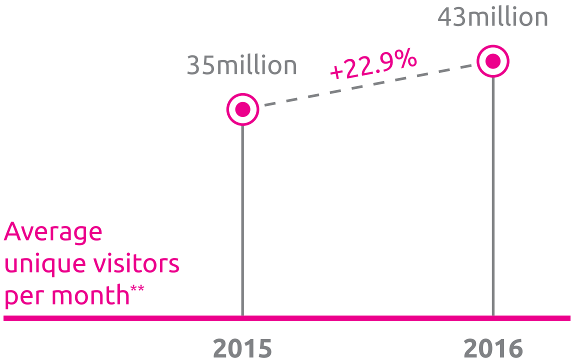
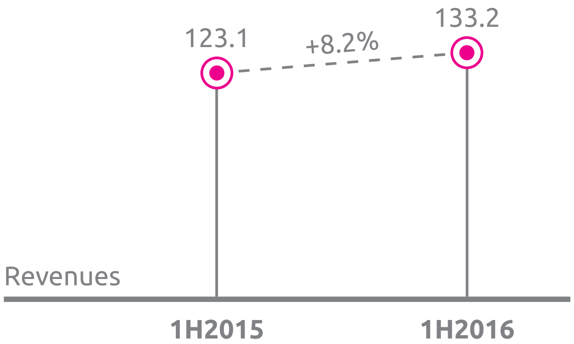
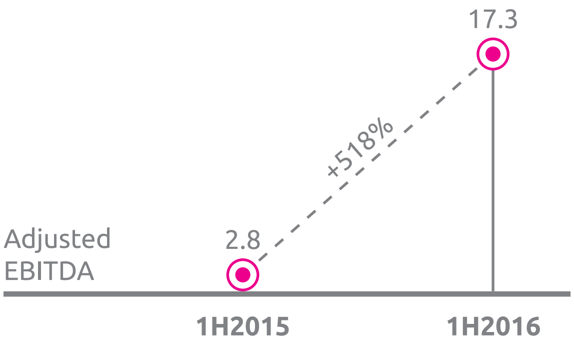
interimreport halfyear2016

