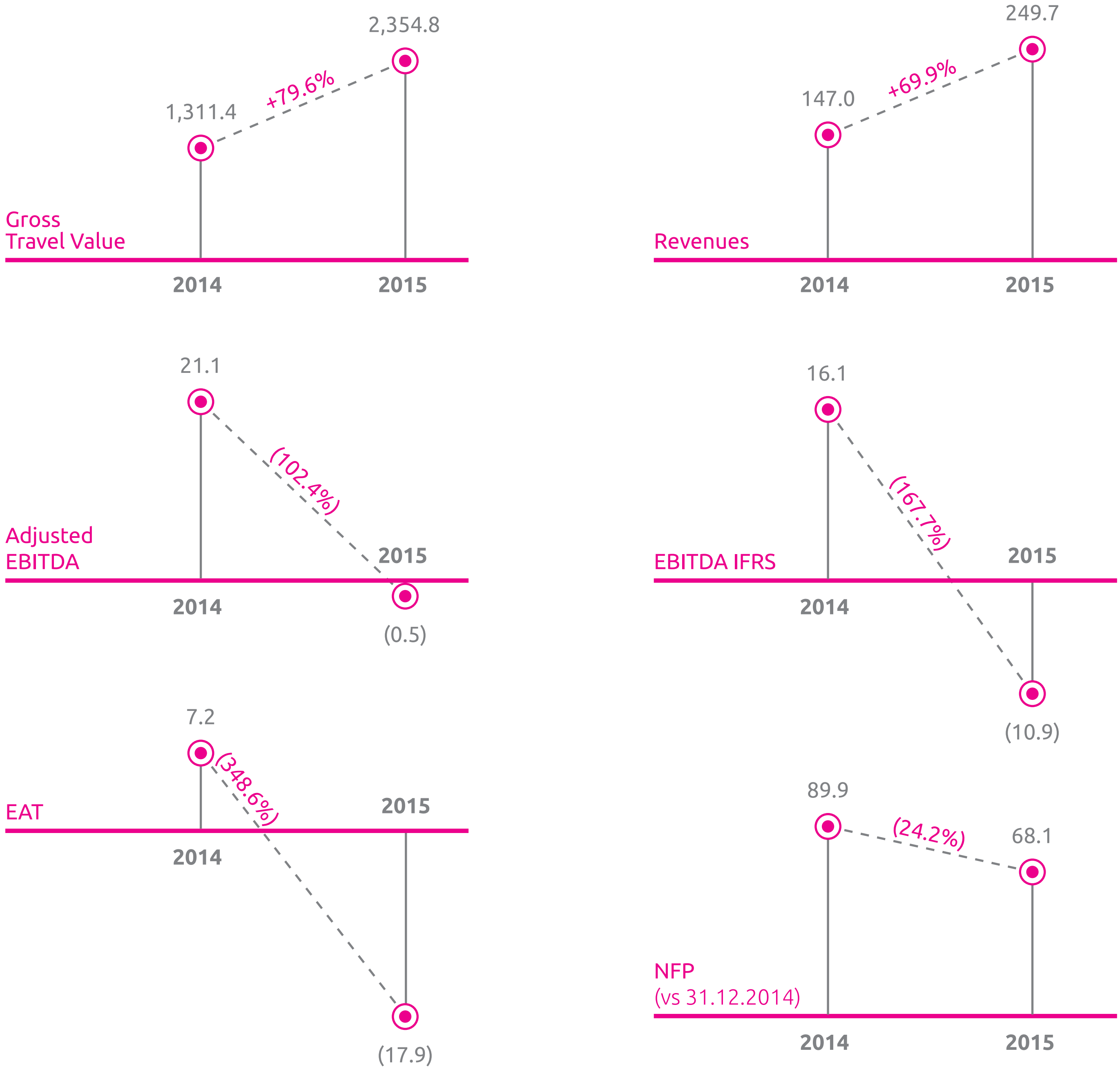
annualreport2015

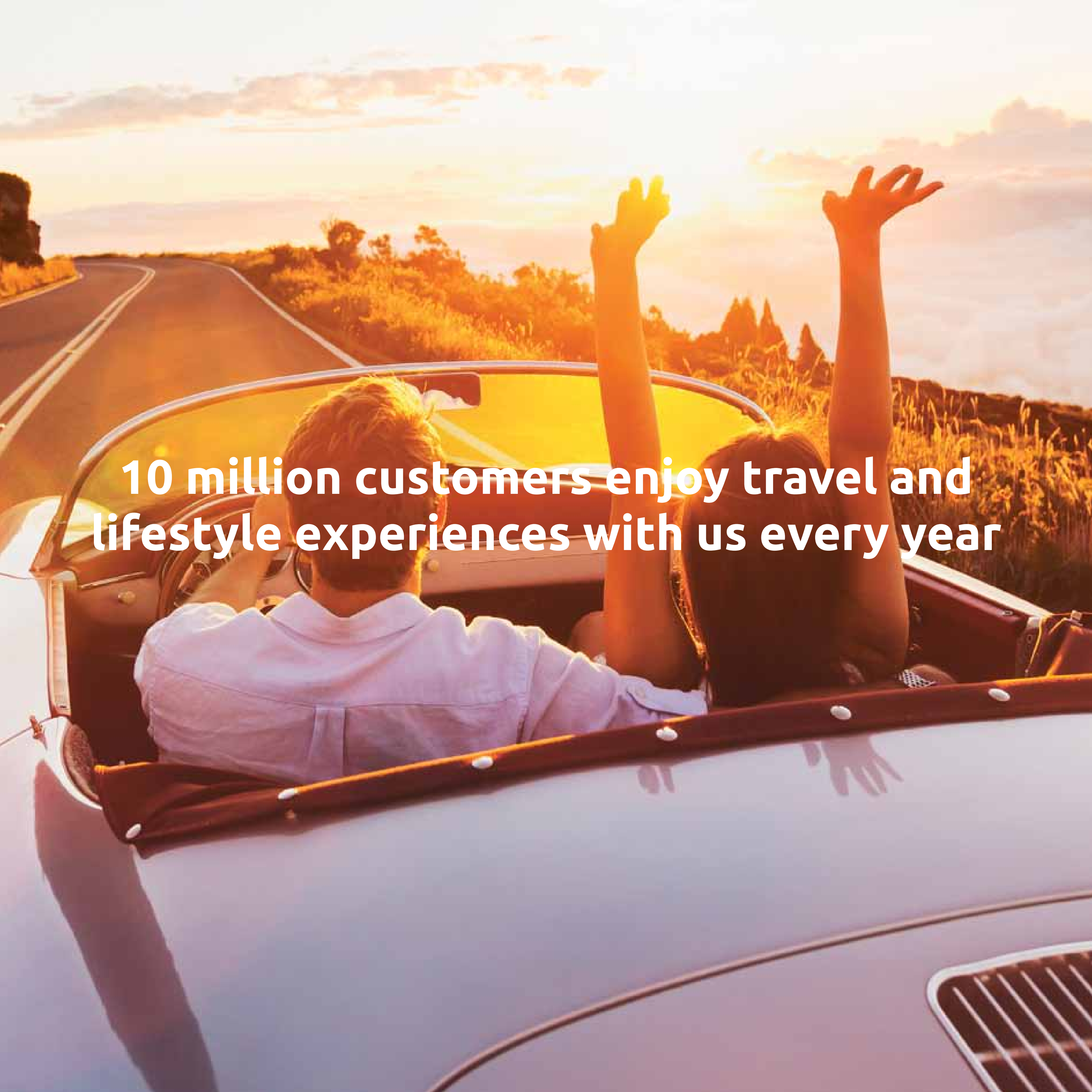
lastminute.comgroup

2015 Financial information at a glance*

(in € million)



***** FY2015 figures include the consolidation of lastminute.com from 1st of March 2015.


10 million customers enjoy travel and lifestyle experiences with us every year

Transforming the Group

2015 was a year of transformation, a process that started in March with the acquisition of lastminute.com and saw the whole Group fully focused on delivering a rapid, complex integration.

In 2014, we listed on the SIX Swiss Exchange under the name of Bravofly Rumbo Group. Today, we are lastminute.com group with more than 1,000 employees and a very balanced breakdown of business lines and geographical footprint. In 2015, our revenue grew by 70% and more than 10 million travellers used our services.
All this has been possible thanks to our people who are fully committed to the vision behind our transformation plan and keen to turn challenges into growth opportunities.

In 2015, we have integrated two businesses and a number of technology platforms into one simplified architecture. We have also brought together different cultures and strengths as well as ways of thinking and working. Our aim was to capitalise on the best from both sides and merge these assets and capabilities into a robust business model.

We were fully dedicated to complete the integration by the end of 2015. We achieved this and we are now ready for a new wave of growth for our business.

Contents

The inspiring travel company

Who we are

We are a publicly traded multinational Group, among the worldwide leaders in the online travel industry, and we operate a portfolio of well-known brands such as lastminute.com, Bravofly, Rumbo, Volagratis and Jetcost.
Every year, more than 10 million travellers book and manage their travel and leisure experiences through our websites and mobile apps in 17 languages and across 40 countries.
More than 1,000 people enjoy working with us and contribute to provide our audience with a comprehensive and inspiring offering of travel related products and services.

