annualreport2017

the relevant & most inspiring travel company,

committed to enriching the lives of travellers

lastminute.com

volagratis

bravofly

rumbo

travelpeople
ENGAGING AUDIENCES

weg.de

hotelscan

Jetcost

wayn

crocierissime.it

Content

Group CEO’s Letter

2017 has been a good year for the Company from a business performance perspective. Following the acquisition of lastminute.com in 2015, our plans to build a fully customer centric organisation and a diversified business model, are now definitively taking shape and bearing fruit.

In this FY2017 Annual Report, you will find a comprehensive description of our Core business performance along with a bridge to our consolidated financial statements. This revised framework will be used from now on to better understand the metrics and get the right feeling on how the business is going.

The Group is organised around three main areas. The holding company (lastminute.com NV), listed on SIX Stock Exchange since 2014, does not generate revenue and sustains a certain amount of corporate costs.

The lastminute.com Core Business consists of a number of fully consolidated operating entities managed together as if they were a unique Company.This area produces recurring revenues and costs that relate to OTA, META and Media businesses.

Then, what we call the Venture Initiatives, which refers to majority or minority investments in start-ups and small businesses, managed independently on a stand-alone basis from the lastminute.com Core Business. This area represents one of the channels used to explore new potential fields of growth and foster innovation.

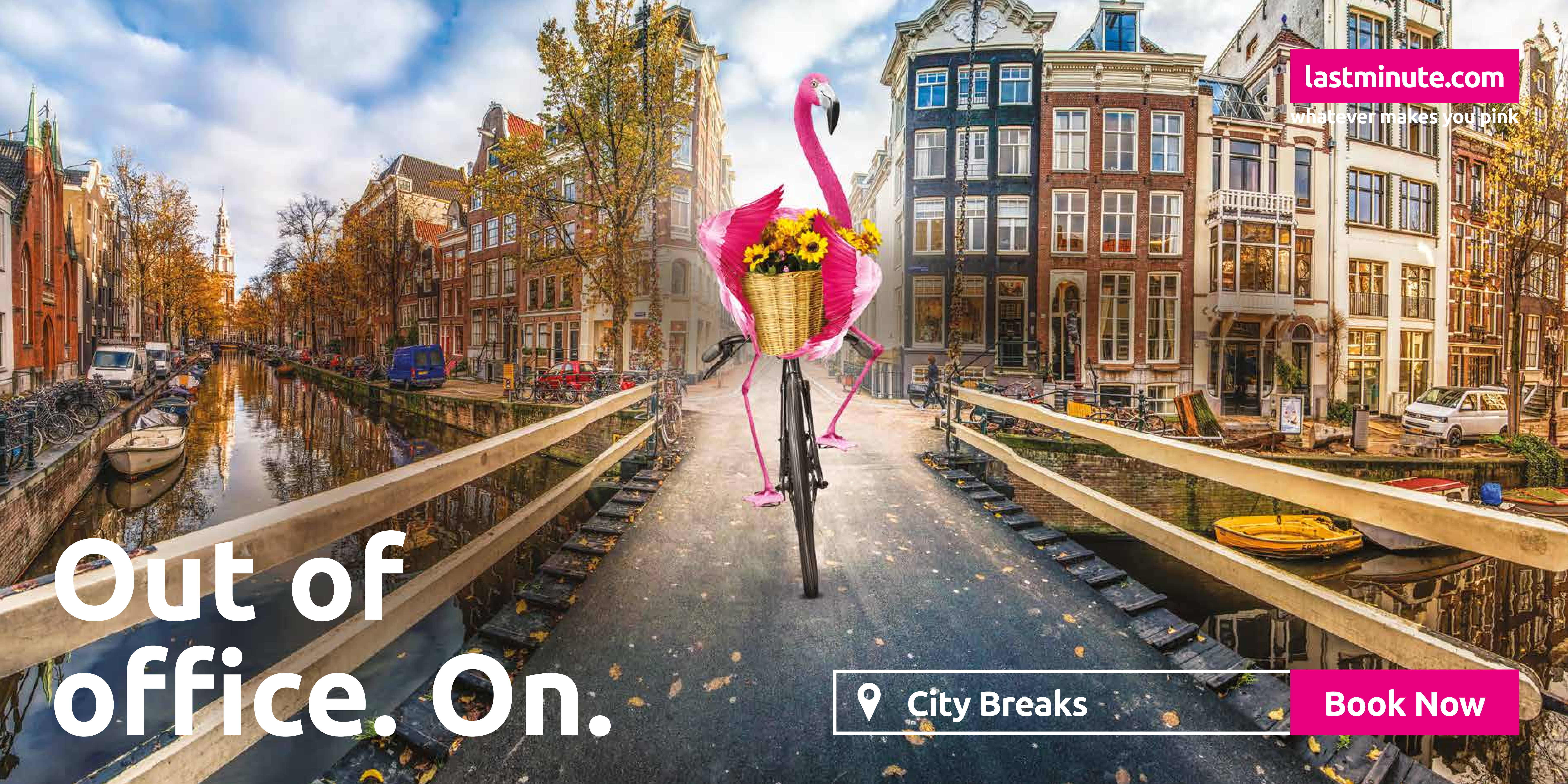
To reflect the management of this Group structure effectively, Marco Corradino, COO and executive director at holding level, is appointed as CEO of lastminute.com.

Around him, we have built a fully customer centric management structure, with a first line of talented leaders with different experiences and capabilities, to help lastminute.com to be the relevant and most inspiring travel company.

Consistent with our statements since the IPO, we firmly believe that a diversified business model and a focus on delivering virtually a limitless variety of travel related product and services, bundled in real-time, are the keys to generate sustainable value in the long run. We have always been conscious of the complexity that such a strategic view would have brought and the investments required in terms of money and time to develop an efficient model. Year after year, given the results achieved, we can confirm that we are moving in the right direction.

We have been able in the past to identify, buy and integrate other companies operating in the field. We still play a proactive role in the consolidation process of our industry that is now seeing increasing interest from different players in the European market, either they are financial or industrial. In that context has to be seen our acquisition of the German company Comvel GmbH at the end of the year, a business operating in the travel packages area in one of the most interesting and fast-growing European market. In the META business we purchased Hotelscan to complement our capabilities and expand into other verticals. Our objective, as entrepreneurs and managers, is to continue working on making our vision a reality.

Fabio Cannavale
Group CEO



lastminute.com
whatever makes you pink
Out of office. On.
City Breaks
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A Group organised in two business areas and a listed holding company providing corporate services

lm group

lm holding

Group CEO Fabio Cannavale

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

SIX Swiss Exchange

Venture Initiatives

Destination Italia · Gartour · ubi · DOVECLUB www.doveclub.it

- Businesses managed on a stand alone basis independently from lastminute.com
- Group's way of exploring new field of growth and making "Open innovation"

lastminute.com

CEO Marco Corradino

- A number of operating companies consistently managed to exploit the full potential of the business model
- OTA, META and Media businesses generating direct Revenue and costs

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

lastminute.com

Comprehensive travel solutions

META
Jetcost
hotelscan

OTA
lastminute.com
bravofly
volagratis
rumbo
crocierissime.it
weg.de

Advertising Technology Platform

MEDIA
lm travelpeople ENGAGING AUDIENCES

Comprehensive business model and diversified revenue stream backed by a wide portfolio of brands, scalable technology architecture, plug&play and efficient travel platform

lastminute.com, a distinctive identity and comprehensive value proposition

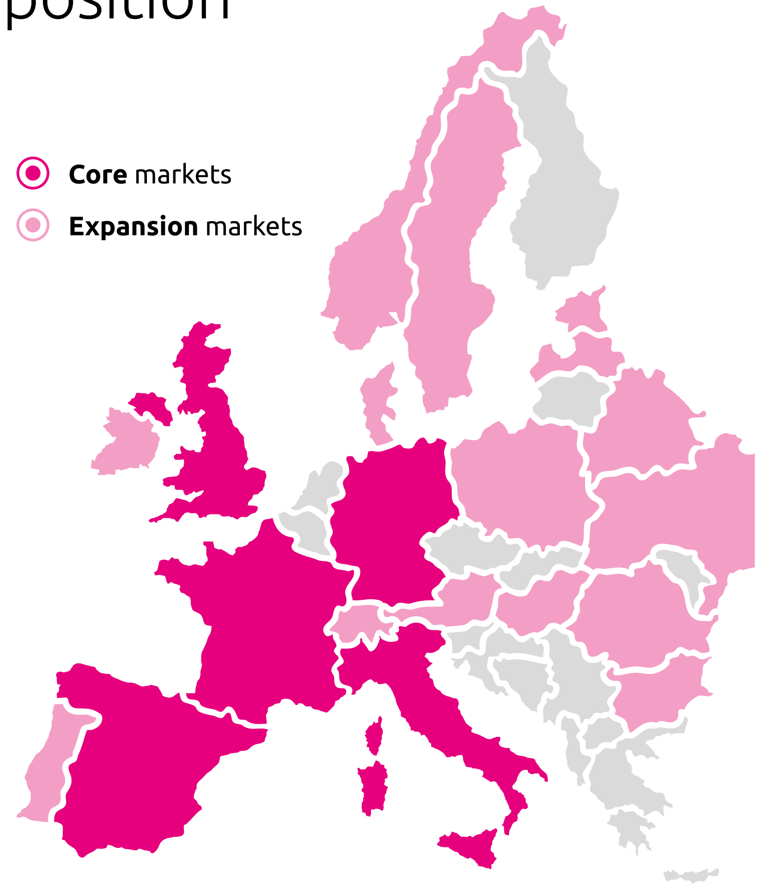
Identity: the most relevant and inspiring travel company committed to enriching the life of travelers

Positioning: among the top 5 Online Travel Players in Europe.
One of the leaders in countries with higher digitalization growth rate (Italy, Spain, France)

Offering: a continuously updated wallet of contents, products and services available through a multi-device experience along the whole customer journey

Model: diversified and integrated revenue stream. An integrated business & technology architecture enabling the Group to create value for the customers along their whole journey

Core markets
Expansion markets



around 10 million passengers handled per year

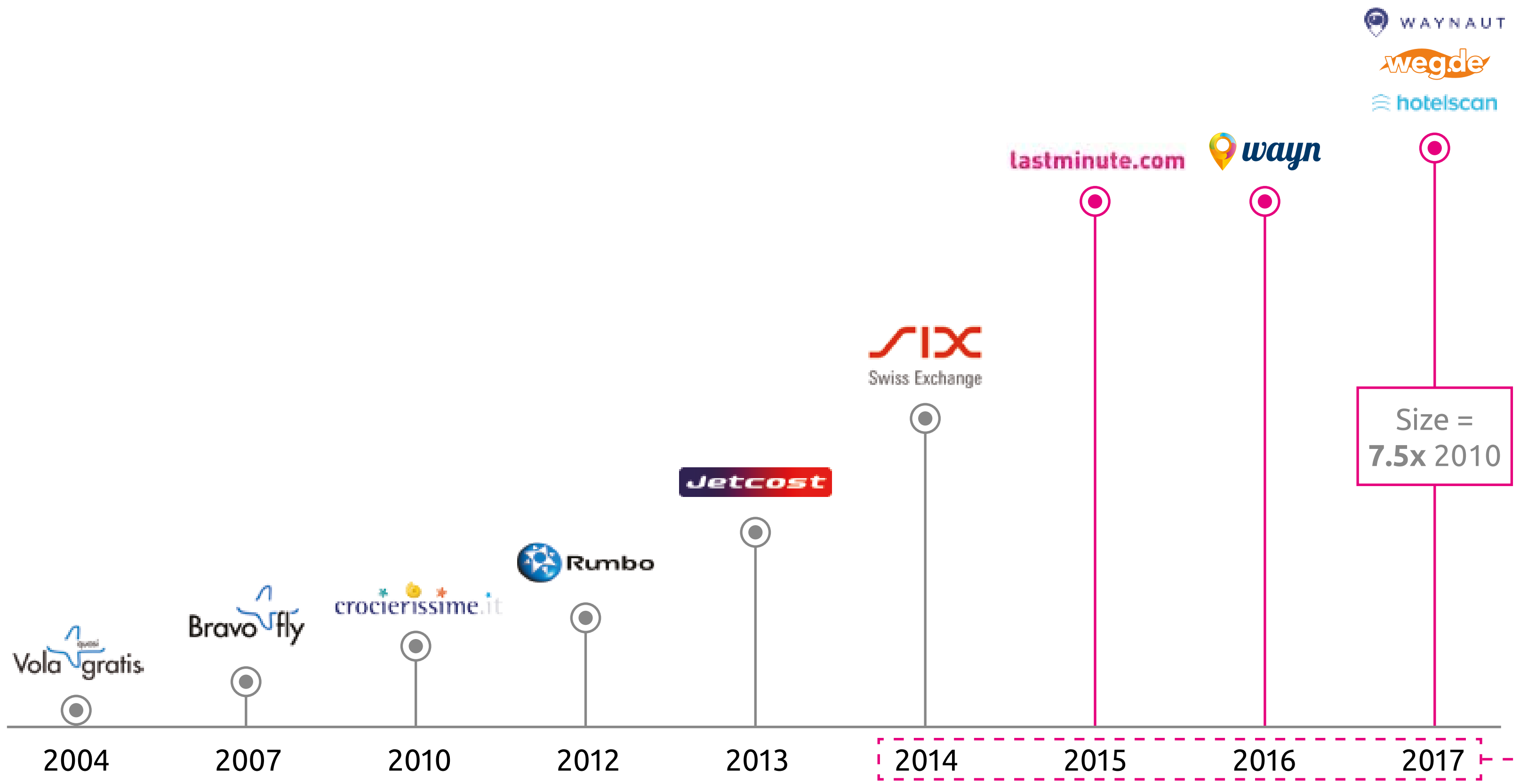
offering and services available in **40 countries** and **17 languages**

1200 people in **12 countries**

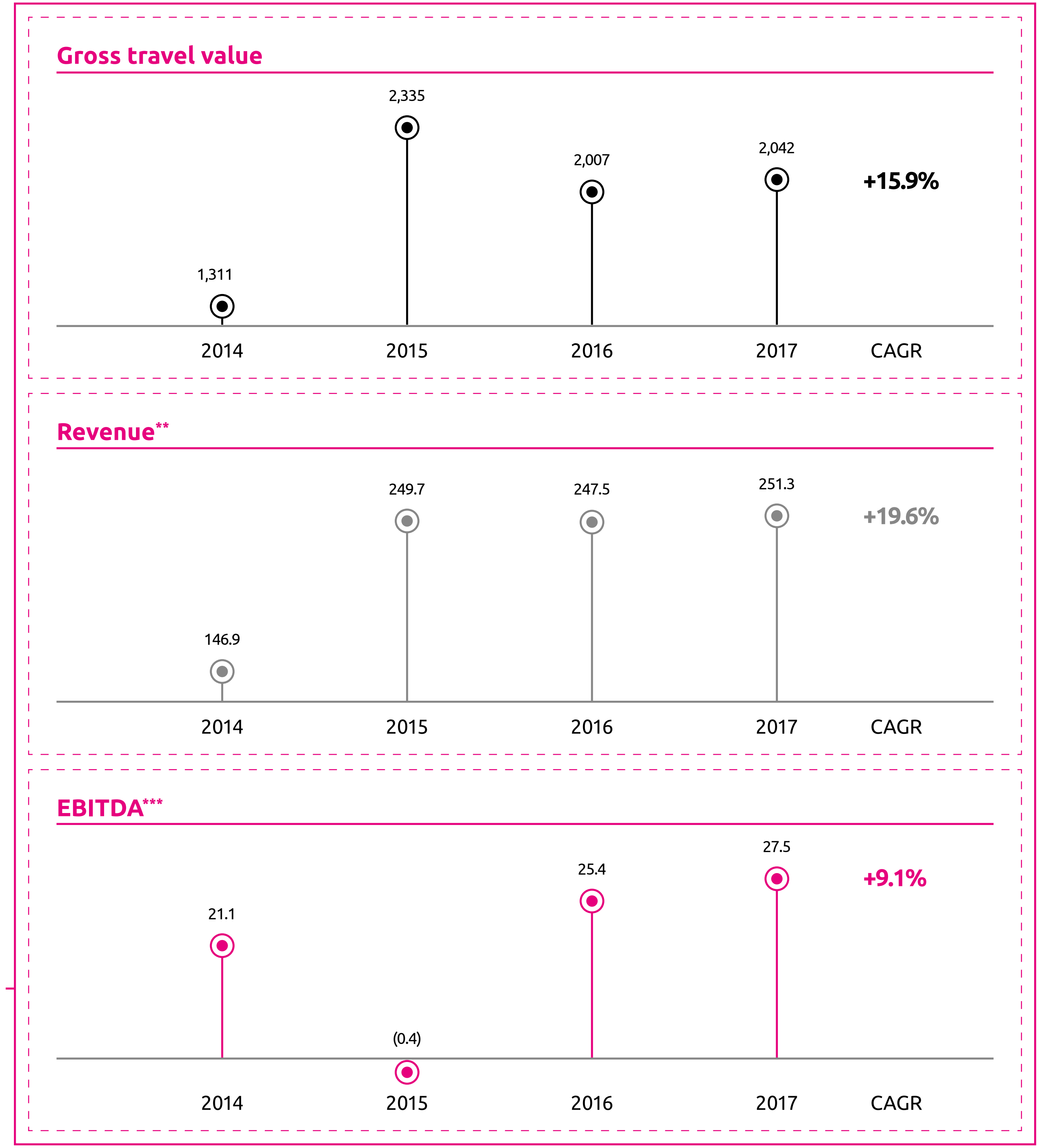
MEDIA	META	OTA
travelpeople ENGAGING AUDIENCES	Jetcost	lastminute.com, bravofly, weg.de
wayn	hotelscan	volagratis, rumbo, crocierissime.it

lastminute.com, a successful entrepreneurial journey from start-up to international listed Group

OTA	OTA + META	OTA + META + MEDIA
Flight centric		Diversified proposition



* Bars show revenue growth. Just for representation, 2017 include weg.de acquisition (closing signed on 31st December)



** Revenue reported in 2014 and 2015 are Group Revenue, in 2016 and 2017 are Core Business Revenue

*** For 2014-2015 Adjusted EBITDA figures. For 2016-2017 Business EBITDA figures

lastminute.com, ready to surf the big wave

Clear ownership and Experienced Management Team

Consolidated shareholder base and lean group structure

Strong industry, marketing and business integration expertise

Passionate people from a variety of nationalities

Comprehensive brand architecture

Effective multibrand strategy

Local/Global - Functional/Inspirational approach

Market Leadership

in the major European countries

Business Model

Clear and compelling Revenue stream

Financially robust

High grade operational leverage

Strong margin-cash conversion

Positive cash position and significant headroom for leveraging

Technology strength

Personalisation and data-driven approach

Sophisticated machine learning and big-data algorithms

APIs-based plug-in travel platform

Scalable and efficient META technology

Advanced media products powered by automated, programmatic and data management technology

Breadth of Product Mix

Broad value proposition, balanced breakdown of revenues by product and geography

Chairman’s Letter

2017 has been a year of significant progress at lmgroup.

The Group operates in a highly competitive environment with a fast changing context, impacted by extraordinary events that are sometimes unpredictable.

lastminute.com is shaped to succeed thanks to the decision to invest in diversification - which mitigates risks more than a specialized model - and to build a responsive organization, with the capability to understand trends and to adapt accordingly.

The clear shift in favour of the online market, with offline travel value shrinking steadily through 2020 give us the opportunity to surf the wave of a constant and structural growth trajectory.

Flight remains the largest segment and is projected to grow fast. On the other hand, in our view, it appears to be the less attractive, due to fierce competition from direct providers (airlines), aggressive OTA players willing to gain market shares and increasing relevance of the metasearch channel.

Holiday packages is the field where we see the greatest opportunities. The segment is growing, and dynamic packages are smashing the market thanks to a model that combines “Tour Operator like” offering and flexibility given by the typical interaction with an online platform.
All the investments made in the past are now delivering excellent results and confirms our belief that, sooner or later, this would have been the most interesting area to put our maximum effort into.

As Chairman of the Board of Directors and member of the PSTO Committee I have personally supported the idea of the BoD to investigate the opportunity to launch a fixed price offer over a portion of the Company issued capital in order to consolidate the shareholding structure around long-term oriented investors.

We are at a crucial point in the development of the Group and the approach in everything we do, must be addressed to the creation of sustainable value in the long run. For a listed company, measured on a regular basis through economic and financial KPIs, it could be difficult to exploit such a value even in the short-term. Investments needed to fulfill our long-term objectives and achieve our vision can’t be avoided in the interest of short-term profits.

In order to guarantee a possible exit to shareholders having different investment horizons, the PSTO – Partial Self Tender Offer – has been a carefully assessed option and definitively deemed as a proper way to invest part of the resources of the Group. At the time of the publication of this report, the launch of the offer has not yet executed but we are confident that all authorizations from Regulatory Bodies will be received shortly.

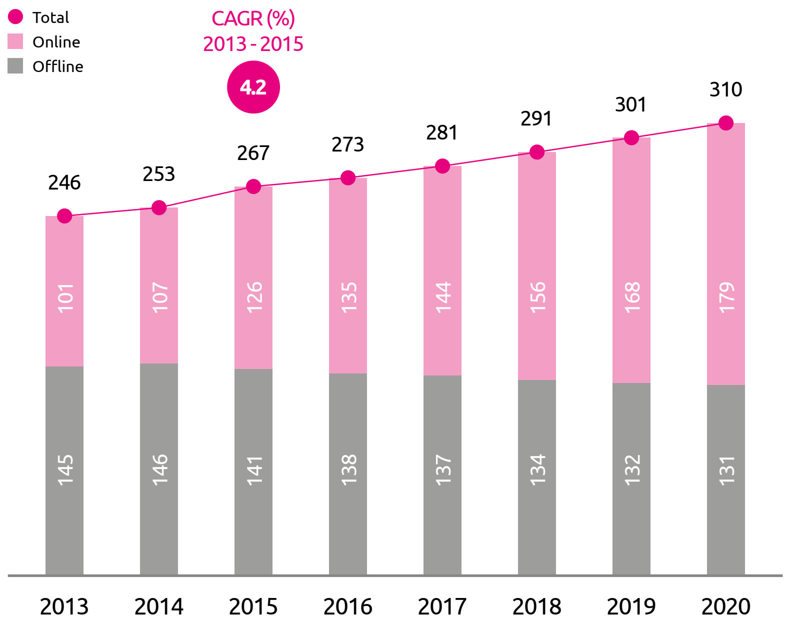
Ottonel Popesco
Chairman of the Board of Directors


Top up
your soul
lastminute.com
whatever makes you pink
Beach Holidays
Book Now

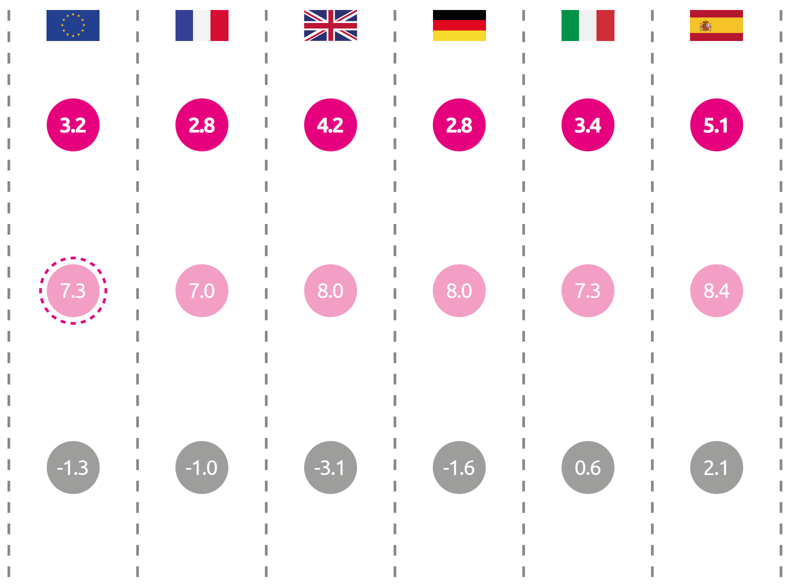
Travel distribution channel will shift clearly in favour of online, with offline travel value shrinking steadily through 2020

Market Outlook 2020 by distribution channel

European GTV (€ bn)



2016-2020 CAGR (%)



Key highlights

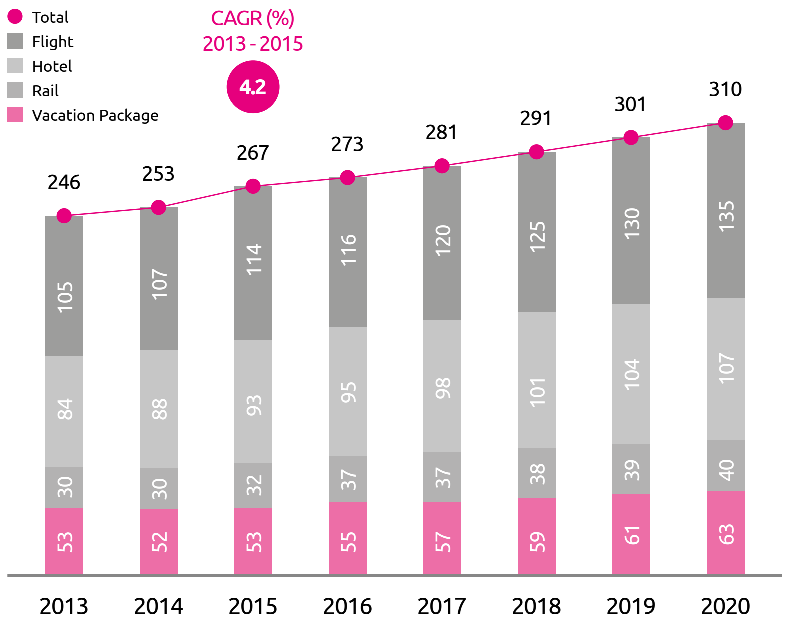
- Travel sales taking place online are set to drive total GTV, with 7% average yearly growth.
- On a country-by-country, online sales will outstrip offline sales in all major European markets.

Sources:
European Online Travel Overview Eleventh and Twelfth Editions (Phocuswright 2016, 2017)

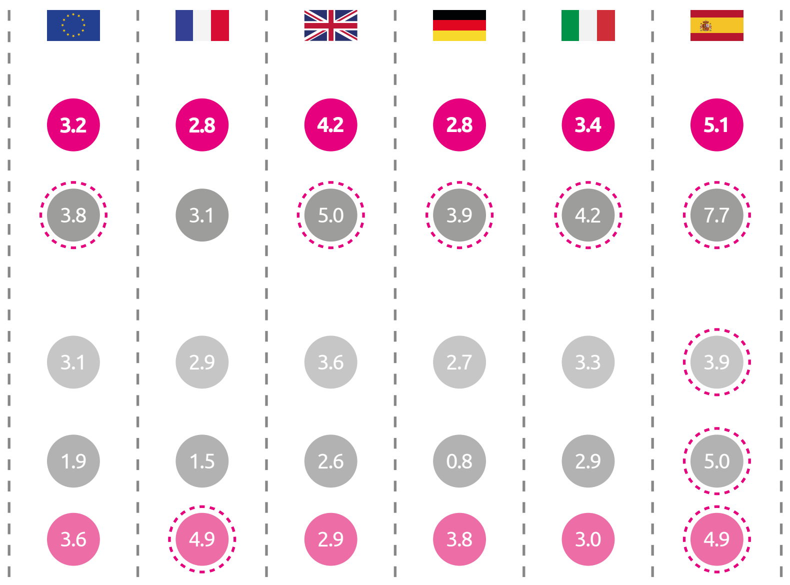
Flights and Vacation packages are set to drive robust sales growth through 2020

Market Outlook 2020 by product segment

European GTV (€ bn)



2016-2020 CAGR (%)



Key highlights

- Flights and Vacation Packages will drive European gross travel value.
- Flight remains the largest segment in mature markets (France, UK, Germany) and is projected to grow the fastest in all markets.

Sources:
European Online Travel Overview Eleventh and Twelfth Editions (Phocuswright 2016, 2017)

lastminute.com CEO’s Letter

After two years of hard work to restructure the Company and reposition lastminute.com as an inspirational brand and experiential travel provider, I’m truly proud to see the very good set of results achieved, as a clear evidence of our executional capabilities.