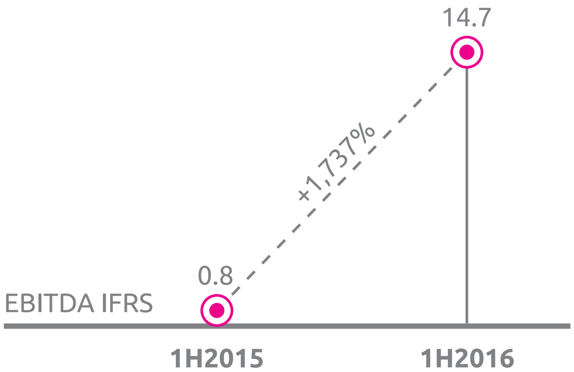
lastminute.comgroup

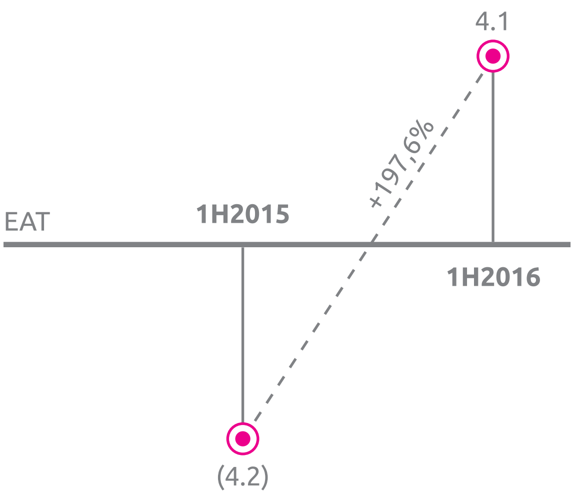
At a glance*

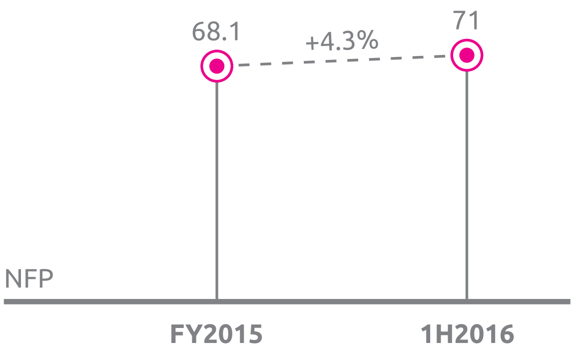










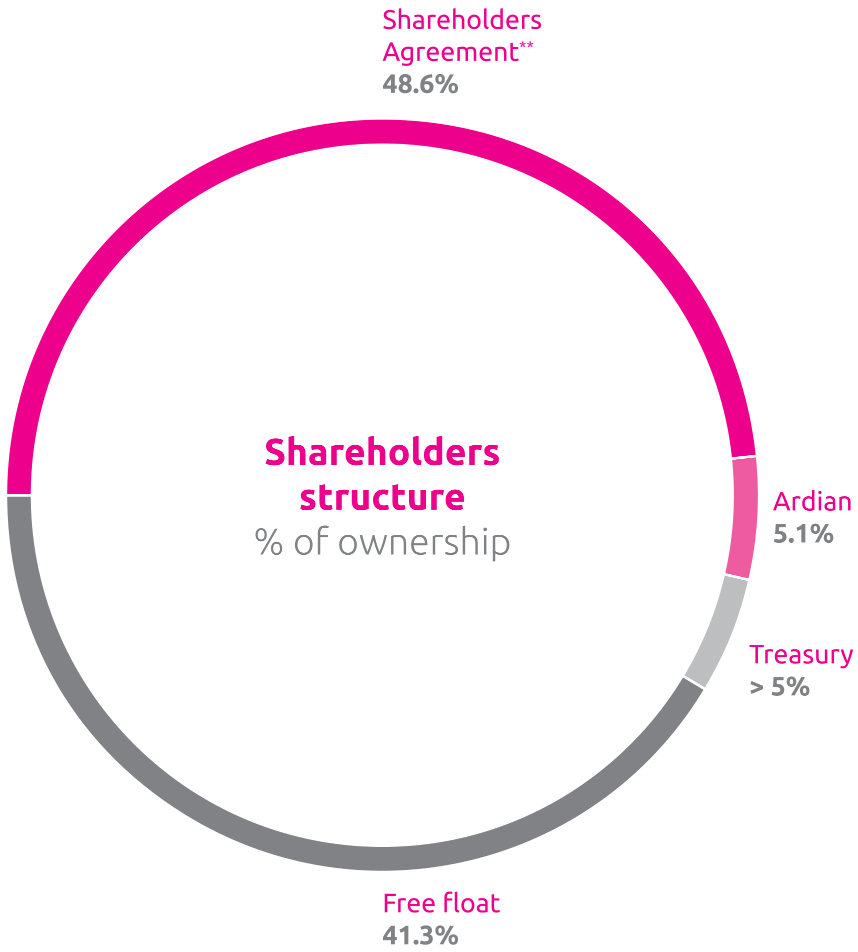


Footnotes:

***** Financial figures in € million

****** Monthly average FY2015 vs 1H2016

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 30.06.2016
****** The shareholding agreement includes 18 entities including Freesailors Cooperatief UA holding 35% of the total issued capital

Contents


We aim to be an inspiring travel company, committed to enrich the lives of travellers offering them support and services whenever they need it

Chairman's message

Dear stakeholders,

lastminute.com group is on track to deliver against its performance targets and looks to secure the foundations for a sustainable growth.

The first half of the year was dominated by the consolidation of our new business model, following the integration of the lastminute.com organisation into the former Bravofly Rumbo Group structure.

Moving to a more comprehensive model has enabled the group to achieve results above market expectations, despite extraordinary events affecting the business. Both, European terrorist attacks and "Brexit" had some effects on industry performance but our diversified revenue model contributed to mitigate these risks.

The travel industry continues to transform and faces ongoing challenges due to the evolution of technology and customer behaviour. Whilst in the short-run some external unpredictable events may affect the quarter's performance, the mid-to-long term trajectory is still consistently rising over the years and digitalisation rate further supports its structural growing trend, which will be steadily above average worldwide GDP growth*. The group is now set up to play in such a complex and competitive landscape and the clear decision to shift from a pure OTA model to a mixed OTA-META and then to Travel and Media model, has brought a set of really encouraging results. Around 20% of our revenue now comes from non-transactional business and expectations are to see this percentage further increase, together with improved margins.

Our plans are oriented to generate the most efficient infrastructure to unlock all potential synergies, coherently managing travel and media together. From 43 million unique visitors per month we can extract value through the bookings of bespoke products and services, the delivery of relevant content, advertising, and then can generate a virtuous circle aiming at widening our target audience and intercepting a "higher quality traffic". That's why the organisation and the management team have been reshuffled since the end of 2015 to give shape to a more coordinated operating model. Performance marketing strategies, brand initiatives, customer experience and product developments are different but related parts of a unique strategic roadmap.

After securing the lastminute.com integration in such a fast and efficient manner, with a projected recovery of more than €35million at EBITDA level on yearly basis, thanks to its solid financial structure, the Group is now in the position to evaluate further mid-to-large size investment opportunities. The market is consolidating and size is an important key success factor, together with a management team able to exploit synergies from acquisitions of similar or complementary businesses.

Thanks to the engagement and dedication of all employees, we closed a very positive first semester, and we are even more confident to achieve better results than planned and disclosed on May 9th 2016 through our official 2016 Guidance. We decided then to set more ambitious targets with FY2016 adjusted EBITDA exceeding €27million from the initial goal of €25million.

We are half of the way, but we believe that we are following the right path to give all our stakeholders the returns they were expecting.

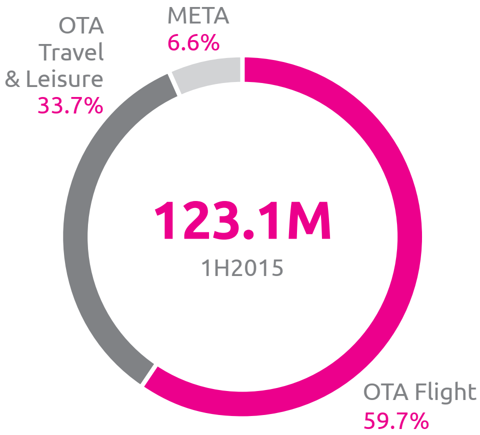
Ottonel Popesco
Chairman of the Board of Directors

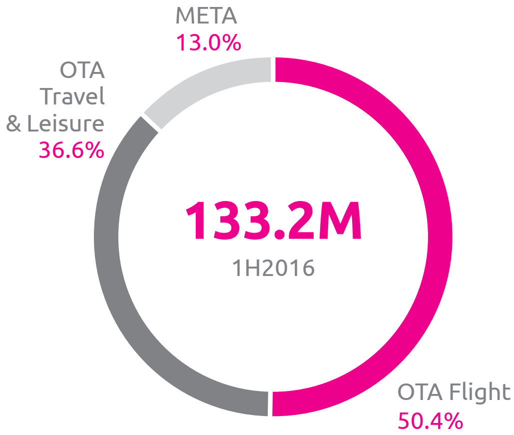
***** Source: PhocusWright

Segment reporting

(in € million)

Revenue breakdown per business line





Revenue breakdown per country

	UK	France	Italy	Spain	Germany	Others
1H2016	**31.5**	**31.1**	**26.6**	**18.7**	**8.9**	**16.4**
On Total	24%	23%	20%	14%	7%	12%
DELTA	**+24.0%**	**+4.0%**	**+9.9%**	**-2.6%**	**+3.5%**	**+3.8%**
1H2015	**25.4**	**29.9**	**24.2**	**19.2**	**8.6**	**15.8**
On Total	21%	24%	20%	16%	7%	12%

CEO’s message

©Tatiana.Scolari

Our mission in 2015 was to ***"enrich the life of travellers"*** and the only way possible to fulfil this objective was to rethink the typical travel agency model and find the key to unlocking the full potential of one of the most recognised and powerful brands in the field.

