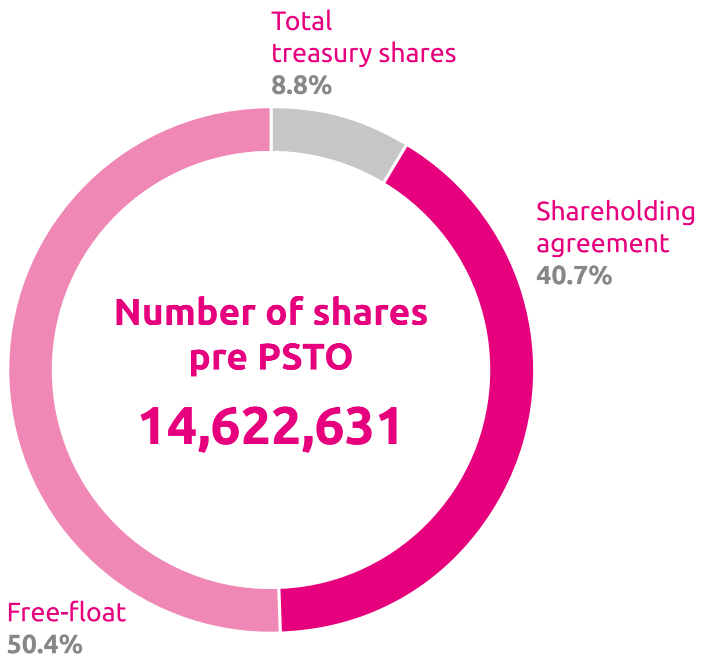
We strongly believe that the path we are following is the right one. The results of our core business are telling the same story. Our last acquisitions, from lastminute.com through to Hotelscan and weg.de, as part of a comprehensive project aimed at building a valuable and sustainable business model are bearing fruits and are contributing to achieve our Company mission. After a long, challenging but also incredibly exciting three years transformation phase, thanks to the contribution and effort of all our employees and my friend and co-founder Marco Corradino, we are now ready to play a leading role as one of the most advanced digital Tour Operator in the online holidays space.

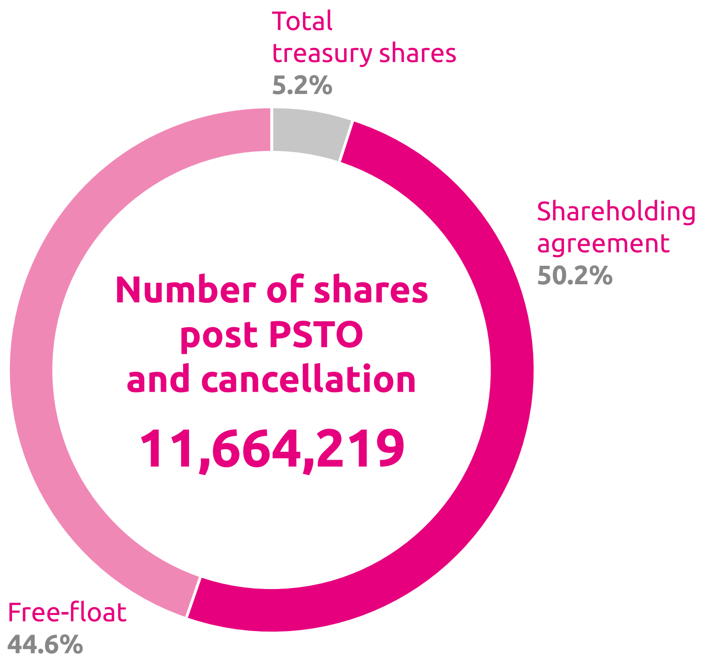
Fabio Cannavale
Group CEO

PSTO: a liquidity window offered at **premium price** resulting in a +100% success rate



A shareholding structure still with wide free-float, anchored around **long-term oriented investors**





	Pre PSTO	% ownership	Movements	Post PSTO	% ownership	Movements	Post cancellation*	% ownership
Total number of shares	14,622,631	100.0%		13,857,614	100.0%		11,664,219	100.0%
Number of shares repurchased under PSTO			*2,193,395*			*-2,193,395*	*0*	
Total treasury shares**	1,293,907	8.8%	***1,415,918	2,709,825	19.6%	****-2,101,595	608,230	5.2%
Shareholding agreement	5,954,850	40.7%	-103,008	5,851,842	42.2%		5,851,842	50.2%
Free-float	7,373,874	50.4%	-2,077,927	5,295,947	38.2%	-91,800	5,204,147	44.6%

* Cancellation will take place on 25 September 2018 subject to creditor opposition notice period
** Including shares repurchased under PSTO
*** resulting from repurchase of 2,193,395 + cancellation of 765,017 shares + release of 12,460 shares in the context of Stock Option Plan
**** resulting from cancellation of 2,193,395 shares and repurchase of 91,800 shares under SBB program

lastminute.com CEO’s letter

Over the last three years we have completely reshaped the way we run our core business. A full reorganisation has taken place at management level, we have sourced a many talented people, we’ve improved the sophistication of our marketing strategy and the way we manage data. We’ve also repositioned our brands in order to fit with the mission of being the relevant and most inspiring travel company, committed to enriching the life of travellers. This mission also reflects the shift we’re experiencing from a pure “Flight and Hotel-only centric” transactional business to a diversified “holiday centric” customer oriented platform, capable of efficiently integrating our OTA, Meta and Media businesses.

Deep diving on Dynamic Package, there’s a lot of reasons why its performance has been so amazing. First of all, customers can benefit from a significant saving when booking a flight and hotel together. Second, the spectrum of offering has increased, especially on sun and beach destinations, as a result of the effort put on negotiating pre-determined discounted fares with an increasing number of hotels. Finally, to make our customers happy we launched a cutting-edge payment option together with improvements to the website user experience and the performance of the packaging engine.

If we focus on our Hotel-only business, the decision to continue investing in negotiating direct agreements with hotels and hotel chains was the right one and is now bearing fruit, in particular the positive boost is driven to our Dynamic Packages proposition.
In fact, in terms of gross travel value (GTV), hotel bookings including those as part of packages, are significantly higher than ever.

The Flights business decreased but experienced a turning point in terms of margins. The way the Company sells flights today is completely different from how it was done few years ago. Sophisticated pricing algorithms and successful up and cross-sell strategy enable the Company to make the machine more efficient.

As of second half of 2017, we experienced growth in the B2B revenue stream thanks to partnerships with other OTAs willing to implement our “powered by lastminute.com” Dynamic Package solution into their portfolio of offerings. This is another element demonstrating how well we are doing in our more strategic business area.

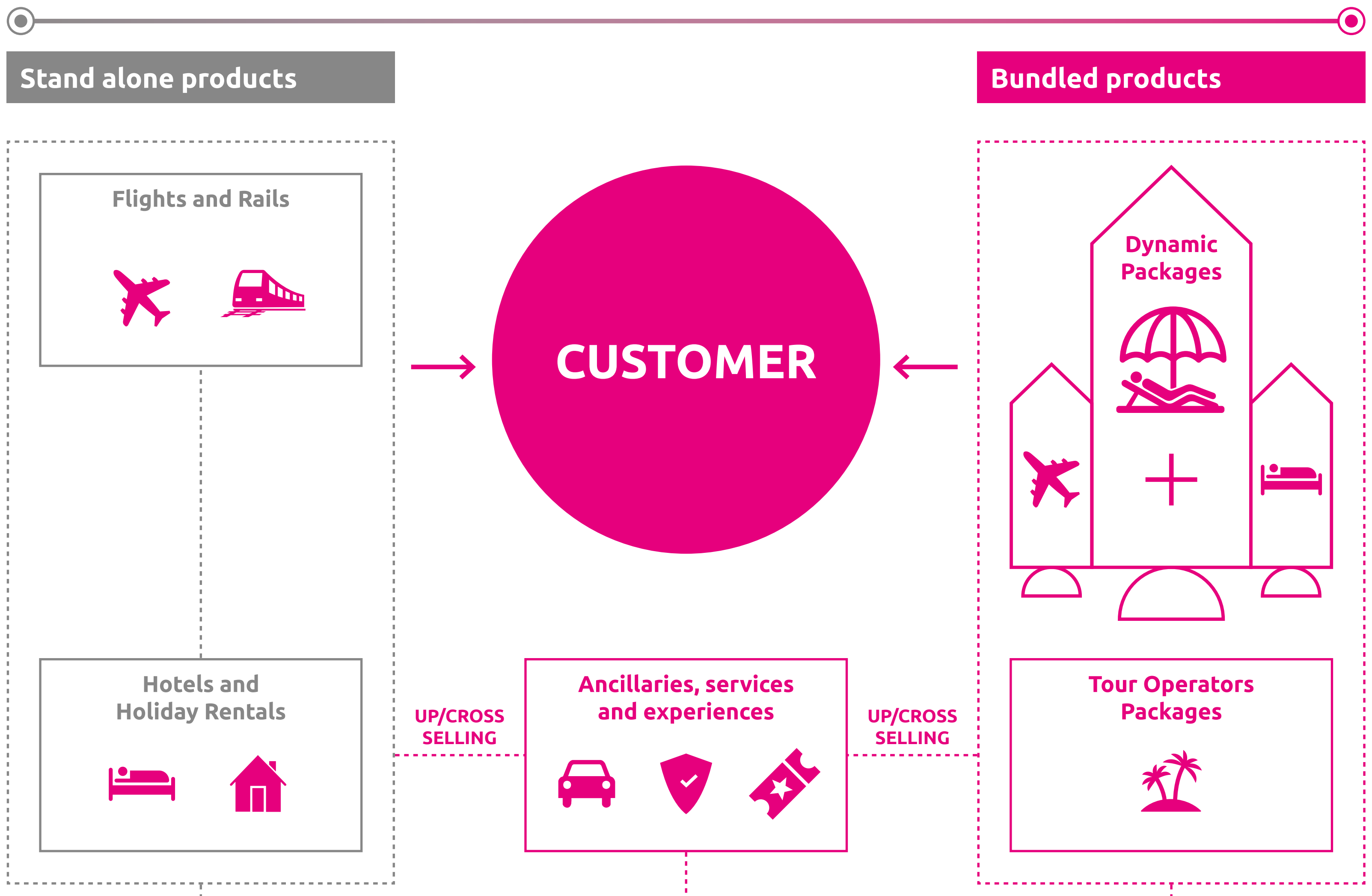
Our B2B portion of revenue is also increasing thanks to the very good performance of our Meta and Media businesses. It is always surprising to see Jetcost still growing double digits while maintaining a very attractive profitability. The reality is we worked hard to implement highly sophisticated programmatic technology that gives us the capability to monetise traffic at significantly higher ROI than the market average. Hotelscan is delivering amazing triple digit revenue growth thanks to a well perceived proposition and significant investments that actually impacting margins even in a context of constantly improving performance.

Travelpeople, our media business unit, is capable of increasing its topline result while we are experiencing a tremendous shift of traffic from desktop to mobile. New partnerships, new “audience and media” services and co-marketing initiatives backed by the extensive expertise of our talented dedicated team are contributing to make the Group revenue model more diversified, robust and sustainable.