When I re-joined in 2016, we launched a new phase of development with the clear purpose of widening the spectrum of travel products and services sold through our platforms and implement a comprehensive customer-centric model designed to cover the whole travel customer journey.

In 2017 the Group generated more than a quarter of the Revenue from non-transactional business (META and Media) and - within the OTA area - Travel & Leisure products reported more than 50% of total margin contribution.

From a specialized vendor of flight tickets, we became a full service travel provider. The strategy we are executing sets out a clear path to steady profitable growth.

We are focusing our attention and resources on a number of key areas where we can stand out from the crowd and which tap into opportunities for growth.

For years we’ve invested time and effort in developing a cutting-edge platform able to respond in real-time to customers that require a dynamically bundled holiday package. This is definitely one of the key assets of the Company and the last years results demonstrate that we are paving the way for the consolidation of a distinctive value proposition which is already well perceived by both final customers and B2B partners.

This approach is complemented by a series of partnerships which enable us to streamline our revenue model. We are selling our distinctive capabilities in the Dynamic Packages to other Travel Providers through white-label solutions while, on the other hand, we are embedding specialized offerings from third parties into our proposition.

This is a catalyst for the next stage in the evolution of the business where the ability to cross/up-sell services, throughout various moments of the customer interaction, is a critical factor and a tremendous opportunity.

We continue to innovate and give customers an even greater possibility to personalise their experience, either it being a booking of an holiday or the research of information and content.

Our consistent innovation is reached employing a sophisticated approach in data management . Relevance is the key word that pervades everything we do and drives the setting of our priorities in the tech roadmap.

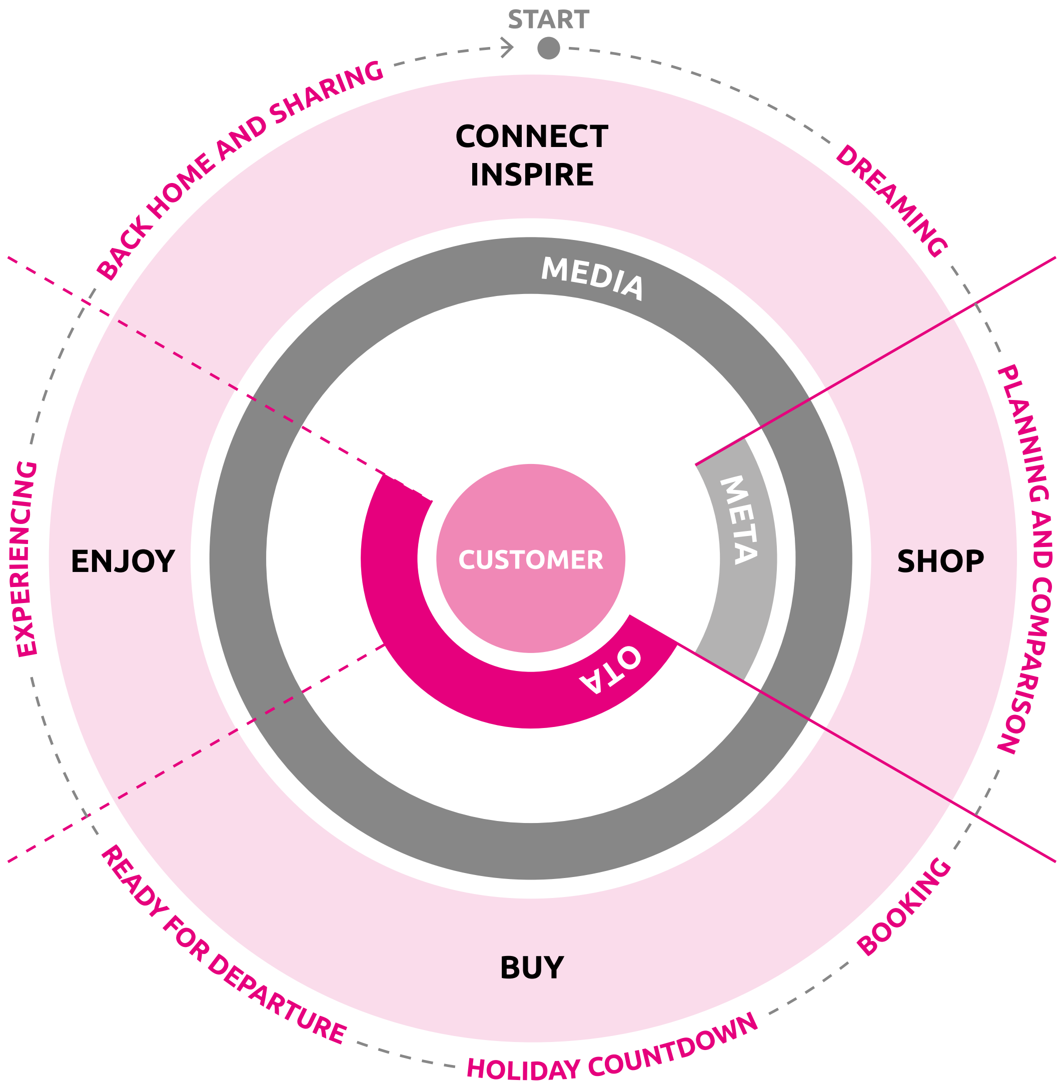
We’re committed to shaping a new way of managing the “online travel business”.
To make this happen, we’ve implemented a new organization, that is customer-centric and made-up of fully-empowered people coming from different backgrounds.

Marco Corradino
lastminute.com CEO


lastminute.com
whatever makes you pink
Put yourself in holiday mode
Weekend Getaways
Book Now

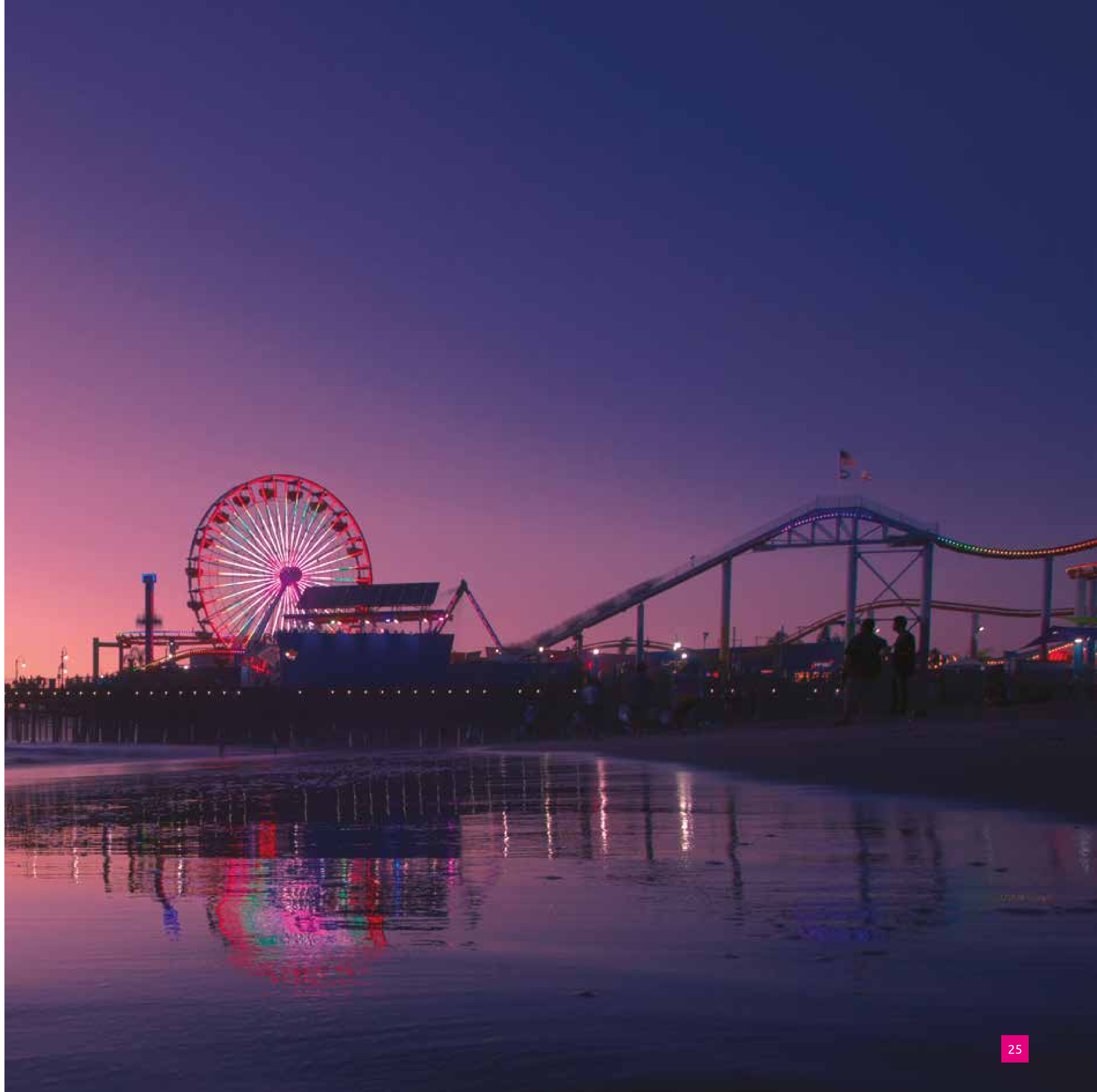
lastminute.com, a comprehensive business model that mirrors the whole customer journey, built to create real value for customers

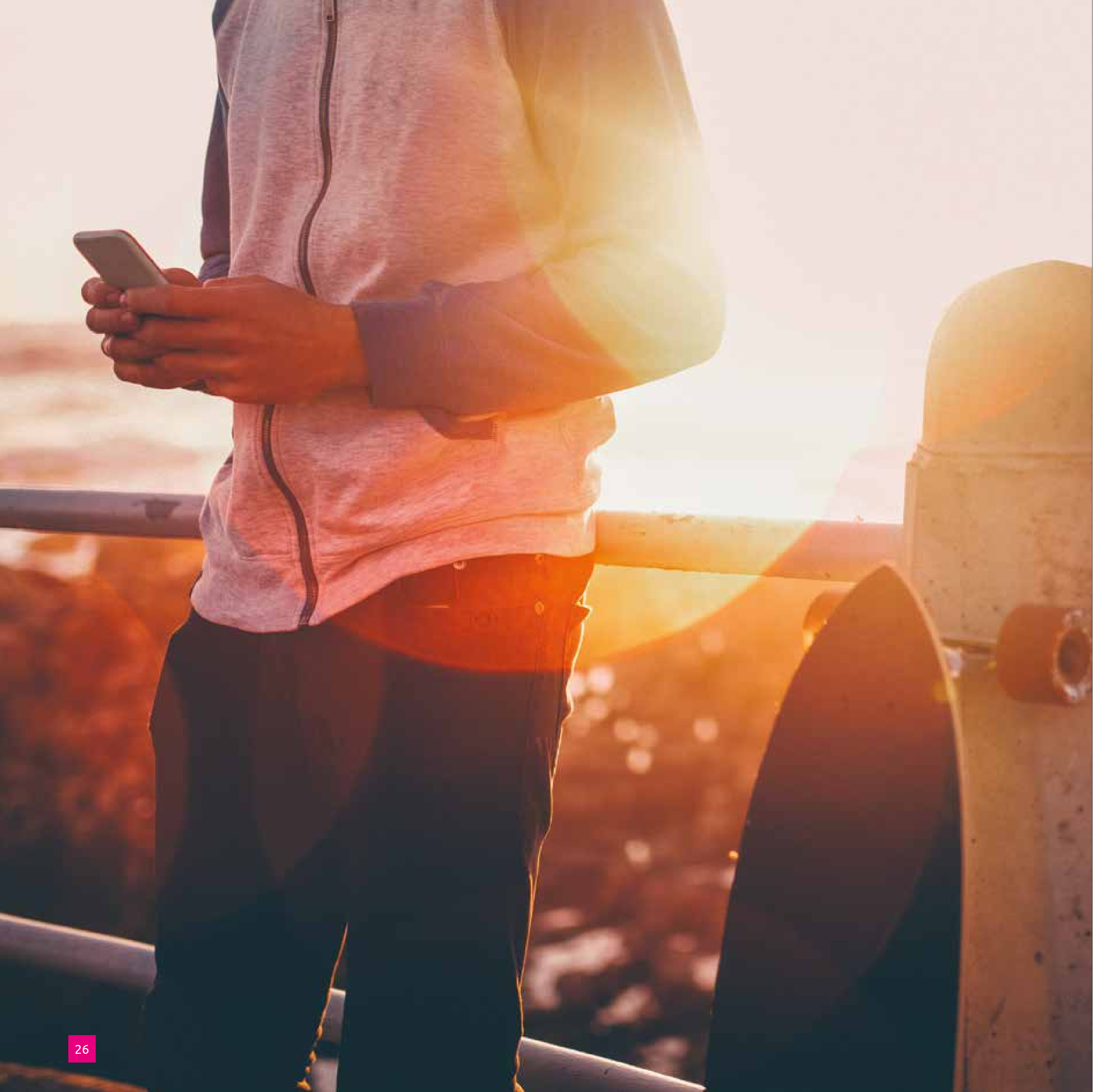
Best-in-class advertising technology platform to capture, inspire and monetise audience from dream phase to sharing



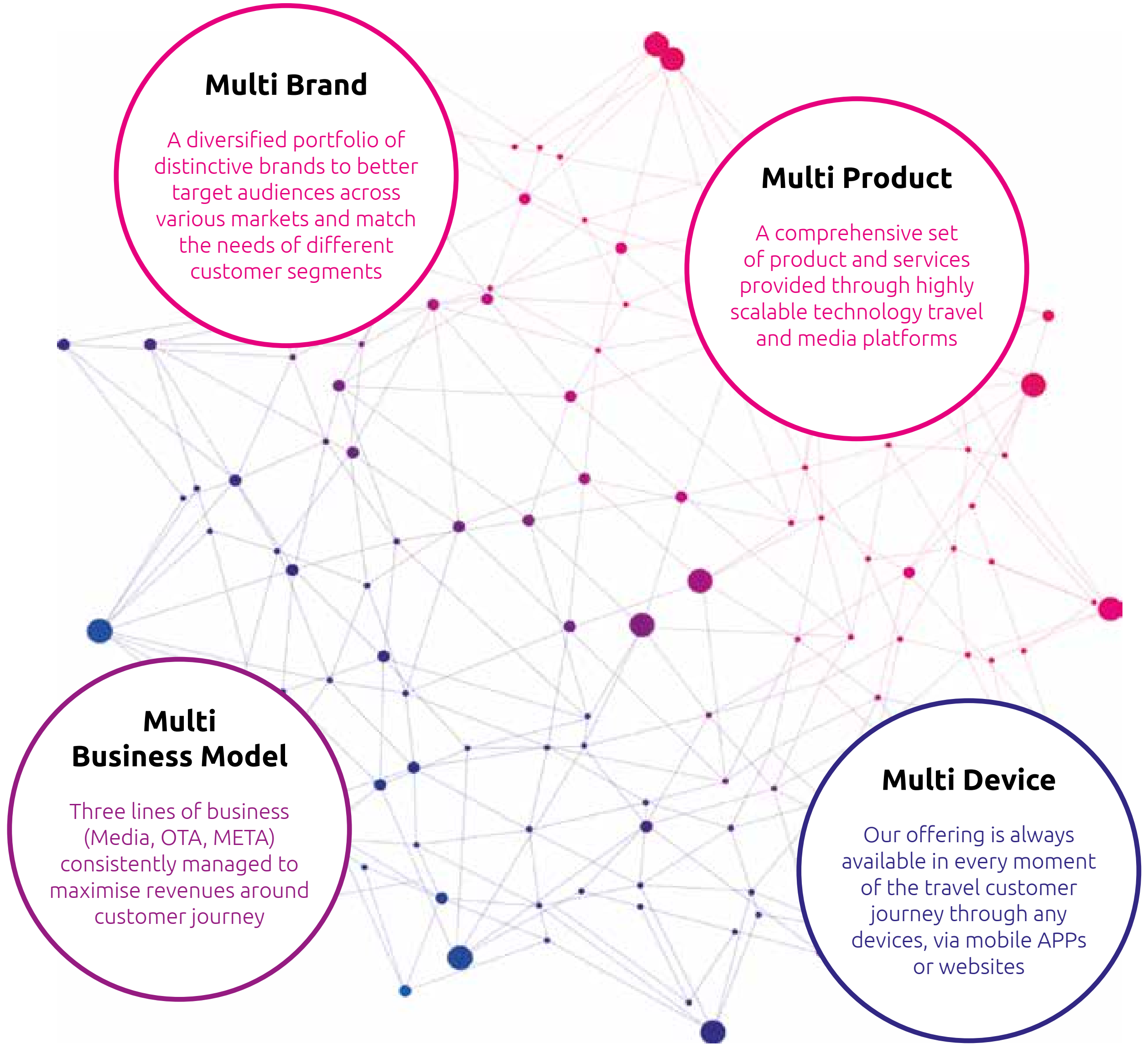
Scalable and efficient META platform which helps people find the best travel solution in no time

A limitless variety of travel related products and services provided through owned and third parties properties



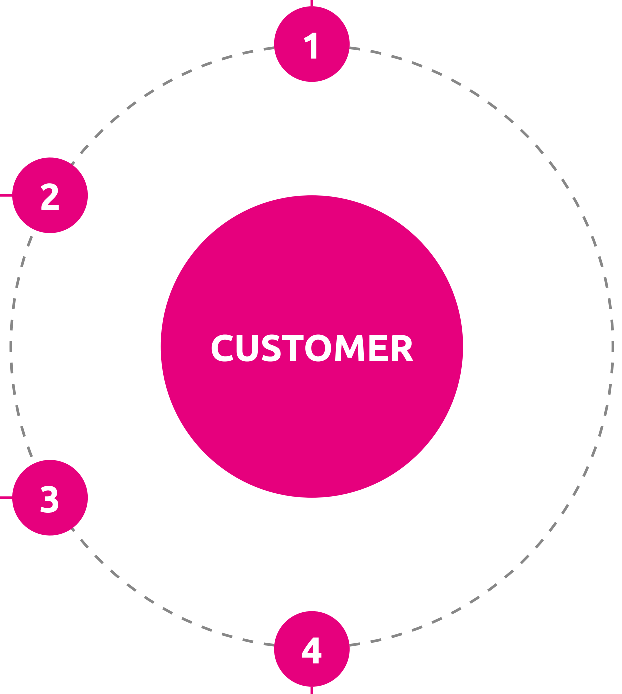


lastminute.com, one of the most diversified players in the field, able to give customers whatever they need through a unique and distinctive multi-value-proposition



There are only a few examples like this in the industry, where most of the players are running a specialized-vertical model instead of differentiating their proposition

lastminute.com, a sophisticated OTA platform able to create what the customer wants and leave them totally satisfied with the experience



Convenience
I want the cheapest price possible

Accessibility
I want a significant amount of options available to choose from, which are ready to be packaged up

Flexibility
I want to update my booking with new services and products every time I need them

Customer support pre & post-sales
I want a unique provider that gives me the confidence that what I've booked is what is waiting for me when I get to that destination

Request

Personalization

Sophisticated algorithms to offer the best price available

A limitless variety of options from millions of sources provided through and advanced search and booking engine for a real-time response and bundling process

Multidevice approach, Log-In facilitated access, constant updated portfolio of third parties products and solutions

Reviews, ratings, blogs accessible through dedicated websites and embedded in the search and booking flow

Leveraging competencies and scale to offer "best in class" transportation solutions

Selection of accommodation solutions based on best acquisition cost (hotels and private renting)

A constantly updated selection of ancillaries: insurance, parking, car rental, transfer

A comprehensive catalogue of Cruiselines and Tour Operator packages

lastminute.com, offers a truly distinguished value proposition that makes us stand out from the crowd

Stand-alone products sold independently to each other
or bundled together based on customer personalization

Thousands of hotels directly contracted, properly selected for optimal customer proposition

Partnership with private renting platform to provide customers a wide variety of different options

A total of more than 1M accommodation solutions available

A flight platform continuously evolving since 2004

All GDS / LCC airlines segments and fares available

Brand-new rail solutions featuring a wide variety of options across the main EU countries

Cross-sell
Up-sell

along the whole customer journey
via push/pull interaction

A catalogue of relevant and updated travel related products and services from a constantly increasing number of specialised partners

A comprehensive offering of Cruise Lines and Tour Operator packages always available for sale through online platform and offline customer service centres

lastminute.com, a "Digital Tour Operator" able to extract real value for customers through relevant offers

Supply

Directly contracted hotels and agreements with all other suppliers means lastminute.com can provide a full array of travel solutions at lower fares

FLIGHT INVENTORY

Airlines give us unlimited access to their inventory and through 1-2-1 agreements to unsold seats for a bargain price

GLOBAL HOTEL PLATFORM

A wide selection of rooms in top holidays and city-breaks destinations at pre-negotiated fares

EXPERIENCES & SERVICES

Alliances and partnerships with specialised experience and insurance vendors guarantee availability of plug-in services

Value creation

Inventory and search results available across all points of sale

Real time bundling engine

Dynamic sorting criteria and pricing by market and business profile

Demand

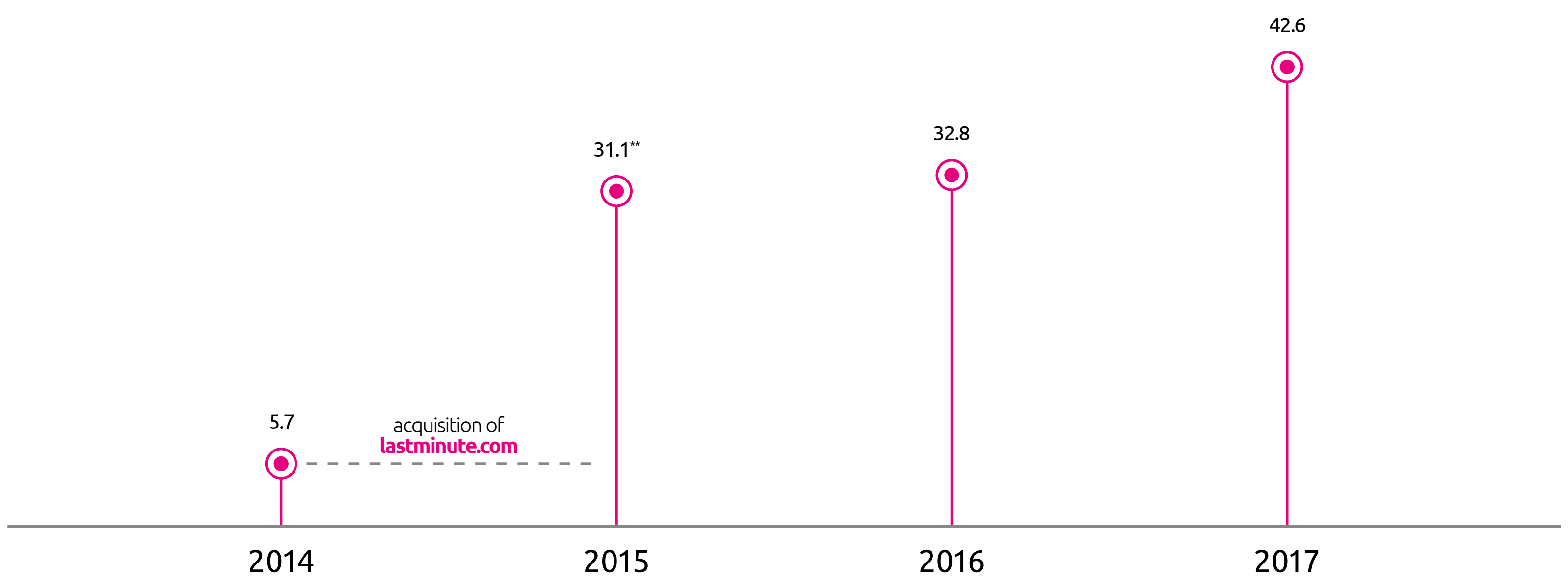
Dynamic Packages

Relevance is a combination of price, timing, duration, and personal preferences. That's why bundled solutions, not only created by manual input in the search & booking phase, but even more dynamically generated by a sophisticated machine based on analysis of customer's purchasing behaviour, are more relevant and well appreciated than stand-alone products.

Selections of the best vertical partners on the market in order to increase value for our customers offering experiences and financial services and maximising our revenues

The way **lastminute.com** is smashing the online travel market and catching huge opportunities in the offline field, where traditional Tour Operator are struggling to evolve

What the market is telling us - DPs revenue growth*



* DP revenue includes advertising revenue pro-quota

** 13.3M from Bravofly Rumbo Group, 17.8M from lastminute.com

lastminute.com, expanding into B2B area creating solutions for other OTAs, Hotel chains, Airlines and media partners

Besides the traditional OTA B2C model, we provide key functionalities to other players thanks to our trusted and well perceived capabilities, thus **consolidating our leadership position in strategic areas of business**. Conversely we'll plug-in third parties content and features into our platform to complement our value proposition.