The first half of 2016 shows a positive outcome following a challenging prior year when we consciously decided to buy and integrate a loss making company of a similar size as Bravofly Rumbo Group. We realised that such a challenge came with the risk of reporting negative results in the short-term but it also presented the opportunity to implement a more comprehensive revenue model, leveraging our business expertise and integration capabilities already demonstrated with the past acquisitions of Rumbo in 2012 and Jetcost in 2013. We closed last year (FY15) with an EBITDA at -€10.9million and an NFP down by around €20million to €68.9million from €89.2million in 12 months due to the negative profitability of the business acquired and extra-costs sustained to integrate technology platforms and reorganise the group.

Our main objective in the first half (1H16) was to exploit all possible efficiencies from the 2015 restructuring project. We achieved the targets and the adjusted EBITDA of €17.3million (EBITDA margin at 13%) demonstrates that we are doing well and on track to fulfil our plans.

The most exciting but at the same time challenging part of this plan was to redefine our marketing strategy and make the new operating model efficient. This move being the primary trigger for the strong rebound of profitability. At the very beginning we tried to significantly reduce the "non-profitable" part of our marketing spending. This was a historical change because we were fully aware about the possibility of experiencing a consistent decrease in volume (for the first time since we founded the business in 2004) and then in revenue, with all effects down to the P&L. We succeeded in cutting a wide portion of costs, with an undeniable shrink in bookings and GTV, but with revenue only partially affected on a like-for-like basis. Over the next few months we will fine-tune this approach, we'll evaluate "where and when" to allocate incremental resources to relaunch top-line growth and then find the right balance between profits and business sustainability. The changes in business mix with META and MEDIA now accounting for 19.5% of the total group revenues is the result of a planned strategy set to address investments on more profitable and growing areas.

Our commitment to enhance the end to end customer experience is making progress, thanks to a continuous release of new Apps, website functionalities and initiatives realised to improve customer support. We still have to fill some gaps to deliver the most easy and inspiring search and booking experience. This is a crucial part of our roadmap and we are fully focused on delivering against the objective.

We are targeting excellence and the ability to distinguish ourselves from our competitors. We believe the profitability of our business model will continue to grow over the coming years thanks to the opportunity to further optimise the actual P&L structure. This is mainly driven by the ongoing recovery of the OTA segment KPIs, the sharp growth profile of the Meta business and drawing on the full potential of Media.

Our healthy financial position enables the group to look at new investments to fuel our ambition to become the number one European player in the online travel space. The group is always ready to seize opportunities ranging from internally focused (talent sourcing and retention/rewarding plans for employees) or external initiatives (ventures and M&A), to bring home innovation that generates value in the long-term. Our solid track record of deal sourcing, execution and integration should represent reliable fundamentals to support our growth plans.

A sincere and loud "thanks" must be given to all our employees that make all this possible and to the loyalty of our long-term shareholders that understand the importance of being innovative and believe that here, at lastminute.com Group, we can shape the future of the online travel business.

Fabio Cannavale
CEO

Strategic guidelines

Our plans and strategic directions - Guiding principles confirmed

1 Profitability still a priority

Optimization plan ongoing to secure good results already achieved

2 Customer experience at the core of our IT development roadmaps

Product quality as key assets to increase brand advocacy and to lift-up conversion rate

3 Audience centric approach to implement a robust MEDIA model

From OTA-META to Travel & Media model, to differentiate and monetize high quality traffic

4 INNOVATION as key driver to excellence

Leverage healthy financial position and solid P&L results to support Innovation through organic investments (talent sourcing) and extraordinary initiatives (venture, M&A)

Key business priorities

Top mobile APP and website usability

TO

lift-up conversion rate

Right audience targeting and engagement

TO

monetize high-quality traffic

CFO's message

It's with great pleasure we can say that **our plans were set in the right direction** and our expectations conservative.

With Meta skyrocketing at +114% vs 1H2015 (boosted by aggressive marketing investments), and Media revenue starting a very encouraging growth trajectory, non-transactional business is now representing 19.5% of total group revenue.

We are working hard to find the optimal mix and structuring our operating model to manage complexities according to new requirements and challenge. High profitability is primarily driven by an increased efficiency in marketing spending (marketing/revenue ratio from 47.4% to 41.4% already below our 2017 target of 42%) and cost cutting coming from the 2015 restructuring process that lead to an increased efficiency of around 15% on the human resources side (HR costs/revenue ratio) - this takes into consideration the effects of the new hiring programme of senior professionals to fill gaps in key management roles and within the IT and Marketing departments.

Below operating profit we recorded an increased amount of D&A (mainly due to perimeter change) substantially aligned with CAPEX, which can now be considered at run-rate level, and an extraordinary finance effect of some €3.5million caused by GBP depreciation. Net of this and considering the huge efficiency realised through the still improving operating model, reflected by consistently lower tax rate, we closed at €5million total net income vs (€4.5million) in the same period last year with a recovery of nearly €10million.

Although the typical first half year jump in terms of cash generation was offset by limited net working capital changes, NFP is in any case growing to €71million. Outflows from investing (our constant buyback activity) and financing (the effects from the GBP depreciation) are more than balanced by the operating cash generation. All this shows how resilient our model is and our financial structure healthy and solid.

Businesswise, while Dynamic Packages are resisting the short-term industry headwinds, and are performing well in line with our clearly declared strategic focus, flight bookings and revenue suffered from strong reduction of OTA marketing investments. The hotel segment is still under pressure after platform migration. This is a key element we are constantly analysing and investigating in order to implement recovery plans. Ancillary revenues are growing, even if not to the extent we would like. Up selling and cross selling depend on both user experience and dedicated marketing investments. In this phase, in which we are still below our objective in terms of conversion rate, it does not represent an issue.