In conclusion, after a long and successful re-engineering phase, started back in 2015, we see now in front of us all the potential upside of running a much more comprehensive business model. We have been already able to dramatically increase our performance at gross profit level. We are confident to drag in the next future such an efficiency to the bottom line. All is and will be possible thanks to extraordinary dedication of our super professional and passionate employees.
I want to thank them all for their contribution and effort.

Marco Corradino
lastminute.com CEO

Positioned to expand in the main EU countries as the **most advanced digital Tour Operator** of the online holidays space



Focus on making the machine more efficient

Our effort is on improving yield management processes and increasing the number of hotels directly contracted in order to optimise the balance between Revenue and Profits and better serve our Dynamic Packages proposition

Focus on increasing the attach rate of travel related products and services

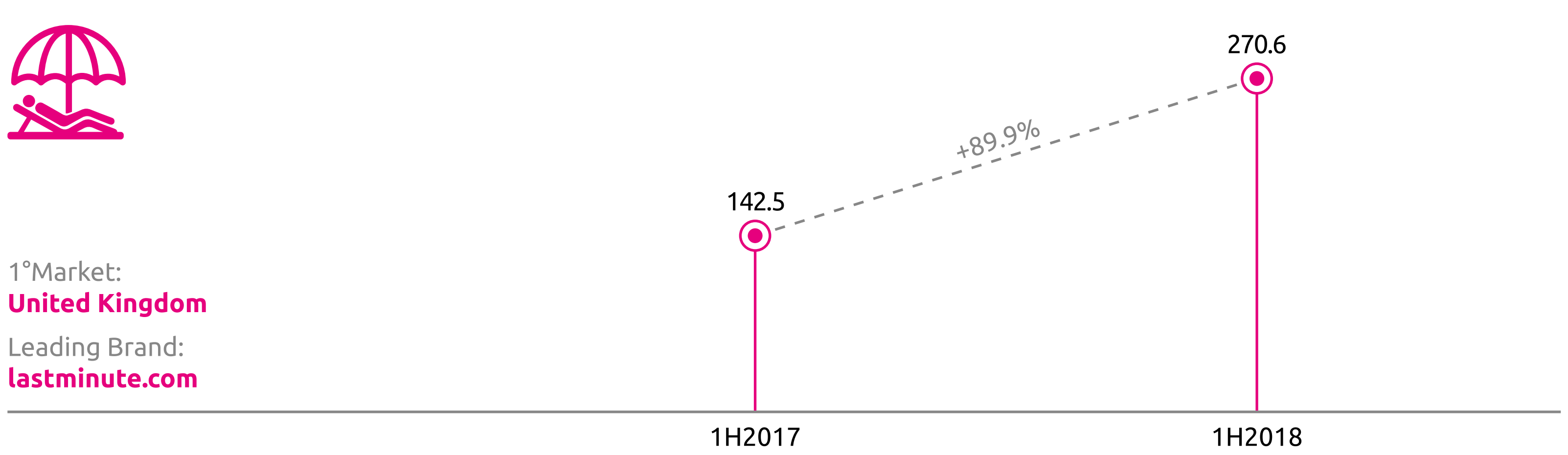
Ancillaries become more and more important as a revenue/profit source in a context of decreasing margin commissions on stand-alone products. Our upsell and cross-sell strategy is delivering great results

Focus on establishing a leadership position in the main EU countries

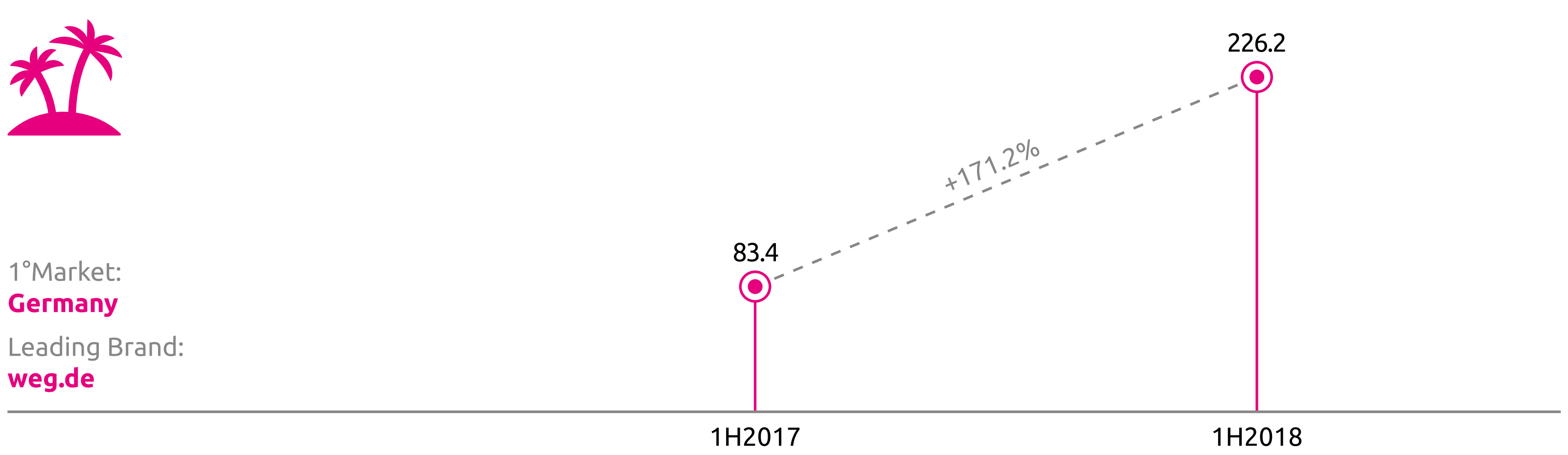
We invested since years in developing an advanced technology that today represents a clear competitive advantage against competitors and high entry barrier for other players willing to step in

A robust set of results on our strategic OTA areas thanks to skyrocketing organic growth of Dynamic Packages and successful integration of weg.de

Dynamic Packages Gross Travel Value (€ million)



Tour Operators Packages Gross Travel Value (€ million)



Volumes in DP are skyrocketing and shifting from **Stand Alone** to **Bundled Products**

March 2015

bravoflyrumbogroup

Flight centric business

lastminute.com

Hotel centric business

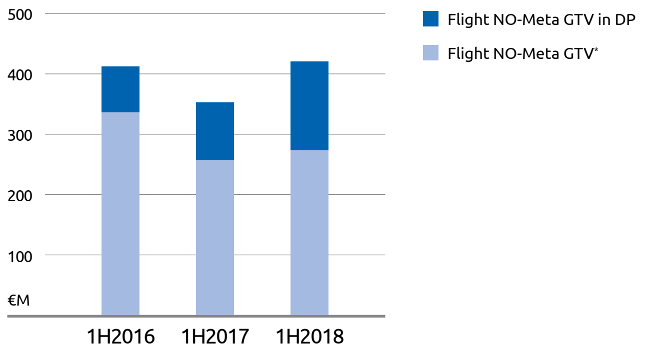
Re-engineering phase

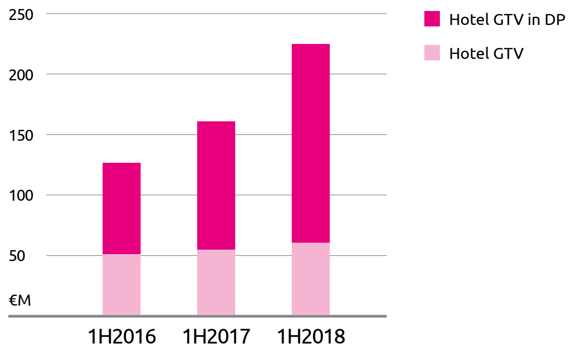
lastminute.com

DP centric model

2018

Behind a DP there's always a proper combination
of a well priced flight and a relevant accommodation solution
at pre-negotiated convenient fare





* Flight NO-Meta GTV refers to transactions made from all acquisition channels excluding Metasearches

Transitioning from a flight and Hotel-only business to a **holiday holistic model** benefits everyone

Supplier

Wide and relevant inventory to meet all needs

- Prenegotiated flights and hotels fares
- Increasing number of travel related options

Suppliers see lastminute.com DP as one of the most efficient distribution channels and an efficient way to manage their own inventories

Company

Advanced technology to bundle the most relevant travel solution

- Plug and play scalable platform
- Hi-performance engine for faster and reliable responses

The company sees DP as the most significantly growing volume, revenue and margin source for the next future

Customer

Best user experience and low cost solutions to convert inspiration into booking

- Improved usability of the website
- New payment options (pay by instalments)

Customers see lastminute.com DP as the most effective tool to find and book the perfect fitting travel solution at best value

...and also other OTAs are willing to partner with us to sell their clients our "powered by lastminute.com" DP white-label solution

META: a **highly sophisticated travel search engine** that adds value to both customers and suppliers

Jetcost hotelscan

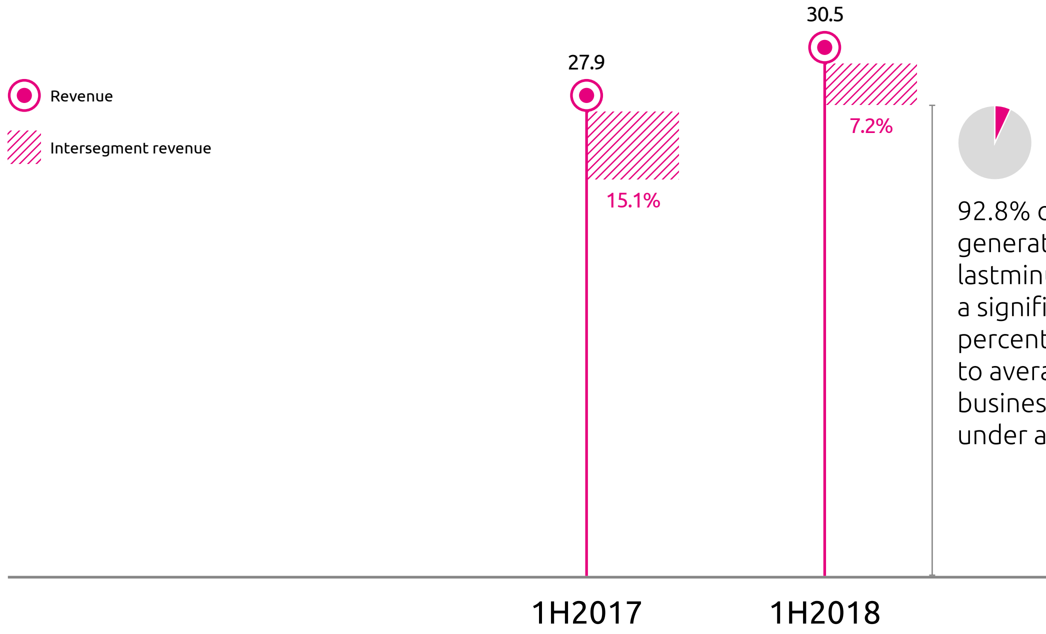
Leading travel metasearch, comparing in real-time thousands of flights from 800+ OTA, regular airlines as well as low cost-carriers and provide price comparison for more than **1.8M Hotels** and Apartments and major **Car rental** players

OTAs travel aggregators & suppliers

Thanks to advanced programmatic capabilities, Jetcost and Hotelscan represent a valuable traffic acquisition channel to their travel partners at lowest cost