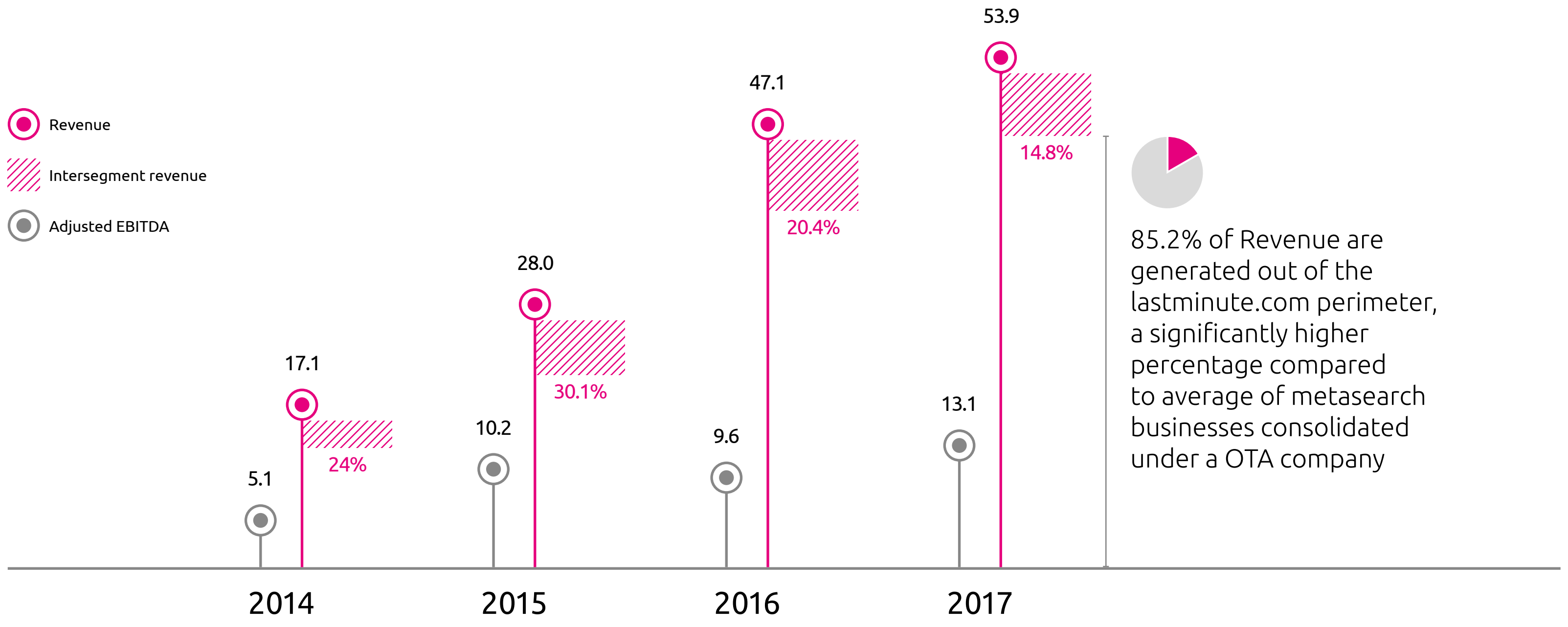
Owned properties	Alliances	Third-party properties
45M unique visitors, 100 websites available in 17 languages and 40 countries, multi-brand architecture, diversified business proposition	Proprietary solutions implemented on other OTAs websites Third party functionalities plugged-in on our platforms	Other players willing to integrate functionalities into their proposition Features supplied by specialised technology and content providers

Our plug&play technology architecture allows easy and fast integration of content, features and business logics in the context of a partnership

Powered by lastminute.com

Others know we are a Dynamic Packages Market Leader

lastminute.com, a scalable and efficient META platform for flights and hotels



85.2% 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

39 Countries

47% Revenue CAGR '14 - '17

24% Adjusted EBITDA margin 2017

Key highlights

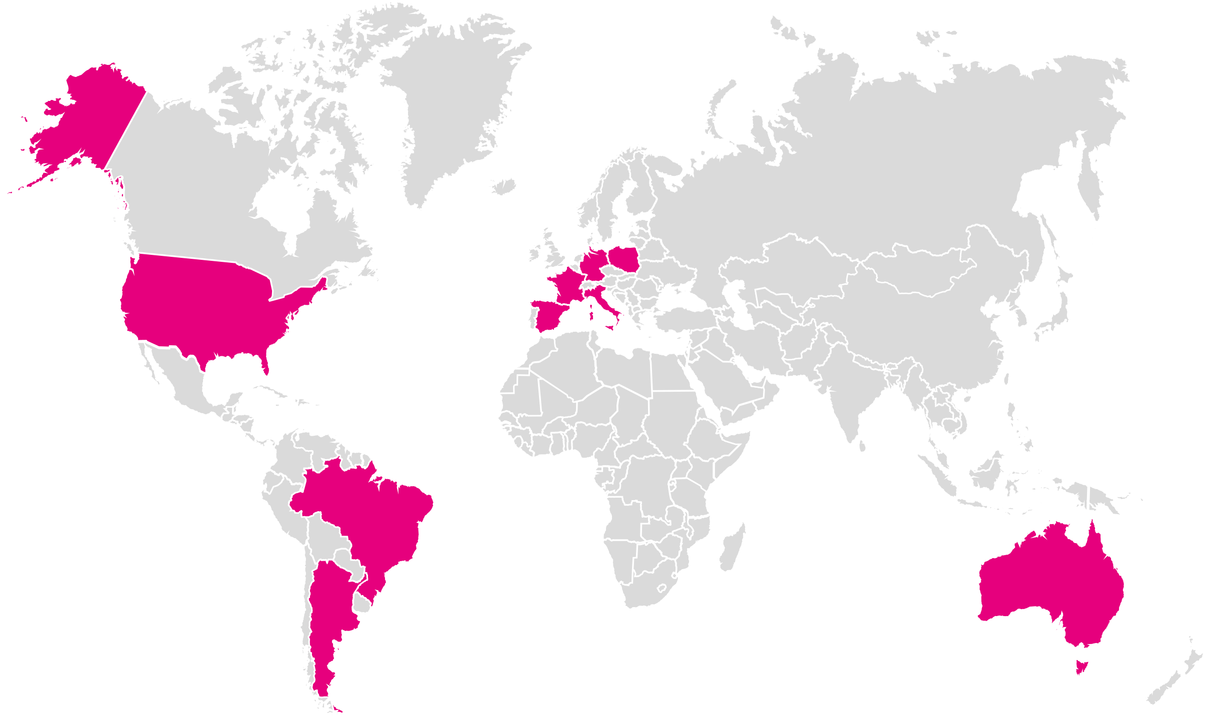
- Lean structure, fast and responsive with strong execution capabilities
- Able to scale META business to other verticals, Car Rental, Hotels
- The capability to penetrate new markets through effective strategy and efficient marketing spending
- We can adapt revenue sources quickly depending on market configuration, optimizing yield management and growth

Jetcost's user-friendly, no-frills interface makes searching for fares easy and allows you to quickly compare the best available low fares.

Jetcost and Hotelscan provide an extensive database of products and services from hundreds of travel suppliers (Flights, Hotels, Cars) increasing the opportunities to find the solutions that meet users' requirements.

Our Metasearch business expanded into other verticals with the acquisition of Hotelscan, which complemented our high-end skill and expertise.

When it comes to helping people find the best travel solution, Jetcost + Hotelscan is the most reliable and fastest tool available.



Our **META** division operates localised websites in **39 countries**, and has recently entered into **5 new markets** outside of Europe, including Brazil and Australia. It is one of the leading players in its home-market - France - it is strategically positioned in Italy and Spain and it is exploiting huge potential in US as a fast-growing newcomer.

lastminute.com, offers a best-in-class advertising technology platform to capture and inspire audiences

Revenue and Profits growth

Build new products

DIVERSIFY

Goal: expand Audience reach beyond OTA, to continue growing revenues and margins.

Scale Audience play

CONSOLIDATE

Goal: optimise OTA monetisation through Audience solutions and advanced yield.

LM Travelpeople

BUILD

Goal: monetise OTA through media sales, streamlining team and technology.

Here we are

Product diversification

Assets

CAPABILITIES & SOLUTIONS

MEDIA SOLUTIONS

AUDIENCE & REMARKETING

TRAVEL INSIGHTS

FAN GROWTH

PARTNERSHIP CO-MARKETING

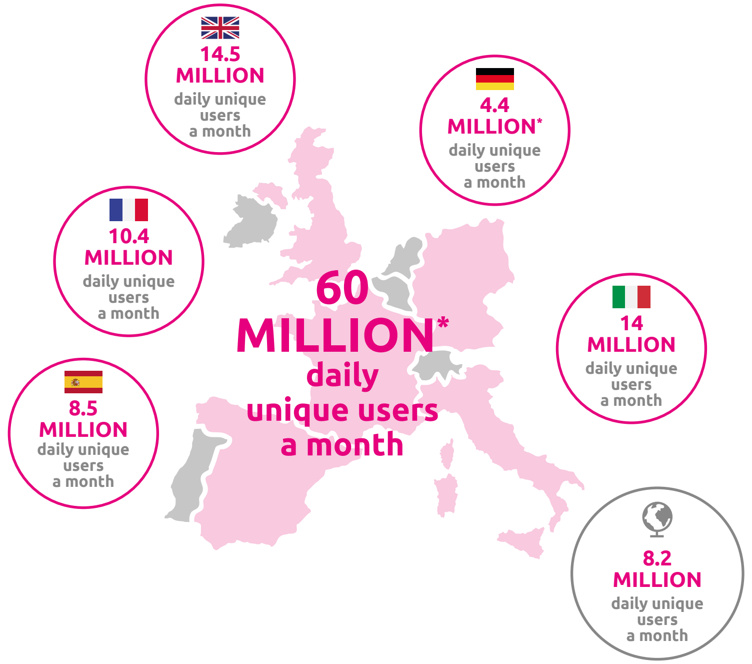
MICROSITES

CURATED VIDEO

SOCIAL INFLUENCERS

EDITORIAL

AUDIENCE



* Including partnerships

lm travelpeople ENGAGING AUDIENCES

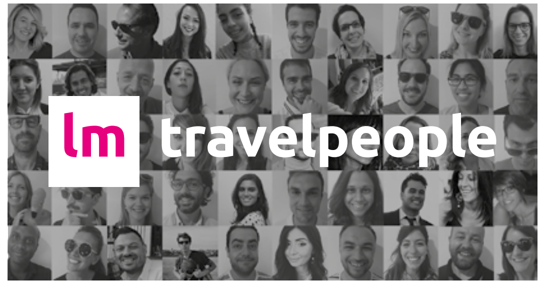
With 45 million unique visitors every month and access to 60 million travelers across Europe, we offer brands access to a truly diverse audience across Europe.**

Our network of market-leading online travel sites attracts customers who are willing to spend and traditionally hard to reach.

With dedicated in-house teams across Europe we are the experts in helping brands reach and inspire travelers at every stage of their journey.

PEOPLE

The Travel People team consists over 80+ media and tech professionals, each possessing an unrivalled depth of expertise in media and advertising technology solutions for brands



SERVICES

lm travel alliance SITE REPRESENTATION AND PUBLISHER NETWORK

ch content hub MEDIA PLATFORM AND CMS

** Including Weg.de UVs

CFO’s Letter

2017 has represented a very positive year for lastminute.com. Business Ebitda combining OTA and Meta amounts to 27.5M, +8.3% vs 2016, despite a decrease in the flights margin commission, driven by competition, and having absorbed significant higher advertising investments (around +6 mln vs 2016).
This has been possible thanks to the successful diversification strategy adopted by the group following the acquisition of lastminute.com, aimed to develop cross-sell towards dynamic packages leveraging on the traffic generated by flights business, and increasing the positive contribution of new revenue streams (ie ancillaries and media)
Non flight businesses today represent more than 50% of the company contribution margin, a cornerstone in the Group history and a key fact looking at the diversification of the business model and the future results we expect in terms of value generation.

In that respect the recent acquisition of Comvel gmbh (not consolidated in the FY2017 figures), is a further step forward in such a direction with its nearly €20M revenue, 82% made in the vacation packages business.

On a stand-alone basis, flight slightly decreased in terms of volume (-3% bookings vs 2016), while at a consolidated level, whether we should also consider the flight tickets sold through dynamic packages, as the number of bookings in 2017 is aligned with 2016 (-0.6%) and the number of handled passengers higher by 3.5%. However, the decrease of margin commissions has been significant and, even if partially offset by the increase of ancillaries and B2B commissions, it resulted in a decrease of revenue and profitability of 10% and 8% respectively vs last year.

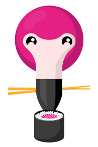
Jetcost still has strong momentum, showing double digit growth in terms of Revenue with Adjusted EBITDA margin of 24%. The Metasearch business, which represented the 8% of the Group Revenues only two years ago now counts for 18% and represents approximately 50% of the Group EBITDA. The acquisition of Hotelscan closed in the last quarter, will contribute to supporting the expansion into other verticals and help sustain this growth trend. Fixed cost base has been kept under control and in line vs 2016.

Mobile traffic, where conversion rate is still lower, is rising at a fast pace and is now well above 50%. Bookings through mobile in December overtook 35% of total bookings against EU competitor’s average which stands below 25%, showing the ability of the Group to intercept such a trend and properly engage customers through a comprehensive multi-device interaction.

On the other hand non-core business lines, extraordinary events and, higher investments in the brand area significantly impacted the Group result. In detail: Investments in brand campaigns were around €6.0M higher than in 2016; Media margins were stable vs 2016 despite lower traffic from desktop. Fines from Italian Antitrust Authority, received at the end of 2017 by us together with other OTAs, were €2.4M, and have been conservatively entirely accrued on 2017 accounts. The Company will proceed to appeal against it. The result of Destination Italia - a joint venture established with Banca Intesa with the objective of developing inbound tourism floes in Italy - was (€3M) negative at EBITDA level.

The expected overall effect is approximately 12 mln€ lower Adjusted EBITDA vs 2016 and a Net Loss of (€7.8M) against Net Earnings of €6.7M in 2016. Cash at the end of the year was €52.1M (€60.2M in 2016), impacted by extraordinary expenses of about €9.5M related to the Share Buy Back program and the first instalment paid for Comvel gmbh acquisition.

Sergio Signoretti
CFO

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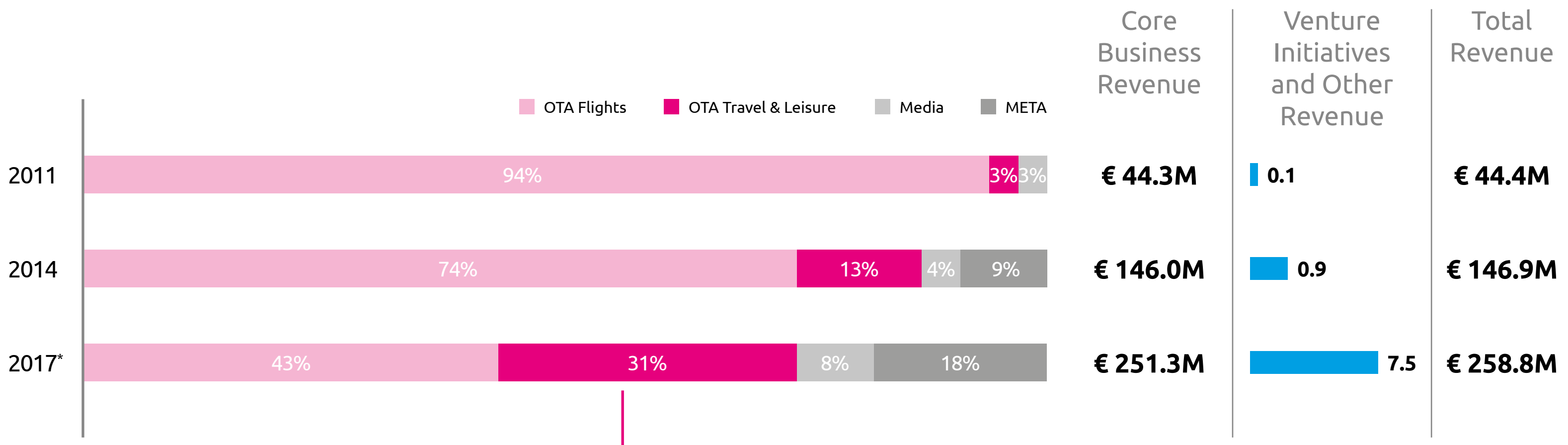
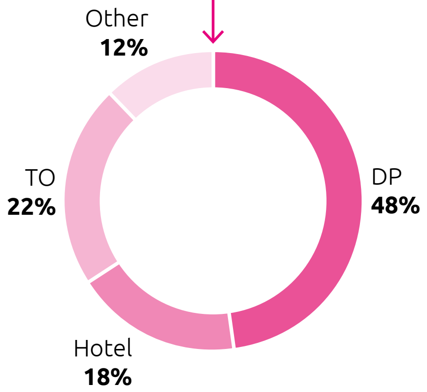
lastminute.com, a successful journey of growth and diversification

Core Business Revenue by product





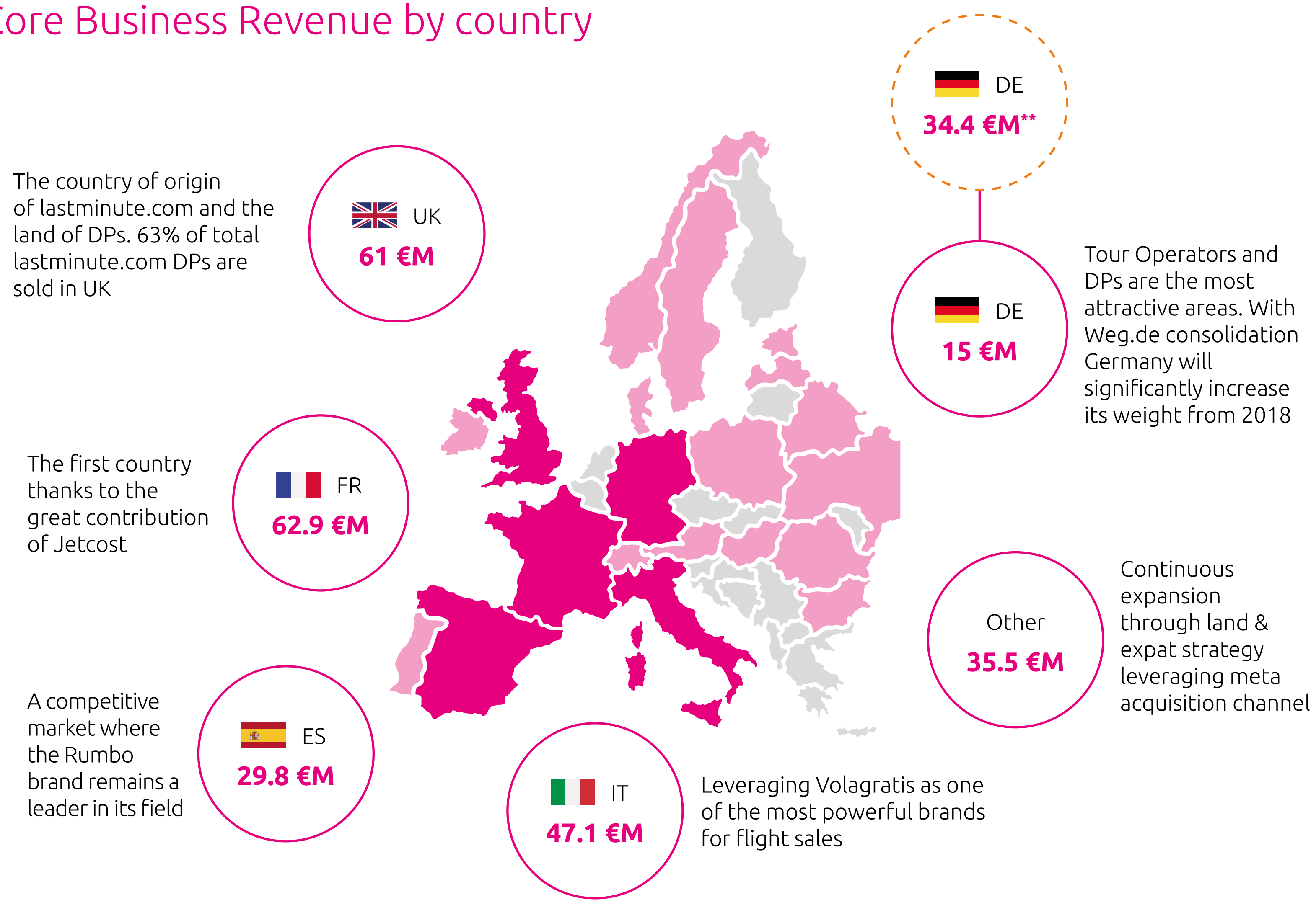
Packaged products (DP+TO) count for 70% of Travel & Leisure business and around 30% of total OTA revenues

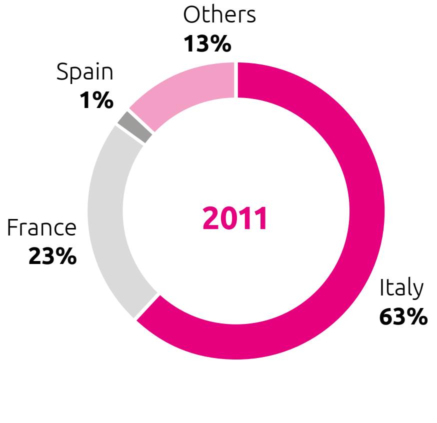
in '000 EUR	2011	2014	2017	CAGR
OTA Flight[1]	41.6	107.8	107.4	17.1%
OTA T&L[1]	1.3	19.8	78.6	98.1%
META	-	13.0	45.0	51.4%
Media	1.4	5.5	20.2	54.3%
[1] of which Experiences and Services	0.4	12.1	25.2	99.5%

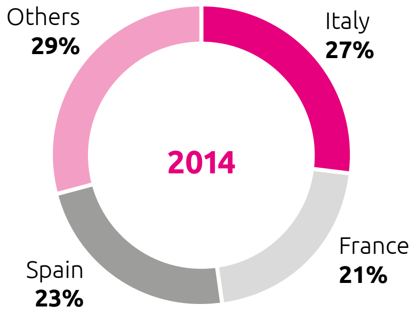
Experiences and Services are becoming a key strategic area of considerable size (13.5% of OTA revenue). Travelers are willing to significantly increase the spend to personalise their travel experience, particularly in the flight booking phase. Up/cross-selling of a full array of relevant and tailored services generates revenue and profits able to offset the contextual decrease of margin commissions that OTAs applies to the selling of a stand-alone flight ticket.

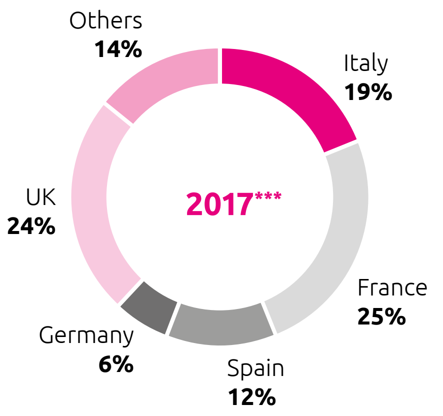
* To see FY pro-forma breakdown by product including Weg.de acquisition see page 49

Core Business Revenue by country









** FY2017 pro-forma figures including Weg.de revenue
*** To see FY pro-forma breakdown by country including Weg.de acquisition see page 49

Performance representation

The Company privileged profitable bookings against pure volume growth. Such decision resulted in slightly lower bookings (-2.7%). On the other hand the shift toward packaged business makes the average ticket higher (+4.5%).

	2017	2016	Delta %
GTV (€M)	2,042.5	2,007.4	1.7%
Bookings (thousands)	4,441.5	4,562.7	-2.7%
GTV/Booking (€)	460	440	4.5%

Revenue were substantially stable, even considering a significantly lower impact of non-recurring business revenue (from 14M to 3.9M). The strong increase of Dynamic Packages, Ancillaries and META almost completely offset the decrease on flights.

	2017	2016	Delta %
Total Group Revenue	**258.8**	**261.5**	**-1.0%**
Venture Initiatives	-3.7	0	-
Non-recurring Business Revenue	-3.9	-14.0	-72.1%
Core Business Revenue	**251.3**	**247.5**	**1.5%**

Core Business Revenue refer to lastminute.com business (OTA, META, Media). As showed above neither minor businesses nor non-recurring business revenue are considered.
See next page for further details.

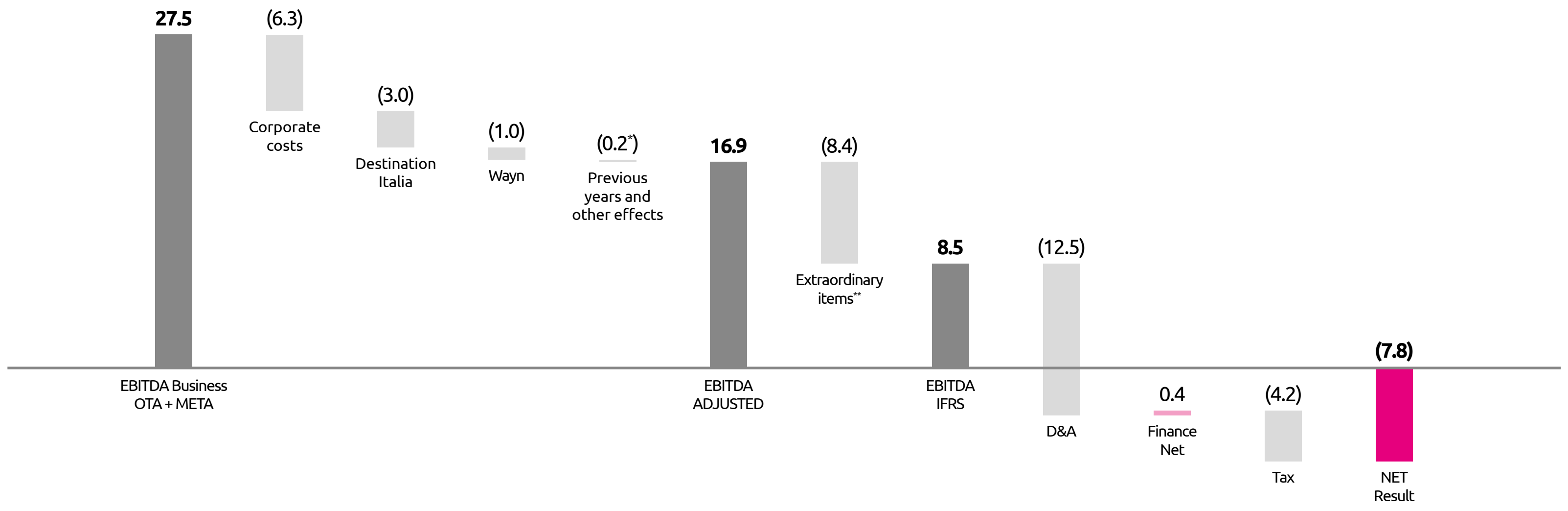
The Company pushed on brand investments, confident that such move will have a long-term positive impact on audience engagement and brand perception. Improved effectiveness of marketing spend (performance mktg/revenue ratio is now 38.5% vs 40.1% in 2016) and higher efficiency both at variable and fixed costs level, brought Business EBITDA up to €27.5M, +8.3% vs 2016.

	2017	2016	Delta %
Performance Marketing costs	-96.8	-99.3	-2.5%
Brand Marketing costs	-16.3	-10.8	50.8%
Other costs	-110.7	-112.0	-1.2%
Business EBITDA	**27.5**	**25.4**	**8.3%**

From Business EBITDA to Net Result

1. Only lastminute.com Core Business revenue, as per the following split, are considered:
   - OTA
   - META
   - Media
2. Venture Initiatives (minor businesses and non-recurring business revenue) are excluded from P&L perimeter
3. The whole amount of "Corporate Costs", including service functions, top management, IT and overhead not directly referring to a specific business line, is € 16.3M.
4. € 10.0M of such Corporate Costs have been allocated to the business lines according to a criteria of competence.
5. On the other hand, € 6.3M have been subtracted from OTA, META and Media Personnel and OPEX costs because neither are directly or indirectly allocable to business. Business EBITDA calculation has been conducted net of these costs.