Alongside an attentive cost management approach, we believe that the key priority is to sustain the business and secure the value of our assets on a long-term basis. Working in the digital space means that everyday we are faced with new challenges and opportunities that, whether accurately understood or not, may shift into risks and threats. This is why we are balancing a "result oriented" approach with continuous scouting of investment opportunities that might be not profitable from the very beginning, but are functional to our development roadmap and complementary with our target business profile.

We are confident that the possibility to recover around €35million at EBITDA level in one year is feasible according to our updated FY2016 guidance and, even if it appeared really challenging, the first semester reinforces our believes and pushes the management and all employees in doing their best.

Francesco Guidotti
CFO

Guidance

Based on a first semester above expectations, Management confirms its positive stance and update the Group 2016 Guidance accordingly

Adjusted EBITDA from above €25M to above €27M

UP

Adjusted EBITDA margin above 10%

UNCHANGED

Positive NFP at + €75M

UNCHANGED

Revenue increasing vs last year

UNCHANGED

Main business KPI's

Offering available in more than

40

countries

Mobile APP downloads to date

4.6 million

700 million

monthly searches*

Unique visitors per month

43 million

more than

50%

traffic through mobile devices

Footnotes:

***** Searches from users and third party METAs on all Group OTA websites

Consolidated interim financial statements
30 June 2016

Consolidated statement of profit or loss and other comprehensive income

in '000 EUR (for the six months ended 30 June)	**Notes**	**2016**	**2015**
Revenues	7	133,199	123,130
Marketing costs	8	(55,089)	(58,361)
Personnel costs	8	(25,185)	(27,418)
Other operating costs	8	(38,220)	(36,531)
Amortization, depreciation and impairment		(5,558)	(4,373)
Operating Profit / (Loss)		**9,147**	**(3,553)**
Finance income	8	61	2,019
Finance costs	8	(3,540)	(253)
Share of result of equity-accounted investees		(37)	(39)
Profit / (Loss) before income tax		**5,631**	**(1,826)**
Income tax	9	(1,481)	(2,429)
Profit / (Loss) for the period		**4,150**	**(4,255)**
- thereof attributable to the Shareholders of LASTMINUTE.COM N.V.	10	4,133	(4,395)
- thereof attributable to non-controlling interest		17	140
OTHER COMPREHENSIVE INCOME Items that will never be reclassified to profit or loss			
Remeasurements of the Employee benefits liability		(125)	(150)
Related tax		24	31
Items that will never be reclassified to profit or loss		**(101)**	**(119)**
Items that are or may be reclassified to profit or loss Foreign currency translation differences		**941**	**(135)**
Items that are or may be reclassified to profit or loss		**941**	**(135)**
Total other comprehensive income for the period, net of tax		**840**	**(254)**
Total comprehensive income		**4,990**	**(4,509)**
- thereof attributable to the Shareholders of LASTMINUTE.COM N.V.		4,973	(4,649)
- thereof attributable to non-controlling interest		17	140
EARNINGS PER SHARE			
Basic earnings per share (in EURO)	10	0.30	(0.31)
Diluted earnings per share (in EURO)	10	0.29	(0.31)

Consolidated balance sheet

in '000 EUR	Notes	30 Jun 2016	31 Dec 2015
NON CURRENT ASSETS			
Property plant and equipment		3,200	3,296
Intangible assets	14	139,897	139,776
Goodwill		60,746	60,746
Non current financial assets	13	1,255	1,325
Investment in equity accounted investees		254	291
Deferred tax assets		8,328	8,777
TOTAL NON CURRENT ASSETS		**213,680**	**214,211**
CURRENT ASSETS			
Inventories		15	30
Current financial assets	13	1,197	1,251
Current tax assets		895	1,206
Trade and other receivables	14	56,546	46,406
Cash and cash equivalents	13	68,534	65,559
TOTAL CURRENT ASSETS		**127,187**	**114,452**
TOTAL ASSETS		**340,867**	**328,663**
SHARE CAPITAL AND RESERVES			
Share capital	12	146	146
Capital reserves	12	127,751	127,751
Translation reserve	12	1,342	401
Treasury share reserve	12	(10,919)	(8,838)
Retained earnings	12	25,003	21,363
EQUITY ATTRIBUTABLE TO SHAREHOLDERS OF LASTMINUTE.COM N.V.		**143,323**	**140,823**
Non-controlling interest		372	(36)
TOTAL EQUITY		**143,695**	**140,787**
NON CURRENT LIABILITIES			
Non current provisions	14	820	2,000
Employee benefits liabilities		3,188	2,766
Deferred tax liabilities		31,206	31,342
TOTAL NON CURRENT LIABILITIES		**35,214**	**36,108**

in '000 EUR	Notes	30 Jun 2016	31 Dec 2015
CURRENT LIABILITIES			
Current provisions	14	953	2,455
Current tax liabilities	14	307	2,112
Trade and other payables	14	160,698	147,201
TOTAL CURRENT LIABILITIES		**161,958**	**151,768**
TOTAL LIABILITIES		**197,172**	**187,876**
TOTAL LIABILITIES AND EQUITY		**340,867**	**328,663**

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 2016		**146**	**127,751**	**401**	**(8,838)**	**21,363**	**140,823**	**(36)**	**140,786**
Result for the period		-	-	-	-	4,133	4,133	17	4,150
Other comprehensive income									
- Remeasurements of the Employee benefits liability (net of tax)		-	-	-	-	(101)	(101)	-	(101)
- Foreign currency translation differences	12	-	-	941	-	-	941	-	941
Total other comprehensive income net of tax		**-**	**-**	**941**	**-**	**(101)**	**840**	**-**	**840**
Total comprehensive income net of tax		**-**	**-**	**941**	**-**	**4,032**	**4,973**	**17**	**4,990**
Transactions with shareholders									
- Share-buy back plan	12	-	-	-	(2,081)	-	(2,081)	-	(2,081)
- Acquisition/loss of control of subsidiaries with non-controlling interest	5	-	-	-	-	(392)	(392)	392	(0)
Total transactions with shareholders		**-**	**-**	**-**	**(2,081)**	**(392)**	**(2,473)**	**392**	**(2,081)**
Balance at 30 June 2016		**146**	**127,751**	**1,342**	**(10,919)**	**25,003**	**143,323**	**372**	**143,695**