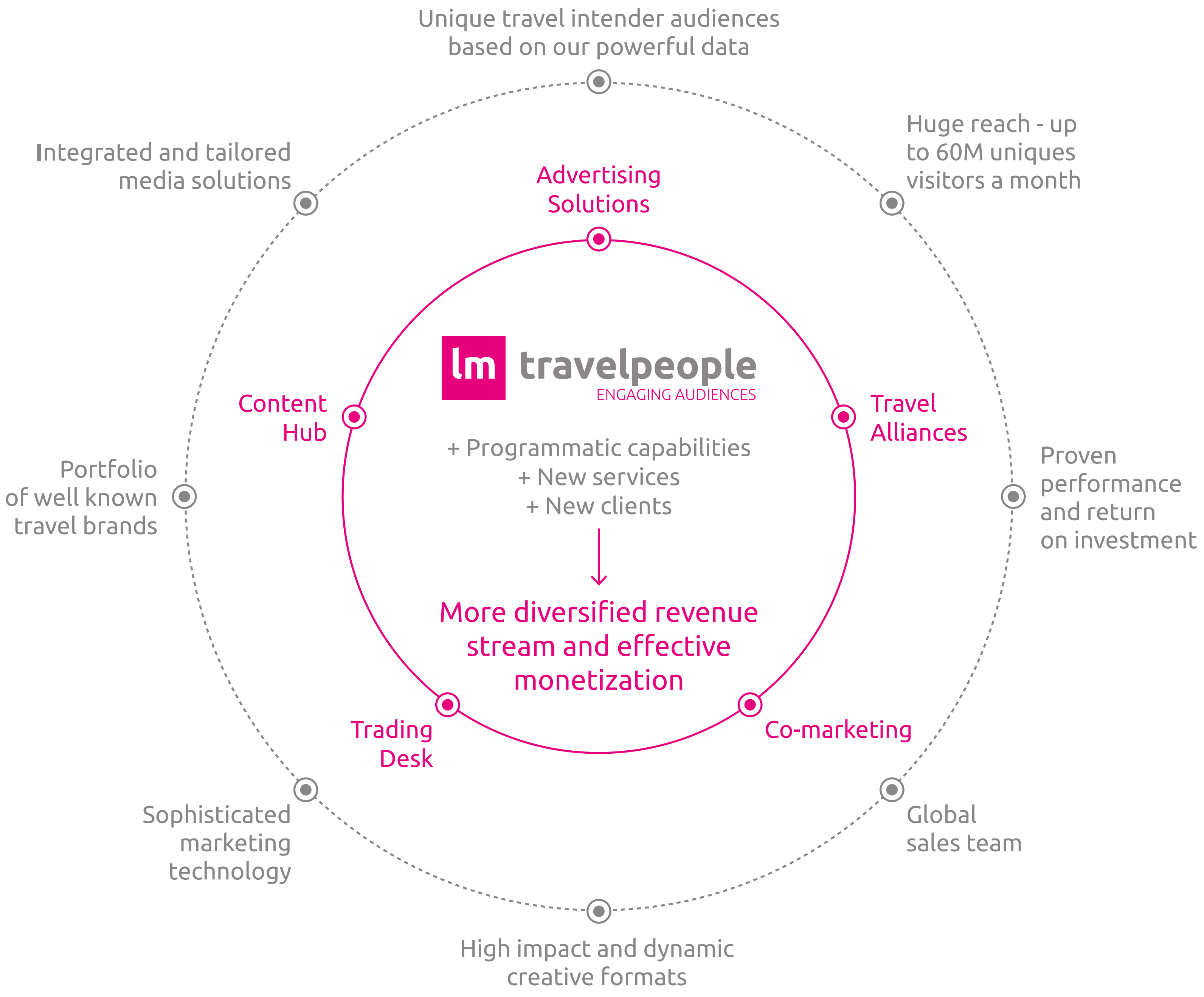
Travellers

Jetcost and Hotelscan offer a virtually unlimited variety of travel options, enabling users to find the travel solution which perfectly fits their needs



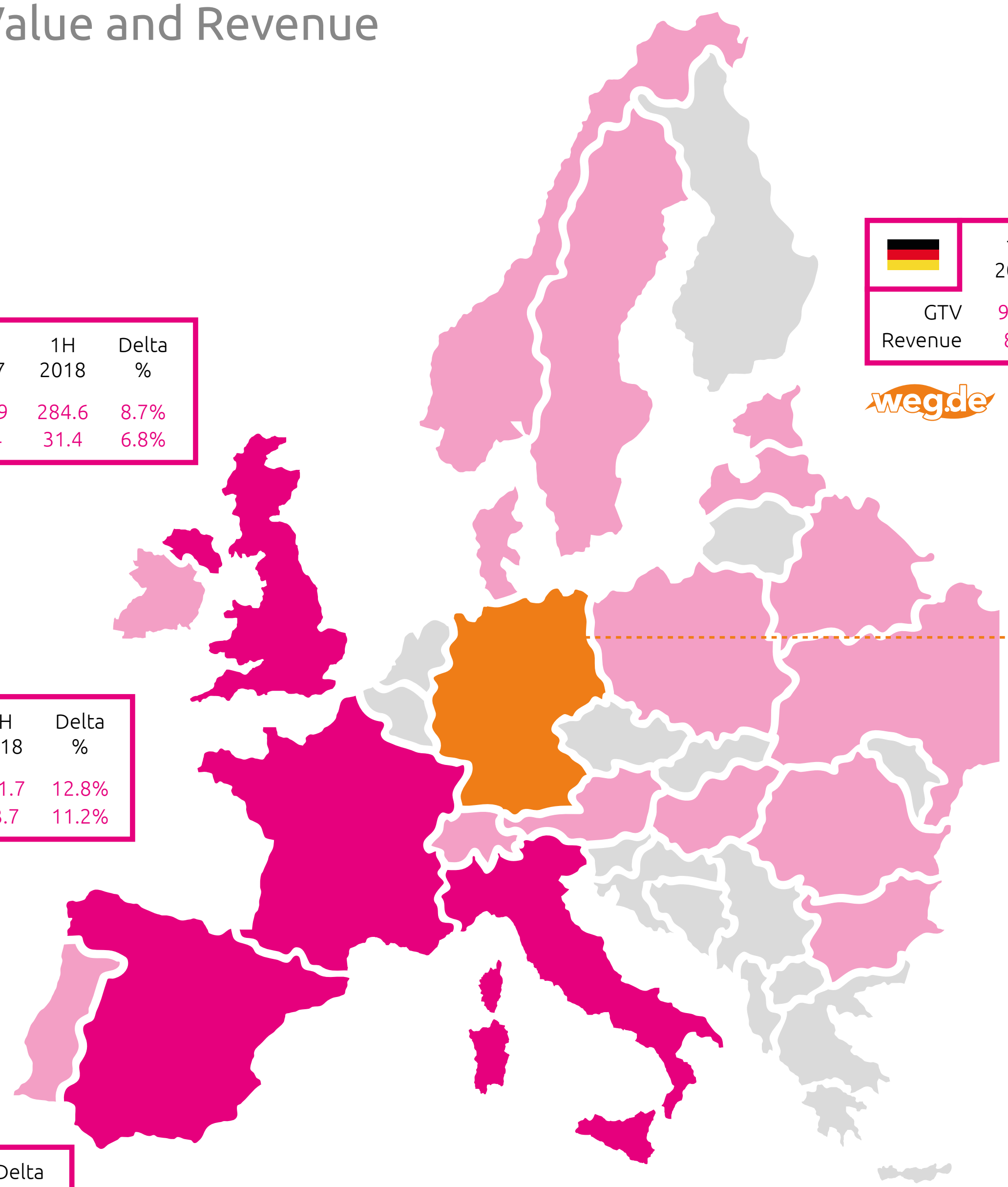
92.8% of Revenue are generated out of the lastminute.com perimeter, a significantly higher percentage compared to average of metasearch businesses consolidated under a OTA company

MEDIA: **expand** audience reach and **diversify** advertising solutions to **grow** revenue and margins



Significant growth across **all core markets**

Gross Travel Value and Revenue by Country



UK

	1H 2017	1H 2018	Delta %
GTV	261.9	284.6	8.7%
Revenue	29.4	31.4	6.8%

lastminute.com

Germany

	1H 2017	1H 2018	Delta %
GTV	96.7	238.7	146.8%
Revenue	8.0	18.5	131.3%

weg.de

France

	1H 2017	1H 2018	Delta %
GTV	223.1	251.7	12.8%
Revenue	30.3	33.7	11.2%

lastminute.com

Spain

	1H 2017	1H 2018	Delta %
GTV	129.9	133.1	2.5%
Revenue	14.9	16.2	8.7%

rumbo

Italy

	1H 2017	1H 2018	Delta %
GTV	152.6	182.4	19.5%
Revenue	26.2	27.3	4.2%

volagratis lastminute.com

Global

	1H 2017	1H 2018	Delta %
GTV	141.2	90	-36.3%
Revenue	21.4	17.2	-19.6%

bravofly

A successful move toward the largest EU market with the **greatest potential upside**

	Total travel market size	Online penetration
DE	59	43%
UK	59	62%
FR	45	45%
ES	25	45%
IT	22	39%

	Total package market size	Online penetration
DE	17	19% UPSIDE POTENTIAL
UK	24	58%

weg.de + lastminute.com

ORANGE is the new **PINK**

Strategy

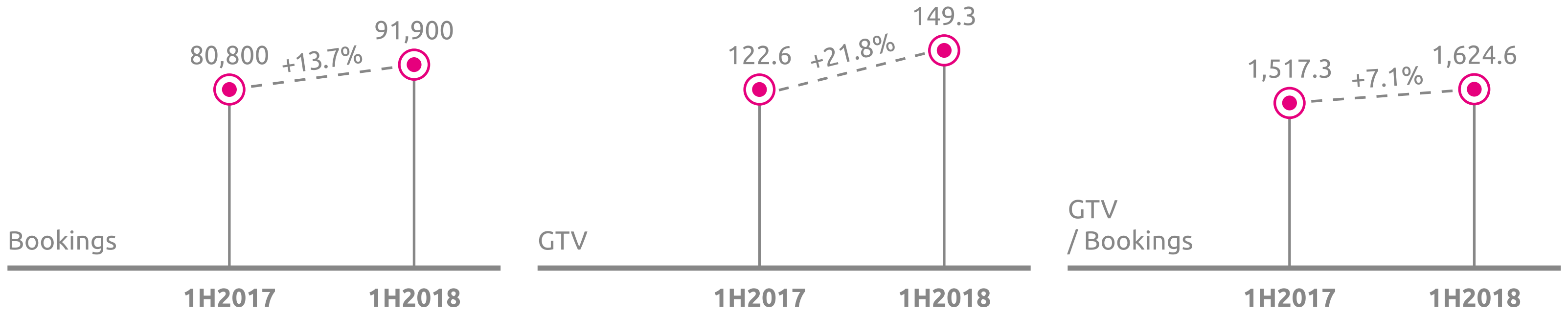
- Meaningful increase in the German market share
- Additional opportunity of cross-selling
- Additional economies of scale within LMN

Execution

- 9 weeks to fully integrate Platform & Systems
- 4 weeks to completely reshape the Organisation
- 2 weeks to see the first results of the actions

Results

Comvel 1H2017 vs 1H2018*



* Comvel was consolidated on 1st January 2018. The comparison is then indicative and shows the effects of the integration within lastminute.com

CFO's letter

The first half of 2018 has shown a significant improvement of all business and financial KPIs.
Both at volumes and revenue level as well as looking at margins, all strategic areas of business are doing better.