€M 2017 Actual



* Non-recurring business revenue and costs
** See Note 5 - Segment Information

lastminute.com + weg.de

scale and cross-selling opportunities in the largest European Market

WHAT: Number 4 Ota in the German holiday packages market
WHY: weg.de is a plug and play solution for LMN to increase share in the largest European travel market and a further step forward for the diversification of the Group revenue stream (geography and value proposition)

WHAT: Germany is the EU advanced country with the lowest online penetration
WHY: Great opportunity to surf the wave of the digitalization. Online packages are expected to grow at a faster pace than the average of the travel market thanks to progressive shift to online

WHAT: Brand with tremendous awareness
WHY: Concrete opportunity to cross-sell lastminute.com products and services, tapping brand marketing investments that significantly increased the percentage of direct traffic

COMVEL GmbH

OWN Websites

weg.de

WHITELABEL Websites

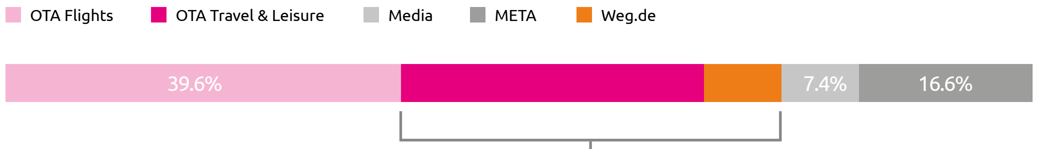
ferien.de, s-urlaub.de, tropo, Restplatzboerse, Verivox, DB

88% of all bookings on weg.de

2017 Gross travel value of €223M Revenue €19.4M, average ticket €1,330 98% on package-travel (82%) + hotel-only (16%)

EXPANSION & DIVERSIFICATION

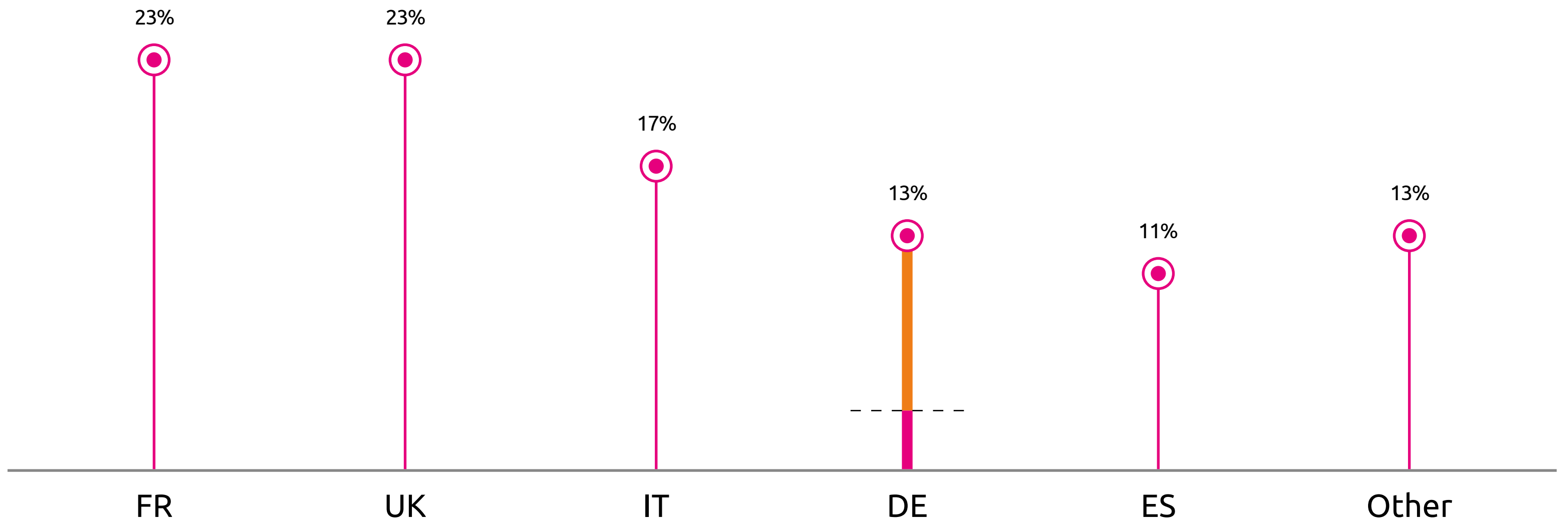
PRO-FORMA 2017 Core Business Revenue breakdown - PRODUCT



Travel & Leisure 36.4%

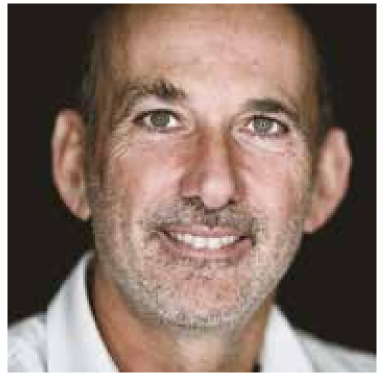
Dynamic Packages*	39%
Tour Operator*	34%
Hotel	18%
Other	9%
***Packaged products**	**73%**

PRO-FORMA 2017 Core Business Revenue breakdown - COUNTRY




lastminute.com
whatever makes you pink
Make your heart your compass
Romantic Breaks
Book Now

Entrepreneurial and experienced management team focused on execution



Fabio Cannavale - Group CEO

- Co-Founded Volagratis in 2004, now lmgroup
- Co-Founded eDreams Italy in 1998
- Consultant at McKinsey and AtKearney
- Degree in Engineering from Politecnico di Milano
- MBA from INSEAD

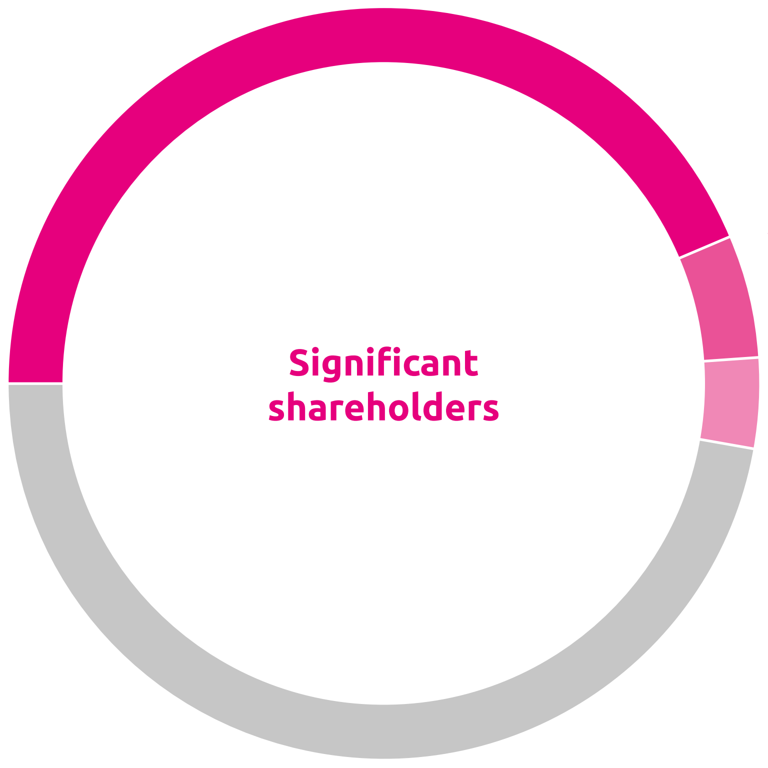
Marco Corradino - lastminute.com CEO

- Co-founded Volagratis in 2004, now lmgroup
- Marketing Director eDreams Italy
- MBA and Degree in Political Economy

Sergio Signoretti - CFO

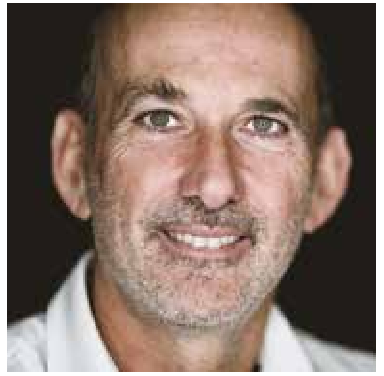
- Joined lmgroup in 2017
- CEO at Cartalis Imel (IGT-Lottomatica)
- CEO at Lottomatica Videolot Rete
- Head of Planning and Control in various corporates (Omnitel ,Lottomatica)
- Degree in Economics at Roma La Sapienza, Chartered Accountant

Shareholders structure*



Footnotes: lastminute.com N.V. is a publicly traded company listed under the ticker symbol LMN on SIX Swiss Exchange.
* Ownership structure as of 1st February 2018.
** The shareholding agreement involves 18 entities, including Freesailors Cooperatief UA holding 35% of the total issued capital.
The shareholding agreement will remain in force till April 2020. Main shareholder is Freesailors Cooperatief SA holding 35% of the total issued capital.
Effective 30 January 2018, the total issued number of shares decreased from 14,622,631 to 13,857,614 after the cancellation of 765,017 treasury shares subsequent to the respective Shareholder's resolution taken during the 21 September 2017 EGM.

Board of Directors



Fabio Cannavale - Executive Director, CEO

Fabio Cannavale holds a Diploma in Engineering from Politecnico di Milano as well as an MBA from INSEAD, Fontainebleau, France. He co-founded Volagratis with Marco Corradino in 2004 and became Chairman of Bravofly Rumbo Group, now lastminute.com Group. He started his career as a Consultant, working between 1989 and 1996 for A. T. Kearney and McKinsey & Company. Between 1996 and 1998, he launched The Floating Village in Venezuela, an innovative concept of a holiday village built on boats. From 1999 to 2001 he was a part of the Management Team of eDreams, an online travel start-up, and from 2001 to 2004 worked for his family-owned businesses and collaborated with a not-for-profit entity. He is also a member of the Board of Directors of Cavotec SA, Nomina SA and Consortium Real Estate BV.

Marco Corradino - Executive Director, COO

In 2004, Marco Corradino co-founded Volagratis with Fabio Cannavale, the first search engine for low cost flights in Italy and the foundation for what was to become Bravofly Rumbo Group and subsequently lastminute.com Group. Marco Corradino, an entrepreneur and business angel, has held different positions within the Group and is now its Chief Operating Officer as well as being an Executive Board Member since 12 February 2016.

Ottonel Popesco - Non-executive Chairman of the Board of Directors

Ottonel Popesco holds an MBA from Sorbonne University, an MSc in Economics from Bucharest Academy, an Ingénieur Professionnel de France Diploma from Societé Nationale des Ingénieurs Professionnels de France and a Diploma in Strategic Marketing Management from Harvard Business School. He was Group CEO and he is a member of the Board of Directors of Cavotec SA Switzerland, a Nasdaq OMX listed company, President of the Port Equipment Manufacturer Association (PEMA) Belgium and an Associated Member of the Engineering Committee of the American Association of Ports Authorities, USA.

Julia Bron - Non-executive Director*

Julia Bron has been in financial services for over 16 years during which time she advised clients on numerous transactions and restructuring and concluded various audit engagements both locally and internationally. She held titles of Senior Manager at PWC, Amsterdam (2009) and Manager at Deloitte in Amsterdam, Ljubljana and Minsk (1998 to 2007). She worked on formation and management of companies, standardisation of corporate governance, compliance and administration as Commercial Director at TMF, Amsterdam (2010 to 2012) and as Senior Integration Manager at Citco Funds, Amsterdam (2007 to 2008). Julia has been a Partner at Lainsburgh since 2012, specialising in staffing and structuring operations for international companies in the Netherlands. She holds a Law degree from Belarus State University.

Anna Gatti - Non-executive Director

Ms. Anna Gatti holds a Doctor of Philosophy in Business Administration and Management from Bocconi University, a post-doctoral Program in Organizational Behavior from Stanford University and a Doctor of Philosophy in Criminology from Trento University. She started in 2002 as research associate at the University of California Berkeley and then acted as Senior Economist at the United Nations (World Health Organization) until 2004 when she became a successful Partner of MyQube (Telecom Italia Venture Fund) generating direct investments in high-tech start-ups with particular focus on fixed and mobile telecommunications. In 2007 held the position of Head of International Consumer Operations at Google and Head of International Online Sales and Operations at YouTube. In 2011 moved to Skype becoming Sr. Director of Advertising and New Monetization and in 2012 co-founded Soshoma Inc. (Artificial Intelligence Start up) covering as well the position of CEO. She has been appointed board member for Buongiorno (2007-2012), Piquadro (2013-2016), Gtech/IGT (2014-2015), Banzai (2014-2015) and Rai Way from 2014 as of present day.

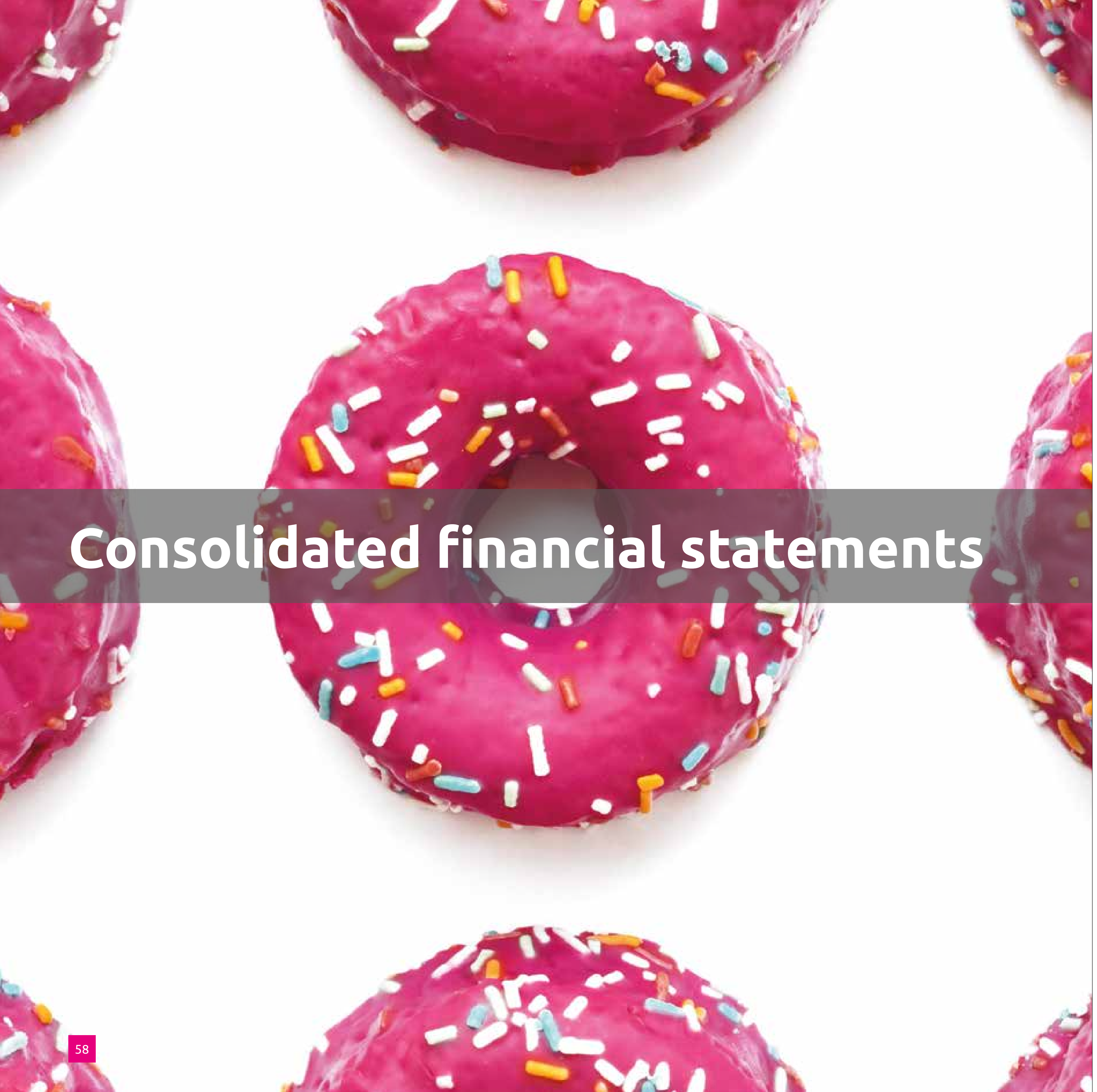
* Ms. Julia Bron and Ms. Anna Zanardi Cappon will not stand for re-election. Mr. Laurent Foata and Mr. Marcello di Staso have been proposed for election as non-executive directors at the next AGM to be held on 3 May 2018.

Anna Zanardi Cappon - Non-executive Director*

Ms. Anna Zanardi Cappon holds a degree in Scientific and Industrial Economics and she majored in Systemic Psychology, at Stanford University, and in Expressive and Artistic Therapies at Harvard University. She worked in the United States at the Mental Research Institute in Palo Alto and continued her studies of Ericksonian Hypnosis, Systemic Therapy and Family Therapy in San Francisco. She received a Doctor of Philosophy in Psychology, in Ljubljana, Slovenia, and later specialized in psychosomatics and family constellations. Presently, in addition to her work with psychology and psychotherapy, and as an advisor and consultant for large organizations, she teaches, writes and studies theology and Eastern philosophies. She is a director of several boards, for both listed companies and charity organizations.

Roberto Italia - Non-executive Director

Roberto Italia graduated in Economics from LUISS University, Rome, Italy, and holds an MBA from INSEAD, Fontainebleau, France. He started working at Telecom Italia Group in 1990 and since 1994 has been active in private equity, initially with Warburg Pincus, then with Henderson Private Capital and more recently with Cinven, to which he is now a Senior Advisor. Roberto is a co-founder and director of Space Holding Srl, Chief Executive Officer of Space2 SpA, and a Board Member of Avio SpA, Red Black Capital SA, Cinven Luxco 1 SA, Cinven Luxco 2 SA, FCP Manco Sarl and Digivalue Media Sarl.



Consolidated financial statements

Consolidated statement of profit or loss and other comprehensive income

in '000 EUR	Notes	2017	2016
Revenues	6	258,830	261,533
Marketing costs	7	(113,125)	(110,110)
Personnel costs	8	(61,933)	(51,121)
Other operating costs	9	(75,276)	(76,773)
Amortization and depreciation	17/18	(11,985)	(11,162)
Impairment	18	(507)	(351)
Operating Profit / (Loss)		**(3,996)**	**12,016**
Gain from disposal of investments and other assets	10	2,065	-
Finance income	11	776	121
Finance costs	11	(2,362)	(3,207)
Share of result of equity-accounted investees	21	(133)	(66)
Profit / (Loss) before income tax		**(3,650)**	**8,864**
Income tax	12	(4,151)	(2,207)
Profit / (Loss) for the period		**(7,801)**	**6,657**
- thereof attributable to the Shareholders of lastminute.com NV	13	(6,450)	6,810
- thereof attributable to non-controlling interest		(1,351)	(153)
OTHER COMPREHENSIVE INCOME Items that will never be reclassified to profit or loss			
Remeasurements of the Employee benefits liability	14	22	217
Related tax	12	(25)	(24)
Items that will never be reclassified to profit or loss		**(3)**	**193**
Items that are or may be reclassified to profit or loss Foreign currency translation differences		**365**	**653**
Items that are or may be reclassified to profit or loss		**365**	**653**
Total other comprehensive income for the period, net of tax		**362**	**846**
Total comprehensive income		**(7,439)**	**7,503**
- thereof attributable to the Shareholders of lastminute.com NV		(6,088)	7,656
- thereof attributable to non-controlling interest		(1,351)	(153)
EARNINGS PER SHARE			
Basic earnings per share (euro)	13	(0.48)	0.49
Diluted earnings per share (euro)	13	(0.48)	0.49

Consolidated balance sheet

in '000 EUR	Notes	31 Dec 2017	31 Dec 2016
NON CURRENT ASSETS			
Property plant and equipment	17	3,243	3,593
Intangible assets	18	143,949	142,238
Goodwill	18/19	56,052	56,399
Non current financial assets	20	1,256	1,184
Investment in equity accounted investees	21	825	238
Deferred tax asset	12	6,419	7,477
TOTAL NON CURRENT ASSETS		**211,744**	**211,129**
CURRENT ASSETS			
Inventories		14	9
Current financial assets	20	1,922	2,210
Current tax assets	12	767	3,390
Trade and other receivables	22	77,992	49,749
Cash and cash equivalents	23	52,134	60,245
TOTAL CURRENT ASSETS		**132,829**	**115,603**
TOTAL ASSETS		**344,573**	**326,732**
Share capital	24	146	146
Capital reserves	24	127,751	127,751
Translation reserve	24	1,419	1,054
Treasury shares reserve	24	(16,738)	(12,364)
Retained earnings	24	19,191	25,714
EQUITY ATTRIBUTABLE TO SHAREHOLDERS OF LASTMINUTE.COM NV		**131,769**	**142,301**
Non-controlling interest	24	1,737	2,604
TOTAL EQUITY		**133,506**	**144,905**
NON CURRENT LIABILITIES			
Non current provisions	25	-	820
Employee benefits liabilities	14	5,678	5,052
Deferred tax liabilities	12	26,503	25,911
TOTAL NON CURRENT LIABILITIES		**32,181**	**31,783**

in '000 EUR	Notes	31 Dec 2017	31 Dec 2016
CURRENT LIABILITIES			
Current provisions	25	3,330	878
Short Term Financial Liabilities	26	10,015	7,680
Current tax liabilities	12	1,002	1,477
Trade and other payables	27	164,539	140,009
TOTAL CURRENT LIABILITIES		**178,886**	**150,044**
TOTAL LIABILITIES		**211,067**	**181,827**
TOTAL LIABILITIES AND EQUITY		**344,573**	**326,732**

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 2017		**146**	**127,751**	**1,054**	**(12,364)**	**25,714**	**142,301**	**2,604**	**144,905**
Result for the period		-	-	-	-	(6,450)	(6,450)	(1,351)	(7,801)
Other comprehensive income									
- Remeasurements of the Employee benefits liability (net of tax)	12/14	-	-	-	-	(3)	(3)	-	(3)
- Foreign currency translation differences	24	-	-	365	-	-	365	-	365
Total other comprehensive income net of tax		**-**	**-**	**365**	**-**	**(3)**	**362**	**-**	**362**
Total comprehensive income net of tax		**-**	**-**	**365**	**-**	**(6,453)**	**(6,088)**	**(1,351)**	**(7,439)**
Transactions with shareholders									
- Share-buy back plan	24	-	-	-	(4,725)	-	(4,725)	-	(4,725)
- Buy-back share options	15						-		-
- Sale of treasury shares	24				188		188		188
- Share-based payments	15	-	-	-	163	(38)	125	-	125
- Transactions with non-controlling interest	4					(32)	(32)	(253)	(285)
- Capital contribution by non-controlling interest	4						-	737	737
Total transactions with shareholders		**-**	**-**	**-**	**(4,374)**	**(70)**	**(4,444)**	**484**	**(3,960)**
Balance at 31 December 2017		**146**	**127,751**	**1,419**	**(16,738)**	**19,191**	**131,769**	**1,737**	**133,506**

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 2016		**146**	**127,751**	**401**	**(8,838)**	**21,363**	**140,823**	**(36)**	**140,787**
Result for the period		-	-	-	-	6,810	6,810	(153)	6,657
Other comprehensive income									
- Remeasurements of the Employee benefits liability (net of tax)	12/14	-	-	-	-	193	193	-	193
- Foreign currency translation differences		-	-	653	-		653	-	653
Total other comprehensive income net of tax		**-**	**-**	**653**	**-**	**193**	**846**	**-**	**846**
Total comprehensive income net of tax		**-**	**-**	**653**	**-**	**7,003**	**7,656**	**(153)**	**7,503**
Transactions with shareholders									
- Share-buy back plan	24	-	-	-	(5,534)	-	(5,534)	-	(5,534)
- Share-based payments	24/15	-	-	-	2,008	(2,260)	(252)	-	(252)
- Transactions with non-controlling interest	4	-	-	-	-	(392)	(392)	392	-
- Capital contribution by non-controlling interest	4	-	-	-	-	-	-	2,401	2,401
Total transactions with shareholders		**-**	**-**	**-**	**(3,526)**	**(2,652)**	**(6,178)**	**2,793**	**(3,385)**
Balance at 31 December 2016		**146**	**127,751**	**1,054**	**(12,364)**	**25,714**	**142,301**	**2,604**	**144,905**

Consolidated cash flow statement

in '000 EUR	Notes	2017	2016
Cash flow from operating activities			
Profit / (Loss) for the period		(7,801)	6,657
Adjustments for:			
- Amortization and depreciation	17/18	11,985	11,162
- Impairment losses on intangible and tangible assets	18	507	351
- Net finance result	11	1,586	3,086
- Gains/losses from disposal of inv, and other	10	(2,065)	-
- Income tax expense	12	4,151	2,207
- Share-based payments	15	(492)	-
- Share of result of equity-accounted investees	21	133	66
Change in trade and other receivables	22	(23,494)	(3,343)
Change in inventories		(4)	21
Change in trade and other payables	27	24,253	(7,192)
Change in provisions	25	1,633	(2,757)
Change in employee benefit liability	14	644	2,503
Interest paid	11	(99)	(69)
Income tax (paid)/received	12	(403)	(6,561)
Net cash (used in) / from operating activities		**10,534**	**6,131**
Cash flow from investing activities			
Interest received	11	13	23
Purchase of property, plant and equipment	17	(1,313)	(1,799)
Purchase of intangible assets	18	(11,747)	(10,867)
Proceeds from sale of intangible assets	18	-	53
Acquisition of subsidiaries, net of cash acquired	4	(5,000)	(1,275)
Proceeds form sales of subsidiaries and other investments	4	2,034	-
Acquisition / (Proceeds) of financial assets	20	218	(818)
Net cash (used in) / from investing activities		**(15,795)**	**(14,683)**
Cash flow from financing activities			
Proceeds from borrowings	26	14,043	7,680
Proceeds from exercise of share options	15	125	1,240
Repayments of borrowings	26	(11,425)	-
Payment in exchange of share options	15	-	(1,492)
Share Buy back plan	24	(4,725)	(5,534)
Acquisition of non-controlling interests	4/24	(214)	-
Capital contribution from non controlling interests	24	45	2,376
Net cash (used in)/from financing activities		**(2,151)**	**4,270**
Net increase / (decrease) in cash and cash equivalents		**(7,412)**	**(4,282)**
Cash and cash equivalents at 1 January	23	60,245	65,559
Effects of currency translation on cash and cash equivalents		(699)	(1,032)
Cash and cash equivalents at 31 December	23	52,134	60,245

Notes to the consolidated financial statements

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 financial statements of the Company as at and for the year ended 31 December 2017 include the Company and its subsidiaries (together referred to as "lastminute.com Group", the "Group" or "LMN" and individually as "Group entities"). Following the acquisition of lastminute.com from Sabre Corporation made on 2 March 2015 (see Note 4), the Annual General Meeting of Shareholders held on 19 May 2015 approved the change of the Company name from Bravofly Rumbo Group N.V. to lastminute.com N.V. 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.

Note 2 - Significant Accounting Policies

The accounting policies set out below have been applied consistently to all periods presented in these consolidated financial statements, except as explained in the paragraph that addresses adoption of new and revised standards and interpretations, and have been applied consistently by Group entities.
As a result of the acquisition of lastminute.com (see Note 4), the Group has foreign operations, consolidated as explained in the corresponding accounting policy below.

Basis of preparation

These consolidated financial statements have been prepared in accordance with "International Financial Reporting Standards" ("IFRSs") as endorsed by the European Union (EU) excluding the disclosures as required by Part 9 of Book 2 of the Dutch Civil Code. For better understanding of lastminute N.V.'s financial position and the results of operations, these consolidated financial statements should be read in conjunction with the lastminute N.V.'s audited statutory financial statements as of and for the year ended 31 December 2017, which include all disclosures required by International Financial Reporting Standards as adopted by European Union and the statutory provisions of Part 9, Book 2, of the Dutch Civil Code.

The consolidated financial statements are 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 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.

Adoption of new and revised standards and interpretations

The consolidated financial statements have been prepared on a going concern basis, with the directors having assessed that there are no financial, operating or other kind of indicators that might provide evidence of the Group's inability to meet its obligations in the foreseeable future and particularly in the next 12 months.
The consolidated financial statements were authorized for issue by the Board of Directors on 13 March 2018.

The Group has applied the following standards and amendments for the first time for their annual reporting period commencing 1 January 2017 :

- Amendments to IAS 7: Disclosure Initiative.
- Amendments to IAS 12: Recognition of Deferred Tax Assets for Unrealised Losses.

These revised standards did not have a material impact on the Group's consolidated financial statements.

Use of estimates and judgments

The preparation of the consolidated financial statements in conformity with IFRSs requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported

amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimates are revised and in any future periods affected. Estimates are based on historical experience and other factors, including expectations of future events that may have a financial impact on the entity and that are believed to be reasonable under the circumstances.
Information about critical judgments in applying accounting policies that have the most significant effect on the amounts recognized in the consolidated financial statements as well as information about assumptions and estimation uncertainties that have a significant risk of resulting in a material adjustment within the next financial year affects mainly the following areas:

Income taxes
As of 31 December 2017 the net liability for current taxes amounts to EUR 235 thousand (2016: net asset for current taxes of EUR 1,913 thousand). The net liability for deferred taxes amounts to EUR 20,085 thousand at 31 December 2017 (2016: EUR 18,434 thousand, refer to Note 12). Significant estimates are required in determining the current and deferred tax assets and liabilities. Some of these estimates are based on interpretations of existing tax laws and regulations. Management believes that these estimates are reasonable and that the recognized liabilities for income tax-related uncertainties are adequate. Various internal and external factors may have favorable or unfavorable effects on the income tax assets and liabilities. These factors include, but are not limited to, changes in tax laws and regulations or their interpretation, and changes in tax rates. Any such changes that arise could impact the current and deferred income tax assets and liabilities recognized in the balance sheet in future periods. Current tax comprises the expected tax payable or receivable on the taxable income or loss for the year and any adjustment to tax payable or receivable in respect of previous years. The amount of current tax payable or receivable is the best estimate of the tax amount expected to be paid or received that reflects uncertainty related to income taxes, if any. It is measured using tax rates enacted or substantively enacted at the reporting date. Current tax also includes any tax arising from dividends. Current tax assets and liabilities are offset only if certain criteria are met.
As of 31 December 2017 management recognised deferred tax assets on losses carried forward for EUR 5,199 thousand based on its estimates of future taxable profits. Management considered probable that future taxable profits will be available against which such losses can be used.

Provision and contingencies
The use of estimates and judgments is required in order to assess the amount and timing of future cash outflows to settle the present legal or constructive obligations. In case the estimates of Group's management differ significantly from effective cash outflows, the consolidated financial statements could be materially affected. Total provisions amount to EUR 3,330 thousand as of 31 December 2017 (EUR 1,698 thousand for 2016). For further information see Note 25.

Business combinations
The Group initially recognizes the fair value of identifiable assets acquired, the liabilities assumed, any non-controlling interest and the consideration transferred in a business combination. Management judgment is particularly involved in the recognition and fair value measurement of intellectual property and contingent consideration. In making this assessment, management considers the underlying economic substance of the items concerned in addition to the contractual terms. This process impacts the amounts assigned to individually identifiable assets and liabilities, the most significant ones being intangible assets. As a result, the purchase price allocation impacts Group's reported assets and liabilities, future net earnings due to the impact on future depreciation and amortization expense and impairment tests.