Our mission

We aim to be an inspiring travel company, committed to enrich the lives of travellers through smart technology and cutting-edge content.
We leverage innovation to simplify the whole customer journey and to offer outstanding diversified and constantly updated products and services.
We are passionate about creating cutting-edge content that inspires our audiences to make the most of their free time and enjoy memorable experiences.
This is lastminute.com group. This is the foundation of our strategy.

Our values

These values form the foundation for successful teamwork and allow us to deliver our mission.

1 Need for speed

Our lean approach means we move fast. With rigorous precision and attention to detail we combat complexity to bring fresh ideas to life that serve simplicity. Mistakes don't scare us - we learn from them.

2 Razor sharp insights

Our plans are meticulous and based on facts, not personal opinions. We count on the intellect and skills of problem solvers to find smart solutions. Big Data - it's a big deal for us.

3 Acts of spontaneity

Our spirit is spontaneous but focused. We love the freedom to be creative and take the initiative to explore new experiences to achieve our goals. An idea today - a reality tomorrow.

4 Dare to be different

Our thinking is unconventional. We're open minded and look at scenarios in a different way to overcome challenges. Let's be bold - and break boundaries.

5 Follow your passions

Our blood is pink. We're a proud community with a passion for travel, innovation and technology. It's all about sharing experiences - that inspire and enrich lives.

Our focus

We are dedicated to running a profitable business and generate long-term value for stakeholders.

Our Positioning

The inspiring travel company

To deliver a consistent value proposition through innovative formats and cutting-edge, emotional content, leveraging the global resonance of our core brand lastminute.com.

Our Identity

Always at the forefront of innovation

To provide an exciting place where to buy inspiring travel experiences. Our mobile app is a dedicated touch point to keep our customers informed and capitalise up- & cross-selling opportunities.

Our Offering

Every customer should feel like our most important customer

To provide customers with an integrated and continuously updated wallet of stand-alone products and bundled packages, ensuring premium service levels throughout the whole traveller life cycle.

Our Model

A diversified revenue model

To merge OTA and META capabilities and implement the new Media model to differentiate the ways we monetise traffic generated by our audience. To launch new B2B "smart fulfilling" initiatives leveraging our sophisticated operational skills in flights.

Our Organisation

A successful global Group with key local strengths

To adopt best practices to attentively manage the complexity of a multinational, listed Group, and nurture a talent-oriented culture recognising and promoting "high flyers".

Chairman's message

Dear stakeholders,
It is a great pleasure for me to present to you the 2015 Annual Report of lastminute.com group. I would like to thank the Group's Board of Directors for my nomination as Chairman of the Board and all shareholders voting in favour of my election. As CEO of Cavotec, a publicly traded multinational group, I know how important solid leadership is to handle corporate governance matters throughout a period of significant change. One of my objectives as Chairman of lastminute.com group is to find the best way to combine the flexibility required to run a digital business with the necessary structured approach an international group should apply in all its management and operational practices.

2015 was a key year for us, it was a year of transformation. A year in which we set the future course for sustained long-term growth by establishing a new organisation and implementing an even more comprehensive business model.

In recent years, the travel industry landscape has changed significantly, mainly driven by the constant innovation of technology: small start-ups introduced new concepts and ways to approach service-delivery models, while large corporations launched new initiatives and defined new business models.

Our sector is also going through a period of strong and rapid consolidation. In the last two years, global mergers and acquisitions in tourism more than doubled in value. Over the next decade, leading research institutions expect the travel industry to grow at a very fast pace, well above the global GDP. The online travel sector will move forward even more quickly, due to digitalisation and the increase of usage of new high-tech devices.

While the consolidation of the online travel sector is driven by large US corporations, we're very proud that in Europe we are a key driver. Our Group has grown and developed significantly since being established by Fabio Cannavale and Marco Corradino in 2004 with the launch of their common initiative Volagratis. However, it has been in the last three years that the Group has entered into a phase of international growth, shaping the online travel company of the future.

The future looks bright for online travel businesses, and we're determined to take on the challenge to manage the huge complexity of the business and to be a key player in our sector.

A key strength of lastminute.com group is the comprehensive business model built around a wide offering of services, from flights to trains, from dynamic packages to hotels, from tour operator holiday packages to a vast array of ancillaries and travel related products.

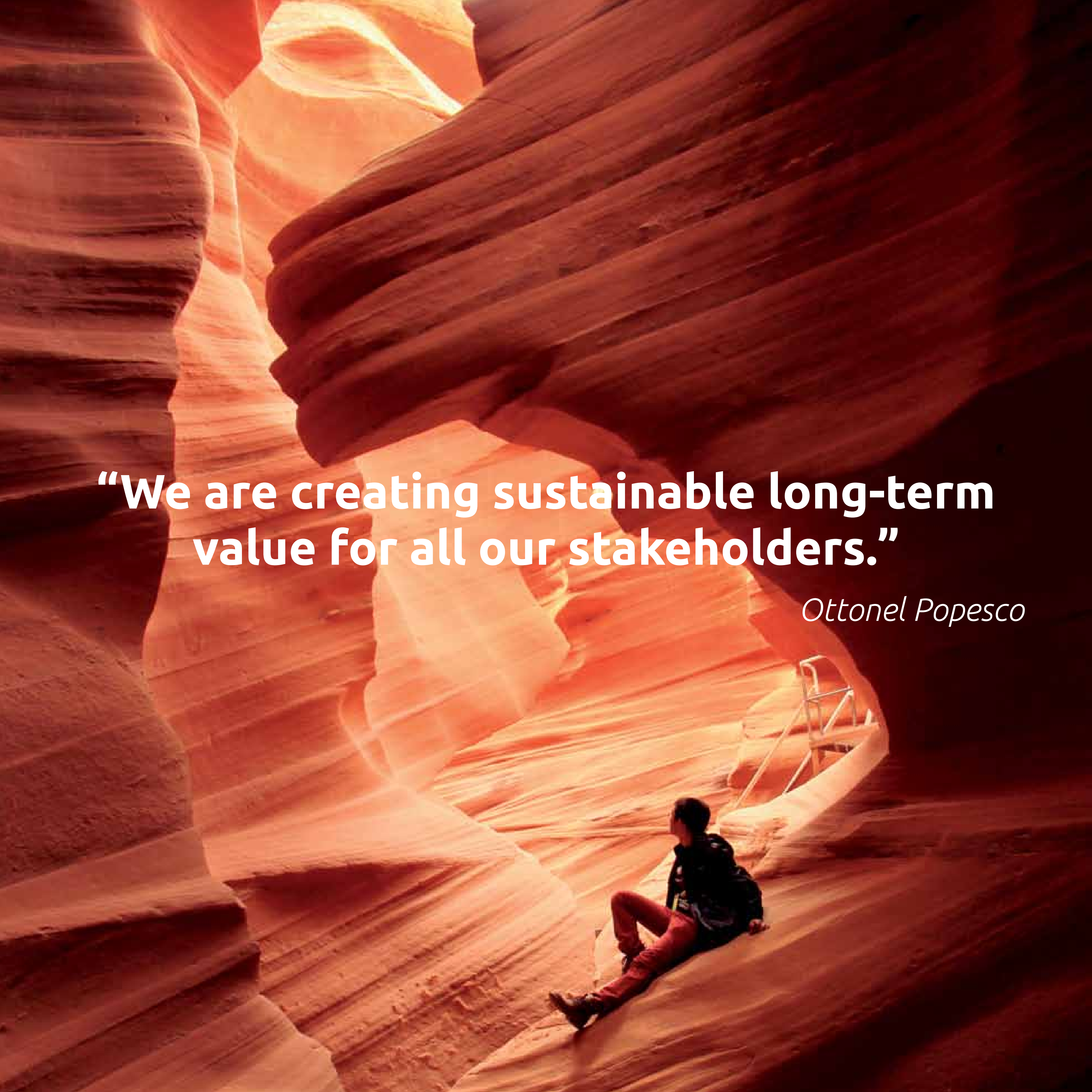
I'm proud to say we are now the online travel company with the most diversified revenue stream. This helps mitigate risks and is the result of integrating the historical flight booking platform of Bravofly with the hotels, dynamic packaging and lifestyle offering of lastminute.com. We are currently present in 40 countries and are among the leaders in the UK, France, Italy and Spain. We are sized for growth with a strong brand architecture and a clear and effective organisation.

I'm pleased that we can continue to count on the full commitment of the major shareholders, who are now directly involved in the management of the business. Both co-founders who created the business in 2004 are back in executive roles: Fabio Cannavale as Group CEO, and Marco Corradino as Chief Audience Architect. After the rapid completion of the integration during 2015, we are now fully focused on growing the business and on implementing an even more comprehensive business model which we presented in December. It targets improved efficiency and diversified sources of income, and it is supported by a new governance and organisation structure.

The Group is constantly looking for opportunities to improve and grow organically thanks also to the attention put on making processes more efficient as well as by means of M&A initiatives and launching new development projects. Travel start-ups have become important drivers for industry-wide innovation. To be immersed in this flourishing environment and to nurture talents, we became a key partner of Seedstars in 2015 - an international competition for travel start-ups. We also invested in two small but promising initiatives: Map2App, an innovative platform providing dynamic maps, and Urbi, a mobile app which aggregates all sharing providers delivering services for urban transfer needs (cars, scooters, bicycles etc.).