In the OTA segment we have experienced a tremendous organic growth of Dynamic Packages (DP) boosted by a proposition which is now extremely comprehensive and relevant for our customers since they can benefit from a significant saving compared to the booking of a series of single standalone products. Gross Travel Value soared by nearly 90%, bookings increased by 61% and revenue by around 45%. It was amazing to see how the machine works well and the product is capable to attract and convert customers even better than what expected.

Tour Operator Packages (TO) benefit from the successful integration of weg.de in the Group brand portfolio and the very good performance of such a business in Germany where we have been able to grow by around 22% in terms of Gross Travel Value on a like for like basis and by 170% overall.

Flights and Hotels are living a new phase of their history, focused now on serving our DP solution and on getting better in terms of profit on a stand-alone basis. A key element here is improving our capability to up and cross-sell products and services during the booking flow or even after. In that respect we have established a dedicated internal department which is bringing excellent results and is contributing to lift the attach rate of such a products and to increase the overall profitability of both businesses thanks to a very sophisticated approach.

The META business is still running at very fast pace. Revenue growth is impressive, reporting a significant +19.4% with intersegment revenues more than halved from 15.2% to 7.1%,even considering the introduction of a norm in France back in August 2017 that changed the way metasearches must show the price in their homepages. The launch of Hotelscan at the end of 2017 is bearing fruit and is positively impacting the topline, even if up to a limited extent since it substantially started from scratch. At EBITDA level both phenomenon had a negative effect, partially offset by the very good performance of Jetcost in the other key markets.

From a geographical perspective the Company is significantly growing across all main markets. Germany is a great example of how our management team is able, in a very short time frame, to convert an acquisition (Comvel GmbH) into a successful integration as it was already in the past with lastminute.com, Rumbo and Jetcost. We entered the German market confident that it was good from both a long-term strategic perspective and a short-term positive return in terms of incremental volumes and margins. weg.de is a well positioned brand in the context of the holiday packages area and features a relevant share of valuable direct traffic. Comvel is experiencing a steady improvement - moths by months - of all its business and financial metrics thanks to the synergies our management was able to generate since the very beginning of the integration process.

lm group's Venture Initiatives are impacting the Group's results primarily caused by Destination Italia that is in a restructuring and investment phase to launch its proposition. The effect on 1H2018 is negative by € 2.6M at Adjusted EBITDA level. The Company expects this trend to slightly improve in the second half of the year and, in the meantime, is evaluating some strategic actions to speed up the recovery of the performance.

The group reported a strong cash position, which stood at €87.4M at the end of the period, as a result of significant operating cash generation primarily due to seasonal net working capital movements. Net Financial Position was €54.7 M up by 20.8% compared to 45.3M at the end of 2017, even though it was impacted by extraordinary investments of about € 30.9M related to the Partial Self Tender Offer and our ordinary Share Buy Back program.

Sergio Signoretti
CFO

A significant **improvement** of all business and financial KPIs

The increase of Gross Travel Value over a lower number of bookings, clearly highlights the shift toward holiday packages which feature a significantly higher average ticket value.

	1H2018	1H2017	Delta %
GTV (€M)	1,180	1,005	17.4%
Bookings (thousands)	2,031.6	2,080	-2.3%
Average ticket value - GTV/Booking (€)	580.8	483.2	20.2%

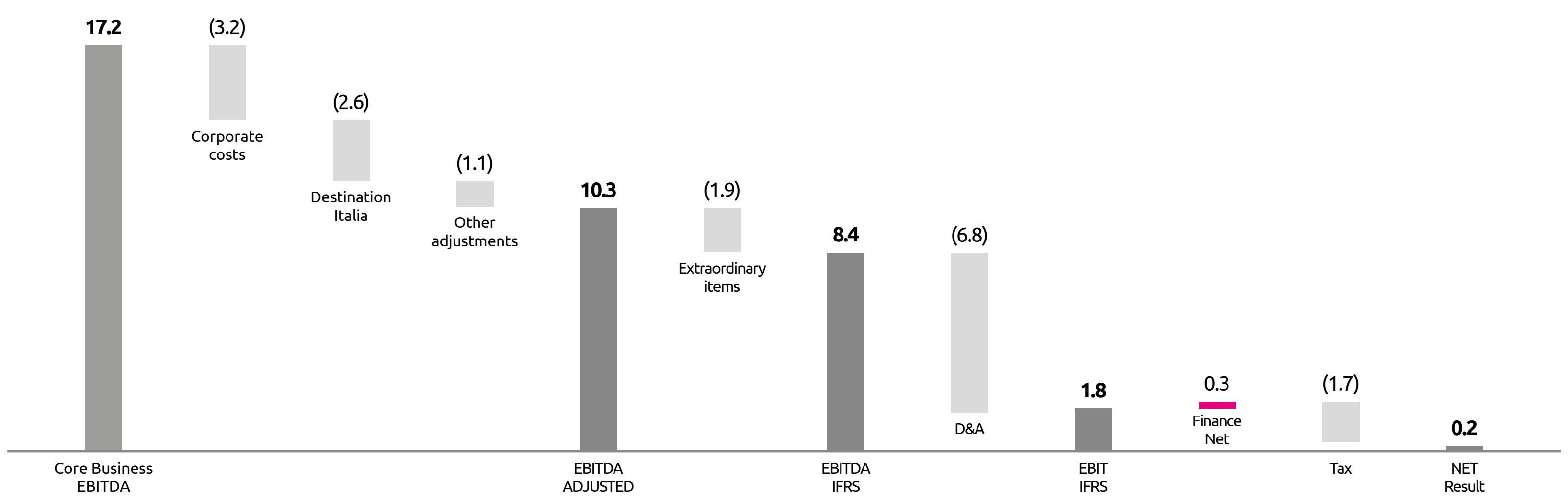
Revenues are growing as a result of the extraordinary performance of holiday packages business lines (Dynamic Packages and Tour Operator Packages) and META and Media businesses.

	1H2018	1H2017	Delta %
Total Group Revenue	**144.2**	**130.3**	**10.7%**
LM Venture	1.1	2.2	-50.0%
Non-recurring Business Revenue	1.7	2.6	-34.6%
Core Business Revenue	**141.4**	**125.5**	**12.7%**

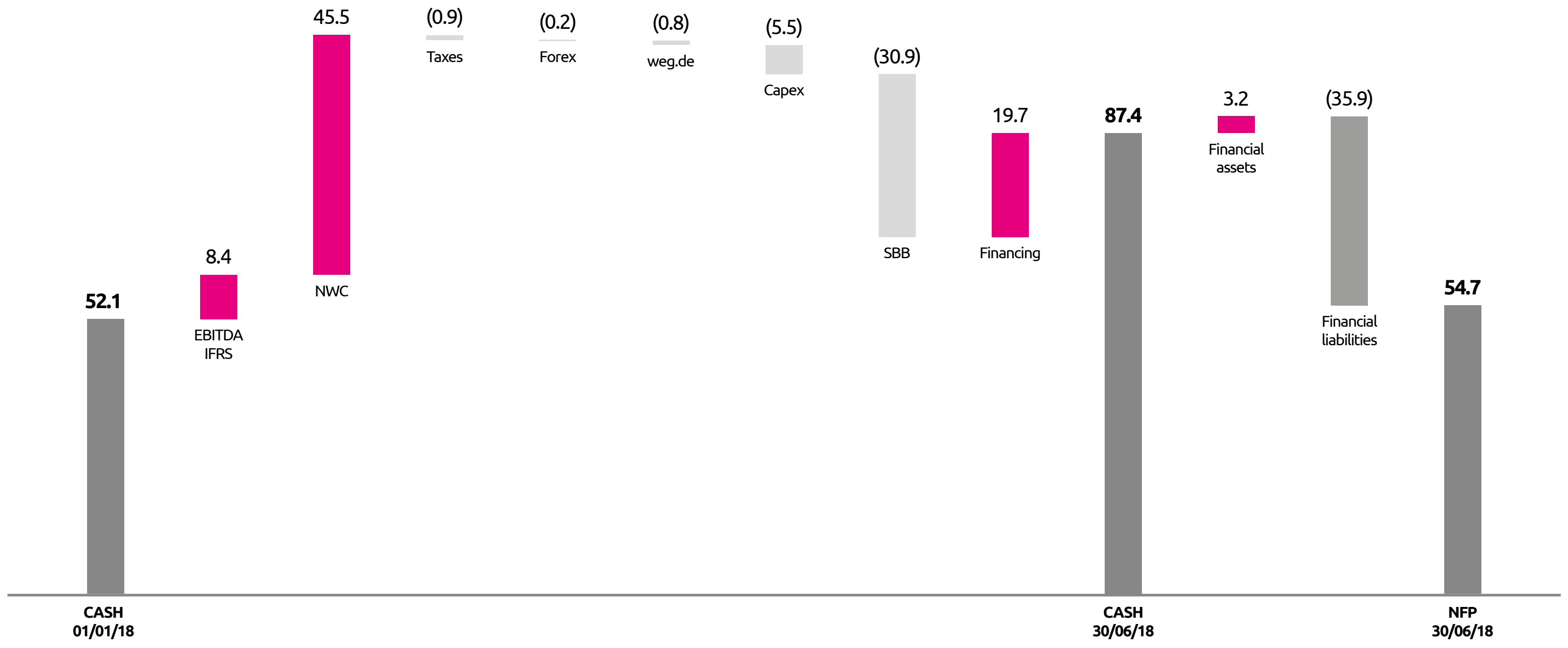
Marketing costs increased to sustain growth of both OTA and Metasearch businesses and as a result of the launch of new brand campaigns on social networks. The ratio "marketing costs/revenue" is however decreasing (42.8% vs 45.1%) thanks to the significant optimisation of performance marketing ROI. Other costs grew primarily as a result of the acquisition of weg.de.