Impairment
As of 31 December 2017 and 2016 the Group had respectively EUR 56,052 thousand and EUR 56.399 thousand in goodwill (see Note 19) and EUR 121,454 thousand and EUR 121,454 thousand in intangible assets with an indefinite useful life (see Note 18). Assets that have an indefinite useful life, such as trademarks owned by the Group, goodwill and intangible assets not yet available for use are not subject to amortization and are annually tested for impairment. Assets that are subject to amortization are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable.

An impairment loss is recognized for the amount by which the asset's carrying amount exceeds its recoverable amount. To compute the recoverable amount the Group's management uses key assumptions, e.g. a discount rate reflecting the risk of the assets tested for impairment and future expected cash flows generated by these assets. Actual outcomes, e.g. cash flows, may vary significantly from those assumed by management. Factors such as the underperformance of the operating activities, worsening of market conditions, changes in discount rates and lower than anticipated revenues derived from the assets could lead to a significant impairment.

Basis of consolidation

The consolidated financial statements include the financial statements of the parent company lastminute.com N.V. and of the companies over which LMN has the right to exercise control, either directly or indirectly.

Business combinations
Business combinations are accounted for by applying the acquisition method. The Group measures goodwill as the fair value of the consideration transferred (including the fair value of any previously held equity interest in the acquiree) and the recognized amount of any non-controlling interests in the acquiree, less the net recognized amount (generally fair value) of the identifiable assets acquired and liabilities assumed, all measured as of the acquisition date. When the excess is negative, a bargain purchase gain is recognized immediately in profit or loss.
The Group elects on a transaction-by-transaction basis whether to measure non-controlling interests at their fair value or at their proportionate share of the recognized amount of the identifiable net assets, at the acquisition date.

Consideration transferred includes the fair values of the assets transferred, liabilities incurred by the Group to the previous owners of the acquiree, equity interests issued by the Group and the fair value of any contingent consideration. Transaction costs, other than those associated with the issue of debt or equity securities, incurred in connection with a business combination are expensed as incurred.

Subsidiaries
Control exists when lastminute.com N.V. is exposed, or has rights, to variable returns from its involvement with an investee and has the ability to affect those returns through its power over the investee.
The financial statements of subsidiaries that are controlled by the Group are included in the consolidated financial statements from the date that control commences until the date that control ceases. The accounting policies of subsidiaries have been changed when necessary to align them with the policies adopted by the Group.

Transactions eliminated on consolidation
Intra-group balances and transactions, and any unrealized income and expenses arising from intra-group transactions, are eliminated in preparing the consolidated financial statements. Unrealized losses are eliminated in the same way as unrealized gains, but only to the extent that there is no evidence of impairment.

Changes in ownership interests in subsidiaries without change of control
Transactions with non-controlling interests that do not result in loss of control are accounted for as equity transactions that is, as transactions with the owners acting in their capacity of owners. The difference between fair value of any consideration paid and the relevant share acquired of the carrying value of net assets of the subsidiary is recorded in equity. Gains or losses on disposals to non-controlling interests are also recorded in equity.

Loss of control
When the Group ceases to have control over a subsidiary it derecognizes the assets and liabilities of the subsidi-

ary, and any related non-controlling interest and other components of equity. Any resulting gain or loss is recognized in profit or loss. Any interest retained in the former subsidiary is measured at fair value when control is lost. This value is the initial carrying amount for the purposes of subsequently accounting for the retained interest as an associate, joint venture or financial asset.

Interests in equity-accounted investees

The Group's interests in equity-accounted investees comprise interests in associates, which are those entities in which the Group has significant influence, but not control or joint control, over the financial and operating policies (generally a 20% to 50% shareholding). Interests in associates are accounted for using the equity method. They are recognized initially at cost. Subsequent to initial recognition, the consolidated financial statements include the Group's share of the profit or loss and other comprehensive income of equity-accounted investees, until the date on which significant influence ceases.
Additional information regarding changes in the consolidation area is provided in Note 4.

Functional and presentation currency

The financial statements of subsidiaries, associates and joint ventures are prepared in the currency of the primary economic environment in which they operate (the "functional currency"). The consolidated financial statements are presented in Euro (EUR), which is the functional currency of the parent company. In individual companies, transactions in foreign currencies are recorded at the rate of exchange at the date of the transaction. Monetary assets and liabilities in foreign currencies are translated into the functional currency at year-end rates. Any resulting exchange differences are recognized in profit or loss.
Foreign operations are consolidated as follows:

- 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 when considered a reasonable approximation of the spot rate.
- 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.

Property, plant and equipment

Property, Plant and Equipment is stated at acquisition or construction cost less accumulated depreciation and impairment losses or reversals. Acquisition and construction cost includes all expenses directly attributable to the acquisition and necessary to bring the asset to working condition for its intended use.
Where parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate components of property, plant and equipment. Borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset will be capitalized as part of the acquisition cost of that asset. An asset is deemed to be a qualifying asset if a substantial amount of time is required to ensure that it is in the intended state ready for use or sale.

Subsequent costs

Subsequent expenditure are capitalized only when it is probable that the future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. All other repairs and maintenance are expensed as incurred.

Depreciation

Depreciation is charged to profit or loss on a straight-line basis over the following estimated useful lives:

IT Equipment	5 years
Furniture	3-5 years
Other property, plant and equipment	4 years

Land is not depreciated. Depreciation on property, plant and equipment begins when it is in the working condition intended by Management.
The residual value and the useful economic life of property, plant and equipment are reviewed annually and adjusted where necessary. Gains and losses arising from the sale of property, plant and equipment are recognized in profit or loss. An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Intangible assets

Intangible assets are stated at cost less any accumulated amortization and impairment losses.

Trademarks

Separately acquired trademarks are recognized at historical cost. Trademarks acquired in a business combination are recognized at fair value at the acquisition date. They are tested annually for impairment. All trademarks have been assumed to have an indefinite life upon the absence of a foreseeable limit to the period over which the assets are expected to generate net cash inflows. They are tested annually for impairment or whenever events or changes in circumstances indicate that trademarks may be impaired.

Capitalized development costs

The capitalized development costs of lastminute.com Group consist mainly of capitalized internal and external expenditures for the development of the websites of lastminute.com Group.
Internal and external development expenditures are capitalized if:

- they lead to new or substantially improved features on the internet page or other intangible assets;
- the finalization of the development is technically and commercially feasible;
- the Group has the intention to complete the project and the ability to use the new or substantially improved features;
- the Group has sufficient resources to complete the development; and
- the expenditure can be measured reliably.

Development expenditures that do not fulfil the above criteria are expensed as incurred.
The expenditure capitalized includes the cost of materials together with internal and external project costs as well as borrowing costs that are directly attributable to a development project.

Amortization

Amortization of intangible assets is charged to profit or loss on a straight-line basis over their estimated useful life. Amortization of intangible assets begins at the date they are available for use. Intangible assets with an indefinite useful life are not amortized. They are tested annually for impairment or whenever events or changes in circumstances indicate that trademarks may be impaired.
The estimated useful lives are as follows:

Capitalized development cost	2-3 years

The other intangible assets are amortised on a straight-line basis over the estimated useful lives of the assets concerned.

The residual value and the useful economic life of intangible assets are reviewed annually and adjusted where necessary. Gains and losses arising from the sale of intangible assets are recognized in profit or loss.

Goodwill

At the date of acquisition and the date of control, the equity of the consolidated companies is determined by attributing to the individual assets and liabilities their fair value. The remaining difference, if any, compared to the

cost of acquisition, if positive, is recorded in goodwill; if negative, after having remeasured the fair value of the acquired assets and liabilities, such difference is recognized in the income statement. Whenever the initial recognition of a business combination can be determined only provisionally, adjustments to the initially allocated values are recognized within 12 months from the acquisition date.
Goodwill is tested for impairment at least annually or more frequently whenever events or changes in circumstances indicate that goodwill may be impaired, as set forth in IAS 36 (Impairment of Assets); however, when the conditions that gave rise to an impairment loss no longer exist, the original amount of goodwill is not reinstated. The test is conducted at the end of every year so the date of testing is the year-end closing date of the consolidated financial statements. Goodwill acquired and allocated during the year is tested for impairment at the end of the year in which the acquisition and allocation took place.
Goodwill is allocated and tested at operating segment level as it is not monitored at a lower CGU level.

Impairment of non-financial assets

The carrying amount of the Group's property, plant and equipment and intangible assets is reviewed at each balance sheet date to determine whether there is any indication of impairment. If such indication exists, the asset's (or the respective cash-generating units) recoverable amount, being the higher of its fair value less cost of disposal and its value in use, is estimated. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. Goodwill and intangible assets with indefinite useful lives are tested for impairment at least annually. Any impairment loss is recognized in the income statement whenever the carrying amount of an asset or its cash-generating unit exceeds its recoverable amount.
Impairment losses recognized in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reviewed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortization, if no impairment loss had been recognized. An impairment loss in respect of goodwill is not reversed.

Leasing

The present value of finance lease obligations is recognized on the balance sheet if substantially all risks and rewards associated with ownership have been transferred to the Group entity.
Minimum lease payments made under finance leases are divided into an interest expense and a reduction of the outstanding liability based on the annuity method. The interest expense is allocated to each period during the lease term so as to produce a constant periodic rate of interest on the remaining balance of the liability. Assets held under finance leases are depreciated over the shorter of their estimated useful life and the lease term.
Operating lease instalments are charged to profit or loss on a straight-line basis over the lease term. Lease incentives received are recognized as an integral part of the total lease expense, over the term of the lease.

Financial instruments

Financial assets
Financial assets are initially recognized on the trade date at fair value plus any directly related transaction costs (unless held for trading purposes or designated at fair value through profit or loss). Subsequently, they are categorized and measured as follows:

- financial assets held for trading purposes or designated at fair value through profit or loss at fair value, whereby changes in the fair value are immediately recognized in profit or loss;
- loans and receivables at amortized cost, whereby the difference between the issue and repayment amount is recognized in profit or loss using the effective interest method over the period to maturity;

The classification of financial assets depends on the purpose for which they were acquired. Management determines the classification at initial recognition.

Impairment of financial Assets
Financial assets are assessed at each reporting date to determine whether there is objective evidence that they are impaired. A financial asset is impaired if objective evidence indicates that a loss event has occurred after the initial recognition of the asset, and that the loss event had a negative effect on the estimated future cash flows of that asset that can be estimated reliably. The Group considers evidence of impairment for receivables at both a specific asset and collective level. In assessing collective impairment the Group uses historical trends of the probability of default, timing of recoveries and the amount of loss incurred, adjusted for management's judgment as to whether current economic and credit conditions are such that the actual losses are likely to be greater or less than suggested by historical trends.

Investments
Investments are measured at fair value with changes in their value recognized in profit or loss.

Trade and other receivables
Trade and other receivables are initially measured at fair value. Subsequent to initial recognition, they are measured at amortized cost, based on the effective interest rate method, which generally corresponds to their nominal value.

Cash and cash equivalents
Cash and cash equivalents are stated at nominal value. They include cash on hand, bank accounts, debit balances on credit card accounts and fixed-term deposits with a term of less than 90 days based on original maturity date.

Financial liabilities
Financial liabilities are initially recognized at fair value less any directly attributable transaction costs. They are subsequently stated at amortized cost, whereby the difference between the issue and repayment amount is recognized in profit or loss using the effective interest method over the period to maturity.

Trade and other payables
Trade and other payables are stated initially at fair value and subsequently, which generally corresponds to their nominal value.

Provisions

Provisions are recognized when the Group has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation, and a reliable estimate of the amount can be made. If the effect of the time value is material, provisions are determined by discounting the expected future cash flows. In connection with flight ticket sales, lastminute.com Group offers its customers the possibility to acquire "Travelflex", which allows them to cancel the flight booking at their sole discretion obtaining a voucher for a 90% of the ticket price (excluding agency commissions and other products/services). Provisions are made to cover related expected claims and other directly related costs using current assumptions.

Employee benefits

Post-employment plans
The Group operates various post-employment schemes, including both defined benefit and defined contribution pension plans. For defined contribution plans, the Group pays contributions to publicly or privately administered pension insurance plans on a mandatory, contractual or voluntary basis. The group has no further payment obligations once the contributions have been paid. The contributions are recognised as employee benefit expense when they are due.

Post-employment plans for employees are maintained based on the respective legislation in each country. The plans in Switzerland, Italy and France are determined as defined benefit plans. The Swiss pension plan is financed by employer and employee contributions and the funds and foundation are financially independent from the

Group. The Italian plan relates to the employee severance indemnity (TFR) that represents a contribution plan. In France employees benefit from the "Indemnités de Fin de Carrière" defined as defined benefit plan.
The present value of the defined benefit obligation is calculated using the projected unit credit method. The pension fund obligations and the related plan assets are assessed annually by a qualified actuary. Current service costs and net interest on the net defined benefit liability or asset are recognized as "Personnel costs". The Group determines the net interest expense by applying the discount rate used to measure the defined benefit obligation at the beginning of the annual period to the then-net defined benefit liability or asset.
Remeasurements of the net defined benefit liability, which comprise actuarial gains and losses on the defined benefit obligation and the return on plan assets (excluding interest) are immediately recognized in other comprehensive income.
When the benefits of a plan are changed or when a plan is curtailed, the resulting change in benefit that relates to past service or the gain or loss on curtailment is recognized immediately as "Personnel costs". A net pension asset is recorded only to the extent that it does not exceed the present value of any economic benefits available in the form of any future refunds from the plan or reductions in the future contributions to the plan.

Share-Based Payment Transactions

The Group operates an cash-settled share-based compensation plan. One option gives the right to buy one share of the Company. The grant-date fair value of the options granted to employees is recognized as an employee expense over the vesting period, with a corresponding increase in equity over the same period. The amount recognized as an expense is adjusted to reflect the number of options for which the related service condition is expected to be met, such that the amount ultimately recognized as an expense is based on the number of options that meet the related service condition at the vesting date.
On 26 March 2015, the Group established a new cash-settled share-based payment arrangement. The fair value of the amount payable to employees in respect of the arrangement, which is settled in cash, is recognised as an expense with a corresponding increase in liabilities, over the period during which the employees become unconditionally entitled to payment. The liability is remeasured at each reporting date and at settlement date based on the fair value of the rights. Any changes in the liability are recognised in profit or loss.

Share capital

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of shares and options are shown in equity as a deduction, net of tax, from the proceeds.

Treasury shares

When shares recognized as equity are repurchased, the amount of the consideration paid, net of any tax effects, is recognized as a deduction from equity. Repurchased shares are classified as treasury shares and are presented in the treasury share reserve. When treasury shares are sold or reissued subsequently, the amount received is recognized as an increase in equity and the resulting surplus or deficit on the transaction is presented within Retained earnings.

Revenue recognition

Revenue is measured at the fair value of the consideration received or receivable, and represents amounts receivable for services rendered, stated net of discounts, cancellations and value added taxes. The Group recognizes revenue when the outcome of the underlying transaction can be estimated reliably. Revenue associated with the transaction is recognized by reference to the stage of completion of the transaction at the end of the reporting period. The outcome of a transaction can be estimated reliably when the amount of revenue can be measured reliably, it is probable that the economic benefits associated with the transaction will flow to the entity and the costs incurred for the transaction and the costs to complete the transaction can be measured reliably. The Group bases its estimate of cancellations on historical results, taking into consideration the type of customer, the type of transaction and the specifics of each arrangement.
Revenue from the intermediation of travel services consists of revenue from the services offered on the websites of lastminute.com Group by which customers have the ability to compare and book flights, hotel rooms and car rentals, or the combination of those products, and from the sale of third party travel insurance.

When a customer posts a booking on the internet page of the companies of the Group, lastminute.com Group passes the booking to the travel supplier. Lastminute.com Group acts as an agent or broker. Revenue from the intermediation of travel services therefore consists of the commission that represents the difference between the total amount receivable from the customer and the amount payable to the travel supplier or the related commissions received from the travel supplier.
Revenues for flights bookings, hotel room bookings, cruise booking, holiday bookings, car rental bookings and travel insurance, are recognized when the booking is made, secured by credit card or other payment.
In connection with flight ticket sales, lastminute.com Group offers its customers the possibility to acquire "FullFlex", which allows them to cancel the covered flight booking at their sole discretion. When a customer cancels a flight booking covered by FullFlex, he or she obtains a voucher to be used for a replacement booking within a certain period of time of up to 18 months. The fees received for FullFlex are recognized at the time of booking adjusted for the related provision to cover related expected claims and other directly related costs using current assumptions.
Revenue from commissions paid by financial and commercial partners under specific revenue-sharing agreements, such as commissions received from telecom operators based on the volume of inbound calls to our premium customer service numbers, is recognized according to the information provided on their periodical statements.
Revenue from advertising services comprises revenue from providing advertisement banners on the Group's companies websites. Revenue derived from the delivery of advertisements is recognized either at the time of display of each individual advertisement, or by reference to the stage of completion over the advertising delivery period, depending on the terms of the contract. Revenue generated from advertising banners is recognized upon notification from the alliance partner that a transaction has occurred.

Income taxes

Income tax comprises current and deferred taxes. Income tax is recognized in profit or loss except to the extent that it relates to items recognized in other comprehensive income or directly in equity (i.e. transactions with shareholders), in which case it is recognized in other comprehensive income or equity.
Deferred taxes are determined using the balance sheet liability method, providing for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. The following temporary differences are not provided for: the initial recognition of assets or liabilities that affect neither accounting nor taxable profit, and differences relating to investments in subsidiaries to the extent that the Group is able to control the timing of the reversal of the temporary differences and it is probable that they will not reverse in the foreseeable future. No deferred taxes liabilities are recognised for taxable temporary differences upon the initial recognition of goodwill. The amount of deferred taxes is based on the expected manner of realization or settlement of the carrying amount of assets and liabilities, using tax rates enacted or substantively enacted at the balance sheet date.
Deferred tax assets resulting from temporary differences and tax loss carry-forwards are recognized only to the extent that it is probable that future taxable profits will be available against which the asset can be utilized. Deferred tax assets are reduced to the extent that it is no longer probable that the related tax benefit will be realized.
Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority.
Current tax assets and tax liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

New and revised standards and interpretations not yet applied

The following new and revised standards and interpretations have been issued but are not yet effective and are not applied early in these Consolidated Financial Statements. Their impact on the Consolidated Financial Statements has not been systematically analysed yet. The expected effects as disclosed in the table below reflect a first assessment by Group management:

New Standards or Interpretations	Effective date: annual period beginning on or after:	Mandatory application in the EU: annual period beginning on or after:
IFRS 15 Revenue from Contracts with Customers 1)	1 January 2018	Endorsed on 1 January 2018
IFRS 9 Financial Instruments 1)	1 January 2018	Endorsed on 1 January 2018
IFRS 16 Leases 4)	1 January 2019	Endorsed on 9 November 2017
IFRIC Interpretation 22 Foreign Currency Transactions and Advance Consideration 2)	1 January 2018	Not Yet endorsed
IFRIC 23 Uncertainty Income Tax Treatments 3)	1 January 2019	Not Yet endorsed
IFRS 17 Insurance Contracts 3)	1 January 2021	Not Yet endorsed
Revisions and amendments of Standards and Interpretations	**Effective date**	**Mandatory application**
Amendments to IFRS 2: Classification and Measurement of Share-based Payment Transactions 2)	1 January 2018	Not Yet endorsed
Amendments to IAS 40: Transfers of Investment Property 2)	1 January 2018	Not Yet endorsed
Amendments to IFRS 9: Prepayment Features with Negative Compensation 2)	1 January 2019	Not Yet endorsed
Amendments to IAS 28: Long-term Interests in Associates and Joint Ventures 2)	1 January 2019	Not Yet endorsed
Annual Improvements to IFRS Standards 2015-2017 Cycle 3)	1 January 2019	Not Yet endorsed
Amendments to IAS 19: Plan Amendment, Curtailment or Settlement 3)	1 January 2019	Not Yet endorsed

1) The impacts on the Consolidated Financial Statements of the Group are expected to be additional disclosures or minor changes in presentation of items.

2) No or no significant impacts are expected on the Consolidated Financial Statements of the Group.

3) The impact on the Consolidated Financial Statements of the Group cannot yet be determined with sufficient reliability.

4) In relation to the IFRS 16 the Group has already started a specific assessment. See the table below for further information

Certain new accounting standards and interpretations have been published that are not mandatory for 31 December 2017 reporting periods and have not been early adopted by the group. The group's assessment of the impact of these new standards and interpretations is set out below.

Title of the standard	IFRS 9 - Fianancial instruments
Nature of the change	IFRS 9 addresses the classification, measurement and derecognition of financial assets and financial liabilities, introduces new rules for hedge accounting and a new impairment model for financial assets.
Impact	The group has reviewed its financial assets and liabilities and is not expecting the significant impact from the adoption of the new standard on 1 January 2018 as follow: Financial assets currently measured under IAS 39 at fair value through profit or loss (FVPL) have been disposed in January 2018 and the Group will not enter in any other similar investments. The Group has no available for sale instruments. There will be 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 FVOCI, contract assets under IFRS 15 Revenue from Contracts with Customers, lease receivables, loan commitments and certain financial guarantee contracts. Based on the assessments undertaken to date, the Group doesn't expect a significant increase of allowance for bad debt, given that fact the overall net allowance for the entire Group has been less than EUR 0.2 million during 2017.
Date of adoption by the Group	Must be applied for financial years commencing on or after 1 January 2018. The Group will apply the new rules retrospectively from 1 January 2018, with the practical expedients permitted under the standard. Comparatives for 2017 will not be restated.
Title of the standard	**IFRS 15 - Revenue from Contracts with Customers**
Nature of the change	The IASB has issued a new standard for the recognition of revenue. This will replace IAS 18 which covers contracts for goods and services and IAS 11 which covers construction contracts. The new standard is based on the principle that revenue is recognised when control of a good or service transfers to a customer. The standard permits either a full retrospective or a modified retrospective approach for the adoption.
Impact	Management has performed a detailed analysis over all the revenues streams and it is not expecting the significant impact from the adoption of the new standard on 1 January 2018 as follow: 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 no significant impact is expected in the Consolidated financial statements 2018.
Date of adoption by the Group	Mandatory for financial years commencing on or after 1 January 2018. The Group intends to adopt the standard using the modified retrospective approach which means that the cumulative impact of the adoption (if any) will be recognised in retained earnings as of 1 January 2018 and that comparatives will not be restated.

Title of the standard	IFRS 16 - Leases
Nature of the change	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 accounting for lessors will not significantly change.
Impact	The standard will affect primarily the accounting for the group's operating leases. The Group has operating leases contracts for all the buildings where the offices are located, cars granted to employees and other minor office equipments. The Group preliminary estimates that approximately 80-90% of these relate to payments for medium-term office rental leases (see Note 16) which will be recognised in the Group statement of financial position according the new standard. However, the Group has not yet assessed what other adjustments, if any, are necessary for example because of the change in the definition of the lease term and the different treatment of variable lease payments and of extension and termination options. It is therefore not yet possible to estimate the amount of right-of-use assets and lease liabilities that will have to be recognised on adoption of the new standard and how this may affect the group's profit or loss and classification of cash flows going forward.
Date of adoption by the Group	Mandatory for financial years commencing on or after 1 January 2019. At this stage, the group does not intend to adopt the standard before its effective date. The Group intends to apply the simplified transition approach and will not restate comparative amounts for the year prior to first adoption.

Note 3 - Financial Risk Management

Financial Instruments

The following table shows the Group's financial instruments arranged according to the categories defined in IAS 39:

in '000 EUR	31 Dec 2017	31 Dec 2016
Current financial assets (Investments)	33	33
Total financial assets at fair value through profit or loss	**33**	**33**
Non-current financial assets	1,256	1,184
Current financial assets (Deposits and other)	1,889	2,177
Trade and other receivables*	76,223	47,475
Cash and cash equivalents (excl, cash on hand)	51,828	60,229
Total loans and receivables	**131,196**	**111,065**
Short term financial liabilities	10,015	7,680
Trade and other payables*	157,703	134,611
Total Financial liabilities measured at amortised cost	**167,718**	**142,291**

** "Trade and other receivables/payables" do not include credit/debit VAT position, and other non-cash items at 31 December*

For further details refer to Note 20.
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			
31 December 2017	**Level 1**	**Level 2**	**Level 3**	**Total**
Financial assets measured at fair value				
Investment funds	33	-	-	**33**

in '000 EUR	Fair value			
31 December 2016	**Level 1**	**Level 2**	**Level 3**	**Total**
Financial assets measured at fair value				
Investment funds	33	-	-	**33**

As of 31 December 2017, the Group held investments funds for an amount of EUR 33 thousand (EUR 33 thousand in 2016) 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 and no changes in valuation techniques during the period.

Financial risk management

Risk management is a fundamental element of the Group's business practice on all levels and encompasses different types of risks. At a group level risk management is an integral part of the business planning and controlling processes. Material risks are monitored and regularly discussed with the Executive management of the Company and particularly with Chief Financial Officer, the Chief Executive Officer and the Executive Chairman. Organizational and process measures have been designed to identify and mitigate risks at an early stage.

Net debt reconciliation

This section sets out an analysis of net debt and the movements in net debt for each of the periods presented:

in '000 EUR	1 Jan 2017	Cash flow	Interests charges	Acquisitions	Exchange movement	Change in Fair Value	Other non-cash movements	31 Dec 2017
Short term financial liabilities	(7,680)	(2,618)	(21)				304	(10,015)
Total Short Term Financial Liabilities	**(7,680)**	**(2,618)**	**(21)**	**-**	**-**	**-**	**304**	**(10,015)**

Credit risk

Credit risk is the risk of financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Group's trade and bank receivables.
Transactions with customers are to a large extent processed by secured credit card payments, where the Group takes no or only limited credit risk if a customer fails to pay. On the other hand, lastminute.com Group is exposed to credit risk concentration in connection with its receivables from credit card companies and from the collection of commissions from other parties. Flows from credit card transactions are managed through international leading banks. The creditworthiness of these institutions is reviewed periodically.
For any further information refer to Note 22.

Exposure to credit risk

The maximum credit risk exposure of the Group is limited to the carrying amounts of its financial and trade assets. The maximum exposure to credit risk at the reporting date was as follows:

in '000 EUR	31 Dec 2017	31 Dec 2016
Non-current financial assets	1,256	1,184
Current financial assets	1,922	2,210
Trade and other receivables*	76,223	47,475
Cash and cash equivalents (excl. cash on hand)	51,828	60,229
Total	**131,229**	**111,098**

* *"Trade and other receivables" do not include credit VAT position as at 31 December*

Liquidity risk

Liquidity risk is the risk that the Group will face difficulties to meet obligations associated with its financial liabilities that are settled by delivering cash or another financial asset.

The Group meets its obligations from brokering services, in which it acts as an agent between the provider of the service and the customer. The Group maintains credit lines to meet its obligations from such brokering transactions. For other transactions the Group maintains sufficient reserves of cash to meet its liquidity requirements at all times.

The negative working capital is inherent in the business model of online travel agencies (OTA). The gross amount of the travel services rendered to customers is cashed at the time of the booking through credit cards, while the corresponding amounts net of the OTA's margin is payable later.

As of 31 December 2017, total amount of unused available cash credit lines for the Group was EUR 18,800 thousand (EUR 18,479 thousand at 31 December 2016). Trade and other payables are due within 90 days.

The table below shows the contractual maturities of the financial liabilities of the Group at reporting date:

in '000 EUR	31 Dec 2017			31 Dec 2016		
	Less than 6 months	Between 6 month and 1 year	More than 1 year	Less than 6 months	Between 6 month and 1 year	More than 1 year
Trade and other paybles	(162,834)	(940)	(765)	(141,885)	(381)	(396)
Liabilities for share-based payment	-	-	(1,763)	-	-	(1,826)
Short term financial liabilities	(10,015)	-	-	(7,680)	-	-
Total	**(172,849)**	**(940)**	**(2,528)**	**(149,565)**	**(381)**	**(2,222)**

Currency risk

The Group is not exposed to significant currency risk as the majority of all transactions and balances are either denominated in or immediately converted to EUR.

The Group is exposed to currency risk to the extent that there is a mismatch between the currencies in which sales, purchases and borrowings are denominated and the respective functional currencies of Group companies. The functional currencies of Group companies are primarily the Euro and British Pounds. The currencies in which these transactions are primarily denominated are Euro, British Pounds, Swiss Francs and US Dollars. The currency risk is mitigated by the fact that most of the transactions are immediately converted in Euro, which is the presentation currency of the Group.