We are a listed Group and we are dedicated to creating sustainable long-term value for all our stakeholders. We have experienced material changes affecting our industry since 2014 when both suppliers and meta-searches became more aggressive in their commercial strategies. We have carefully followed and acted upon these changes, turning our short-term focus into a more long-term driven orientation. This is sustained by a clear vision about the future trends and the strong belief that changes can lead to positive results when a consistent business model is in place. We went into 2016 with the full confidence that we own all the elements and factors that enable the Group to perform as we expect and as we communicated through our 2017 mid-term guidance. I'm proud to be part of such an ambitious business and to be involved as an active contributor to its success.

Ottonel Popesco
Chairman of the Board of Directors


"We are creating sustainable long-term value for all our stakeholders."
Ottonel Popesco

Our history

2004 Launch of Volagratis in Italy

Fabio Cannavale and Marco Corradino launch Italy's first search engine for low cost flights.

2006 Start of our internationalisation

This was the year we moved our headquarters from Milan to Chiasso in Switzerland and we also started our internationalisation process with the launch of Bravofly websites in several different languages.

2012 Acquisition of Rumbo

€ 576 M GTV

2012 was a remarkable year for us: we intensified our international expansion with the acquisition of Rumbo, the leading online travel agency in the Spanish market and well known in other European countries. After this move we became Bravofly Rumbo Group - an international player positioned to become a leader in the online travel industry.

2013 Acquisition of Jetcost

€ 1 B GTV

We entered the fast-growing market of travel metasearch when we acquired France-based Jetcost which operates websites in several countries.

2014 Listed on the SIX Swiss Exchange

€ 1.3 B GTV

In April 2014 we listed Bravofly Rumbo Group shares on the SIX Swiss Exchange.

2015 Acquisition of lastminute.com

€ 2.4 B GTV

The Group acquired lastminute.com, an iconic brand with emotional resonance and unrivalled brand awareness across Europe.
Following the approval by the AGM of 19 May 2015, Bravofly Rumbo Group changed its name to lastminute.com N.V so that today we're known as lastminute.com group.

Footnotes: Gross Travel Value ("GTV") is defined as the value of the travel products purchased by the Group's clients using the Group's platforms, including agency fees, insurance, and gross of any discounts and cancellations.

CEO's message

©Tatiana.Scolari

In 2015, by concluding the integration of lastminute.com earlier than planned, we were able to implement a new organisation for our Group before the end of the year and lay the foundation for a new wave of growth.

As an entrepreneur I am pleased to personally lead the business at a time when we open a new chapter of the company history, leaving the non-executive role as Chairman of the Board of Directors and assuming executive responsibility as Group CEO. I also welcome the nomination of Marco Corradino, whom I founded the Group with in 2004, as Executive Director within the Board of Directors and Chief Audience Architect. Marco's visionary knowledge of marketing and technology will be crucial for building the "inspiring travel company", with the iconic travel and lifestyle brand lastminute.com at its core.

We know the travel experience extends well beyond the flight booking or the hotel stay and that's why we are passionate about exploring "are there exciting things to do nearby"? We are committed to enrich the lives of travellers, we want our audiences to make the most of their free time and to enjoy truly memorable experiences. Therefore, we must anticipate their needs and meet them with smart technology and comprehensive travel and leisure products, covering virtually a limitless variety of services, bundled in real-time. To know the travellers' behaviour is key to understand what the customer journey looks like and then to be able to exceed customer expectations.

Of course, our sector is more complex than ever before. Travel has been more deeply transformed by technology than perhaps any other industry. High-volume, speed, complexity, personalisation, are all keywords representing the field where we operate every day and which we are keen to challenge ourselves with. Mobile is changing how we discover, research, buy and experience. Travellers are continuously connected with the digital world. Our customers simply expect outstanding services no matter when and how they interact with us.

To address this, our mobile app will be the dedicated information tool across all touch points of the traveller life cycle, embedding a wallet of bespoke ancillary products to be sold at different stages of the customer journey. Because every customer should feel like our most important customer.

Which website has the best prices or shows the most options? Which are the easiest to use? Product development stands at the core of our execution roadmap. We leverage innovation to simplify the life of travellers. Therefore, lastminute.com group features a vast portfolio of IT skills and an increasing number of high tech talents. This is a key success factor. We'll work hard on making our IT platforms more performant and scalable, our offering wide and appealing, our user interface friendly and easy to use through a truly customer centric approach.

We are converging our OTA and META capabilities into one robust function to bring our strategy to life. Our former General Manager of the META Business, Mr Jérôme Cohen Scali, after having contributed in developing this business to an incredible extent, is now handing over to the key people that have grown with him. Mr Francesco Signoretti, one of the most recognised experts in the online travel business, will now be in charge of capitalising on these capabilities in the most appropriate way.

We will quickly implement the new Audience & Media function lead by Marco Corradino, targeting efficiency through optimised allocation of digital marketing spend and effectiveness as we shift investments from traditional offline channels to new brand oriented formats. Through a cutting-edge video content production model we will build a consistent value proposition and increase brand awareness. As a result, we will generate both additional revenue from media sales through an innovative approach to digital advertising platforms and relatively reduce overall marketing costs from 49% on revenue this year to 42% in 2017.

On flights, we will innovate both the results page and checkout flow as we integrate the up- and cross-selling of ancillary products throughout the booking process and at later stages with a focus on enhancing our mobile app functionalities.

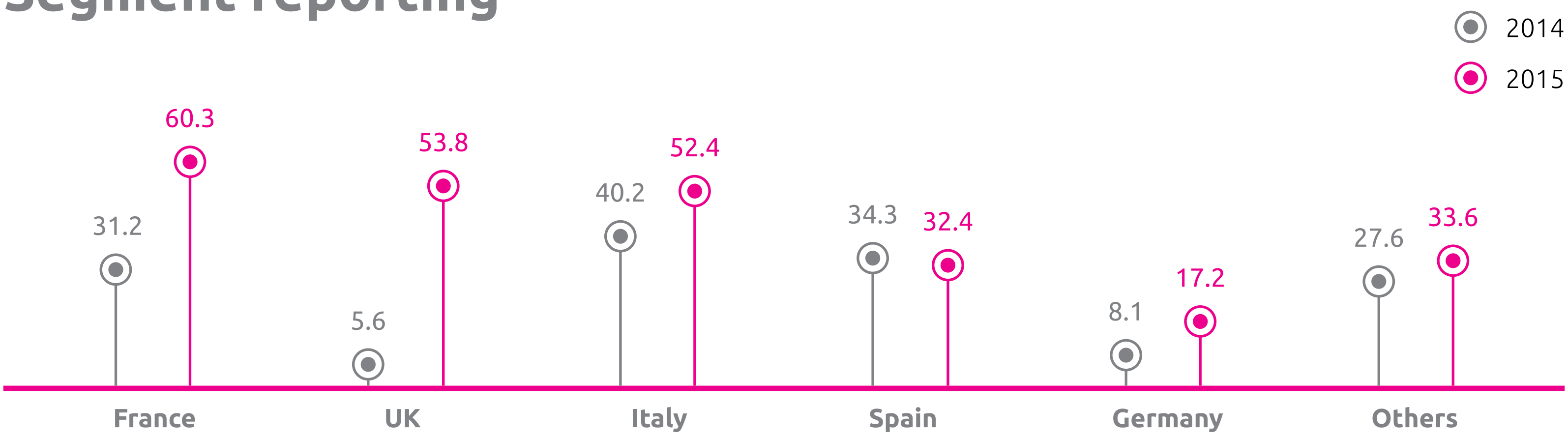
We will do the same for dynamic packages through the roll-out of our new search and booking platform which will represent a great step ahead in terms of user experience. On hotels we can leverage the successful offering of our Top Secret® Hotels that we will extend from a UK centric offering to a wider geographical reach. We will also work on significantly increasing the number of rooms directly contracted and simplifying the supplier's value chain in order to be more focused and profitable.
While from a volume perspective our leisure and lifestyle category is still the smallest business, it is a key differentiator, delivering a breadth of product that is unrivalled in our sector. It is around such concepts that we will build our brand recognition and awareness.

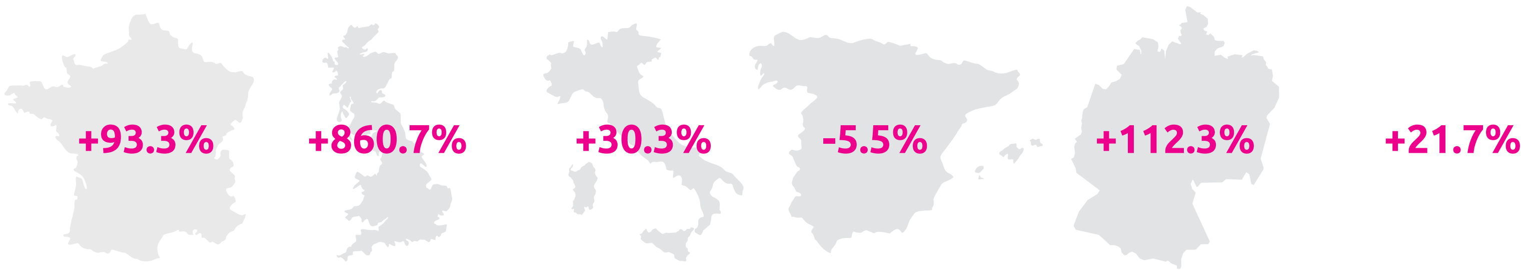
In 2015 we have invested energy, time and a significant amount of money to make all this possible right from the very beginning of 2016. As we spent around € 30 million of extraordinary costs this year connected with the acquisition and the reorganisation of lastminute.com, we can now deliver € 26 million of annualised savings as a result of the positive conclusion of the integration process. Last but not least, I want to warmly thank all employees of lastminute.com group for their passion and hard work in what has been an extremely challenging year and for their trust in the strategic direction that we have set out for our future.