	1H2018	1H2017	Delta %
Marketing costs	60.6	56.7	+6.9%
Marketing costs/revenue	42.8%	45.1%	
Other costs	63.6	56.5	+12.6%
Core Business EBITDA	**17.2**	**12.3**	**+39.8%**

1H2018: From Core Business EBITDA to EAT (€M)

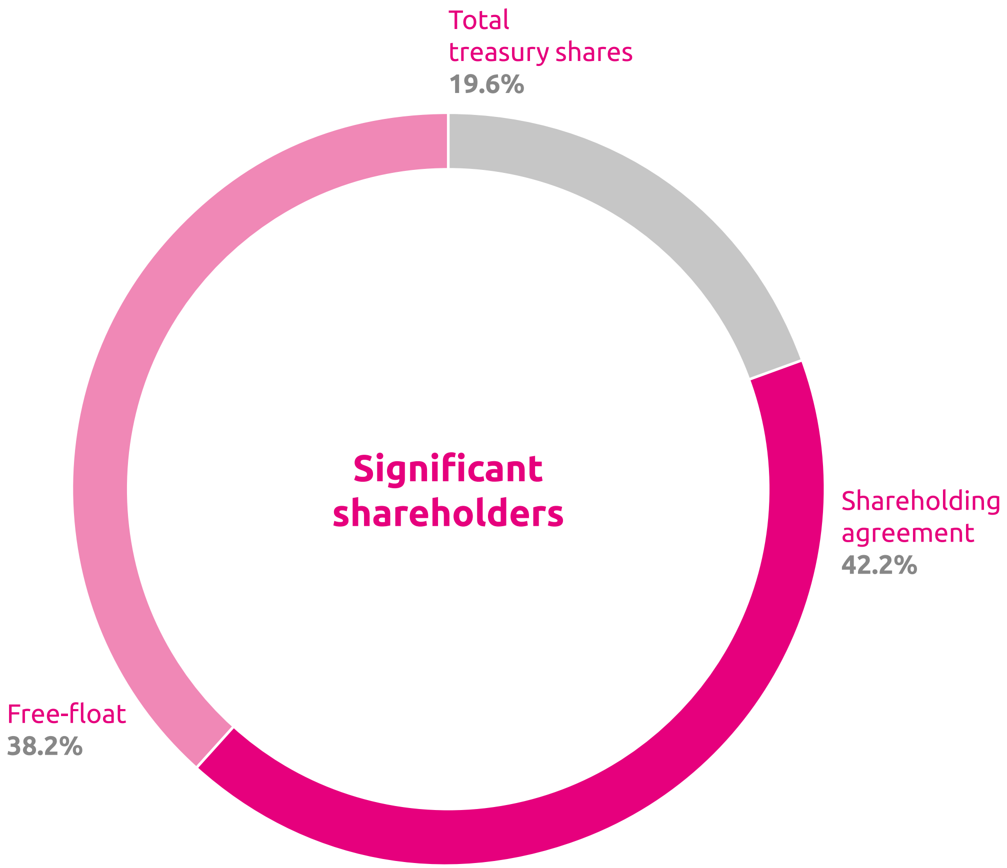


1H2018: Cash evolution (€M)




lastminute.com
whatever makes you pink
Go like
Flamingo
Weekend Escapes
Book Now

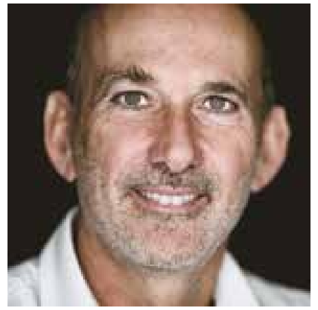
Shareholders structure*



* Shareholders structure as of 30 June, post PSTO and pre-cancellation of 2,193,395 repurchased shares

Board of Directors

Executive Directors



Fabio Cannavale
Executive Director,
LM group CEO

Marco Corradino
Executive Director,
lastminute.com CEO

Non-executive Directors

Ottonel Popesco
Non-executive Chairman
of the Board of Directors

Laurent Foata
Non-executive Director

Anna Gatti
Non-executive Director

Roberto Italia
Non-executive Director

Marcello Distaso
Non-executive Director

Consolidated interim financial statements 30 June 2018

Consolidated statement of profit or loss and other comprehensive income

in '000 EUR (for the six months ended 30 June)	Notes	2018	2017
Revenues	7	144,197	130,275
Marketing costs	8	(60,558)	(56,661)
Personnel costs	8	(34,272)	(31,423)
Other operating costs	8	(41,016)	(34,671)
Amortization and depreciation		(6,772)	(6,050)
Impairment		-	(27)
Operating Profit / (Loss)		**1,579**	**1,443**
Gains/losses from disposal of inv. and other	8	-	1,939
Finance income	8	533	-
Finance costs	8	(249)	(1,556)
Share of result of equity-accounted investees		(42)	(27)
Profit / (Loss) before income tax		**1,821**	**1,799**
Income tax	9	(1,664)	(1,727)
Profit / (Loss) for the period		**157**	**72**
- thereof attributable to the Shareholders of LASTMINUTE.COM N.V.	10	1,243	516
- thereof attributable to non-controlling interest		(1,086)	(444)
OTHER COMPREHENSIVE INCOME Items that will never be reclassified to profit or loss			
Remeasurements of the Employee benefits liability		11	(100)
Related tax		(3)	25
Items that will never be reclassified to profit or loss		**8**	**(75)**
Items that are or may be reclassified to profit or loss Foreign currency translation differences		(126)	(71)
Items that are or may be reclassified to profit or loss		**(126)**	**(71)**
Total other comprehensive income for the period, net of tax		**(118)**	**(146)**
Total comprehensive income		**39**	**(74)**
- thereof attributable to the Shareholders of LASTMINUTE.COM N.V.		1,125	370
- thereof attributable to non-controlling interest		(1,086)	(444)
EARNINGS PER SHARE			
Basic earnings per share (in EURO)	10	0.10	0.04
Diluted earnings per share (in EURO)	10	0.10	0.04

Consolidated balance sheet

in '000 EUR	Notes	30 Jun 2018	31 Dec 2017
NON CURRENT ASSETS			
Property plant and equipment	14	2,611	3,243
Intangible assets	14	145,857	143,949
Goodwill	5	63,534	56,052
Non current financial assets	13	1,641	1,256
Investment in equity accounted investees	14	783	825
Deferred tax assets	14	9,549	6,419
TOTAL NON CURRENT ASSETS		**223,975**	**211,744**
CURRENT ASSETS			
Inventories		14	14
Current financial assets	13	1,543	1,922
Current tax assets	14	1,101	767
Trade and other receivables	14	75,423	77,992
Cash and cash equivalents	13	87,361	52,134
TOTAL CURRENT ASSETS		**165,442**	**132,829**
TOTAL ASSETS		**389,417**	**344,573**
SHARE CAPITAL AND RESERVES			
Share capital	12	138	146
Capital reserves	12	121,046	127,751
Translation reserve	12	1,293	1,419
Treasury share reserve	12	(37,688)	(16,738)
Retained earnings	12	16,114	19,191
EQUITY ATTRIBUTABLE TO SHAREHOLDERS OF LASTMINUTE.COM N.V.		**100,903**	**131,769**
Non-controlling interest		1,709	1,737
TOTAL EQUITY		**102,612**	**133,506**
NON CURRENT LIABILITIES			
Employee benefits liabilities		5,733	5,678
Long Term Financial Liabilities		22,283	-
Deferred tax liabilities		26,700	26,503
Trade and other payables - Non current		1,122	-
TOTAL NON CURRENT LIABILITIES		**55,838**	**32,181**

in '000 EUR	Notes	30 Jun 2018	31 Dec 2017
CURRENT LIABILITIES			
Current provisions	14	582	3,330
Short Term Financial Liabilities	14	13,585	10,015
Current tax liabilities	14	1,521	1,002
Trade and other payables	14	215,279	164,539
TOTAL CURRENT LIABILITIES		**230,967**	**178,886**
TOTAL LIABILITIES		**286,805**	**211,067**
TOTAL LIABILITIES AND EQUITY		**389,417**	**344,573**

Consolidated statement of changes in equity

in '000 EUR	Notes	Share capital	Capital Reserves	Tran-slation Reserve	Treasury Share Reserve	Retained Earnings	Equity attributable to Shareholders of LASTMINUTE.COM N.V.	Non-controlling interest	TOTAL EQUITY
Balance at 1 January 2018		**146**	**127,751**	**1,419**	**(16,738)**	**19,191**	**131,769**	**1,737**	**133,506**
Result for the period		-	-	-	-	1,243	1,243	(1,086)	157
Other comprehensive income									
- Remeasurements of the Employee benefits liability (net of tax)		-	-		-	8	8	-	8
- Foreign currency translation differences	12	-	-	(126)	-	-	(126)	-	(126)
Total other comprehensive income net of tax		**-**	**-**	**(126)**	**-**	**8**	**(118)**	**-**	**(118)**
Total comprehensive income net of tax		**-**	**-**	**(126)**	**-**	**1,251**	**1,125**	**(1,086)**	**39**
Transactions with shareholders									
- Share-buy back plan	12	-	-	-	(674)	-	(674)	-	(674)
- PSTO	12				(30,259)	-	(30,259)	-	(30,259)
- Cancellation of shares	12	(8)	(6,705)		9,983	(3,270)	-	-	-
- Change in non-controlling interest due to capital contribution	12	-	-	-		(1,058)	(1,058)	1,058	-
Total transactions with shareholders		**(8)**	**(6,705)**	**-**	**(20,950)**	**(4,328)**	**(31,991)**	**1,058**	**(30,933)**
Balance at 30 June 2018		**138**	**121,046**	**1,293**	**(37,688)**	**16,114**	**100,903**	**1,709**	**102,612**

in '000 EUR	Notes	Share capital	Capital Reserves	Tran-slation Reserve	Treasury Share Reserve	Retained Earnings	Equity attributable to Shareholders of LASTMINUTE.COM N.V.	Non-controlling interest	TOTAL EQUITY
Balance at 1 January 2017		**146**	**127,751**	**1,054**	**(12,364)**	**25,714**	**142,301**	**2,604**	**144,905**
Result for the period		-	-	-	-	516	516	(444)	72
Other comprehensive income									
- Remeasurements of the Employee benefits liability (net of tax)		-	-		-	(75)	(75)	-	(75)
- Foreign currency translation differences	12	-	-	(71)	-	-	(71)	-	(71)
Total other comprehensive income net of tax		**-**	**-**	**(71)**	**-**	**(75)**	**(146)**	**-**	**(146)**
Total comprehensive income net of tax		**-**	**-**	**(71)**	**-**	**441**	**370**	**(444)**	**(74)**
Transactions with shareholders									
- Share-buy back plan	12	-	-	-	(4,527)	-	(4,527)	-	(4,527)
- Acquisition/loss of control of subsidiaries with non-controlling interest	5	-	-	-	-	260	260	32	292
Total transactions with shareholders		**-**	**-**	**-**	**(4,527)**	**260**	**(4,267)**	**32**	**(4,235)**
Balance at 30 June 2017		**146**	**127,751**	**983**	**(16,891)**	**26,415**	**138,404**	**2,192**	**140,596**

Consolidated cash flow statement

in '000 EUR (for the six months ended 30 June)	Notes	2018	2017
Cash flow from operating activities			
Profit / (Loss) for the period		**157**	**72**
Adjustments for:			
- Amortization and depreciation		6,772	6,050
- Impairment losses on intangible assets		-	27
- Net finance result	8	(284)	(383)
- Income tax expense	9	1,664	1,727
- Share of result of equity-accounted investees		42	27
Change in trade and other receivables	14	(925)	(14,366)
Change in inventories		-	-
Change in trade and other payables	14	49,104	40,463
Change in provisions	14	(2,748)	(741)
Change in employee benefit liability		65	516
Interest paid		(153)	70
Income tax (paid)/received		(920)	(1,109)
Net cash from operating activities		**52,774**	**32,353**
Cash flow from investing activities			
Interest received		1	-
Purchase of property, plant and equipment	14	(111)	(256)
Purchase of intangible assets	14	(5,355)	(5,526)
(Acquisition)/Proceeds of subsidiaries, net of cash acquired	5	(772)	100
Proceed form sales, acquisition and incorporation of equity accounted investees	5	-	1,650
(Acquisition) / Proceeds of financial assets	13	85	(264)
Net cash (used in)/from investing activities		**(6,152)**	**(4,296)**
Cash flow from financing activities			
Proceeds from borrowings		29,750	-
Repayments of borrowings	14	(10,015)	(3,674)
PSTO plan	12	(30,259)	-
Share Buy back plan	12	(674)	(4,527)
Net cash (used in)/from financing activities		**(11,198)**	**(8,201)**
Net increase in cash and cash equivalents		**35,424**	**19,856**
Cash and cash equivalents at 1 January	13	52,134	60,245
Effects of currency translation on cash and cash equivalents		(198)	(281)
Cash and cash equivalents at 30 June	13	87,361	79,820

Note 1 - General Information

Lastminute.com N.V. (hereinafter referred to as the "Company") is a company domiciled in the Netherlands and inscribed in the Netherlands Chamber of Commerce under number 34267347. The address of the Company's registered office is Prins Bernhardplein 200, 1097 JB Amsterdam. The consolidated interim financial statements of the Company as at and for the half-year ended 30 June 2018 include the Company and its subsidiaries (together referred to as "Lastminute.com Group", the "Group" or "LMN" and individually as "Group entities"). The Group is an online travel player providing consumers with online tools and technologies that allow them to easily search for, compare and book flights, vacation packages and cruises, hotel accommodations, car rentals and other travel products and services.