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 2015		**146**	**127,751**	**-**	**(3,939)**	**39,385**	**163,343**	**(169)**	**163,174**
Result for the period		-	-	-	-	(4,395)	(4,395)	140	(4,255)
Other comprehensive income									
- Remeasurements of the Employee benefits liability (net of tax)		-	-	-	-	(119)	(119)	-	(119)
- Foreign currency translation differences		-	-	(135)	-	-	(135)	-	(135)
Total other comprehensive income net of tax		**-**	**-**	**(135)**	**-**	**(119)**	**(254)**	**-**	**(254)**
Total comprehensive income net of tax		**-**	**-**	**(135)**	**-**	**(4,514)**	**(4,649)**	**140**	**(4,509)**
Transactions with shareholders									
- Share-buy back plan	12	-	-	-	(3,845)	-	(3,845)	-	(3,845)
- Share-based payments	11	-	-	-	-	82	82	-	82
Total transactions with shareholders		**-**	**-**	**-**	**(3,845)**	**82**	**(3,763)**	**-**	**(3,763)**
Balance at 30 June 2015		**146**	**127,751**	**(135)**	**(7,784)**	**34,953**	**154,931**	**(29)**	**154,902**

Consolidated cash flow statement

in '000 EUR (for the six months ended 30 June)	**Notes**	**2016**	**2015**
Cash flow from operating activities			
Profit / (Loss) for the period		**4,150**	**(4,255)**
Adjustments for:			
- Amortization and depreciation		5,558	3,985
- Impairment losses on intangible assets		-	388
- Net finance result	8	3,479	(1,766)
- Income tax expense	9	1,481	2,429
- Share-based payments	11	-	82
- Share of result of equity-accounted investees		37	39
Change in trade and other receivables	14	(10,139)	(22,117)
Change in inventories		15	6
Change in trade and other payables	14	12,555	82,260
Change in provisions		(2,681)	(216)
Change in employee benefit liability		297	119
Income tax (paid)/received		(3,174)	79
Net cash from operating activities		**11,578**	**61,033**
Cash flow from investing activities			
Interest received		6	103
Purchase of property, plant and equipment	14	(638)	(165)
Purchase of intangible assets	14	(4,947)	(6,526)
Acquisition of subsidiaries, net of cash acquired	5	-	11,945
Acquisition of financial assets	13	(48)	(2,945)
Proceeds from sale of financial assets	13	172	-
Net cash (used in)/from investing activities		**(5,455)**	**2,412**
Cash flow from financing activities			
Share Buy back plan	12	(2,081)	(3,845)
Net cash (used in)/from financing activities		**(2,081)**	**(3,845)**
Net increase in cash and cash equivalents		**4,042**	**59,600**
Cash and cash equivalents at 1 January	13	65,559	89,316
Effects of currency translation on cash and cash equivalents		(1,067)	(776)
Cash and cash equivalents at 30 June	13	68,534	148,140

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. The address of the Company's registered office is Jan van Goyenkade 8, 1075 HP Amsterdam. The consolidated interim financial statements of the Company as at and for the half-year ended 30 June 2016 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 1 March 2015, 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.

The consolidated interim financial statements were approved for issue by the Board of Directors on 13 September 2016.

Note 2 - Significant Accounting Policies

The accounting policies applied are consistent with those described in the consolidated financial statements for the year ended 31 December 2015, except for the adoption of the following new and revised standards with effective date 1 January 2016:

- Annual Improvements to IFRSs 2012–2014 Cycle;
- Amendments to IAS 16 and IAS 38: Clarification of Acceptable Methods of Depreciation and Amortisation;
- Amendments to IFRS 11: Accounting for Acquisitions of Interests in Joint Operations.

These revised standards did not have a significant impact on the Group's interim consolidated financial statements.
The Group has foreign operations, consolidated as follows:
(i) the assets and liabilities of foreign operations, including goodwill and fair value adjustments arising on acquisition, are translated into Euro at the exchange rates at the reporting date. The income and expenses of foreign operations are translated into Euro at the average exchange rates for the period.
(ii) Foreign currency differences are recognised in Other Comprehensive Income and accumulated in the translation reserve, except to the extent that the translation difference is allocated to non-controlling interests.

Basis of preparation

The consolidated interim financial statements for the half-year ended 30 June 2016 have been prepared in accordance with International Accounting Standard ("IAS") 34 – Interim Financial Reporting. The Group has applied the option of publishing condensed consolidated interim financial statements. These consolidated interim financial statements should be read in conjunction with the annual consolidated financial statements for the year ended 31 December 2015 which were prepared in accordance with International Financial Reporting Standards ("IFRS") as endorsed by the European Union (EU).

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

The consolidated interim financial statements have been prepared on the historical cost basis, except for financial instruments at fair value through profit or loss, which are measured at fair value and the employee benefits liability, measured at the fair value of plan assets less the present value of the defined benefit obligation.

Use of judgments and estimates

The significant judgments made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the consolidated financial statements as at and for the year ended 31 December 2015.

Note 3 - Seasonality

In terms of profit and loss performance, the business of the Group does not have wide seasonality swings. Historically, revenues in the first half of the year represented about 50% of the total year amount. Following the acquisition of lastminute.com made last year whose business is primarily based on hotel and packages, the business of the Group has gained a given level of stability.
Also in terms of cash generation, the Group's business shows no more significant higher seasonality swings comparing to 2015 when the Group generated more cash during the first half year.