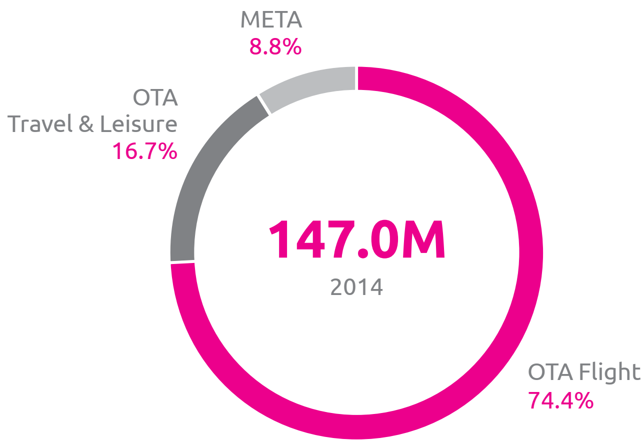
Fabio Cannavale
Group CEO

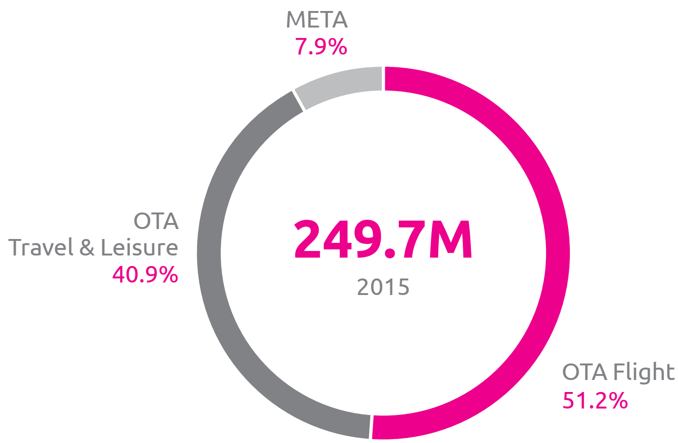

“Every customer should feel like our
most important customer.”
Fabio Cannavale

Segment reporting







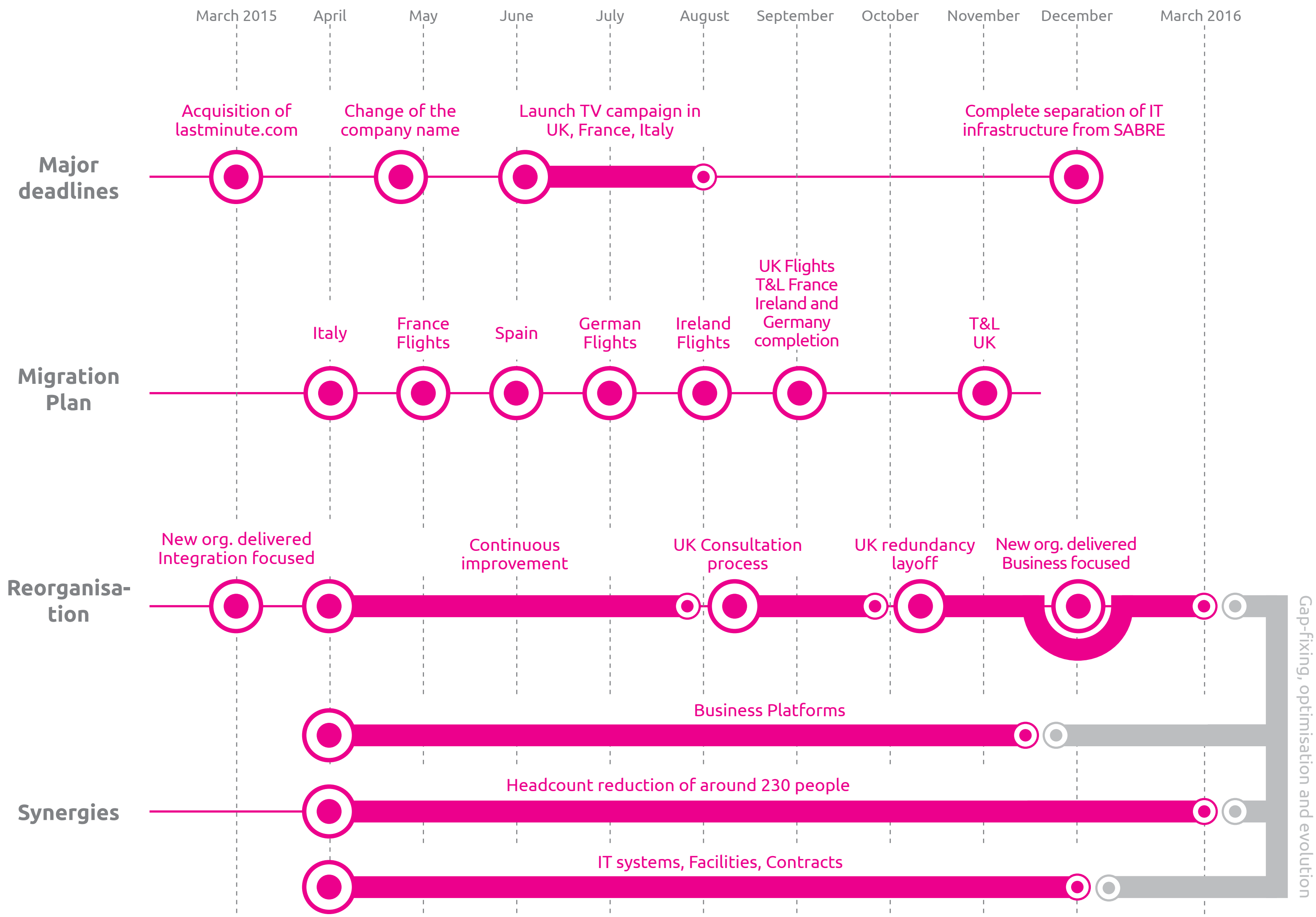


Footnotes: Revenues by countries and business lines. Data in € M.

The 2015 integration plan

Speeding up the execution

Effective 1 March 2015, Bravofly Rumbo Group acquired lastminute.com through an asset deal for a total consideration of GBP 1.00. A side agreement with SABRE Corporation, the seller, was signed in order to provide the Group with GDS services at fair market conditions. From the very beginning, the Group featured a new organisation aimed at leading the integration process with the purpose to conclude it by the end of the first quarter 2016. In the effort of accelerating the migration project and executing a consistent roadmap of deliverables, by the middle of November 2015 we concluded all traffic migrations, and before year end, all IT systems were moved to the target architecture - all ahead of plan.

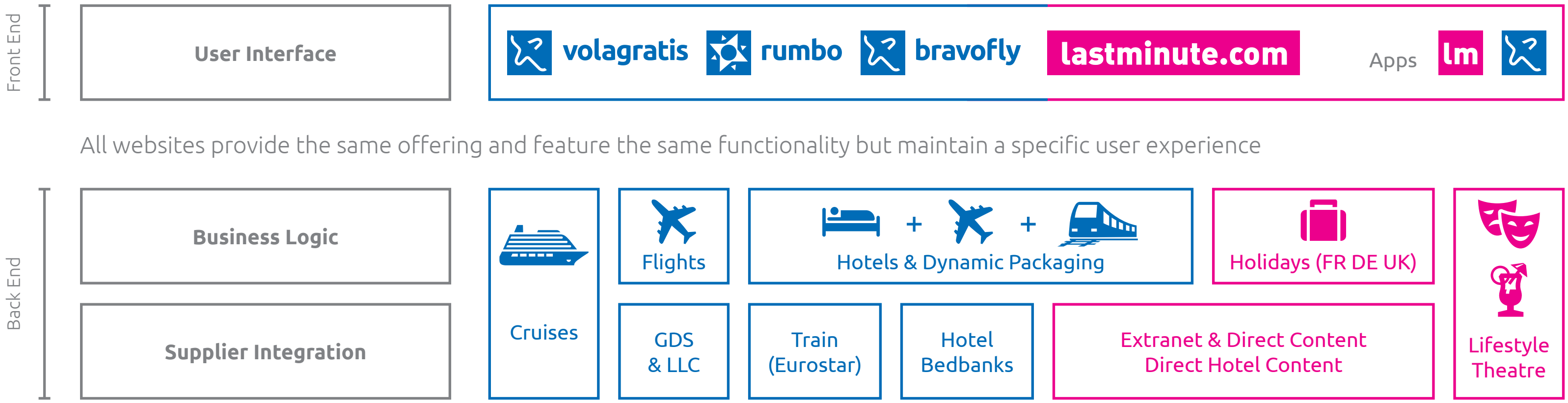


1. The technical roadmap - Project delivered ahead of initial plans

Key words:

- **Simplification**
- **Scalability**

From a number of legacy systems to a simplified and scalable IT architecture
We were committed to strict deadlines and fast execution. During the year we decided to boost the process and accelerate the migration plan. The key principle was to choose one single platform for each category and create a scalable, service-oriented back office architecture to support further growth and the implementation of new features. Integration wise, it was about securing the essential functionalities on the target system before switching the traffic and maintain the same identity (entry pages user interface) in order to manage a safe migration and sustain business performances from day one.