The consolidated interim financial statements were approved for issue by the Board of Directors on 8 August 2018.

Note 2 - Significant Accounting Policies

The accounting policies adopted in the preparation of the interim condensed consolidated financial statements are consistent with those followed in the preparation of the Group's annual consolidated financial statements for the year ended 31 December 2017, except for the adoption of new standards effective as of 1 January 2018. The Group has not early adopted any other standards, interpretations or amendments that have been issued but are not yet effective. The Group applies, for the first time, IFRS 15 Revenue from Contracts with Customers and IFRS 9 Financial Instruments. As required by IAS 34, the nature and effect of these changes are disclosed below. Several other amendments and interpretations apply for the first time in 2018, but do not have an impact on the interim condensed consolidated financial statements of the Group.

IFRS 9 Financial Instruments

IFRS 9 Financial Instruments replaces IAS 39 Financial Instruments: Recognition and Measurement for annual periods beginning on or after 1 January 2018, bringing together all three aspects of the accounting for financial instruments: classification and measurement; impairment; and hedge accounting.
The Group has reviewed its financial assets and liabilities and no significant impacts from the adoption of the new standard on 1 January 2018 have arisen.
Financial assets currently measured at fair value through profit or loss (FVPL) have been partially disposed in January 2018 and the Group will not enter in any other similar investments. The amount as of 30 June 2018 is EUR 21 thousand. Such financial assets will be dismissed by the end of the year.
The Group has no available for sale instruments.
No impact on the Group's accounting for financial liabilities, as the new requirements only affect the accounting for financial liabilities that are designated at fair value through profit or loss and the Group does not have any such liabilities. The derecognition rules have been transferred from IAS 39 Financial Instruments: Recognition and Measurement and have not been changed.
The Group has no derivatives instruments neither has ever applied the Hedge accounting. If in the future the Group enters into derivatives contracts, a specific analysis will be carried out by the management to reflect the appropriate accounting under IFRS 9.
The new impairment model requires the recognition of impairment provisions based on expected credit losses (ECL) rather than only incurred credit losses as is the case under IAS 39. It applies to financial assets classified at amortised cost, debt instruments measured at fair value through other comprehensive income (FVOCI), contract assets under IFRS 15 Revenue from Contracts with Customers, lease receivables, loan commitments and certain financial guarantee contracts. The Group has made an assessment on all the trade receivables taking into account expected credit losses. There have been no such future expectations that have lead to Group to adjust its historical provision.

IFRS 15 Revenues from contracts with customers

IFRS 15 supersedes IAS 11 Construction Contracts, IAS 18 Revenue and related Interpretations and it applies to all revenue arising from contracts with customers, unless those contracts are in the scope of other standards. The new standard establishes a five-step model to account for revenue arising from contracts with customers. Under IFRS 15, revenue is recognised at an amount that reflects the consideration to which an entity expects to be entitled in exchange for transferring goods or services to a customer. The standard requires entities to exer-

cise judgement, taking into consideration all of the relevant facts and circumstances when applying each step of the model to contracts with their customers. The standard also specifies the accounting for the incremental costs of obtaining a contract and the costs directly related to fulfilling a contract.
The Group has performed a detailed analysis over all the revenues streams resulting in no significant adjustment from the adoption of the new standard on 1 January 2018.
The Group offers a wide range of services through its website. A customer may book several services in only one booking. Every booked services are connected and interdependent to each other. The customer cannot benefit from a single service without benefiting from the others. For instance, the insurance cannot be used without taking the flight. On the other way round, the Group cannot fulfil its promise to transfer each of the services separately. Even in case of a dynamic package, the customer cannot benefit from only a part of the service (being either the hotel or the flight). In case of cancellation of a dynamic package, the customer cannot select which service can be cancelled, but the cancellation obligatory refers to the entire package. Also outside the OTA business, the Group doesn't sell any service with separate performance obligation. That is the case for instance of "click per acquisition" for META or an advertising service for MEDIA.
Regarding variable considerations, the Group has limited active contracts with variable considerations. They are related to over-commission to Global Distribution Systems (GDS) and airlines. During the maturation period revenues are recognised based on the best estimate available. As most of these contract have maturity date as of the end on the year, revenue recognition for YE financial statement is based on actual results. All the other type of contracts are quite straight forward. There are no particular incentives or bonuses. Revenue has no significant financing component and the consideration received is only cash.
Consideration payable to a customer also includes credit or other items (for example, a coupon or voucher) that can be applied against amounts owed to the entity (or to other parties that purchase the entity's goods or services from the customer). The Group accounts for consideration payable to a customer as a reduction of the transaction price and, therefore, of revenue. Historical data showed that not all customers exercise their contractual right to use the voucher. The Group recognises the expected breakage amount as revenue in proportion to the pattern of rights exercised by the customers.
As a result of the assessment the Group has not recognised any impact in the Consolidated financial statements 2018.

Impact of standards issued but not yet applied by the entity

IFRS 16 Leases
IFRS 16 was issued in January 2016. It will result in almost all leases being recognised on the balance sheet, as the distinction between operating and finance leases is removed. Under the new standard, an asset (the right to use the leased item) and a financial liability to pay rentals are recognised. The only exceptions are short-term and low-value leases. The standard will affect primarily the accounting for the Group's operating leases. At this stage the Group is assessing the impact of the standard. Further information will be provided in the 2018 year Annual report.

Foreign operations

The Group has foreign operations, consolidated as follows:
(i) the assets and liabilities of foreign operations, including goodwill and fair value adjustments arising on acquisition, are translated into Euro at the exchange rates at the reporting date. The income and expenses of foreign operations are translated into Euro at the average exchange rates for the period.
(ii) Foreign currency differences are recognised in Other Comprehensive Income and accumulated in the translation reserve, except to the extent that the translation difference is allocated to non-controlling interests.

The consolidated interim financial statements for the half-year ended 30 June 2018 have been prepared in accordance with *International Accounting Standard ("IAS") 34 – Interim Financial Reporting.* The Group has applied the option of publishing condensed consolidated interim financial statements. These consolidated interim financial statements should be read in conjunction with the annual consolidated financial statements for the year

ended 31 December 2017 which were prepared in accordance with *International Financial Reporting Standards* ("IFRS") as endorsed by the European Union (EU).

Basis of preparation

The consolidated interim financial statements have been presented in thousand of Euros and all amounts (including totals and subtotals) have been rounded according to normal commercial practice. Thus, an addition of the amounts presented can result in rounding differences.

The consolidated interim financial statements have been prepared on the historical cost basis, except for financial instruments at fair value through profit or loss, which are measured at fair value and the employee benefits liability, measured at the fair value of plan assets less the present value of the defined benefit obligation.
The consolidated interim financial statements are not audited.

Use of judgments and estimates

The significant judgments made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the consolidated financial statements as at and for the year ended 31 December 2017.

Significant events in the current reporting period

Acquisition of Comvel Gmbh
For a detailed discussion about the acquisition of Comvel please refer to Note 5 - Business acquisition.

Cancellation of own shares
On 21 September 2017 the extraordinary general meeting of the Company resolved to reduce the capital of the Company through the cancellation of shares. The cancellation of shares occurred on 30 January 2018. As a result of this cancellation of shares, the capital of the Company was decreased to EUR 138,576.14. Only treasury shares have been cancelled, hence no impact on EPS should be calculated.

New Borrowings
At the end of January 2018, the Group obtained a new loan for EUR 20 million from a primary Italian financial institute. The loan is repayable in 6 years with biannual instalments commencing from 31 December 2018. The loan is a variable rate linked to Euribor. No significant impacts on Group's exposure to cash flow interest rate risk is expected in the short term.
In May 2018, the Group entered into a new loan facility with a primary Swiss financial institute. The total available amount under the facility is Eur 10 million of which Eur 10 million were drawn down as at 30 June 2018. The facility is payable on 22 February 2022. The loan is a fixed rate expressed in Euro and carried at amortised costs. No impact on the Group's exposure to foreign exchange and cash flow interest rate risk.

PSTO
Following the approval of the Swiss Takeover Board, in April the Group, launched a Partial Self-Tender Offer ("PSTO"). According to the prospectus of the offer the Partial Self-Tender Offer shall extend to 2'193'395 shares of lastminute.com NV ("the Company"), representing 15.83% of the share capital of the Company, at an offer price of CHF 16 net in cash per Offer Share. As until the expiration of the Offer Period, more than 2'193'395 lastminute shares have been validly tendered, lastminute.com NV will reduce the number of shares accepted pro rata to 2'193'395 lastminute shares.
The Settlement of the offer took place on 23 May 2018. The lastminute shares validly tendered but not accepted due to the pro rata reduction have been free and can be transferred and traded again at the latest from 23 May 2018.
The effect on Group's equity has been presented in the Consolidated statement of changes in equity.

Note 3 - Seasonality

In terms of profit and loss performance, the business of the Group does not have wide seasonality swings. Historically, revenues in the first half of the year represented about 45-50% of the total year amount vs. 50-55% in the second half. Within quarters, the second and third quarters are typically the strongest within the year. In terms of cash generation, our business shows significant higher seasonality swings, generating more cash in the months in which more travel products are booked and therefore in the first half of the year. This is particularly true for hotels, as hotels are typically paid after the guest's check-out date.

Note 4 - Financial Instruments

Financial Instruments

The following table shows the Group's financial instruments arranged according to the categories defined in IFRS 9 with the comparison to previous standard IAS 39:

	Measurement category		Carrying amount 2018		Carrying amount 2017	
	Original (IAS 39)	New (IFRS 9)	Original (IAS 39)	New (IFRS 9)	Original (IAS 39)	New (IFRS 9)
Current financial assets (Investments)	FVTPL	FVTPL	21	21	33	33
Total loans and receivables			**21**	**21**	**33**	**33**
Non-current financial assets	Amortized costs	Amortized costs	1,641	1,641	1,256	1,256
Current financial assets (Deposits and other)	Amortized costs	Amortized costs	1,620	1,620	1,889	1,889
Trade and other receivables*	Amortized costs	Amortized costs	74,272	74,272	76,223	76,223
Cash and cash equivalents (excl. cash on hand)	Amortized costs	Amortized costs	86,777	86,777	51,828	51,828
Total loans and receivables			**164,310**	**164,310**	**131,196**	**131,196**
Short and long term financial liabilities	Amortized costs	Amortized costs	35,868	35,868	10,015	10,015
Trade and other payables*	Amortized costs	Amortized costs	215,413	215,413	157,703	157,703
Total Financial liabilities measured at amortized cost			**251,281**	**251,281**	**167,718**	**167,718**

** Trade and other receivables/payables" do not include credit/debit VAT position at 30 June and at 31 December*

The carrying amounts of the above listed loans and receivables including cash and cash equivalents as well as of the financial liabilities measured at amortized cost approximate the estimated fair value of these financial instruments.