On the other hand, some of the Group's costs and investments are based upon contractually agreed payments that are denominated in CHF, e.g. some of the lease payments for office spaces or some suppliers. The Swiss companies of the Group introduced EUR in their employment contracts reducing the Group's exposure to currency risk. As of 31 December 2017, the Group's balance sheet net exposure in CHF amounted to EUR 6,016 thousand (2016: EUR 4,843 thousand). As of 31 December 2017, the Group's balance sheet net exposure in GBP amounted to EUR 21,972 thousand (2016: EUR 23,332 thousand). As of 31 December 2017, the Group's balance sheet net exposure in USD amounted to EUR 3,649 thousand (2016: EUR 3,534 thousand).

A strengthening (weakening) of the EUR against the CHF, GBP and USD of 10% at 31 December would have affected profit or loss by the amounts shown in the table below:

in '000 EUR	2017		2016	
	Strenghtening	Weakening	Strenghtening	Weakening
Currency risk sensitivity in CHF	(547)	547	(441)	441
Currency risk sensitivity in GBP	(1,997)	1,997	(2,117)	2,117
Currency risk sensitivity in USD	(332)	332	(321)	321

This analysis is based on foreign currency exchange rate variances on the balance sheet position of year end the Group considered to be reasonably possible at the end of the reporting period. The analysis assumes that all other variables, in particular interest rates, remain constant and ignores any impact of forecast sales and purchases.

Interest Rate Risk

The interest rate risk is the risk that changes in interest rates will affect Group's result. The impact on profit or loss of the changes in fair value of the fixed-rate bonds investments measured at fair value through profit or loss due to changes in interest rates is not material.

As of 31 December 2017 the Group has short term bank liabilities for EUR 10,015 thousand (31 December 2016: EUR 7,680). See also Note 26.

The Group further has cash and cash equivalents with variable interest rates in the amount of EUR 51,828 thousand (31 December 2016: 60,229 thousand). See also Note 23.

As of 31 December 2017 the interest risk is limited to the cash and cash equivalents with variable interest. Taking into consideration the interest rates applied by the financial counterparts of the Group, a reasonable possible change in the interest rates of cash and cash equivalents, which is expected to be below 1%, would not have a material impact on profit or loss.

Price Risk

Price risk is considered not significant for the Group.

Estimation risk on future costs

In connection with flight ticket sales, lastminute.com Group offers its customers the possibility to acquire an option, which allows them to cancel the flight booking at their sole discretion and obtain a voucher to be used for a replacement booking within 12-18 months. In legal terms, this option is not an insurance product as they are subject to the sole discretion of the customer. The estimation risk on future costs is the inherent uncertainty regarding the occurrence, amount or timing of cancellation of covered flight tickets. Lastminute.com Group currently does not cover such risk by reinsurance but uses different arrangements.

A provision is calculated to cover the best estimate of future costs with respect to the amount of the vouchers. Management's best estimate for the provision is based on, among other things, the latest available data, past cancellation experience and economic conditions that may affect the ultimate cost. However, it is inherent in the nature of the business that the ultimate liabilities may vary as a result of subsequent developments.

Note 4 - Changes in the Scope of Consolidation

Financial year 2017

Loss of control in URBANnext SA
On 8 June 2017 the Group reduced its stake in URBANnext SA, a company which operates a shared-use mobility aggregator app, from 80% to 25%. The gain resulting from its stake's decreased was EUR 1,266 thousand. The effect on Group cash flow was an in-flow of EUR 1,650 thousand disclosed within the financing activities (reference should be made to Group cash flow statement above). The reduction followed an investment agreement signed between Telepass S.p.A., an Italian leader company operates in highway's toll payment services, and Bravonext S.A. a Swiss company of lastminute.com group. After the loss of control, the Group derecognised the Non- controlling interests portion with a positive effect on Group's equity of EUR 231 thousand and recognised the investment in associate at its fair value. Starting from consolidated financial statements as of 30 June 2017 the Group has consequently accounted for its Urbannext SA interest using the equity method.

Sale of Prezzi Benzina Srl
On 27 June 2017 the Group sold all its stakes in Prezzi Benzina Srl (50.1%), a company based in Italy, operating with an online platform comparing prices of petrol stations. As a result of the loss of control and the consequently deconsolidation of Prezzi Benzina Srl, the Group recognised a gain of EUR 40 thousand. The effect on Group cash flow was an in-flow of EUR 100 thousand disclosed within the investing activities (reference should be made to Group cash flow statement above). After the loss of control, the Group derecognised the Non-controlling interests portion with a positive effect on Group's equity of EUR 33 thousand.

Sale of Vivigratis SA
On 26 October 2017 the Group sold all its stakes in Vivigratis SA (51.0%), a company based in Switzerland, operating with an online platform aggregating and comparing travel, shopping and leisure offers. As a result of the loss of control and the consequently deconsolidation of Vivigratis SA, the Group recognised a loss of EUR 7 thousand. The effect on Group cash flow was a in-flow of EUR 34 thousand disclosed within the investing activities (reference should be made to Group cash flow statement above). After the loss of control, the Group derecognised the Non-controlling interests portion with a negative effect on Group's equity of EUR 187 thousand.

Non controlling interest in Blue SAS and Bravometa CH SA
On 25 September 2017 the Group entered into agreement with the company Travelscan SA, a company engaged in the hotel meta-search business for the purpose of providing information to compare hotels/apartments accommodation availability and prices under the brand of "Hotelscan". The Group acquired the assets of Travelscan SA which will contribute to expand the meta business. The shareholders of Travelscan SA received as consideration minority equity stakes for 1.65% in Bravometa CH SA and Blue SAS, the two entities operating in the meta segment of the Group. The new minority controlling interests contributed in the subscription of the minority stakes by both injection of cash for a total of EUR 125 thousand impacting the Group cash flow statement within the financing activities (reference should be made to Group cash flow statement above) and by contributing intangible assets for an amount of EUR 612 thousand (see Note 18 for further details).
The Non controlling interest portion of Group's equity increased as a consequence of the operation for a total amount of EUR 630 thousand (see the Consolidated statement of changes in equity above for further information).

Step up in control in Bravojet SA
On 11 September 2017, the Group acquired an additional 40% of the issued shares of Bravojet SA for EUR 214 thousand. The Group recognised a decrease in non-controlling interests of EUR 320 thousand. The effect on Group cash flow was an outflow of EUR 214 thousand disclosed within the investing activities (reference should be made to Group cash flow statement above). At the end of the 2017 Group management has made an assessment over the Bravojet business and they decided to liquidate the company. The liquidation process started on 20 December 2017 and it had no impact on the Group income statement.

Closing of subsidiaries
During the 2017 the Group closed 2Spaghi Srl and Rede Universal de Viagens Ltda being two not material companies of which the liquidation process had already started during prior years.

Financial year 2016

Acquisition of Wayn
On 5 September 2016 the Group acquired WAYN 'Where Are You Now?' a social travel network. The acquisition which fall within the group's strategic "innovation budget" will further boost the ability to engage a young and captive audience with the addition of WAYN's 20 million registered members and 2 million monthly unique visitors. The social travel network helps B2B partners reach millions of European travellers through the Group's network of leading online brands, which include lastminute.com, Rumbo, Volagratis, Bravofly and Jetcost.
The following table summarises the consideration paid for WAYN, and the amounts of the assets acquired and liabilities assumed recognised at the acquisition date through the purchase price allocation exercise:

Consideration (in '000 EUR)	5 Sept 2016
Cash	1,275
Total consideration paid in cash	1,275
Customer list	1,043
Property plants and equipments	43
Trademarks	233
Deferred taxes liabilities	(209)
Fair value of total identifiable net assets acquired	**1,110**
Goodwill	165
Total consideration	**1,275**

The Group effectively gained control over Wayn business on 5 September 2016 and consolidated it from that date. The Group's transaction costs relating to the Wayn acquisition are not material to the consolidated financial statements.

Goodwill was mainly attributable to the assembled workforce, the Group 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. It will not be deductible for tax purposes.
As of 31 December 2017 the provisional fair values have been confirmed.
In 2016 the Group signed an incentive plan jointly with acquisition deal made with the former Wayn co-founders: the plan will cover next two years for the maximum amount payable of GBP 3 million. This is a post business combination employee expense. The amount payable to the former co-founders will be calculated on certain quantitative targets. The Group did the assessment as of 31 December 2017. Group's management expects that the targets for the bonuses will not be met, hence no expenses have been accrued.

Constitution of Destination Italia SpA

On 28 September 2016, the Group launched a new company named "Destination Italia SpA" together with Intesa S.Paolo as minority shareholder (38% ownership) and Marco Ficarra (5% ownership), a senior travel industry executive, former CEO of Venere.com. The Group fully consolidate Destination Italia Spa. The aim of the project is to increase the current growth rate of international arrivals to Italy, that today is under that of direct world competitors, encouraging new flows from abroad, estimated as approximately 10 million additional arrivals. In terms of tourism, this will generate new business with higher turnovers and profits, thanks above all to the fact that a part of the turnover generated by the industry will be reinvested.

Constitution of Bravometa CH SA

On 18 August 2016 the Group constituted a new company named "Bravometa CH SA". The company operates in the Metasearch business. Revenues are mainly represented by commissions gained by directing traffic from the Group's websites to the sites of the Online Traffic Agencies (OTAs), airlines and other direct providers.

2Spaghi Srl

On 14 March 2016, the Group increased its stake in 2Spaghi Srl, a company operating as aggregator of restaurants and hotels reviews. The control changed from 62.5% to 100%. The Group acquired the non-controlling interest (NCI) by taking over the NCI's negative equity portion of EUR 392 thousand. No cash was transferred to the NCI of Spaghi Srl. As the total equity of 2Spaghi Srl was negative as of 31 December 2015, the transaction has led to a positive effect on the total NCI equity resulting in EUR 371 thousand as of 31 December 2016 (31 December 2015: EUR – 36 thousand).

Note 5 - 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 and managed by the Group CODM. On this basis, the Group has defined the following operating segments:

- **OTA ("Online Travel Agency")**, which represents the core and traditional business of the Group.
- **Metasearch**, which includes the business generated in the Group's 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 CODM assesses the performance of the operating segments based on a measure of Adjusted EBITDA:

in '000 EUR	2017					2016				
	OTA	Meta search	Other segments	Non reconciling items	Total	OTA	Meta search	Other segments	Non reconciling items	Total
Consolidated Revenues	**209,214**	**45,942**	**3,674**	**-**	**258,830**	**224,000**	**37,533**	**-**	**-**	**261,533**
Total Revenues	214,757	53,907	4,812	-	273,475	225,218	47,128	9	-	272,355
Intersegment Revenues	(5,543)	(7,965)	(1,137)	-	(14,645)	(1,218)	(9,595)	(9)	-	(10,822)
Consolidated EBITDA Adjusted*	**14,121**	**13,147**	**(4,040)**	**(6,321)**	**16,908**	**25,115**	**9,571**	**-**	**(6,100)**	**28,586**
Non-cash impact of stock options					(492)					-
Extraordinary bonuses					(100)					(1,410)
Costs related to acquisition and integration of subsidiaries					(1,040)					(296)
Antitrust provision					(2,400)					
Litigation, restructuring and other costs/income incidental to operating activities					(4,380)					(3,319)
Depreciation, Amortization and impairment					(12,492)					(11,513)
Operating profit					**(3,996)**					**12,048**

* *The Group defines "Adjusted EBITDA" as EBITDA (Operating Profit 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.*

The operating segments generate revenues by selling services related to "flight" and "non-flight" products. Refer to Note 6 for further information about revenues, including geographical information. The table below analyzes the Group's non-current assets, excluding financial instruments and deferred taxes, based on the geographic location of the assets as of 31 December 2017 and 2016:

in '000 EUR	2017	2016
Spain	80,405	80,071
France	38,087	38,939
Switzerland	66,202	66,198
Others	9,611	9,645
UK	8,939	11,539
Total	**203,244**	**206,392**

Note 6 - Revenues

The table below shows Revenues for 2017 and 2016:

in '000 EUR	2017	2016
Revenue from sales of travel services	216,329	224,993
Revenue from advertising services	18,567	17,802
Revenue from premium number	1,020	1,553
Revenue from ancillaries	20,764	12,416
Other revenues	2,150	4,769
Total	**258,830**	**261,533**

In 2017 total revenues decreased by EUR 2,703 thousand, or -1.0%, to EUR 258,830 thousand from EUR 261,533 thousand in 2016.
This decrease is primarily due to i) a drop on flight commission for 28% on a unitary base ii) a decrease in the number of OTA bookings of 121 thousand. These effects have been compensated by a better performance of ancillaries products and a slight increase of revenues from advertising services.

Revenues by products
The table below shows Revenues by product for 2017 and 2016:

in '000 EUR	2017	% of the total	2016	% of the total
Flight	107,957	41.7%	154,692	59.1%
Non Flight	150,873	58.3%	106,841	40.9%
Total	**258,830**	**100.0%**	**261,533**	**100.0%**

Flight revenue
In 2017, the Group's flight revenues decreased by EUR 46,735 thousand, or -30.2%, to EUR 107,957 thousand from EUR 154,692 thousand in 2016. This decrease is due to both the reduction of the unitary profitability and the decrease of volume especially in the Mediterranean countries.

Non-flight revenue
In 2017, the Group's non-flight revenue increased by EUR 44,032 thousand, or +41.2%, to EUR 150,873 thousand from EUR 106,841 thousand in 2016. This increase is primarily due to a positive effect of i) meta revenues for EUR 8,409 thousand, ii) better performance of ancillary products showing a growth year to year of 64% iii) higher incidence of dynamic packages on Group's gross margin representing at the end of 2017 approximately 16.7% of the total.

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 2017 and 2016:

in '000 EUR	2017	% of the total	2016	% of the total
Italy	47,350	18.3%	51,212	19.6%
Spain	30,718	11.9%	32,017	12.2%
UK	61,828	23.9%	61,875	23.7%
France	63,329	24.5%	64,761	24.8%
Germany	15,068	5.7%	17,548	6.7%
Netherlands	462	0.2%	376	0.1%
Others	40,075	15.5%	33,744	12.9%
Total	**258,830**	**100.0%**	**261,533**	**100.0%**

In 2017 Mediterranean countries like Italy and Spain recorded a drop of both volumes and marginality due to the increasing competition and pressure on pricing by the biggest players. Other European countries have substantially kept the level of marginality and pricing by responding efficiently to market dynamics. Growth outside the Europe have shown a strong growth consolidating the brand awareness of the Group's brands also outside the core markets.

Major Customers
Revenues of the Group are generated by numerous different transactions of limited value. The Group's largest customer accounts for less than 10% of total consolidated revenues.

Note 7 - Marketing Costs

The table below shows Marketing costs for the Group for 2017 and 2016:

in '000 EUR	2017	2016
Online costs	96,781	99,272
Offline costs	16,344	10,838
Total	**113,125**	**110,110**

Marketing costs increased by EUR 3,015 thousand (2.7%) from EUR 110,110 thousand in 2016 to EUR 113,125 thousand in 2017. Marketing costs as percentage of revenues increased in 2017 compared to 2016 (43.7% vs 42.1%). This increase is almost totally due to the significant investment in TV marketing campaigns in off-line marketing. The decrease of online marketing is due to a reduced units prices.

Note 8 - Personnel Costs

The table below shows Personnel costs for the Group for 2017 and 2016:

in '000 EUR	2017	2016
Wages and salaries	44,691	38,356
Social security charges	10,497	9,094
Expenses relating to defined benefit plans	1,602	1,153
Other personnel costs	4,723	2,518
Share-based payments	420	-
Total	**61,933**	**51,121**

Personnel costs increased by EUR 10,812 thousand (21.1%) from EUR 51,121 thousand in 2016 to EUR 61,933 thousand in 2017. Costs increased driven by the increase in the headcount and for introduction of the minimum salary in Switzerland affecting only 6 months in 2016 and the full year in 2017. Personnel costs as percentage of revenues in 2017 has increased compared with 2016 (23.9% vs 19.5%).
Cost for wages and salaries of EUR 9,542 thousand (2016: EUR 6,276 thousand) have been capitalized as development costs (refer to Note 18 for further details). Wages and salaries capitalized as development costs refer specifically to employees working on such development.
Details about expenses relating to defined benefit plans are provided in Note 14.
Other personnel cost increased by EUR 2,205 (87.6%) from EUR 2,518 thousand in 2016 to EUR 4,723 thousand in 2017. The increase is mainly related to higher expenses for trainings, travel expenses relating to the integration of the Group's companies and restructuring costs.
Share-based payments related to the existing stock option plans and further details are included in Note 15.
The average number of staff employed by the company in 2017 amounted to 1,252 headcounts (2016: 1,157).
The table below shows the Group's headcount split at the end of 2017 and 2016:

Units	2017	2016
Sales	408	201
IT	359	326
Operations	182	250
Marketing	149	216
Administration	150	169
Management	5	8
Total	**1,253**	**1,170**

Note 9 - Other Operating Costs

The table below shows Other operating costs for the Group for 2017 and 2016:

in '000 EUR	2017	2016
Credit card processing fee	17,274	16,438
Fees for advisory, legal and other services	7,998	11,597
Call Center operation costs	14,367	14,716
Expense for operating leases	4,504	4,516
IT fix costs	1,436	2,351
Office fix costs	2,976	1,280
Overhead	6,460	4,919
Services costs	15,919	15,213
Other operation costs	4,342	5,743
Total	**75,276**	**76,774**

Other operating costs decreased by EUR 1,497 thousand (-2.0%) from EUR 76,773 thousand in 2016 to EUR 75,276 thousand in 2017.
The "overhead" costs increased by EUR 1,541 thousand (31.3%) from EUR 4,919 thousand in 2016 to EUR 6,460 thousand in 2017. These costs are mainly referred to insurance costs, travel expenses and other tax not related to income.
The "services costs" increased by EUR 706 thousand (4.4%) from EUR 15,213 thousand in 2016 to EUR 15,919 thousand in 2017 and are referred to fraud prevention and actual fraud strictly related to business, licenses and driver expenses.
Other operation costs decreased by EUR 1,401 thousand (-24.4%) from EUR 5,743 in 2016 to EUR 4,342 thousand in 2017 and are mainly related to accrual of antitrust provision, for further information see Note 25 "Provisions".
The "other costs" includes costs mainly referred to taxes not related to income, other provision allowance and other residual categories of costs.
Other operating costs as percentage of revenues decreased in 2017 compared to 2016 (29.1% vs 29.4%).

Note 10 - Gain from disposal of investments and others assets

The table below shows the gain / losses from disposal on investments and others for the Group in 2017 and 2016:

in '000 EUR	2017	2016
Sale of line of business	759	-
Sale of interests stakes in subsidiaries	1,306	-
Total gain/losses from disposal on investment and others	**2,065**	**-**

During the 2017 the Group has disposed the following assets:

- on 16 November 2017 a UK subsidiary sold the line of business "Lifestyle - ticketing" to an external partner with an effect on the Group income statement of EUR 759 thousand.
- on 8 June 2017 the Group reduced its stake in Urbannext SA from 80% to 25%. The gain resulting from its stake's decreased was EUR 1,266 thousand. For further information reference should be made to Note 4 and Note 21.
- on 27 June 2017 the Group sold all its stakes in Prezzi Benzina Srl (50.1%). As a result of the loss of control and the consequently deconsolidation of Prezzi Benzina Srl, the Group recognised a gain of EUR 40 thousand. For further information reference should be made to Note 4.

No such type of gain / losses were recorded in 2016.

Note 11 - Finance Result

The table below shows the Net Finance Result for the Group in 2017 and 2016:

in '000 EUR	2017	2016
Interest income	13	23
Others	763	98
Total Finance Income	**776**	**121**
Interest expenses	(99)	(69)
Net FX exchange costs	(1,231)	(3,124)
Others	(1,032)	(14)
Total Finance Costs	**(2,362)**	**(3,207)**
Total Net Finance Result	**(1,586)**	**(3,086)**

The net financial result improved by EUR 1,500 thousand (48.6%) from EUR -3,086 thousand in 2016 to EUR -1,586 thousand in 2017.

The amount recorded as others finance costs is mainly related to:

- EUR 659 thousand due to the completion of a financial transaction with a shareholder of the Group.
- EUR 213 thousand due to a write-off of a financial receivable from Vivigratis SA, a company that the Group sold during 2017.

Note 12 - Income Taxes

Components of income tax expenses
The table below shows the composition of Income tax expenses / (income) for 2017 and 2016:

in '000 EUR	2017	2016
Current income taxes	2,591	3,742
Deferred taxes	1,560	(1,535)
Total	**4,151**	**2,207**

Income taxes recognised in other comprehensive income
The table below shows the composition of income taxes recognized in other comprehensive income for 2017 and 2016:

in '000 EUR	2017	2016
Income taxes on remeasurements of the Employee Benefits liability	(25)	(24)
Total income taxes recognised in the period in other comprehensive income	**(25)**	**(24)**

Income taxes on remeasurements of the employee benefit liability relate to the defined benefit plans of the Group. In 2017, the amount of taxes recognized directly in equity was nil (in 2016: nil).

Reconciliation of effective income tax expenses
The table below shows the Group tax rate reconciliation for 2017 and 2016:

in '000 EUR	2017 (%)	2017	2016 (%)	2016
Profit (loss) before taxes from continuing operations		(3,650)		8,864
The Group's expected weighted average rate is 21.5% (2016: 25.2%)				
Income tax based on the Group's expected weighted average tax rate	21.5%	(785)	25.2%	2,236
Difference in overseas tax rates	19.2%	705	-12.4%	(1,101)
Current-year tax losses for which no deferred tax assets are recognized	95.7%	3,493	11.0%	978
Effect of change in tax rate on deferred taxes	4.7%	171	5.5%	490
Non deductible expenses	12.4%	453	10.0%	886
Tax-exempt income	-4.1%	(151)	-11.0%	(974)
Recognition of previously unrecognised (derecognition of previously recognised) deductible temporary differences	7.3%	264	-3.5%	(307)
Income Tax expense (benefit) of the Group	**113.7%**	**4,151**	**24.9%**	**2,207**

In 2017 the Group's consolidated income tax expense amounted to EUR 4,151 thousand, compared to EUR 2,207 thousand in 2016 with an increase of 1,944 EUR thousand, mainly due to the significant amount of current-year tax losses for which no deferred tax assets are recognized, to the effect of non-deductible expenses in some of the countries with the higher nominal tax rates and to the effect of change in tax rates on deferred taxes. The Group's effective tax rate increased from 24.9% in 2016 to 113.7% in 2017.
In respect of unrecognized deferred tax assets, as of 31 December 2017, tax losses carried forward of around EUR 26.3 million exist (2016: EUR 2.8 million). These losses can be offset against operating future profits, for the main portion, for a period between seven and nine years after the year in which the losses did occur. Management has established that it is uncertain whether future taxable operating profits would be available against which these losses can be used, and therefore no deferred tax asset has been recognized.

Deferred tax assets and liabilities are attributable to the following:

in '000 EUR	31 Dec 2017		31 Dec 2016	
	Asset	Liabilities	Asset	Liabilities
Trade Receivables	259	-	422	-
Property, plant and equipment	40	-	27	-
Intangible assets	-	(26,503)	-	(25,911)
Employee benefits liability	884	-	596	-
Provision	13	-	17	-
Losses carry-forward	5,199	-	6,403	-
Other	24	-	12	-
Deferred Tax assets (liabilities)	**6,419**	**(26,503)**	**7,477**	**(25,911)**

In 2017 compared to 2016, deferred tax assets decreased by EUR 1,058 thousand due to the main following effects:

- decrease of EUR 1,204 thousand referred to the utilisation of the deferred taxes assets recognised during prior years with regard to losses carried forward on LMN entities. As a general rule, deferred tax assets resulting from temporary differences and tax loss carry-forward are recognized only to the extent that it is probable that future taxable profits will be available against which the asset can be utilized;
- increase in employee benefit assets for EUR 288 thousand mainly attributable to French LMN entity and Bravonext.

The main portion of DTA is related to losses that may be carried forward indefinitely.
Deferred tax liabilities increased during 2017 by EUR 592 thousand due to temporary differences on amortisation of intangible assets.
The movement in the net deferred tax asset / liability during 2017 and 2016 was as follows:

in '000 EUR	1 Jan 2017	Correction of previous years	Recognised in Profit or Loss	Recognised in OCI	Recognised directly in Equity	Business combination	Currency Translation Differences	31 Dec 2017
Net deferred tax assets/(liabilities)	(18,434)	-	(1,560)	(25)	-	7	(73)	(20,085)
Total	**(18,434)**	**-**	**(1,560)**	**(25)**	**-**	**7**	**(73)**	**(20,085)**

in '000 EUR	1 Jan 2016	Correction of previous years	Recognised in Profit or Loss	Recognised in OCI	Recognised directly in Equity	Business combination	Currency Translation Differences	31 Dec 2016
Net deferred tax assets/(liabilities)	(22,565)	4,162	1,535	(24)	-	(209)	(1,333)	(18,434)
Total	**(22,565)**	**4,162**	**1,535**	**(24)**	**-**	**(209)**	**(1,333)**	**(18,434)**

Current tax assets & liabilities
As of 31 December 2017, the total net position relating to "Current tax assets & liabilities" amounts to a negative EUR 235 thousand (2016: EUR 1,913 thousand). In 2017, the net tax position of the Group decreased by EUR 2,148 thousand compared to the previous year mainly due to the income tax reimbursements received during 2017 by the Spanish and French entities. For further information please see the "Cash flow statement" above.

Note 13 - Earnings per Share

Basic earnings per share
The table below shows basic earnings per share for 2017 and 2016:

in '000 EUR	2017	2016
Profit for the period attributable to the shareholders of lastminute.com N.V. (in EURO/000)	(6,450)	6,810
Weighted-average number of shares outstanding during the period (in thousand of units)	13,413	13,792
Basic earnings per share (in EUR)	**(0.48)**	**0.49**

Weighted-average number of ordinary shares (basic)

Number of shares (in thousand of units)	2017	2016
Issued ordinary shares at 1 January	14,623	14,623
Effect of share options exercise	(3)	(4)
Share buy back	(1,207)	(827)
Weighted-average number of shares (Basic) at 31 December	**13,413**	**13,792**

Diluted earnings per share
The table below shows diluted earnings per share for 2017 and 2016:

in '000 EUR	2017	2016
Profit for the period attributable to the shareholders of lastminute.com N.V. (in EURO/000)	(6,450)	6,810
Weighted-average number of shares outstanding during the period (in thousand of units)	13,413	13,867
Diluted earnings per share (in EUR)	**(0.48)**	**0.49**

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

Number of shares (in thousand of units)	2017	2016
Weighted-average number of shares (Basic)	13,413	13,792
Effect of share options in issue	-	75
Weighted-average number of shares (Diluted) at 31 December	**13,413**	**13,867**

In 2017 the result of the Group was negative, hence the share options on issue were anti-dilutive and were ignored in the calculation of diluted earnings per share of 2017.

Note 14 - Employee Benefits

The table below shows Employee benefits liabilities as at 31 December 2017 and 2016 for the Group:

in '000 EUR	31 Dec 2017	31 Dec 2016
Net defined benefit liabilities	3,890	3,226
Cash-settled share-based payment liabilities	1,767	1,826
Total employee benefit liabilities	**5,678**	**5,052**

The decrease of Cash-settled share-based payment liabilities is mainly related to the exit of some limited partner from the Cash settled share-based payments. For further information see Note 15.
Net defined benefit liabilities are described as follow.

Characteristics of defined benefit plans and risks associated with them
The Swiss pension plan is governed by the Swiss Federal Law on Occupational Retirement, Survivors' and Disability Pension Plans (BVG), which stipulates that pension plans are to be managed by independent, legally autonomous units. The assets of the pension plan are held within a separate foundation and cannot revert to the employer. Pension plans are overseen by a regulator as well as by a state supervisory body.

The Swiss Group entity is affiliated to the "Sammelstiftung BVG der Allianz Suisse Lebensversicherungsgesellschaft", which is a collective foundation administering the pension plans of various unrelated employers. The pension plan of the Swiss Group entity is fully segregated from the ones of other participating employers.
The most senior governing body of the collective foundation is the Board of Trustees. All governing and administration bodies have an obligation to act in the interests of the plan participants.
Plan participants, their spouse and children are insured against the financial consequences of old age, disability and death. Their benefits are defined in pension plan rules compliant with the BVG, which is specifying the minimum benefits that are to be provided. Retirement benefits are based on the accumulated retirement capital which can either be drawn as a life-long annuity or as a lump sum payment. The annuity is calculated by multiplying the retirement capital with the currently applicable conversion rate. The accumulated retirement capital is made of the yearly contributions towards the old age risk by both employer and employee and the interest thereon until retirement. Contributions towards the old age risk are based on the rules defined by the Board of Trustees of the collective foundation. Minimum contributions and interest are defined by the BVG and the Swiss Parliament. In 2017 the minimum interest was 1.0% (1.25% in 2016).