We started with our "smaller" markets before completing the integration in November with the largest one, the UK. We migrated to the Bravofly platforms for flights, hotels, dynamic packages, rail and cruises and kept the existing ticketing platform from the lastminute.com lifestyle business and white label agreements for tour operator holidays. In the meantime, it was necessary to cease all lastminute.com IT developments and shift the focus on Bravofly platform functionality improvements, identifying key tech talent able to support the implementation phase. This process was the basis for the start of the UK redundancy program addressed to reduce surplus headcount where evident overlaps existed. The simplification of the technology architecture involved not only business platforms but also a variety of legacy systems to be decommissioned as a result of the expiration of a supplier agreement with SABRE Corporation – with effect from 31 December 2015 – under which services and IT infrastructure capabilities were provided to lastminute.com.

The consistent complexity reduction drove direct savings of around € 9M per year (including IT systems switch-off, facilities optimisation and real estate contract renegotiation) with effect from 1 January 2016. It was a very challenging and ambitious project, even more so considering the decision to accelerate the migration to anticipate savings and generate positive effects on the business. We put in the maximum effort to meet the target and secure a safe migration. We did our best and know that it is now time to refocus on business and release important features to upgrade our products, widen our offering and improve the user experience delivered through both our mobile app and the B2C websites.

2. The brand reassessment - Extraordinary investments to fuel awareness

Key words:

- **Identity**
- **Effectiveness**

An iconic brand with a big personality and established vertical brands
In May 2015, we changed our name from Bravofly Rumbo Group N.V. to lastminute.com N.V. and set the corporate identity for the lastminute.com group. This change reflected the new brand strategy. While the Group's existing brands Bravofly, Volagratis, Rumbo and Jetcost continued to target growth and leverage their historical leadership in their respective fields, lastminute.com, with an awareness of over 90% across Europe, became the core brand, supported by increased marketing investment.

In early June, we launched an offline advertising campaign and boosted our brand activity in the UK, France and Italy - our three key markets - by investing around € 15.4M. This was the largest campaign ever for lastminute.com and it further enhanced the brand's global resonance. As a result, traffic grew significantly throughout the summer season but the conversion rate - affected by the contextual platform migrations - not to the same extent. The cost sustained was high, but the main objective to increase attraction and to relaunch the brand perception aligned with our value proposition was met. Furthermore, this activity set the foundations for our new Media model launched in 2016 with a significant portion of spend shifting from digital SEO-SEM to branded initiatives. To prepare for this, a material change in the organisation was implemented at the end of 2015 to align the brand strategy with the logics driving investment decisions and functioning of the business.

3. The reorganisation - A functional framework driving consistent synergy generation

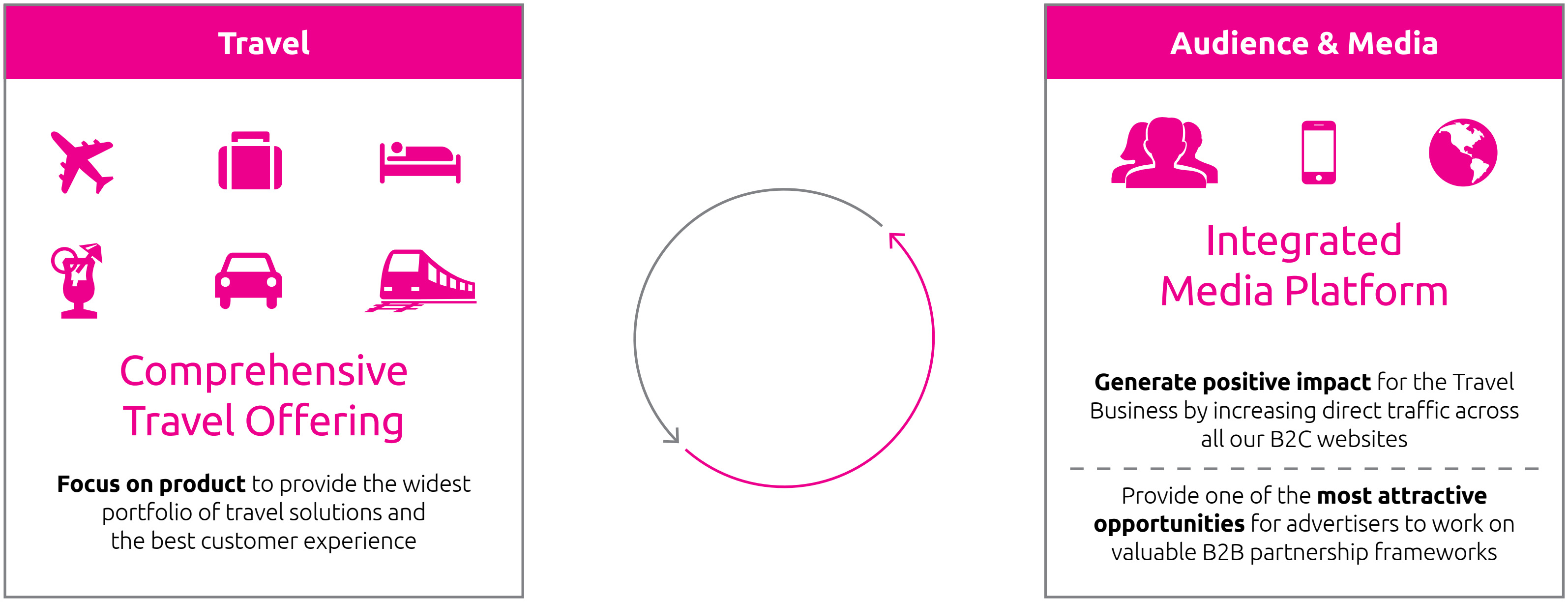
Key words:

- **Rationality**
- **Economy**

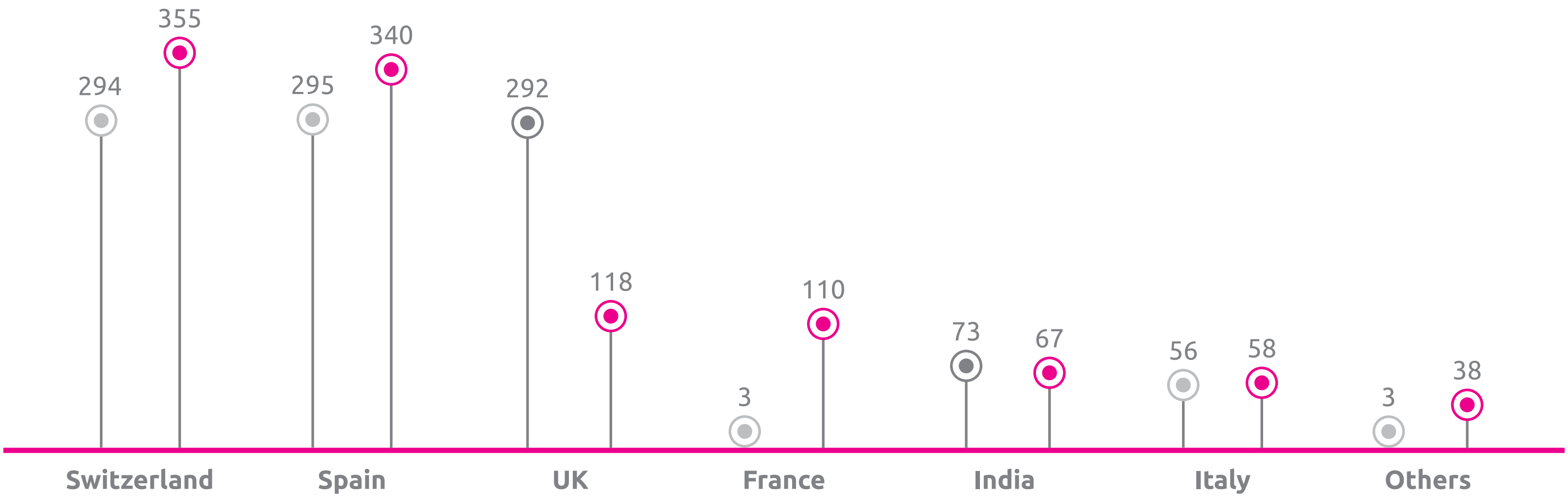
The reorganisation plan was set primarily to better manage the Group's cost base and infrastructure and to make best use of skills in the most efficient way. Headquartered in Chiasso, the Group has now three other major hubs across Europe: Madrid, London, and Paris. This is where we intend to retain talents with local market expertise on diverse fields, from mobile platforms development to Brand and Marketing, from Sales to Content Production. Departments are organised by function and not geography, aiming at defining leaner structures and not duplicating roles. In Bangalore we have planned to maintain our offshore R&D centre, leveraging high-end local IT skills combined with a low-cost base. As disclosed back in August 2015, we ran a specific and formalised redundancy plan to reduce the UK headcount from 350 (including contractors) to around 120 people, driving a relevant cost reduction as a result of the implemented simplified IT architecture. This initiative contributed to generate around € 17M annual savings (€ 15.8M delivered in 2016) with an extraordinary one-off exit cost - fully allocated in the 2015 P&L - of nearly € 3.5M. In the meantime, we have continued to invest in talented people - we are a young company with 70% of our employees under the age of 35. We have also strengthened our Chiasso headquarter with senior profiles and our hub in Madrid with customer service experts.