Note 4 - Financial Instruments

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

in '000 EUR	30 Jun 2016	31 Dec 2015
Current financial assets (Investments)	33	33
Total financial assets at fair value through profit or loss	**33**	**33**
Non-current financial assets	1,255	1,325
Current financial assets (Short-term deposits)	1,164	1,218
Trade and other receivables *	54,221	42,147
Cash and cash equivalents (excl. cash on hand)	68,528	65,554
Total loans and receivables	**125,168**	**110,244**
Trade and other payables *	160,294	146,877
Total Financial liabilities measured at amortized cost	**160,294**	**146,877**

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

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

Measurement of fair values
When measuring the fair value of an asset or a liability, the Group uses market observable data as far as possible. Fair values are categorized into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows:
Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.
Level 2: inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).
The following table shows the carrying amount of financial assets and liabilities measured at fair value, including their levels in the fair value hierarchy:

in '000 EUR	Fair value			
30 June 2016	Level 1	Level 2	Level 3	Total
Financial assets measured at fair value				
Investments funds	33	-	-	**33**

in '000 EUR	Fair value			
31 December 2015	**Level 1**	**Level 2**	**Level 3**	**Total**
Financial assets measured at fair value				
Investment funds	33	-	-	**33**

As of 30 June 2016, the Group held investment funds for the amount of EUR 33 thousand at fair value through profit or loss: their fair value was determined based on traded prices in an active market.
There were no transfers among the Fair Value Levels during the period.
There were no changes in valuation techniques during the period.

Note 5 - Business Acquisition

No business combination have occurred during the first half year of 2016.
During 2015 the Group finalized the acquisition of lastminute.com from Sabre Corporation.
Further information can be found in the Group's annual consolidated financial statements for the year ended 31 December 2015.

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 30 June 2016 (31 December 2015: EUR – 36 thousand). For further information refer to Note 12.

Note 6 - Segment Information

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

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

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

- OTA ("Online Travel Agency"), which represents the core and traditional business of the Group.
- Meta-search, which includes the business generated in our websites focused on directing traffic, in exchange for a commission, to the sites of OTAs and airlines and other direct providers.

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

in '000 EUR (for the six months ended 30 June)	2016			2015		
	OTA	Metasearch	Total	OTA	Metasearch	Total
Consolidated Revenues	**115,326**	**17,873**	**133,199**	**115,076**	**8,054**	**123,130**
Total Revenues	115,629	22,913	138,542	115,241	12,296	127,537
Intersegment Revenues	(303)	(5,040)	(5,343)	(165)	(4,242)	(4,407)
Consolidated EBITDA Adjusted*	**11,793**	**5,472**	**17,265**	**(1,840)**	**4,627**	**2,787**
Non-cash impact of stock options			-			(82)
Costs related to acquisition and integration of subsidiaries			-			(1,532)
Litigation, restructuring and other costs/income incidental to operating activities			(2,560)			(353)
Depreciation and Amortization			(5,558)			(4,373)
Profit before Interest and Income Tax			**9,147**			**(3,553)**

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

Note 7 - Revenues

In the first six months of 2016, total revenues increased by EUR 10,069 thousand, or 8.2% to EUR 133,199 thousand from EUR 123,130 thousand in the same period of 2015. This increase is primarily due to: i) the contribution of lastminute.com entities for six months in 2016 vs four months in 2015 and ii) growth connected to the OTA business. Within the OTA business, the acquisition of lastminute.com has allowed the Group to benefit from the other non-flight markets as Hotel and Leisure.

A significant indicator for the Group is represented by Gross Travel Value ("GTV") defined as the value of the travel products purchased by the Group's clients using the Group's platforms, including agency fees, insurance, cruises and gross of any discounts and cancellations. Gross Travel Value amounted respectively to EUR 1,071 million in the first half of 2016 compared with EUR 1,188 million for the same period of 2015. The decrease in bookings is the result of selective marketing approach focused on acquisition of high profitable transactions which can guarantee a higher margin with a lower volume.

Revenues by products

The table below shows Revenues by product for the first six months of 2016 and 2015:

in '000 EUR (for the six months ended 30 June)	2016	% of the total	2015	% of the total
Flight	81,919	61.5%	80,093	65.0%
Non Flight	51,280	38.5%	43,037	34.9%
Total	**133,199**	**100.0%**	**123,130**	**100%**

Flight revenue

In the first half of 2016, the Group's flight revenues increased by EUR 1,826 thousand, or 2.3%, to EUR 81,919 thousand from EUR 80,093 thousand in the same period of 2015. This increase is primarily due to the contribution of lastminute.com entities for six months in 2016 vs four months in 2015.

Non-flight revenue

In the first half of 2016, the Group's non-flight revenues increased by EUR 8,243 thousand, or 19.2%, to EUR 51,280 thousand from EUR 43,037 thousand in the same period of 2015. This increase is primarily due to: i) growth connected to the OTA business. Within the OTA business, the acquisition of lastminute.com has allowed the Group to benefit from the other non-flight markets as hotel and leisure ii) contribution of lastminute.com entities for six months in 2016 vs four months in 2015.

Geographical Information

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

The table below shows Revenues from different countries based on website languages for the first six months of 2016 and 2015:

in '000 EUR (for the six months ended 30 June)	**2016**	**% of the total**	**2015**	**% of the total**
Italy	26,643	20.0%	24,266	20.0%
Spain	18,747	14.0%	19,173	16.0%
UK	31,532	24.0%	25,374	21.0%
France	31,118	23.0%	29,891	24.0%
Germany	8,855	7.0%	8,608	7.0%
Netherlands	214	0.0%	309	0.0%
Others	16,090	12.0%	15,509	13.0%
Total	**133,199**	**100.0%**	**123,130**	**100.0%**

Note 8 - Other Costs

In the first half of 2015, lastminute.com Group recorded a growth in particular in UK, France, and in other regions. Growth in UK, France and Germany was driven by the effects of lastminute.com's acquisition, whereas growth outside the core markets has been very strong both in Europe and in the Asia-Pacific region (APAC). For Italy and Spain it was visible a significant increase compared with the same period of the previous year: at June 2014, in particular in the second quarter, the Group had seen a sudden increase in competition, in particular in the Group's OTA activities for its core markets: some competitors had pursued an aggressive pricing policy that also supported a strong growth of selected metasearch players. During first part of 2015 the Group has been able to respond efficiently to the higher competition for traffic and pressure on pricing, in particular in the paid marketing channels.