Measurement of fair values

When measuring the fair value of an asset or a liability, the Group uses market observable data as far as possible. Fair values are categorized into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows:

Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2: inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

The following table shows the carrying amount of financial assets and liabilities measured at fair value, including their levels in the fair value hierarchy:

in '000 EUR	Fair value			
30 June 2018	Level 1	Level 2	Level 3	Total
Financial assets measured at fair value				
Investment funds	21	-	-	**21**

in '000 EUR	Fair value			
31 December 2017	Level 1	Level 2	Level 3	Total
Financial assets measured at fair value				
Investments funds	33	-	-	**33**

As of 30 June 2018, the Group held investment funds for the amount of EUR 21 thousand at fair value through profit or loss: their fair value was determined based on traded prices in an active market.
There were no transfers among the Fair Value Levels during the period.
There were no changes in valuation techniques during the period.

Note 5 - Business Acquisition

Financial year 2018

Acquisition of Comvel Gmbh

With effect 1st January 2018 the Group acquired from ProSiebenSat. Group the entirety of the shares of Comvel GmbH, to scale up its positioning in Germany. Total consideration was Eur 13.5 million, to be paid in cash, EUR 5 million at closing date, EUR 2.5 million during the first half of 2018 and EUR 6 million throughout 2019. Comvel GmbH, founded 2004 in Munich, operates the travel website weg.de, one of Germany's best-known online travel sites and has been a wholly owned subsidiary of ProSiebenSat. Group since January 2014. weg.de offers its customers the entire range of travel options, with primary focus on package holidays and all-inclusive vacations with a very limited exposure of hotels and flights. Thanks to the acquisition, lastminute.com group has reach a significant size in the largest European country (according to total travel transaction value).

As of the date of approval of these interim financial statements the purchase price allocation has not been completed yet. In accordance with IFRS 3, the allocation process will be completed within a period not exceeding one year from the acquisition date. Management expects that further intangible assets will be identified during the process. As of 30 June 2018, the excess of the purchase consideration over the provisional fair values of net assets and liabilities acquired has been recognised as goodwill, provisionally quantified as EUR 7,484 thousand and subject to change following the completion of the purchase price allocation.

The following table summarises the consideration paid for Comvel, and the amounts of the assets acquired and liabilities assumed recognised at the acquisition date:

Consideration (amounts in '000 EUR)	1 January 2018
Cash	7,498
Future fixed consideration	6,000
Total consideration paid in cash	**13,498**
Cash and cash equivalents	1,733
Current financial assets	91
Deferred tax assets	3,470
Intangible assets	2,462
Property plant and equipment	119
Trade and other payables	(2,766)
Trade and other receivables	905
Fair value of total identifiable net asset acquired	**6,014**
Goodwill	7,484
Total consideration	**13,498**

The Group effectively gained control over Comvel on 1 January 2018 and consolidated it from that date.

The gross contractual amount of trade and other receivables is EUR 1,711 thousand. The amount expected to be collectible is EUR 905 thousand.

Goodwill not yet allocated is mainly attributable to the assembled workforce, the companies and management's ability to generate future income and growth through the recognition of their trademarks and the opportunity for the Group to expand its footprint in new markets.
As of the date of preparation of these consolidated financial statements the Groups expects that after the completion of the Purchase Price Allocation most of the value will be allocated to trademarks.

For a comprehensive view of all the business acquisitions of financial year 2017 reference should be made to the Group's annual consolidated financial statements for the year ended 31 December 2017.

Note 6 - Segment Information

As defined by IFRS 8, an operating segment is a component of an entity:

- that engages in business activities from which it may earn revenues and incur expenses;
- whose operating results are regularly reviewed at the entity's chief operating decision maker;
- for which discrete financial information is available.

Management is determining operating segments based on the information reviewed by the Group CEO.
The Group has defined the following operating segments:

- OTA ("Online Travel Agency"), which represents the core and traditional business of the Group.
- Meta-search, which includes the business generated in our websites focused on directing traffic, in exchange for a commission, to the sites of OTAs and airlines and other direct providers.
- Other segments, which includes the other businesses and ventures that individually and collectively do not constitute a separate operating segment.

Other information that are not reportable have been combined and disclosed within "Other non reconciling items" which mainly includes head office costs not allocable.

The Group CEO assesses the performance of the operating segments based on a measure of Adjusted EBITDA:

in '000 EUR	2018					2017				
	OTA	Meta search	Other segments	Non reconciling items	Total	OTA	Meta search	Other segments	Non reconciling items	Total
Consolidated Revenues	**114,807**	**28,248**	**1,142**	**-**	**144,197**	**104,346**	**23,696**	**2,233**	**-**	**130,275**
Total Revenues	117,266	30,455	1,142	-	149,107	105,799	27,899	2,233	-	135,931
Intersegment Revenues	(2,459)	(2,207)	-	-	(4,910)	(1,453)	(4,203)	-	-	(5,656)
Consolidated EBITDA Adjusted*	**10,371**	**5,708**	**(2,620)**	**(3,150)**	**10,309**	**7,842**	**5,772**	**(1,054)**	**(3,100)**	**9,460**
Extraordinary bonuses					(253)					-
Costs related to acquisition and integration of subsidiaries					(1,469)					-
Litigation, restructuring and other costs/income incidental to operating activities					(236)					(2,169)
Depreciation, Amortization and impairment					(6,772)					(5,848)
Profit before Interest and Income Tax					**1,579**					**1,443**

* *The Group defines "Adjusted Ebitda" as Ebitda (Profit before interest and income tax plus depreciation and amortization) adjusted for the effects of stock option plans and income and costs considered by management as incidental to operating activities, such as those related to acquisitions, litigations and restructuring.*

Note 7 - Revenues

In the first six months of 2018, total revenues increased by EUR 13,922 thousand, or +10.7% to EUR 144,197 thousand from EUR 130,275 thousand in the same period of 2017. This increase is primarily due to: i) a higher penetration in some European markets that have been performing better than 2017 like France and Spain ii) the contribution of Comvel Gmbh.

Revenues by products
The table below shows Revenues by product for the first six months of 2018 and 2017:

in '000 EUR (for the six months ended 30 June)	2018	% of the total	2017	% of the total
Flight	51,572	35.8%	72,966	56.0%
Non Flight	92,625	64.2%	57,309	44.0%
Total	**144,197**	**100.0%**	**130,275**	**100.0%**

Flight revenue
In the first half of 2018, the Group's flight revenues decreased by EUR 21,394 thousand, or -29.3%, to EUR 51,572 thousand from EUR 72,966 thousand in the same period of 2017. This decrease is mainly due to the shift of the Group sales from Flights to Dynamic Packages aiming more marginality per booking.

Non-flight revenue
In the first half of 2018, the Group's non-flight revenues increased by EUR 35,316 thousand, or 61.6%, to EUR 92,625 thousand from EUR 57,309 thousand in the same period of 2017. This increase is primarily due to the growth trend of Dynamic Packages and Tour Operators also driven by a specific strategic choice of the Group to concentrate the sales on products which can grant an higher marginality. These products are consolidating their strength in the OTA segment thanks to the good performance of Group's brands especially in UK and France.

Geographical Information
The Group categorizes its geographical markets by the countries for which its websites are localized through language and other elements. Because websites in a specific language can be accessed from any location, users outside a country can also use these websites. Products are not delivered to physical addresses, and the locations of users' ISPs and of the banks issuing customer's credit cards do not identify users' locations with certainty. Therefore a split of revenues based on customers' location is not available. However, Group management believes that the majority of customers booking through the Italian, UK, Spanish and French websites are located, respectively, in Italy, UK, Spain and France.
The table below shows Revenues from different countries based on website languages for the first six months of 2018 and 2017:

in '000 EUR (for the six months ended 30 June)	**2018**	**% of the total**	**2017**	**% of the total**
Italy	27,304	18.9%	26,193	20.1%
Spain	16,171	11.2%	14,912	11.4%
UK	31,386	21.8%	29,361	22.5%
France	33,677	23.4%	30,353	23.3%
Germany	18,439	12.8%	8,015	6.2%
Others	17,220	11.9%	21,441	16.5%
Total	**144,197**	**100.0%**	**130,275**	**100.0%**

In the first half of 2018, lastminute.com Group has shown a boost in all the core countries.

A big contribution of the increase can be mainly referred to the recent Comvel's acquisition affecting the Germany market and to a higher volumes of dynamic packages in the other mian European countries.

The positive results have been achieved despite the strong competition in the Group's OTA activities for its core markets: the Group has been able to respond efficiently to the higher competition for traffic and pressure on pricing, in particular in the paid marketing channels.

Note 8 - Other Costs

Marketing costs
Marketing costs increased by EUR 3,897 thousand (+6.9%) from EUR 56,661 thousand in the first half-year 2017 to EUR 60,558 thousand in the first half-year 2018 mostly due to the contribution of the acquired company Comvel Gmbh. Marketing costs as percentage of revenues decreased in 2018 compared to 2017 (43.5% vs 42.0%) thanks to lower unit prices contracted within the OTA segment.

Personnel costs
Personnel costs increased by EUR 2,849 thousand (+9.1%) from EUR 31,423 thousand in the first half-year 2017 to EUR 34,272 thousand in the first half-year 2018. Costs increased driven mainly by the acquisition of Comvel.
Personnel costs as absolute percentage of revenues decreased in 2018 compared to 2017 (23.8% vs 24.1%).

Other operating costs
Other operating costs increased by EUR 6,345 thousand (+18.3%) from EUR 34,671 thousand in the first half-year 2017 to EUR 41,016 thousand in the first half-year 2018.
The costs increase is mainly driven by the following factors: i) contribution of Comvel Gmbh for EUR 3,013 thousand ii) higher variable costs such as acquiring costs for the remaining part.

Net Financial result
The net financial result decreased by EUR 114 thousand (-32.0%) from EUR 356 thousand in the first half-year 2017 to EUR 242 thousand in the first half-year 2018.

in '000 EUR	**2018**	**2017**	**Delta**	**Delta %**
Gains/losses from disposal of inv. and other	-	1,939	(1,939)	-100.0%
Net interest effects	(153)	(70)	(83)	119.0%
Net FX Exchange effects	514	(1,408)	1,922	-136.5%
Other	(77)	(78)	1	2.3%
Share Of Result Of Equity-Accounted Investees	(42)	(27)	(15)	55.6%
Net financial result	**242**	**356**	**(114)**	**-32.0%**

The decrease of "Gains/losses from disposal of inv. and other" is mainly due to the impact, in 2017, of the reduction of the stake in Urbannext SA and the sale of all stakes of a minor entity.