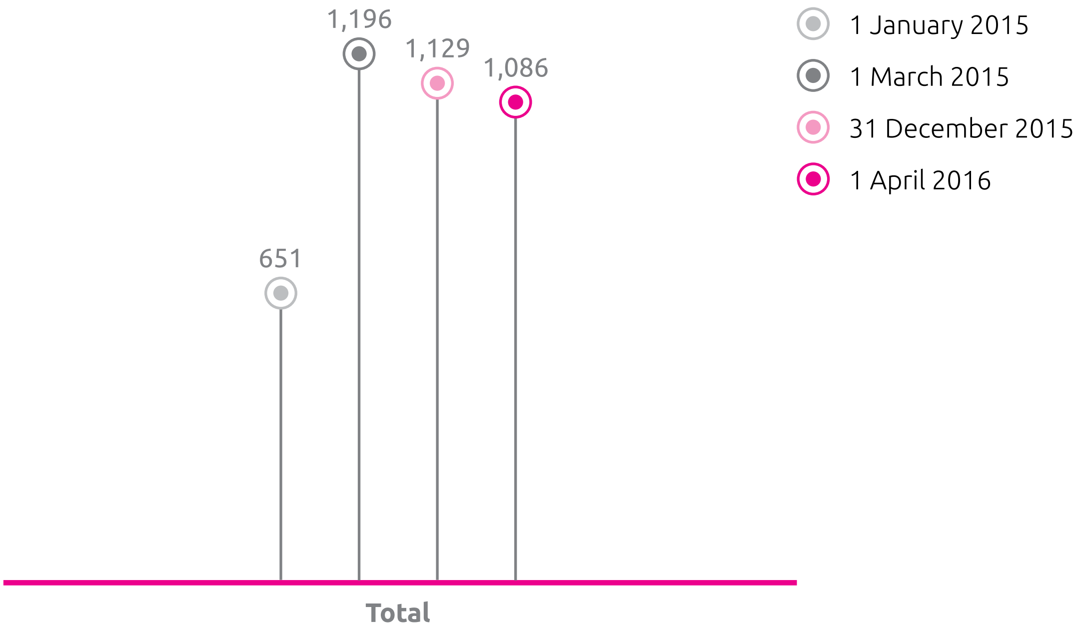
Once the technical integration came to an end, the Group opened a new chapter when it announced an updated functional organisation at the end of 2015, aligned with the Group's mid- to long-term strategy to unlock the full potential of the lastminute.com acquisition.

The resulting structure is based on two interdependent units, built around an innovative comprehensive business model: a Travel Unit managing and further developing the travel and leisure product offering, and an Audience & Media Unit responsible for driving an integrated platform aimed at boosting the growth of direct traffic to the B2C websites and develop a cutting-edge content strategy.



The headcount evolution



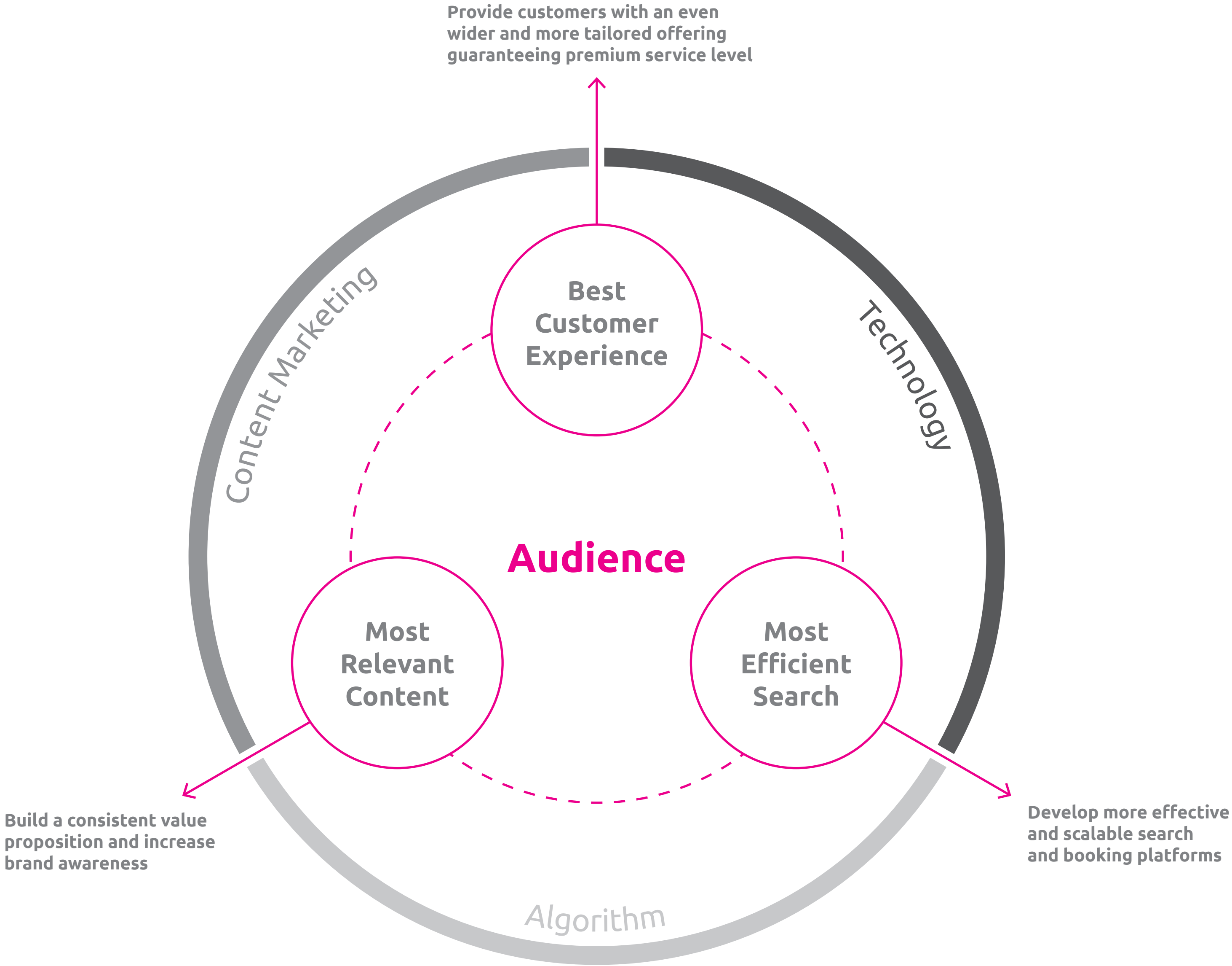


Footnotes: Internal payrolls.

The new wave of growth

Paving the way for the new wave of growth

Online travel is the sector that has been transformed more by innovation than many other industries. Evolution in technology, digitalisation of consumer behaviour, a greater importance of being fast and testing and executing millions of combinations in real time - all of that changed the logic of how we run the business effectively. We intend to always be at the forefront of innovation. We want to leverage all our capabilities as well as attract the best performers in the field. Our spirit is driven by innovation and to turn our vision into reality we needed a clear operating model, built around three interdependent dimensions: technology, algorithm, content marketing. This is where we need to deliver, and we will invest the appropriate resources to reach our targets and to meet customer expectations.



We live in an 'always connected world' - and this has completely changed consumer behaviour. People have become used to constantly being online to access the information they need wherever and whenever. As a consequence, the world of marketing is adapting and transforming to address such new targets and turn its expectations into the most valuable and relevant offering.

In our business we were focused on driving traffic across our travel websites through pure performance marketing. Now, beyond the promotion of our products and services, we are committed to delivering information and entertainment to attract, engage and retain a wider audience and make them reward the brand with advocacy.

Performance marketing will still represent the most relevant part of our marketing spending but an increasing portion will be shifted from non-branded investments to brand-related initiatives.

This strategic move, supported by the new organisation implemented at the end of the year, aims at generating incremental revenue growth – both on B2C and B2B side – and at making the overall marketing spending more effective. We acquired lastminute.com because we believe it's an iconic and resonant brand which is the perfect basis to build such an audience-centric model. We have invested to set up our new Audience & Media Unit accordingly and to reorganise our Marketing department.