Marketing costs

Marketing costs decreased by EUR 3,272 thousand (-5,6%) from EUR 58,361 thousand in the first half-year 2015 to EUR 55,089 thousand in the first half-year 2016. Marketing costs as percentage of revenues decreased in 2016 compared to 2015 (41,4%% vs 47,4%). This decrease is primarily due to a more efficient marketing spending. In early June 2015 an offline advertising campaign was launched in UK, France and Italy with the effect of enhancing the lastminute.com brand's global resonance.

Throughout the first half year of 2016 the Group shifted part of such 2015 offline spend in other performance and brand initiatives.

Personnel costs

Personnel costs decreased by EUR 2,233 thousand (-8,1%) from EUR 27,418 thousand in the first half-year 2015 to EUR 25,185 thousand in the first half-year 2016. Costs decrease was driven by the effect of the 2015 restructuring plans, partially mitigated by the effect of new hires in Swiss headquarters and in Spain with respectively new senior profiles and new customer service experts.

As disclosed in the 2015 Group's interim consolidated financial statements, a specific and formalised redundancy plan has been put in place to reduce the UK headcount from 350 (including contractors) to around 120 people, driving a relevant cost reduction of EUR 4,948 thousand. Personnel costs as absolute percentage of revenues decreased in 2016 compared to 2015 (18.9% vs 22.3%).

Other operating costs

Other operating costs increased by EUR 1,689 thousand (+4.6%) from EUR 36,531 thousand in the first half-year 2015 to EUR 38,220 thousand in the first half-year 2016. Such increase can be mainly explained by the contribution for six months of lastminute.com entities acquired in 2015 compared to the period of 4 months of contribution in 2015 (acquisition date was 02 March 2015).

Net Financial costs

The net financial result dropped by EUR 5,245 thousand (-297%) from EUR 1,766 thousand in the first half-year 2015 to EUR - 3,479 thousand in the first half-year 2016 mainly due to: i) the loss of bank accounts value held in British pound which have been most affected by the exit of the UK from the UE ("Brexit") in the last months of 2016 ii) by negative exchange rate effects of EUR/CHF for about EUR 2 million compared to 2015, when the Swiss National Bank (SNB) decided not to hold any longer the Swiss Franc to the Euro.

Foreign exchange impact

The Group's exposure to movements in foreign currencies affecting its results, as expressed in Euro.

Below a table summarising the key figures:

Exchange rates against the Euro	30 Jun 2016	Average to 30 June 2016	30 Jun 2015	Average to 30 June 2015
1 CHF	1.09	1.10	1.04	1.06
1 GBP	0.83	0.78	0.71	0.72
1 USD	1.11	1.12	1.12	1.12

In the first half of 2016, compared to the first half of 2015, the Euro was stronger against a number of currencies, in particular the British Pound (GBP) and the Swiss Franc (CHF). The depreciation of the main currencies, in particular the GBP after UK left the European Union, has led to a negative impact in the Consolidated profit and loss of about EUR 3 million.

Note 9 - Taxes

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

The Group's interim consolidated income taxes charge amounted to EUR 1,481 thousand at 30 June 2016, compared with EUR 2,429 thousand at the end of June 2015 with a decrease of Euro 948 thousand mainly due to: i) a lower taxable income in the French subsidiaries compared with the same period of the previous years and ii) the effect of the decreased tax rate on the deferred tax liabilities of Spanish subsidiaries (Spanish corporate income tax rate is 25% for tax periods starting on or after 1 January 2016 versus 28% in the previous years). Deferred tax assets have been recognized only in the countries where future taxable profits will probably be available against which the asset can be utilised.

Note 10 - Earnings per Share

Basic earnings per share

The table below shows basic earnings per share for the first half of 2016 and 2015:

in '000 EUR (for the six months ended 30 June)	**2016**	**2015**
Profit/ (Loss) for the period attributable to the shareholders of LASTMINUTE.COM NV (in EURO/000)	4,133	(4,395)
Weighted-average number of shares outstanding during the period (in thousand)	13,985	14,374
Basic earnings / (loss) per share (in EUR)	**0.30**	**(0.31)**

Diluted earnings per share

The table below shows diluted earnings per share for the first half of 2016 and 2015:

in '000 EUR (for the six months ended 30 June)	**2016**	**2015**
Profit/ (Loss) for the period attributable to the shareholders of LASTMINUTE.COM NV (in EURO/000)	4,133	(4,395)
Weighted-average number of shares outstanding during the period (in thousand)	14,057	14,374
Diluted earnings / (loss) per share (in EUR)	**0.29**	**(0.31)**

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

Number of shares (for the six months ended 30 June)	**2016**	**2015**
Weighted-average number of shares (Basic)	13,985	14,374
Effect of share options in issue	72	-
Weighted-average number of shares (Diluted)	**14,057**	**14,374**

Note 11 - Share-based payment arrangements

Employee share option plan

In the first half-year 2016, the expense recognized as personnel costs for the amount of share option plan is nil (first half-year 2015: EUR 82 thousand). The table below shows the share options costs for the Group for the first six months of 2016 and 2015 with the split according to the respective granting dates:

in '000 EUR (for the six months ended 30 June)	**2016**	**2015**
Equity-settled share-based payment transactions		
Share options granted in 2013	-	82
Total	**-**	**82**

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

in thousand of options	**2016 (in thousand of options)**	**Weighted average exercise price 2016 (EUR)**	**2015 (in thousand of options)**	**Weighted average exercise price 2015 (EUR)**
Reconciliation of outstanding share options				
Oustanding at 1 January	622	9.17	622	9.17
Oustanding at 30 June	**622**	**9.17**	**622**	**9.17**
Exercisable at 30 June	**622**	**9.17**	**581**	**8.56**

The weighted-average contractual life of the options outstanding at 30 June 2015 was 0.89 years (30 June 2015: 1.89).