The net negative interest effects increased due to the opening of new borrowings. Further information can be seen in Note 2, section "New borrowings".

Net FX exchange effects decreased by EUR 1,922 thousand, from EUR -1,408 thousand in 2017 to EUR 514 thousand in the first half-year 2018, due to better effect of exchanges rate differences compared with last year especially with regard to British Pound against Euro.

Foreign exchange impact
The Group's exposure to movements in foreign currencies affecting its results, as expressed in Euro.
Below a table summarising the key figures:

Exchange rates against the Euro	30 Jun 2018	Average to 30 June 2018	30 Jun 2017	Average to 30 June 2017
1 CHF	1.16	1.17	1.09	1.08
1 GBP	0.89	0.88	0.88	0.86
1 INR	79.81	79.49	73.74	71.18
1 USD	1.17	1.21	1.14	1.08

No significant impacts have been recognised during the first half year of 2018.

Note 9 - Taxes

Tax expenses are recognized based on management's best estimate of the weighted-average annual income tax rate expected for the full financial year multiplied by the pre-tax income of the interim reporting period.

The Group's interim consolidated income taxes charge amounted to EUR 1,664 thousand as at 30 June 2018, compared with EUR 1,727 thousand at the end of June 2017 with a decrease of EUR 63 thousand.

Note 10 - Earnings per Share

Basic earnings per share
The table below shows basic earnings per share for the first half of 2018 and 2017:

in '000 EUR (for the six months ended 30 June)	2018	2017
Profit/ (Loss) for the period attributable to the shareholders of LASTMINUTE.COM NV (in EURO/000)	1,243	516
Weighted-average number of shares outstanding during the period (in thousand)	12,259	13,792
Basic earnings / (loss) per share (in EUR)	**0.10**	**0.04**

The denominator used in the above computation has been calculated in the following way:

Number of shares	2018	2017
Issued ordinary shares at 1 January	14,623	14,623
Effect of treasury shares held	(1,289)	(831)
Effect of cancellation	(612)	-
Effect of PSTO	(463)	-
Weighted-average number of shares (Basic) at 30 June	**12,259**	**13,792**

Diluted earnings per share
The table below shows diluted earnings per share for the first half of 2018 and 2017:

in '000 EUR (for the six months ended 30 June)	2018	2017
Profit/ (Loss) for the period attributable to the shareholders of LASTMINUTE.COM NV (in EURO/000)	1,243	516
Weighted-average number of shares outstanding during the period (in thousand)	12,259	13,830
Diluted earnings / (loss) per share (in EUR)	**0.10**	**0.04**

The denominator used in the above computation has been calculated in the following way:

Number of shares (for the six months ended 30 June)	2018	2017
Weighted-average number of shares (Basic)	12,259	14,623
Effect of share options in issue	-	38
Weighted-average number of shares (Diluted)	**12,259**	**14,661**

Note 11 - Share-based payment arrangements

Employee share option plan
In the first half-year of both 2018 and 2017 the expense recognized as personnel costs for the amount of share option plan is nil.
The number of outstanding options under the existing option plan is a follows:

in thousand of options	2018 (in thousand of options)	Weighted average exercise price 2018 (EUR)	2017 (in thousand of options)	Weighted average exercise price 2017 (EUR)
Reconciliation of outstanding share options				
Oustanding at 1 January	41	18.00	198	11.64
Oustanding at 30 June	**41**	**11.64**	**198**	**11.64**
Exercisable at 30 June	**41**	**11.64**	**198**	**11.64**

The weighted-average contractual life of the options outstanding at 30 June 2018 was 0.5 years (30 June 2017: 0.71).
In the second half 2017 the Group repurchased 136 vested options. The re-purchase price amounted to the difference between the share market price and the exercise price of the respective options (EUR 10 on average). In addition, in the second half 2017, 12 thousand vested options had been exercised with an exercise price of EUR 10 on average.
No movements have been recorded during the first half of 2018.
As of 30 June 2018 there are no more outstanding options related to 2011 and 2012 plans.

Cash settled share-based plan
On 26 March 2015, the Group established a cash-settled share-based payment arrangement. Directors and selected key employees were offered the opportunity to participate. Further information of the terms of the plan can be found in the Group's 2016 year end consolidated financial statements.

As at 30 June 2018, the total amount of the participants' initial contribution to the limited partnership entity was equal to EUR 1,753 thousand (year end 2017: EUR 1,767 thousand), while the amount of financed by the

Group to limited partners amounted to EUR 1,031 thousand (year end 2017: EUR 1,027 thousand).
The liability value was assessed taking into consideration the fair value of the underlying shares considering the vesting period of 4 years and other conditions, as well as the required interest payable on the company's portion of the contribution. The Group re-measures the liability at each subsequent reporting date in order to be consistent with the IFRS. The Group performed a discounted cash flow model for the valuation of the scheme. Being the shares purchased under the terms of the plan exclusively lastminute.com shares, the overall value of the Group divided by the number of such shares can clearly represent the present value of the investment plan. The Company performed a discounted cash flow model for the valuation of the scheme. Being the shares purchased under the terms of the plan exclusively lastminute.com shares, the overall value of the Group divided by the number of such shares can clearly represent the present value of the investment plan.

The amount has been remeasured and the amount of EUR 14 thousand has been recognised as income.
Treasury shares acquired in the period, and held by the Group to hedge its potential obligation arising from the new cash-settled share-based payment arrangement amount to around 575 thousand for a total investment of around EUR 7,408 thousand.

Note 12 - Shareholders' Equity

The table below shows Equity as of 30 June 2018, and 31 December 2017:

Share capital and reserves	30 Jun 2018	31 Dec 2017
Share capital	138	146
Capital reserves	121,046	127,751
Translation reserve	1,293	1,419
Treasury share reserve	(37,688)	(16,738)
Retained earnings	16,114	19,191
Equity attributable to Shareholders of LASTMINUTE.COM N.V.	**100,903**	**131,769**
Non-controlling interest	1,709	1,737
Total equity	**102,612**	**133,506**

Translation reserve
The translation reserve comprises all foreign currency differences arising from the translation of the Group's subsidiaries with functional currencies different from the presentation currency (EUR).

Treasury share reserve
The reserve for the Group's treasury share comprises the cost of the shares held by the lastminute.com Group. As of 30 June 2018, the Group held 2,770 thousand shares for the total value of EUR 37,688 thousand (1,282 thousand shares as of 31 December 2017 for at total value of EUR 16,738): during the first half of 2018 the Group bought treasury shares for a total of 2,253 thousand for the total value of EUR 30,933 thousand and cancelled 765 thousand shares for a total value of EUR 9,983.

See the paragraph "Significant events in the current reporting period" for more information.

The Group did not perform any selling of treasury shares in the period.

Retained Earnings
Retained earnings as of 30 June 2018 amounted to EUR 16,114 thousand (31 December 2017: EUR 19,191 thousand) and contain the profit relating to the current period and previous years accumulated net profits generated by the Group and not distributed to shareholders as well as amounts booked in relation to the remeasurements of the employee benefits liabilities and share-based payments. During the first half of 2018 retained earnings have decreased following the cancellation of shares with an effect of EUR 3,270 thousand.

Dividends
During the first half of 2018 and 2017 no dividends were paid by the Group.

Capital management
The capital managed by the Company consists of the consolidated equity. The Group's goal is to maintain a strong capital base so as to sustain future development of the business and to maximize long-term shareholder value.

Note 13 - Net Financial Position

The table below represents the net financial position for the Group as of 30 June 2018 and 31 December 2017:

in '000 EUR	30 Jun 2018	31 Dec 2017
Current financial assets	1,543	1,922
Cash and cash equivalents	87,361	52,134
Short Term Financial Liabilities	(13,585)	(10,015)
Net Financial Position within 12 months	**75,319**	**44,041**
Long Term Financial Liabilities	(22,283)	-
Non current financial assets	1,641	1,256
Net Financial Position over 12 months	**(20,642)**	**1,256**
Total Net Financial Position	**54,677**	**45,297**

The Net Financial Position for the Group was respectively EUR 54,677 thousand at 30 June 2018 and EUR 45,297 thousand at 31 December 2017.
The Net Financial Position increased during the first six months of 2018 due to the positive effect of the net negative working capital that is strongly affected by the seasonality of the business. For further information please refer to the Consolidated Cash flow statement and the comment on Group's trade position included in the Note 14.

Note 14 - Balance Sheet

In the first six months of the year compared with year-end 2017, Intangible Assets increased by EUR 1,908 thousand (+1.3%) from EUR 143,949 thousand to EUR 145,857 thousand. The additions of the period, mainly represented by internal development costs have been mostly compensated by the amortisation throughout the first six months of the year.
Property plant and equipments decreased by EUR 632 thousand (-19.5%) mainly due to depreciation of the period.
Investment in equity accounted investees decreased by EUR 42 thousand (-5.1%) from EUR 825 thousand to EUR 783 thousand.
Deferred tax assets increased by EUR 3,130 (+48.8%) thousand from EUR 6,419 thousand to EUR 9.549 thousand mainly due to the effect of the business combination of Comvel Gmbh. See Note 5 for further details.
For further information about the movements in Financial Assets (current and non-current) and Cash and cash equivalents please refer to the Consolidated Cash Flow Statement for the six months ended 30 June 2018 and Note 13.
Current tax assets increased by EUR 334 thousand (+43.5%) comparing to 2017 year end mainly due to the advance payments made during the first half of 2018.

The Group's net negative trade position, which is the net amount of trade and other receivables and trade and other payables, increased by EUR 53,309 thousand (+61.6%) from EUR -86,547 thousand as of 31 December 2017 to EUR -139,856 thousand as of 30 June 2018 mainly due to the following factors:

- increase of credit lines payables for EUR 15.9 million thanks to a renegotiation of Group's credit line/different mix of prepaid and credit cards;
- increase of trade payables for EUR 29 million impacted by a mix of seasonality and a different mix of sold products in 2018 more focused on DP compared to 2017.

Long term financial liabilities amounting to EUR 22,283 thousand include the non current portion of the borrowings received during the first half of 2018. For more information see the paragraph "Significant events in the current reporting period".

Current provision decreased by EUR 2,748 (-82.5%) thousand from EUR 3,330 thousand as of 31 December 2017 to EUR 582 thousand as of 30 June 2018 mainly due to the following factors:

- reclassification for an amount of Eur 1,916 thousand to trade and other payables of the outstanding balance of provision for fine levied in 2017 by the Italian Antitrust;
- payment of the whole amount (EUR 248 thousand) of the provision for a fine following a labour inspection in Spain posted in 2017.

Trade and other payables - Non current amounting to EUR 1,122 thousand include the portion of payable to Italian Antitrust with long term due date.

Short term financial liabilities increased by EUR 3,570 thousand from EUR 10,015 thousand to EUR 13,585 thousand. The increase is due to the borrowings received during the first half of 2018 and for EUR 6 million to the outstanding financial liabilities to be paid to Prosieben during 2019 related to the acquisition of Comvel. For more information see the paragraph "Significant events in the current reporting period".

Note 15 - Subsequent Events

No subsequent events occurred since 30 June 2018, which would change the financial position of the Group or which would require additional disclosures in these consolidated interim financial statements.

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