According to IAS 19, the Swiss pension plan is classified as "defined benefit" plan. All actuarial risks of the plan, e.g. old age, invalidity and death or investment are fully covered by insurance. However the collective foundation is able to withdraw from the contract with the Group at any time, reason why the plan is classified as "defined benefit" plan.

The insurance company bearing the investment risk is also making these investments on behalf of the collective foundation. As a result, the assets of the Swiss plan consist of a receivable from the insurance policy.

In France employees benefit from the "Indemnités de Fin de Carrière" defined in the "Convention Nationale Collective du Travail du personnel des Agences de Voyages et du Tourisme" (number 3061). The rights correspond to 15% of the monthly salary per year of seniority in the company. According to IAS 19, the French pension plan is classified as "defined benefit" plan.
In Italy employee severance indemnities are due under an Italian plan, the Trattamento di fine rapporto (TFR), which is mandatory for Italian companies and is an unfunded defined contribution plan. The deferred compensation to be paid when an employee leaves the Italian entity is based on the employees' years of service and the taxable compensation earned by the employee during the service period, i.e. the accumulated retirement capital at the time when the employment ends. Contribution are payable in the event of retirement, death, disability or resignation.
There were no special events, e.g. plan amendments, curtailments or settlements during the reporting period.

Movement in net defined benefit liability
The following tables present information about the net defined benefit liability and its components:

in '000 EUR	31 Dec 2017	31 Dec 2016
Funding of the defined benefit plan		
Present value of unfunded obligations	600	365
Present value of funded obligations	7,119	5,983
Total present value of obligations	**7,719**	**6,348**
Fair Value of plan assets	3,829	3,122
Pension liability recognised in the balance sheet	**3,890**	**3,226**

in '000 EUR	2017	2016
Reconciliation of the defined benefit obligation		
Defined Benefit Obligation at 1,1,	**6,348**	**5,107**
Current service cost (employer)	1,355	1,153
Past service cost	58	-
Interest cost	48	52
Contributions by plan participants	771	453
Administration cost	3	2
Benefits paid	(873)	(266)
Effect of business combination	171	-
Actuarial (gain) / loss on DBO	(12)	(210)
Exchange rate effect	(150)	57
Defined Benefit Obligation at 31,12,	**7,719**	**6,348**

in '000 EUR	2017	2016
Reconciliation of the fair value of plan assets		
Fair Value of plan assets at 1.1.	**3,122**	**2,341**
Interest income	24	24
Contributions by the employer	817	453
Contributions by plan participants	771	453
Benefits paid	(706)	(189)
Effect of business combination and disposal	99	-
Return on plan assets excl.interest income	10	7
Exchange rate effect	(308)	33
Fair Value of plan assets at 31.12.	**3,829**	**3,122**

in '000 EUR	2017	2016
Reconciliation of the recognised net pension liability		
Net liability at the beginning of the period	**3,226**	**2,766**
Expense recognised in profit or loss	1,598	1,207
Expense recognised in other comprehensive income	(22)	(217)
Contributions by the employer	(817)	(453)
Effect of business combination	73	-
Benefits paid by unfunded defined benefit plans	(167)	(77)
Net liability at the end of the period	**3,891**	**3,226**

in '000 EUR	2017	2016
Pension expense recognised in profit or loss		
Current service cost (employer)	1,355	1,153
Net interest cost	24	28
Administration cost	3	2
Past service costs	58	-
Exchange rate effect	158	24
Expense recognised in profit or loss	**1,598**	**1,207**

in '000 EUR	2017	2016
Amount recognised in other comprehensive income		
Return on plan assets excl. interest income	(10)	(7)
Remeasurements gain/(loss):		
Actuarial gain/(loss) arising from demographic assumptions	-	(630)
Actuarial gain/(loss) arising from financial assumptions	10	291
Actuarial gain/(loss) arising from experience adjustment	(22)	129
Total amount recognised in other comprehensive income	**(22)**	**(217)**

Actuarial assumptions for the defined benefit obligations
The following were the principal actuarial assumptions at the reporting date:

Swiss plan

Actuarial Assumptions	31 Dec 2017	31 Dec 2016
- Discount rate	0.70%	0.70%
- Future salary increases	1.00%	1.00%
- Mortality table	BVG 2015G	BVG 2015G

As of 31 December 2017, the weighted-average duration of the defined benefit obligation was 21.4 years (2016: 22 years).

French plan

Actuarial Assumptions	31 Dec 2017	31 Dec 2016
- Discount rate	1.20%	1.35%
- Future salary increases	3.00%	3.00%
- Future pension indexations	0.00%	0.00%
- Mortality table	THG05/TGF05	THG05/TGF05

As of 31 December 2017, the weighted-average duration of the defined benefit obligation was 19.4 years (2016: 20 years).

Sensitivity analysis
Reasonably possible changes at the reporting date to one of the relevant actuarial assumptions, holding other assumptions constant, would have affected the defined benefit obligation by the amounts shown below:

	2017		2016	
in '000 EUR	Increase	Decrease	Increase	Decrease
Discount rate (0.25%)	(358)	394	(305)	335
Future salary growth (0.25%)	114	(107)	116	(113)
Future mortality (1 year)	88	(88)	82	(83)

The disclosed sensitivities have been determined by changing the discount rate and the rate of salary increase by +/-0.25% resp. making an adjustment to the mortality so that the longevity increased/decreased by one year.The sensitivity analysis is based on realistically possible changes as of the end of the reporting period. Each change in a significant actuarial assumption was analyzed separately as part of the test. Interdependencies were not taken into account.

Plan assets
The fair value of plan assets for the Swiss plan as of 31 December 2017 of EUR 3,829 thousand (2016: EUR 3,122 thousand) consists of a receivable from the insurance company, see above.

Expected contributions in 2018
The Group expects to pay contributions to the defined benefit plans in the amount of EUR 831 thousand in 2018.

Note 15 - Share-Based Payment Arrangements

Employee share option plan
From 2011 to 2013, the Group granted options to top and middle management employees under the employee share option plan approved on 26 July 2011 by the shareholders. One option gives the right to buy one share of the Company, subject to a vesting period of 33 months. The options can only be exercised in the three year period following the vesting date. All options are to be settled by physical delivery of shares.
In 2017, an expense of EUR 492 thousand including EUR 72 thousand of social security charges has been recognized as personnel costs for the share option plan (2016: nil). During 2017 the Group repurchased 136 thousand vested options (2016: 268 thousand) . 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, Eur 8.2 on average in 2016). During 2017 12.0 thousand vested options have been exercised with an exercise price of EUR 10 on average (2016: 154 thousand on with an exercise price of EUR 8.2 on average). As of 31 December 2017 there are no more outstanding options related to 2011 and 2012 plans.

The number of outstanding options under the option plan is as follows:

in thousands of options	2017 (in thousands of options)	Weighted average exercise price 2017 (EUR)	2016 (in thousands of options)	Weighted average exercise price 2016 (EUR)
Reconciliation of outstanding share options				
Oustanding at 1 January	198	11.64	622	9.17
Forfeited during the year	(9)	(10.00)	(2)	(8.00)
Exercised during the year	(12)	(10.00)	(154)	(8.20)
Repurchased during the year	(136)	(10.00)	(268)	(8.20)
Oustanding at 31 December	**41**	**18.00**	**198**	**11.64**
Exercisable at 31 December	**41**	**18.00**	**198**	**11.64**

The weighted-average contractual life of the options outstanding at 31 December 2017 was 1 years (2016: 1.21 years).

Cash settled share-based plan
On 26 March 2015, the Group established a new cash-settled share-based payment arrangement. Directors and selected key employees were offered the opportunity to participate. Plan participants are required to make an equity co-investment contribution in cash ("the initial contribution") as limited partners of a limited partnership entity (Sealine Investment LP) which is consolidated by the Group. Under the terms of the plan, the Group contributes an amount equal to three times the initial contribution ("the LMN contribution"). The limited partnership entity which administers the arrangement purchases the LMN shares, and LMN shares equivalent is computed for both the initial and the LMN contribution. This equivalent number is equal to the contribution divided by the market price of an LMN share at the date of the initial contribution.

At the end of a 4-year-period from the date of the initial contribution ("qualifying period") the plan participants are entitled to a cash payment equal to the difference between the total value of the LMN shares equivalent corresponding to both the initial and LMN contribution at market price at the end of the qualifying period plus dividends on these shares accumulated during the qualifying period and the amount of the LMN contribution plus interest at LIBOR + 4.5% p.a. by way of redemption of the outgoing limited partner's membership.

No guarantee of refund of the initial contribution is provided to the plan participants by the Group. In case the total value of the LMN shares equivalent corresponding to both the initial and LMN contribution at market price at the end of the qualifying period and the dividends on these shares accumulated during the qualifying period is lower than the amount of the LMN contribution plus interest at LIBOR + 4.5% p.a., a plan participant is not receiving any payment out of the plan.

If the employee or director stops working for the Group before the end of the qualifying period, he is entitled to a cash payment at the time of exit which is equal to the lower of his initial contribution with interests of 5% p.a. and the market value at the time of exit of the LMN shares equivalent corresponding to his initial contribution, plus the value of dividends accumulated on the LMN shares equivalent corresponding to his initial contribution from the date of the initial contribution until exit. The exit is made by way of redemption of the outgoing limited partner's membership.

Plan participants are offered the opportunity to extend their individual investment period beyond the qualifying period and request the cash settlement relating to the initial and LMN contributions computed using the same formula as at the end of the qualifying period (see above) at a later date. The later date is then used in the formula in lieu of the end date of the qualifying period.

As at 31 December 2017, the liability recorded in relation to the cash settled obligation in relation to the plan amounted to EUR 1,767 thousand (2016: EUR 1,826 thousand). As at 31 December 2017, the receivables recorder in relation to the financing part granted to limited partners amounted to EUR 1,027 thousand (2016: EUR 1,028 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 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 59 thousand has been recognised as income.

Treasury shares held by the Group to hedge its potential obligation arising from the cash-settled share-based payment arrangement amount to around 1,282 thousand shares for a total investment of around EUR 16.7 million (see Note 24 for additional details).

Note 16 - Leasing

The future minimum lease payments under non-cancellable operating leases are as follows:

in '000 EUR	31 Dec 2017	31 Dec 2016
Less than one year	9,904	8,320
Between one and five years	1,356	2,710
More than five years	1,593	2,577
Total	**12,853**	**13,607**

The Group leases a number of cars and office spaces under operating leases. The leases typically run for a period between 1 and 4 year. The Group will face future payments of operating leases for more than five year mainly related to lastminute.com UK offices with long term agreements.
The leases of office spaces contain a renewal option.

Note 17 - Property Plant and Equipment

The tables below show Property, Plant & Equipment movements during 2017 and 2016:

in '000 EUR	Furniture	IT Equipment	Other	Total
Historical Cost				
Balance at 1 January 2017	**675**	**6,422**	**1,644**	**8,741**
Additions	93	923	297	1,313
Currency translation differences	(5)	(3)	(49)	(57)
Balance at 31 December 2017	**763**	**7,342**	**1,892**	**9,997**
Accumulated depreciation				
Balance at 1 January 2017	**380**	**3,399**	**1,369**	**5,148**
Depreciation for the year	88	1,202	345	1,635
Reclassification	8	43	(51)	-
Currency translation differences	(1)	6	(34)	(29)
Balance at 31 December 2017	**475**	**4,650**	**1,629**	**6,754**
Carrying amounts				
At 1 January 2017	**295**	**3,023**	**275**	**3,593**
At 31 December 2017	**288**	**2,692**	**263**	**3,243**

in '000 EUR	Furniture	IT Equipment	Other	Total
Historical Cost				
Balance at 1 January 2016	**551**	**5,057**	**1,263**	**6,871**
Additions	126	1,288	385	1,799
Acquisition (disposal) from business combination	-	46	-	46
Currency translation differences	(2)	31	(4)	25
Balance at 31 December 2016	**675**	**6,422**	**1,644**	**8,741**
Accumulated depreciation				
Balance at 1 January 2016	**241**	**2,331**	**1,003**	**3,575**
Depreciation for the year	139	1,038	368	1,545
Currency translation differences	-	30	(2)	28
Balance at 31 December 2016	**380**	**3,399**	**1,369**	**5,148**
Carrying amounts				
At 1 January 2016	**310**	**2,726**	**260**	**3,296**
At 31 December 2016	**295**	**3,023**	**275**	**3,593**

Investments in 2017 and 2016

In 2017 and 2016 the Group made additions to Property plant and equipment respectively for EUR 1,313 thousand and 1,799: the additions in 2017 were mainly relating to IT equipment for EUR 923 thousand and leasehold improvement for EUR 297.

Capital Commitments

There are no capital commitments for the acquisition of property, plant and equipment.

Note 18 - Intangible Assets

The tables below shows Intangibles and Goodwill movements during 2017 and 2016:

in '000 EUR	Capitalised development cost	Other intangible assets	Trademarks	Total intangible assets	Goodwill	Total
Historical Cost						
Balance at 1 January 2017	**49,167**	**3,432**	**121,454**	**174,053**	**56,399**	**230,452**
Acquisitions - internally developed	9,542	-	2	9,544	-	9,544
Acquisitions - external supplier	2,199	2	-	2,201	-	2,201
Acquisitions (disposals) from business combinations	407	(25)	(4)	378	158	536
Reclassification	2,327	(2,327)	-	-	-	-
Impairment	-	-	-	-	(507)	(507)
Disposals	-	-	-	-	-	-
Currency translation differences	(44)	(68)	3	(109)	2	(107)
Balance at 31 December 2017	**63,598**	**1,014**	**121,455**	**186,067**	**56,052**	**242,119**
Accumulated amortization and impairment						
Balance at 1 January 2017	**30,653**	**1,162**	**-**	**31,815**	**-**	**31,815**
Amortization for the period	10,319	30	-	10,349	-	10,349
Currency translation differences	(28)	(19)	1	(46)	-	(46)
Reclassifications	1,076	(1,076)	-	-	-	-
Balance at 31 December 2017	**42,020**	**97**	**1**	**42,118**	**-**	**42,118**
Carrying amounts						
At 1 January 2017	**18,514**	**2,270**	**121,454**	**142,238**	**56,399**	**198,637**
At 31 December 2017	**21,578**	**917**	**121,454**	**143,949**	**56,052**	**200,001**

in '000 EUR	Capitalised development cost	Other intangible assets	Trademarks	Total intangible assets	Goodwill	Total
Historical Cost						
Balance at 1 January 2016	**37,902**	**2,836**	**121,236**	**161,974**	**60,746**	**222,720**
Acquisitions - internally developed	6,276	-	-	6,276	-	6,276
Acquisitions - external supplier	5,591	-	-	5,591	-	5,591
Acquisitions from business combinations	-	1,043	233	1,276	166	1,442
Adjustment of previous year				-	(4,162)	(4,162)
Impairment	-	-	-	-	(351)	(351)
Disposals	-	(53)	-	(53)	-	(53)
Currency translation differences	(602)	(394)	(15)	(1,011)	-	(1,011)
Balance at 31 December 2016	**49,167**	**3,432**	**121,454**	**174,053**	**56,399**	**230,452**
Accumulated amortization and impairment						
Balance at 1 January 2016	**21,185**	**948**	**65**	**22,198**	**-**	**22,198**
Amortization for the period	9,468	149	-	9,617	-	9,617
Reclassifications	-	65	(65)	-	-	-
Balance at 31 December 2016	**30,653**	**1,162**	**-**	**31,815**	**-**	**31,815**
Carrying amounts						
At 1 January 2016	**16,717**	**1,888**	**121,171**	**139,776**	**60,746**	**200,522**
At 31 December 2016	**18,514**	**2,270**	**121,454**	**142,238**	**56,399**	**198,637**

Investments in 2017 and 2016
During 2017, additions have mainly related to capitalized development cost for a total amount of EUR 11,741 thousand (2016: EUR 11,867 thousand).

Capitalised development costs
The capitalized development costs relate to internal and external expenditures in connection with the development of significantly improved features on the webpages of the Group.
As of 31 December 2017 and 2016 lastminute.com Group has capitalized development costs in the carrying amount of EUR 11,741 thousand and EUR 11,867 thousand, respectively (refer to Note 18). As of 31 December 2017, capitalized development costs not yet available for use were EUR 2,134 thousand (2016: EUR 2,825 thousand). There are no impairment indicators for 2017.

Trademarks
The impairment test of Trademarks has been performed at CGU level using the model and assumption described in Note 19 and did not result in the recognition of an impairment. The aggregate amount of trademarks allocated to each cash generating unit is as follows at each reporting date:

in '000 EUR	CGU	31 Dec 2017	31 Dec 2016
lastminute.com	OTA	44,704	44,704
Rumbo	OTA	58,900	58,900
Pigi Shipping	OTA	2,232	2,232
Jetcost	Metasearch	15,385	15,385
Wayn	Other	233	233
Total		**121,454**	**121,454**

Other intangible assets
In 2017 there are no relevant additions of other intangible assets. In 2016, the amount of additions was related to the customer list coming from the Wayn acquisition for EUR 1,043 thousand.

Capital Commitments
There are no capital commitments for the acquisition of intangible assets.

Note 19 - Goodwill

For the purpose of impairment testing, goodwill is allocated to the cash generating unit OTA, to the cash generating unit Metasearch and to the cash generating unit Other. The aggregate amount of goodwill allocated to each cash generating unit is as follows at each reporting date:

in '000 EUR	CGU	31 Dec 2017	31 Dec 2016
	OTA	35,710	36,057
	Metasearch	20,176	20,176
	Other	166	166
Total		**56,052**	**56,399**

The balance as of 31 December 2017 amounts to EUR 56,052 thousand (EUR 56,399 thousand in 2016).
The Group performed the impairment analysis for the two CGUs that contain material indefinite life intangible assets and goodwill as of 31 December 2017 and 2016. It was determined that no impairment is to be recognised in the consolidated financial statements as of 31 December 2017 and 2016.
In 2017 LMN Fr impaired registration fees included in goodwill for an amount of EUR 507 thousand.
During the 2017 the Group purchased the Waynaut business, after an assessment of the assets coming from this company, the management determined to allocate the goodwill for an amount of EUR 186 thousand.
At the end of the 2017 Group management sold the Prezzi Benzina business and, for this reason, the course of the derecognition, the goodwill amounting to EUR 26 thousand was written off.

OTA
Goodwill amounts to EUR 35,710 thousand for the OTA segment, see details in table above. The impairment test was based on an estimate of value in use and did not result in any recognition of impairment losses.
The value in use was determined based on a DCF-calculation. Key assumptions used in the calculation of the recoverable amount are the discount rate (WACC), the perpetuity growth rate and the revenues growth rate: the values assigned to the key assumptions represent management's assessment of the future trends. The key assumptions were as follows:

	31 Dec 2017	31 Dec 2016
Weighted average cost of capital (WACC)	10.0%	10.5%
Perpetuity growth rate	1.8%	1.7%
Revenues growth rate (average of next five years)	5.4%	2.4%
EBITDA growth rate (average of next five years)	13.8%	18.1%

Five years of cash flow were included in the DCF model. Revenues were based on future expected outcomes taking into account past experience. A long-term growth rate into perpetuity was determined based on management's best estimate of the long-term growth rate in the industry.

Sensitivity analysis

A sensitivity table to the discount rate and terminal growth rate for 2017 and 2016 is shown below. The sensitivity is referred to the headroom between the present value and the carrying amount of the OTA CGU. Reasonably possible changes at the reporting date to the discount rate and long-terminal growth rate, holding other assumptions constant, would have affected the surplus by the amounts shown below:

	Eur/mil	LONG-TERM GROWTH RATE 2017				
		0.8%	1.3%	1.8%	2.3%	2.8%
WACC	9.0%	70.0	75.5	80.9	86.4	91.9
	9.5%	62.4	67.4	72.4	77.4	82.4
	10.0%	55.6	60.3	**64.9**	69.5	74.1
	10.5%	49.7	53.9	58.2	62.5	66.7
	11.0%	44.4	48.3	52.3	56.2	60.2

	Eur/mil	LONG-TERM GROWTH RATE 2016				
		0.7%	1.2%	1.7%	2.2%	2.7%
WACC	9.5%	46.1	55.4	65.8	77.7	91.4
	10.0%	37.7	46.0	55.3	65.7	77.6
	10.5%	30.2	37.6	**45.9**	55.1	65.5
	11.0%	23.5	30.1	37.5	45.7	55.0
	11.5%	17.3	23.3	30.0	37.4	45.6

Metasearch

Goodwill arising from the acquisition amounts to EUR 20,176 thousand. The impairment test was based on an estimate of value in use and did not result in any recognition of impairment losses.

The value in use was determined based on a DCF-calculation. Key assumptions used in the calculation of the recoverable amount are the discount rate (WACC), the perpetuity growth rate and the revenues growth rate: the values assigned to the key assumptions represent management's assessment of the future trends. The key assumptions were as follows:

	31 Dec 2017	31 Dec 2016
Weighted average cost of capital (WACC)	13.0%	12.0%
Perpetuity growth rate	1.8%	1.7%
Revenues growth rate (average of next five years)	16.5%	5.9%
EBITDA growth rate (average of next five years)	5.6%	7.1%

A long-term growth rate into perpetuity was determined based on management's best estimate of the long-term growth rate in the industry.

Sensitivity analysis

A sensitivity table to the discount rate and terminal growth rate for 2017 and 2016 is shown below. The sensitivity is referred to the headroom between the present value and the carrying amount of the META CGU. Reasonably possible changes at the reporting date to the discount rate and long-terminal growth rate, holding other assumptions constant, would have affected the surplus by the amounts shown below:

	Eur/mil	LONG-TERM GROWTH RATE 2017				
		0.8%	1.3%	1.8%	2.3%	2.8%
WACC	12.0%	57.3	57.6	57.9	58.2	58.5
	12.5%	52.8	53.0	53.3	53.6	53.9
	13.0%	48.6	48.9	**49.2**	49.4	49.7
	13.5%	44.8	45.1	45.3	45.6	45.8
	14.0%	41.3	41.6	41.8	42.0	42.3

	Eur/mil	LONG-TERM GROWTH RATE 2016				
		0.7%	1.2%	1.7%	2.2%	2.7%
WACC	11.0%	62.0	65.9	70.3	75.2	80.7
	11.5%	57.4	60.9	64.9	69.2	74.1
	12.0%	53.2	56.4	**59.9**	63.8	68.1
	12.5%	49.4	52.3	55.5	59.0	62.8
	13.0%	45.9	48.5	51.4	54.5	58.0

Note 20 - Financial Assets

The table below shows Financial assets for the Group as of 31 December 2017 and 2016:

in '000 EUR	31 Dec 2017	31 Dec 2016
Long-term Deposits	1,187	1,184
Other investment - non current	69	-
Total non-current financial assets	**1,256**	**1,184**
Short-term Deposits	1,808	1,717
Receivables from shareholder	81	460
Other investments	33	33
Total current financial assets	**1,922**	**2,210**

Non current financial assets

Long-term deposits of EUR 1,187 thousand (2016: EUR 1,184 thousand), mainly related to deposits for renting of the UK, French and Spanish offices for the amount of EUR 1,056 thousand.

Current financial assets

Short-term deposits of EUR 1,808 thousand (2016: EUR 1,717 thousand) is mainly related to real estate and utilities agreements. Receivables from shareholders as of 31 December 2017 decreased by EUR 379 compared with previous year. The decrease is due to the write-off of the advance in cash made in 2016 for EUR 460 thousand and the opening of receivable from a shareholder.

As of 31 December 2017, as in previous year, "Other investments" mainly included investments funds with a primary French bank for the amount of EUR 21 thousand.

Note 21 - Investment In Equity Accounted Investees

"Investment in equity accounted investees" amounted as of 31 December 2017 and 2016 respectively to EUR 825 thousand and EUR 238 thousand. The increase is mainly due to the company Urbannext SA which has been accounted for using the equity method starting from June 2017. The initial recognition has been made taking into account the Fair value of the interest at the date of the loss of control. For further information see Note 4.
The tables below show a summary of financial information for the Group's investment in equity accounted investees (not adjusted for the percentage ownership held by the Group):

in '000 EUR	2017	2016
	Hotelyo SA	Hotelyo SA
Percentage ownership interest	*49%*	*49%*
Non-current assets	83	75
Current assets	1,814	1,150
Non-current liabilities	-	-
Current liabilities	(1,567)	(668)
Net assets (100%)	**330**	**557**
Revenues	398	360
Costs	(584)	(456)
Amortisation and depreciation	(39)	(38)
Finance income / (costs)	(1)	1
Income taxes	(1)	(2)
Profit or Loss	**(227)**	**(135)**
Effects of OCI adjustment	-	-
Total comprehensive income	**(227)**	**(135)**

in '000 EUR	2017
	URBANnext SA
Percentage ownership interest	*25%*
Non-current assets	331
Current assets	185
Non-current liabilities	-
Current liabilities	(428)
Net assets (100%)	**89**
Revenues	183
Costs	(445)
Amortisation and depreciation	(48)
Finance income / (costs)	331
Income taxes	6
Profit or Loss	**27**
Effects of OCI adjustment	-
Total comprehensive income	**27**

Total effects with equity method have been included in profit and loss in "Share of result of equity-accounted investees" line for the total amount of EUR -133 thousand (2016: EUR -66 thousand).

Note 22 - Trade and other Receivables

The table below shows Trade and other receivables as at 31 December 2017 and 2016 for the Group:

in '000 EUR	31 Dec 2017	31 Dec 2016
Trade receivables	67,930	42,591
Receivables from shareholders	1	1
Other receivables	7,072	4,940
Accrued income and deferred expenses	2,989	2,217
Total	**77,992**	**49,749**

The two most significant debtors of the Group included in the total trade receivables at 31 December 2017 had an open balance amounting respectively to EUR 8.043 thousand (11.8%) (2016: EUR 5,841 thousand (13.0%)) and EUR 1,958 thousand (2.9%) (2016: EUR 2,213 thousand (5.0%)).
The ageing of trade and other receivables at the reporting date is shown in the following table:

in '000 EUR	31 Dec 2017	31 Dec 2016
Not past due	67,022	38,554
Past due 0-30 days	4,200	4,886
Past due 31-90 days	2,478	2,782
Past due 91-180 days	799	1,312
Past due 181-360 days	2,956	947
Past due 361 and over	537	1,267
Total	**77,992**	**49,749**

The range "Past due 181-360 days" includes receivables related to the Gartour business that will be likely collected during 2018.
The receivables over 1 year not impaired mainly refer to VAT receivables that will be likely cashed during the coming years.
The movement in the allowance for doubtful debts in respect of trade receivables during the year has been as follows:

in '000 EUR	2017	2016
Balance at 1 January	2,235	1,909
Additions during the year	858	1,437
Used during the year	(232)	(484)
Currency Translation Differences	(32)	(41)
Effect of business combination	(4)	-
Released during the year	(731)	(586)
Balance at 31 December	**2,094**	**2,235**

Impairments are established on an individual basis. All of the receivables concerned are fully impaired as they are considered to be not recoverable. Individually impaired trade receivables relate to specific punctual analysis on recoverability of receivables past due 91 days and over; except for specific cases, all receivables past due 365 days are written down. Based on historical default rates, the Group believes that, apart from the above, no additional impairment allowance is necessary in respect of not individually impaired trade receivables.

Note 23 - Cash and Cash Equivalents

The table below shows Cash and cash equivalents as of 31 December 2017 and 2016:

in '000 EUR	31 Dec 2017	31 Dec 2016
Cash on hand	306	16
Bank accounts	42,473	52,956
Credit Card accounts	9,355	7,273
Total	**52,134**	**60,245**

Bank accounts

The decrease of bank accounts of EUR 10,483 thousand is mainly due to the Share Buy Back program and first installment paid for Comvel gmbh acquisition (see respectively the Note 24 "Shareholder's equity" and Note 4 "Changes in the scope of consolidation").
The Group's bank accounts are interest bearing with variable interest rates between 0% and 0.1% (2016: 0 % and 0.1%). Bank overdrafts bear variable interest rates are nil in 2017 (2016: 0.25 % and 3.50%). For further information refer to the Consolidated Cash Flow Statement and Note 26.