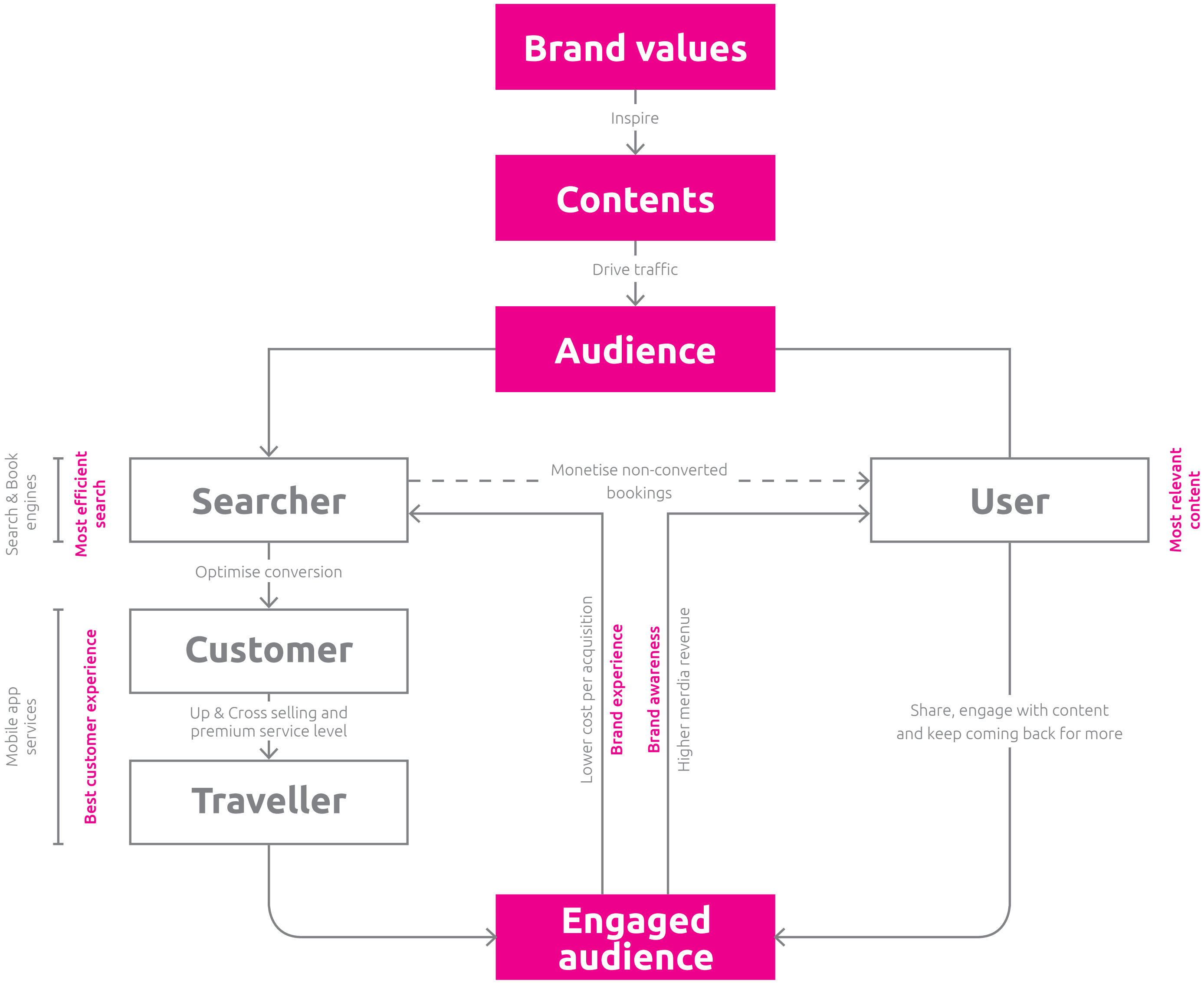
Our objective is to monetise not only users that choose to convert a search into a booking but also those that are attracted by our brand values and by content distributed through innovative formats and channels. Relevant content makes audiences come, look, get inspired, share and come again.

This is the virtuous circle that we want to turn into new profit opportunities as we're embedding valuable information into the sales process, while leveraging cutting-edge technology to optimise sell-side advertising negotiations.

Marco Corradino
Chief Audience Architect

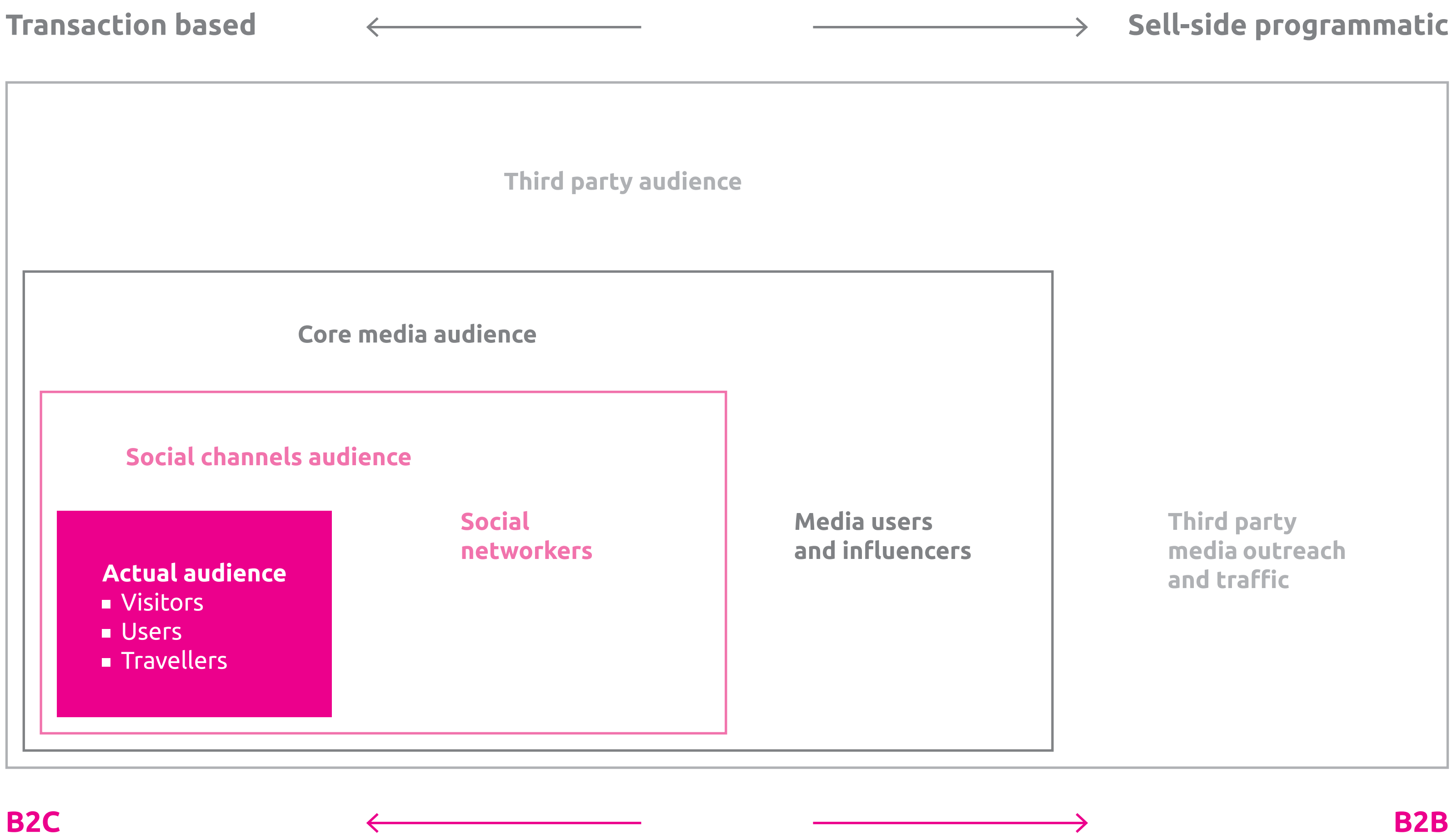
The audience value chain

Build a clear and appealing value proposition and inspire through content to get audiences engaged. Innovate the offering, providing customers with the most efficient search and booking platform and a truly exciting user experience. Taking care of our travellers, ensuring premium service levels. Cover the whole customer life cycle and increase opportunities to up & cross-sell products primarily through our innovative mobile app. Share experiences and make the traveller return. Try to monetise as much as possible all traffic by means of a comprehensive business model and a diversified revenue stream.



Revenue stream

From a transaction-oriented model to a more comprehensive revenue stream where audience extension is crucial to increase the weight of B2B revenues and monetise our brand awareness in the most profitable way.



Our brand portfolio

Laying the foundations for a consistent brand architecture to better target audiences.
To better target audiences in our markets and in relevant consumer segments, we have laid the foundations for a consistent brand architecture. This unique comprehensive portfolio makes us a strong leader in the European online travel and leisure space. We have successful vertical brands and the iconic lastminute.com brand, in which we will increasingly invest to further grow its strong awareness and recognition. It's a great platform to build our new Media model on, allowing us to unlock new growth potential. Therefore, this year we will give each brand strong identities of their own which they will fully express through storytelling as part of a cutting-edge content strategy, targeted to diversified consumer segments.

Straightforward ← → **Inspirational**

Search and compare only

Jetcost

I want to find the best offer

I need a quick search and the widest offering

- **Jetcost**: the fast growing worldwide metasearch

Full Travel Services

rumbo volagratis bravofly

I need to travel at fair price supported by premium service level

I need a functional full-service platform

- **Volagratis**: the Italian leader in flight booking
- **Rumbo**: one of the major travel providers in Spain
- **Bravofly**: the international brand to expand our global reach

lastminute.com

I want to be part of an exciting experience

I need an effective and appealing user proposition

- **lastminute.com**: the iconic European travel and lifestyle brand

Performance marketing ← → **Brand initiatives**

Structure of the Group

Governance and leadership structure

We implemented new organisation and processes that enable the Group to deliver against its qualitative and quantitative targets, supporting all functions in fulfilling their objectives and employees in doing their best.