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. Further information of the terms of the plan can be found in the Group's 2015 year end consolidated financial statements.

As at 30 June the net liability recorded in relation to the cash settled obligation in relation to the plan amounted to EUR 880 (year end 2015: EUR 500 thousand). This value was assessed taking into consideration the fair value of the underlying shares considering the vesting period of 4 years and other conditions, as well as the required interest payable on the company's portion of the contribution. The Group re-measures the liability at each subsequent reporting date in order to be consistent with the IFRS. The Group performed a discounted cash flow model for the valuation of the scheme. Being the shares purchased under the terms of the plan exclusively lastminute.com shares, the overall value of the Group divided by the number of such shares can clearly represent the present value of the investment plan. Key assumptions used in the assessment are based on the management's best estimates over a 5 years business plan, a WACC of 11.3% and perpetual growth rate of 1.8%.

No amount was recorded as expense for the period, given that there was no variation in the liability from the value of the initial contribution.

Treasury shares acquired in the period, and held by the Group to hedge its potential obligation arising from the new cash-settled share-based payment arrangement amount to around 598 thousand for a total investment of around EUR 8,272 thousand.

Note 12 - Shareholders' Equity

The table below shows Equity as of 30 June 2016, and 31 December 2015:

Share capital and reserves	30 Jun 2016	31 Dec 2015
Share capital	146	146
Capital reserves	127,751	127,751
Translation reserve	1,342	401
Treasury share reserve	(10,919)	(8,838)
Retained earnings	25,003	21,363
Equity attributable to Shareholders of LASTMINUTE.COM N.V.	**143,323**	**140,823**
Non-controlling interest	372	(36)
Total equity	**143,695**	**140,787**

Translation reserve

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

Treasury share reserve

The reserve for the Group's treasury share comprises the cost of the shares held by the lastminute.com Group. As of 30 June 2016, the Group held 821 thousand shares for the total value of EUR 10,919 thousand (609 thousand shares as of 31 December 2015 for at total value of EUR 8,838): during the first half of 2016 the Group bought treasury shares for a total of 212 thousand for the total value of EUR 2,081 thousand. The Group did not perform any selling of treasury shares in the period.

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. 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. 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 on 14 april 2016 has been renewed until 3 November 2017. The Group extended the share buy-back 2014-2016 to complete the purchase of shares that remain to be purchased under the share buy-back 2014-2016 keeping the terms of initial plan unchanged.

Retained Earnings

Retained earnings as of 30 June 2016 amounted to EUR 25,003 thousand (31 December 2015: EUR 21,363 thousand) and contain the profit relating to the current period and previous years accumulated net profits generated by the Group and not distributed to shareholders as well as amounts booked in relation to the remeasurements of the employee benefits liabilities and share-based payments.

Dividends

During the first half of 2016 and 2015 no dividends were paid by the Group.

Capital management

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

Note 13 - Net Financial Position

The table below represents the net financial position for the Group as of 30 June 2016 and 31 December 2015:

in '000 EUR	30 Jun 2016	31 Dec 2015
Current financial assets	1,197	1,251
Cash and cash equivalents	68,534	65,559
Net Financial Position within 12 months	**69,731**	**66,810**
Non current financial assets	1,255	1,325
Net Financial Position over 12 months	**1,255**	**1,325**
Total Net Financial Position	**70,986**	**68,135**

The Net Financial Position for the Group was respectively EUR 70,986 thousand at 30 June 2016 and EUR 68,135 thousand at 31 December 2015.
The Net Financial Position has not significantly fluctuated during the first six months of 2016.

Note 14 - Balance Sheet

In the first six months of the year compared with year-end 2015, Intangible Assets increased by EUR 121 thousand (+0.1%) from EUR 139,776 thousand to EUR 139,897 thousand. The additions of the period, mainly represented by internal development costs have been mostly compensated by the amortisation throughout the first six months of the year.
Deferred tax assets have decreased by EUR 449 thousand from EUR 8,777 thousand to EUR 8,328 thousand mainly due to the effect of the conversion from GBP to EUR of the deferred taxes assets booked in UK over the 2015 losses carried forward. Following the GBP loss of power, the amount of deferred taxes assets booked in UK has shown a decrease during the period.

For further information about the movements in Financial Assets (current and non-current) and Cash and cash equivalents please refer to the Consolidated Cash Flow Statement for the six months ended 30 June 2015 and Note 13.
The Group's trade position, which is the net amount of trade and other receivables and trade and other payables, decreased by EUR 3,357 thousand (-3.33%) from EUR (-100,795) thousand as of 31 December 2015 to EUR (-104,152) thousand as of 30 June 2016. No significant fluctuations have been recorded during the first half year of 2016.
Non current provisions have decreased by EUR 1,180 thousand from EUR 2,000 thousand to Eur 820 thousand. During the first half year 2016 the Group released EUR 1,180 thousand from its provisions related to tax risks.
Current provisions have decreased by EUR 1,502 thousand from EUR 2,455 thousand to EUR 953 thousand mainly due to the utilisation of redundancy provision referred to LMN UK companies. At December 2015, the Group recognised a provision of EUR 1.3 million for expected restructuring costs that have been in place during the the first half year of 2016.
Current tax liabilities have decreased by EUR 1,805 thousand from EUR 2,112 thousand to EUR 307 thousand following the income taxes payments made throughout the first half year of 2016.

Note 15 - Subsequent Events

In June 2016 UK voted to leave the EU. Even if some effect has been already noted in the first half year Group consolidated financial statements, it is difficult to predict the future effects that may occur during the second half of the year due to volatility in international markets. It's in the Group's management intention to safeguard the Group's interests accordingly.

No other subsequent events occurred since 30 June 2016, which would change the financial position of the Group or which would require additional disclosures in these consolidated interim financial statements.

Contacts

lastminute.com group
Jan Van Goyenkade 8
1075 HP Amsterdam
The Netherlands

www.lastminutegroup.com
investor.relations@lastminute.com

Graphic Design: A+G Achilli Ghizzardi Associati