Credit card accounts

This position contains all credit card accounts with debit balances that are used for payments in the daily business. The increase compared to the previous year of EUR 2,082 thousand is mainly related to Group's choice to meet the requirements of low cost flight companies that have more advantages to accept the prepaid cards.

Note 24 - Shareholders' Equity

The table below shows Equity as of 31 December 2017 and 2016:

Share capital

	31 Dec 2017	31 Dec 2016
Share capital and reserves		
Share capital	146	146
Capital reserves	127,751	127,751
Translation reserve	1,419	1,054
Treasury share reserve	(16,738)	(12,364)
Retained earnings	19,191	25,714
Equity attributable to shareholders of lastminute.com NV	**131,769**	**142,301**
Non-controlling interest	1,737	2,604
Total equity	**133,506**	**144,905**

As of 31 December 2017 the number of ordinary shares is 14,622,631 (2016: 14,622,631) for a nominal value per share of EUR 0.01 (2016: EUR 0.01).

On 15 April 2014, the Group completed its Initial Public Offering ("IPO") on SIX Swiss Exchange. Upon the approval of the IPO, the preferred shares transformed into ordinary shares. Following the IPO, the parent company increased its capital by 2,261 thousand additional ordinary shares with a nominal value per share of EUR 0.01.
The Group completed its IPO at a price of CHF 48.00 per share. A syndicate of banks consisting of Credit Suisse, Morgan Stanley and UBS as Joint Global Coordinators and Joint Bookrunners, and Mediobanca as Joint Bookrunner, placed 2,187,500 newly-issued shares on behalf of the Group as well as 3,145,000 existing shares on behalf of the selling shareholders to the public in Switzerland and to selected private and institutional investors outside Switzerland. In addition, the syndicate of banks partially exercised its over-allotment option and, as a result, additional 73,920 bearer shares of the Group were issued at a price of CHF 48.00 per share.
Including the shares placed in connection with the over-allotment option, a total of 5,406,420 offered shares were sold, corresponding to 37% of the share capital (after the partial exercise of the over-allotment option). The offer size of the IPO (after the partial exercise of the over-allotment option) therefore amounted to EUR 212.5 million, of which gross proceeds from the primary shares issued amounted to EUR 88.9 million. The aggregate number of shares in issue after the partial exercise of the over- allotment option was 14,622,631 bearer shares.
The difference on Non controlling interests, from EUR 2,604 thousand in 2016 to EUR 1,737 thousand in 2017 is mainly related these effects:

- the loss of the period pertaining to Non controlling interests for EUR 1,351 thousand;
- the capital contribution by Non controlling interests for EUR 737 thousand;
- acquisition/loss of control of subsidiaries for EUR -253 thousand.

For further details please see the Note 4 "Changes in the scope of consolidation".

The table below shows the number of shares and total issued capital as of 31 December 2017 and 2016:

Issued Capital	31 Dec 2017	31 Dec 2016
Number of ordinary shares	14,622,631	14,622,631
Nominal value per share (EUR)	0.01	0.01
Total amount (EUR)	**146,226**	**146,226**

Capital reserves

As of 31 December 2017 capital reserves, including share premium reserves, amount to EUR 127,751 thousand (2016: EUR 127,751 thousand).
In 2014 the share premium relating to the IPO described above was posted net of the following costs:

- fees for the joint global coordinators that supported the Group in the IPO process amounting to EUR 2,667 thousan
- additional listing costs amounting to EUR 430 thousand (net of the tax effect). The remaining listing costs, amounting to EUR 2,849 thousand, were recognized in profit or loss, within marketing costs and other operating costs.

Translation reserve

The translation reserve comprises all foreign currency differences arising from the translation of the 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. At 31 December 2017, the Group held 1,282 thousand shares for the total value of EUR 16,738 thousand (948 thousand shares as of 31 December 2016 for a total value of EUR 12,364): during 2017 the Group bought treasury shares for a total of 360 thousand for the total value of EUR 4,725 thousand. The Group sold 14 thousand treasury shares to employees who exercised their stock option for an amount of EUR 163 thousand and 14 thousand treasury shares for EUR 188 thousand. For further information refer to Note 15.

On 13 August 2014, the Group announced officially a share buy-back plan to purchase bearer shares of lastminute.com N.V. for a maximum amount of EUR 10 million. Such maximum amount has been increased up to EUR 18 million through resolution taken by the Board of Directors on 16 June 2015. This maximum amount could be increased from time to time upon resolution by the Board of Directors, but shall keep under the maximum buyback volume limit of 9,390 bearer shares per day in accordance with art. 55b para. 1 lit c SESTO.

The bearer shares repurchased are to be used for Group's employee stock option 2011–2013 plans and/or to finance acquisitions. Starting from 2015 bearer shares were repurchased in connection with the new cash-settled share-based payment arrangement. For more information refer to Note 15. The Group's bearer shares are listed in the main standard of SIX Swiss Exchange AG; no separate trading line has been opened for the share buy-back. The share buy-back started on 17 September 2014 and will end no later than 4 November 2017.

On 15 December 2017 the Group announced that the parent company lastminute.com N.V. (the Company) made available for approval with the Swiss Take Over Board the offer prospectus regarding the Partial Self Tender Offer (PSTO), already announced on 10 August 2017.

According to the Offer Prospectus, and based on the proposal of the Company addressed to the Swiss Take Over Board ("TOB"), the Partial Self Tender Offer shall extend to 2,193,395 shares of the Company (the "Offer Shares"), representing 15% of the share capital of the Company, at an offer price of CHF 16.00 net in cash (the "Offer Price") per Offer Share.

The PSTO shall extend to 2,193,395 shares of the Company. If more than 2,193,395, but not more than 4,090,314 shares of the Company are validly tendered, the Company shall reserve the right to accept such additional tendered shares. The offer implies a premium of +12.3% over the closing price of Thursday 14 December 2017 and an expected cash out of around CHF 35 million or EUR 30 million.

The Company will reduce its own issued capital through either the cancellation of the shares repurchased during the PSTO and through the cancellation of part of the treasury shares already owned.

Retained earnings

Retained earnings as of 31 December 2017 amounted to EUR 19,191 thousand (2016: EUR 25,714 thousand) and contain the profit relating to current year and accumulated results obtained in previous years generated by the Group and not distributed to shareholders as well as amounts booked in relation to the remeasurements of the employee benefits liability and share-based payments.

As of 31 December 2017 retained earnings included a debit entry for EUR 38 thousand (2016: EUR 2,261 thousand) to reflect the effect of the buy-back of share options from employees and the difference between the fair value of shares sold to employees and the exercise price of option exercised.

Dividends

No dividends were paid by the group during 2017.

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 25 - Provisions

The table below show the movements in Provisions for 2017 and 2016:

in '000 EUR	01 Jan 2017	Reversals	Use	Additions	Reclassification	31 Dec 2017
Provision for fraudulent credit card transactions	724	(605)	(75)	526	(44)	526
Provision FullFlex	35	-	-	13	2	50
Other provisions	939	(925)	-	2,698	42	2,754
Total	**1,698**	**(1,530)**	**(75)**	**3,237**	**-**	**3,330**
Non-current	820	(820)	-	-	-	-
Current	878	(710)	(75)	3,237	-	3,330
Total	**1,698**	**(1,530)**	**(75)**	**3,237**	**-**	**3,330**

in '000 EUR	01 Jan 2016	Reversals	Use	Additions	Reclassification	31 Dec 2016
Provision for fraudulent credit card transactions	559	(50)	(303)	518	-	724
Provision Volaflex	210	-	(2,158)	1,983	-	35
Redundancy provision	1,254	-	(1,254)	-	-	-
Other provisions	2,432	(1,382)	(597)	486	-	939
Total	**4,455**	**(1,432)**	**(4,312)**	**2,987**	**-**	**1,698**
Non-current	2,000		(1,180)	-		820
Current	2,455	(1,432)	(3,132)	2,987		878
Total	**4,455**	**(1,432)**	**(4,312)**	**2,987**	**-**	**1,698**

Provision for fraudulent credit card transactions

Provision for fraudulent credit card transactions, for an amount of EUR 526 thousand (2016: EUR 680 thousand), refer to transactions completed in the year preceding the reporting date and likely to be disputed by the customer in the following year.

Provision Fullflex

The provision for FullFlex represents the best estimate of future payments under the FullFlex program. This includes the costs with respect to unused vouchers resulting from flight cancellations before the balance sheet date. Further information on FullFlex is provided in Note 2.

Other

As of 31 December 2017, other current provisions amounted to EUR 2,754 thousand and they are mainly referred to:

- provision for fine levied by the Italian antitrust authority for EUR 2,400 thousand. Even though the Group will appeal against the sentence, management deemed that a provision needed to be booked for the entire amount of the fine. The Group has already started the process to set up a conduct in compliance with the Italian market regulatory framework.
- provision for a fine following a labour inspection in Spain for EUR 248 thousand that is likely to be paid in 2018. Management will appeal in 2018.

During the 2017 an amount of EUR 820 thousand related to VAT risks for past years has been released through profit and loss.

Note 26 - Net Financial Position

Group's management considers the net financial position defined below as a KPI for measuring Group's financial performances. The table below represents the net financial position for the Group as of 31 December 2017 and 2016:

in '000 EUR	31 Dec 2017	31 Dec 2016
Current financial assets	1,922	2,210
Cash and cash equivalents	52,134	60,245
Short term financial liabilities	(10,015)	(7,680)
Net Financial Position within 12 months	**44,041**	**54,775**
Non current financial assets	1,256	1,184
Net Financial Position over 12 months	**1,256**	**1,184**
Total Net Financial Position	**45,297**	**55,959**

The Net Financial Position for the Group was EUR 45,297 thousand in 2017, compared to EUR 55,959 thousand in 2016. The changes in the composition of the net financial position as of 31 December 2017 compared to December 2016 can be mainly explained by a lower cash and cash equivalents by EUR 8,111 thousand mainly due to the changes of payments terms from different suppliers;
Short term liabilities are related to the opening of a short term loan granted by a primary bank of the Group with no impact of the net financial position.
For further information see the Consolidated Cash Flow Statement.

Note 27 - Trade and other Payables

The table below shows "Trade and other payables" as of 31 December 2017 and 2016:

in '000 EUR	31 Dec 2017	31 Dec 2016
Trade payables	(115,322)	(86,654)
Credit card payables	(35,919)	(38,636)
Other payables	(7,706)	(9,066)
Accrued expenses and deferred income	(5,592)	(5,653)
Total	**(164,539)**	**(140,009)**

The two most significant creditors of the Group included in the total trade payables at 31 December 2017 had an open balance amounting respectively to EUR 6,488 thousand, referred to the Group's major supplier (5.6%) (2016: EUR 5,805 thousand (7.0%)), and EUR 5,217 thousand (4.5%) (2016: EUR 4,343 (5.0%)).

The ageing of trade and other payables at the reporting date is shown in the following table:

in '000 EUR	31 Dec 2017	31 Dec 2016
Not past due	(150,952)	(125,181)
Past due 0-30 days	(9,638)	(9,782)
Past due 31-90 days	(905)	(3,255)
Past due 91-180 days	(1,340)	(1,014)
Past due 181-360 days	(940)	(381)
Past due 361 and over	(765)	(396)
Total	**(164,539)**	**(140,009)**

Credit card payables
The credit card payables are post-paid credit card accounts, which are used to make payments in the daily business. The amount of 2017 is in line compared to the previous year. At 31 December 2017, the Group had agreed credit card plafonds for a total amount of EUR 88,799 thousand (2016: EUR 88,290 thousand).

Other payables
Other payables mainly include payables relating to taxes, social security and amounts due to personnel for the annual bonus: the amount in 2017 decreased by EUR 1,360 thousand compared to 2016.

Note 28 - Contingent Liabilities

Proceedings against Ryanair Ltd
Ryanair Ltd claimed in 2008 against a company previously belonging to the Group for alleged breach of access to Ryanair's website. Ryanair Ltd went to court in Ireland, asking for an injunction preventing the former Group company from accessing its website and additionally suing for damages. In 2009, Bravofly SA claimed in Switzerland to reach an assessment that its activity was not violating any right of Ryanair Ltd, whereas the latter claimed to reach an assessment that Bravofly SA was acting illicitly and additionally sued for damages. At the balance sheet date, it is not possible to form an opinion as to the outcome of the cases and it is not possible to quantify any liability for costs and potential damages that may arise. Based on legal advice and, according to case law in similar cases, the likelihood of success for Ryanair Ltd is remote.

In 2010, Viaggiare Srl brought a civil proceeding against Ryanair Ltd, before the Court of Milan: in the claim the defendant is trying to prevent Viaggiare from performing its online travel agency activities in respect of such airline flights. Viaggiare has asked the Court to acknowledge and declare that: (a) such airline is culpable of acts of unfair competition to the plaintiff's detriment (along with other torts, such as abuse of its dominant position on the market of sale of air flight tickets and relating services); and, conversely (b) Viaggiare is entitled to perform its OTA activity also in respect of such airline flights. The first instance court accepted Viaggiare's request and ordered the airline to pay damages and judicial costs for the first instance proceeding. The judgment was appealed by the airline on July 31st, 2013. In July 2015 the second instance court decided in favour of Viaggiare even if Ryanair has not been recognized as dominant in the market. In 2016 the second instance judgment has been appealed by Viaggiare before the Cassazione Court.

In 2009, Lastminute.com SRL brought a civil proceeding against Ryanair Ltd, before the Court of Milan: in the claim the defendant is trying to prevent Lastminute.com from performing its online travel agency activities in respect of such airline flights. Lastminute.com has asked the Court to acknowledge and declare that: (a) such airline is culpable of acts of unfair competition to the plaintiff's detriment (along with other torts, such as abuse of its dominant position on the market of sale of air flight tickets and relating services); and, conversely (b) Lastminute.com is entitled to perform its OTA activity also in respect of such airline flights. The first instance court accepted Lastminute.com's request and ordered the airline to pay damages and judicial costs for the first instance proceeding. The judgment was appealed by the airline on June 2013. In March 2015 The proceeding has been transferred to lmnext CH sa due the transfer of going concern between lastminute.com Srl and Lmnext CH SA. In July 2015 the second instance court decided in favour of Lmnext CH even if Ryanair has not been recognized as dominant in the market. In 2016 the second instance judgment has been appealed by lmnext CH before the Cassazione Court.

Voyages Sur Misure (VMS) initiated a legal proceeding against Ryanair before the Paris Court of First Instance in May 2012 seeking a declaration that VSM's scraping of Ryanair content for display on the French website does not constitute an infringement of Ryanair's intellectual property rights or provide any other grounds for Ryanair to lawfully refuse booking via VMS. Ryanair submitted pleading challenging jurisdiction of French courts. In March 2013 Court held that matter should be heard before the Paris Commercial Court rejecting Ryanair claim to have proceedings transferred to Ireland. In March 2015 Lmnext FR has taken over to VSM's in the trial. The parties are waiting for the court to set date for first hearing. At the balance sheet date, it is not possible to form an opinion as to the outcome of the cases and it is not possible to quantify any liability for costs and potential damages that may arise. Based on legal advice and, according to case law in similar cases, the likelihood of success for Ryanair Ltd is remote.

Note 29 - Related Parties

The Group is controlled by Freesailors Cooperative (incorporated in the Netherlands), which is controlled by Mr. Fabio Cannavale. Freesailors Cooperative controls the Shareholders' Agreement owning 41.4% (2016: 47.5%) of the shares of the Company and controls it. The remaining 58.6% (2016: 52.5%) of the shares are widely held. Parties are considered to be related if one party has the ability, directly or indirectly, to control the other party or exercise significant influence over the other party in making operating and financial decisions. Parties are also considered to be related if they are subject to common control or common significant influence. The Group has a related party relationship with its major shareholder, its subsidiaries, its associates, its post employment benefit plans as well as with its key management personnel. The Group's operations involve operating activities between the parent company and its subsidiaries and between the subsidiaries due to the nature of business: these kind of operations are "recurring" transactions eliminated on consolidation basis.

Receivables from shareholders
The table below shows Receivables from shareholders as of 31 December 2017 and 2016:

in '000 EUR	31 Dec 2017	31 Dec 2016
Financial receivables	81	460
Total	**81**	**460**

An amount of EUR 659 thousand recorded as a financial expense (see Note 26) relates to a reimbursement to the shareholder Freesailors Coöperatief u.a in relation to a financial expense sustained on behalf of the Group. As at 31 December 2017 the Group has a receivable from a minority shareholders in one of the Swiss entity recorded under "current financial assets".

Key management personnel compensation
The key management personnel compensation for 2017 and 2016 is presented in the table below:

in '000 EUR	2017	2016
Short-term employee benefits	1,901	2,552
Share-based payments	21	451
Post employment benefits	167	108
Termination benefits	-	555
Total	**2,089**	**3,666**

In 2017, the composition of key management changed following a new simplified structure, reducing the number of members from 8 in 2016 to 5 in 2017.

Transactions with associates
The tables below provide summarised financial information with regard to the transactions with associates:

in '000 EUR	31 Dec 2017		31 Dec 2016	
	Assets	Liabilities	Assets	Liabilities
Hotelyo SA	663	833	194	37
URBANnext SA	60	-	-	-
Total	**723**	**833**	**194**	**37**

in '000 EUR	31 Dec 2017		31 Dec 2016	
	Costs	Revenues	Costs	Revenues
Hotelyo SA	18	65	90	51
URBANnext SA	-	86	-	-
Total	**18**	**151**	**90**	**51**

Other transactions
In 2017 the Group recognised a cost with regard an employee of a related party for EUR 112 thousand. The open payable as at 31 December 2017 is EUR 30 thousand. No other transactions occurred in 2017.
In 2016 the Group paid a bonus to a minority shareholder's of a subsidiary for a total amount of EUR 120 thousand. In 2016 a former member of Board of Directors exercised 150 thousand stock options and cashed in another 50 thousand stock options for EUR 258 thousand. The same person exited from the cash-settled share-based payment plan for a total value of cash of EUR 85 thousand. No other transactions occurred in 2016.

Note 30 - Bank Guarantees

As of 31 December 2017, financial institutions had issued bank guarantees to third parties on behalf of the Group for a total amount equal to EUR 54.0 million (2016: EUR 45.8 million), of which EUR 3.5 million related to a bank guarantee to a Spanish GDS airline and EUR 36.1 million relate to a bank guarantee for the IATA, ABTA and ATOL.

Note 31 - Group Companies

The table below shows the Group 's structure as of 31 December 2017 and 2016:

Name	Country	Consolidated for 2017	Ownership interest	
			2017	2016
lastminute.com N.V.	Netherlands	-	Parent Company	Parent Company
Bravonext SA	Switzerland	Fully	100.0%	100.0%
Viaggiare S.r.l.	Italy	Fully	100.0%	100.0%
Satintour Services	UK	Fully	99.8%	99.8%
LMnext US INC	USA	Fully	100.0%	100.0%
LMnext DE Gmbh	Germany	Fully	100.0%	100.0%
LMnext Services Ltd	UK	Fully	100.0%	100.0%
LMnext UK Ltd	UK	Fully	100.0%	100.0%
Bravoventure India Private lmt	India	Fully	100.0%	100.0%
Sealine Investments LP	UK	Fully	100.0%	100.0%
Blue Sas - JetCost	France	Fully	98.4%	100.0%
2Spaghi S.r.l. in liquidazione	Italy	Fully	0.0%	100.0%
Bravojet SA in liquidazione	Switzerland	Fully	100.0%	60.0%
Bravomedia S.r.l.	Italy	Fully	100.0%	100.0%
Pigi Shipping & Consulting S.r.l.	Italy	Fully	100.0%	100.0%
Prezzi Benzina S.r.l.	Italy	Fully	0.0%	50.1%
Bravoventure Spain SLU	Spain	Fully	100.0%	100.0%
Hotelyo SA	Switzerland	Equity	49.0%	49.0%
Vivigratis SA	Switzerland	Fully	0.0%	51.0%
Rumbo SA	Spain	Fully	100.0%	100.0%
Rede Universal de Viagens Ltda	Brazil	Fully	0.0%	100.0%
Webnext Limited	Malta	Fully	100.0%	100.0%
LMnext CH SA	Switzerland	Fully	100.0%	100.0%
URBANnext SA	Switzerland	Equity	25.0%	80.0%
Cruiseland S.r.l.	Italy	Fully	100.0%	100.0%
LMnext FR SASU	France	Fully	100.0%	100.0%
Bravometa CH SA	Switzerland	Fully	98.4%	100%
Bravoventure Poland Spolka	Poland	Fully	100.0%	100%
Destination Italia SpA	Italy	Fully	57.0%	57%
Destination 2 Italia Srl	Italy	Fully	57.0%	100%
Lmnext UK Ltd (incorporated in England and Wales) Branch	UK	Fully	100.0%	0%

Note 32 - Subsequent Events

Cancellation of own shares

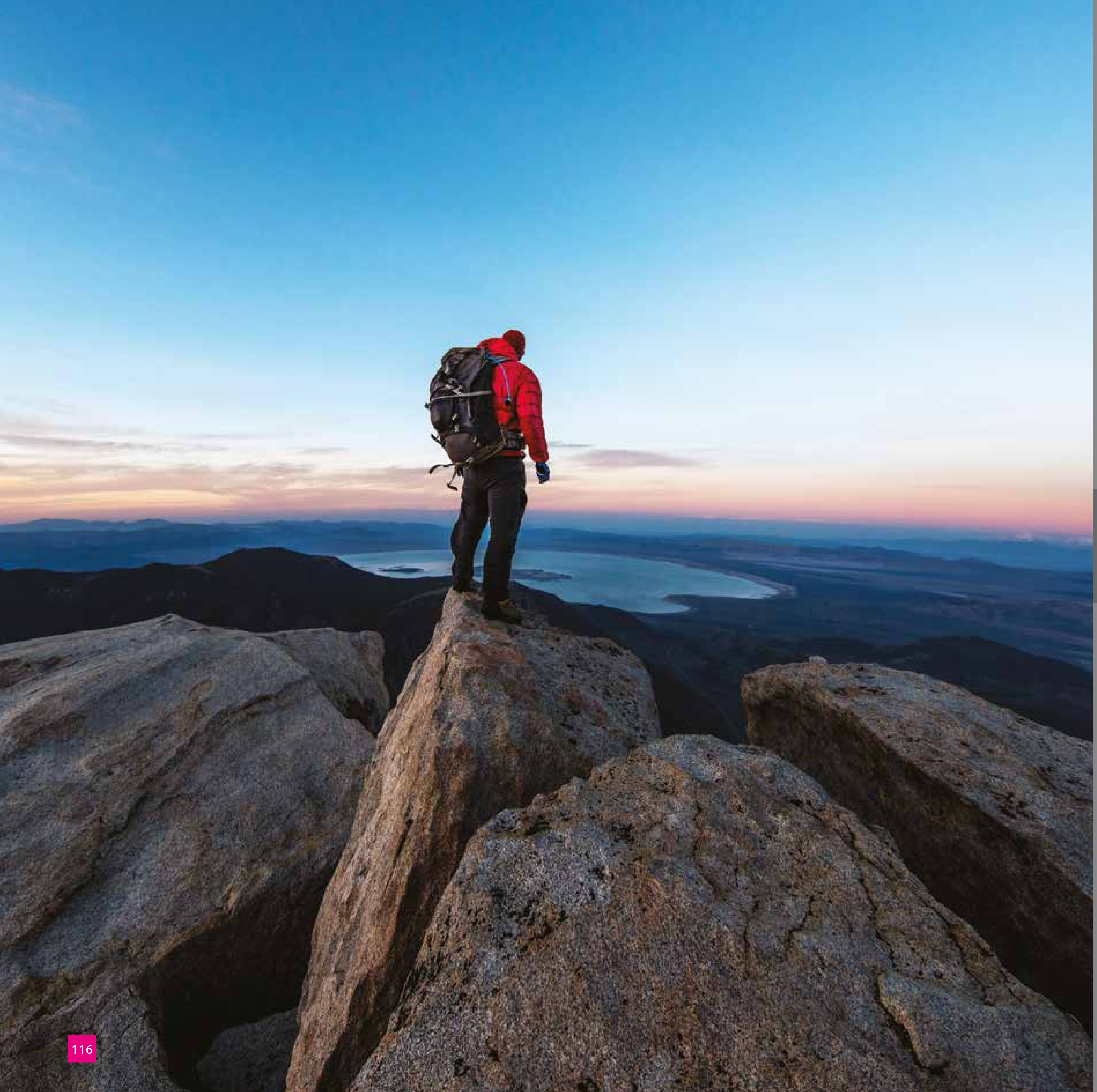
On 21 September 2017 the extraordinary general meeting of the Company resolved to reduce the capital of the Company through the cancellation of shares. The cancellation of shares occurred on 30 January 2018. As a result of this cancellation of shares, the capital of the Company was decreased to EUR 138.576,14. Only treasury shares have been cancelled, hence no impact on EPS should be calculated.

Acquisition of Comvel Gmbh

The Group announced the acquisition from ProSiebenSat.1 Group of the entirety of the shares of Comvel GmbH, to scale up its positioning in Germany. 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.1 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, representing around 80% of total transaction value generated by the Company, while the remaining 20% is mostly represented by hotel with a very limited exposure to flight business. Thanks to the acquisition, lastminute.com group will reach a significant size in the largest European country (according to total travel transaction value). The total travel value and the total revenues of Comvel Gmbh as of 31 December 2017 are expected to be respectively around EUR 220 million and more than EUR 20 millions. Under the terms of the agreement, lastminute.com group, will acquire 100% of the Comvel GmbH capital with effect 1st January 2018 for a total consideration of EUR 13.5 million, to be paid in cash, EUR 5 million at closing date, EUR 2.5 million during 2018 and EUR 6 million throughout 2019. No other financial information of Comvel Gmbh can be disclosed as the audit on the company has not been completed yet.

New Loan

At the end of January 2018 the Group obtained a loan for EUR 20 million from a primary Italian financial institute. No other subsequent events occurred since balance sheet date, which would change the financial position of the Group or which would require adjustment of disclosure in the annual accounts presented.



Auditor’s report

pwc

Independent auditor's report

To: the general meeting and the board of directors of lastminute.com N.V.

Report on the consolidated financial statements 2017

Our opinion

In our opinion the accompanying consolidated financial statements 2017 of lastminute.com N.V. ('The Company'), are consistent, in all material respects, with the audited statutory financial statements, in accordance with the basis described in note 1.

The consolidated financial statements

The Company's consolidated financial statements derived from the audited statutory financial statements for the year ended 31 December 2017 comprise:

- the consolidated balance sheet as at 31 December 2017;
- the consolidated statement of profit or loss and other comprehensive income for the year then ended;
- the consolidated statement of changes in equity for the year then ended;
- the consolidated cash flow statement for the year then ended; and
- the related notes to the consolidated financial statements.

These consolidated financial statements do not contain all of the disclosures required by Part 9 of Book 2 of the Dutch Civil Code. Reading the consolidated financial statements and the auditor's report there on, therefore, is not a substitute for reading the audited statutory financial statements of lastminute.com N.V. and the auditor's report thereon.

The audited statutory financial statements and our auditor's report thereon

We expressed an unmodified audit opinion on the audited statutory financial statements in our report dated 13 March 2018. The report also includes the communication of key audit matters. Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the audited financial statements of the current period. The following Key audit matters are included:

- Valuation of goodwill and trademarks
- Occurrence, accuracy and cut-off of revenue from sales of travel services

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Responsibilities of management for the consolidated financial statements

Management is responsible for the preparation of these consolidated financial statements in accordance with the basis described in note 1.

Auditor's responsibility

Our responsibility is to express an opinion on whether these consolidated financial statements are consistent, in all material respects, with the audited statutory financial statements based on our procedures, which we conducted in accordance with Dutch Law, including the Dutch Standard 810 'Engagements to report on summary financial statements'.

Amsterdam, 13 March 2018
PricewaterhouseCoopers Accountants N.V.

Original has been signed by A.G.J. Gerritsen RA

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Printed on 16 March 2018,
following the approval of the audited Consolidated Financial Statements by the lastminute.com N.V. Board of Directors.

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