Chairman of the Board of Directors	Ottonel Popesco

Non-Executive Directors

Roberto Italia, Fabio Selmoni, Minter Dial, Julia Bron

Executive Directors

Fabio Cannavale, Francesco Signoretti, Marco Corradino

Audit and Risk Committee

Chairman: Roberto Italia | **Members:** Julia Bron, Ottonel Popesco

SAR Committee (selection, appointment, remuneration)

Chairman: Minter Dial | **Members:** Ottonel Popesco, Roberto Italia

Advisory Committee*

Chairman: Laurent Foata | **Members:** Matteo Renzulli, Matthew Crummack, Jérôme Cohen Scali

Executive Management Team

Fabio Cannavale, Francesco Signoretti, Marco Corradino, Francesco Guidotti, Andrea Bertoli, Corrado Casto, Chiara Santambrogio

Footnotes: * The Advisory Committee is not a statutory board.

Non-executive Directors

Ottonel Popesco - Non-executive Chairman

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 is Group CEO and 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 she advised clients on numerous transactions and restructuring, concluded various audit engagements both locally and internationally. She held titles of a Senior Manager PWC, Amsterdam (2009) and a 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). Since 2012 she is a Partner at Lainsburgh, specialising on staffing and structuring operations for international companies in the Netherlands. She holds a Law degree from Belarus State University.

Minter Dial - Non-executive Director

Minter Dial holds a BA in Trilingual Literature from Yale University and an MBA from INSEAD, Fontainebleau. He began his career in Product Marketing for Investment Bank Donaldson, Lufkin & Jenrette in New York and then joined The Myriad Group, a travel agency for entertainers in Washington DC. After an international career at L'Oreal, where he was Managing Director and member of the Worldwide L'Oréal PPD Executive Committee from 2006 to 2009, he created the Myndset Company. He is a professional Speaker, Coach and Consultant on Branding and Digital Strategy. Clients include Orange, Kering, Remy-Cointreau, Samsung, Crédit Agricole, BPCE, LVMH, L'Oréal, Total, Publicis and Tencent. He is also Associate and International Director at Netexplo, a worldwide observatory of new technology trends.

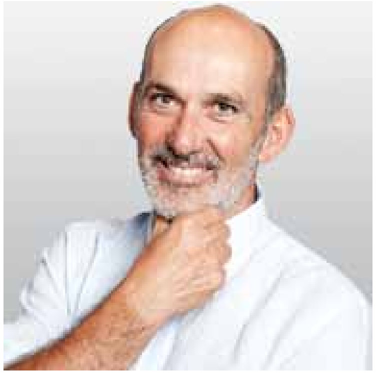
Roberto Italia - Non-executive Director

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.

Fabio Selmoni - Non-executive Director

Fabio Selmoni received an MBA from the Wharton School of the University of Pennsylvania in 1996 and a BA from the University of California at Berkeley in 1990. He was a Management Consultant at Booz Allen & Hamilton in New York and an Investment Banker at UBS Warburg in the Mergers and Acquisitions Group. He was the Director of International Business Development for Shopnow.com before becoming Managing Director of European Sales and Operations at Google. In this role, Fabio Selmoni spearheaded Google's entry into multiple European markets and contributed to Google web search partnerships with a number of notable European portals and websites. He has over a decade of experience as an entrepreneur in the internet world.

Executive Directors



Fabio Cannavale - Executive Director, Group 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.

Francesco Signoretti - Executive Director, Deputy CEO Flights and META

Francesco Signoretti holds a Diploma in Engineering from the La Sapienza University of Rome. Between 1993 and 1999, he worked as Consultant for McKinsey & Company. From 1999 to 2001, he co-founded and acted as Managing Director for eDreams Italy and from 2001 to 2004 worked in the Marketing Department for Wind Telecom. Between 2004 and 2010 he held various positions at Unicredit Bank until he became Head of Global CRM and Multichannel Banking and Deputy Head of Global Retail Marketing and Segments. He joined Bravofly Rumbo Group, now lastminute.com group, in 2010 and today is Deputy CEO Flights and META.

Marco Corradino - Executive Director, Chief Audience Architect

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 Audience Architect as well as Executive Board Member since 12 February 2016.

Jérôme Cohen Scali - Executive Director
Mr Jérôme Cohen Scali, actually Executive Board Member, won't be proposed for re-election at the Shareholder's General Meeting to be held on the 4th of May. He will be nominated as Advisory Committee member and he will serve the Group as a consultant, supervising the entire handover process of the Jetcost organisation and capabilities into the Flights and META unit led by Mr Francesco Signoretti.

Executive Management Team

The Executive Management Team comprises seven Members, three of them are also members of the Board of Directors: Fabio Cannavale (Group CEO), Francesco Signoretti (Deputy CEO Flights and META), Marco Corradino (Chief Audience Architect). The other members are:

Francesco Guidotti - Chief Financial Officer

After graduating in Economics and Commerce from La Sapienza University of Rome, Francesco Guidotti became Financial Controller for Pirelli Bedding Benelux and in 1996 Financial Manager at Ethicon Endo-Surgery. He held different roles within subsidiaries of Louis Vuitton Möet Hennessy Group: from 1997 as CFO of the Italian subsidiary of TAG Heuer Italia S.p.A., from 1999 as Financial Controller for Europe, from 2000 as CFO at Zenith Italia S.p.A. and OMAS S.r.l. From 2001 to 2003 he was Financial Controller for Bulgari Group and until 2006 CFO of YOOX S.p.A. (listed on the Milan stock exchange), followed by CFO roles at PINKO Group and TAS Group. Francesco Guidotti was CFO of YOOX S.p.A. before joining lastminute.com group in 2015.

Andrea Bertoli - Deputy CEO Travel and Leisure

Andrea Bertoli graduated in Business Administration from Bocconi University Milan and holds a Master CEMS from ESADE Business School Barcelona. He spent seven years at McKinsey & Company as Senior Consultant for Italy and Scandinavia. In 1999 he co-founded eDreams Italy and was appointed Vice President Strategic Development and Board Member of eDreams Inc. Between 2001 and 2011 he held CEO and President positions in some of the Dolomites' largest ski lift operation companies. He joined Bravofly Rumbo Group, now lastminute.com group, in 2012 as Head of New Business Development. Within the Group, in July 2013 he co-founded the deal-of-the-day metasearch Vivigratis.com. In 2014 he was appointed General Manager Vacation, and now is Deputy CEO Travel and Leisure.

Corrado Casto - Chief Product Officer

Corrado Casto worked from 2001 to 2003 as Software Engineer and Software analyst at Tecnosistemi Group and from 2003 as Senior Software Engineer and Software Analyst at NewMedia Solutions. From 2004 he has worked for Bravofly Rumbo Group, now lastminute.com group, and has been responsible for the design of the Volagratis platform since the start. Since 2005 he acts as Chief Software Architect and also as Chief Software Development Officer. In 2015, he was appointed Chief Product Officer of lastminute.com group.

Chiara Santambrogio - Chief Customer Officer

Chiara Santambrogio holds a degree in Chemistry from the University of Milan. Between 1999 and 2006, she worked as Account Manager at Televoice S.p.A. From 2006 to 2008, she held the position of Business Support Manager at Transcom World Wide. She joined the Bravofly Rumbo Group, now lastminute.com group, as Head of Operations in 2008. In 2016 she was appointed as Chief Customer Officer and from 21 March 2016 she became part of the Executive Management Team.

lastminute
foundation

A foundation to enrich our values

lastminute.com group aims to be an inspiring travel company, enriching the lives of travellers. We decided at the end of 2015, to also enrich other people's lives in a very different way and therefore we established a foundation dedicated to supporting sustainable development initiatives. With the lastminute foundation we want to change the non-profit sector just as we have changed the travel market, as we aggregate and promote the best projects.

3 strong reasons for a foundation:

Giving Back

We want to offer others the same opportunity to innovate that we had, using our experience, our skills and our assets with the simple goal to contribute to making the world a better place.

Brand Experience

Our core brand lastminute.com is all about making the most of every minute. We believe that this experience can be applied not just to travel and leisure, but also to different areas of our customers' lives.

Employee Engagement

We want to give our employees the opportunity to share and support the projects they care about and that give substance to our values.

A disruptive model

lastminute foundation is building a personal fundraising platform where everyone can support the charitable project that they care about, involving their friends, families and colleagues.

- **100% Model**
  Our platform will be totally free for the personal fundraiser, for the donors and for the beneficiary. All the costs, including bank charges, will be paid by lastminute foundation. This means that 100% of the money raised will be used for people's needs

- **Matching Model**
  The best personal fundraisers will be rewarded with the sponsorship of a commercial partnership. If a personal fundraiser is able to involve many friends, lastminute.com and/or other companies will match the donation raised, helping to reach the final goal quickly and easily.

Consolidated financial statements

Consolidated statement of profit or loss and other comprehensive income

in '000 EUR (for the twelve months ended 31 December)	**Notes**	**2015**	**2014**
Revenues	6	249,690	146,987
Marketing costs	7	(121,909)	(66,193)
Personnel costs	8	(58,997)	(24,531)
Other operating costs	9	(79,712)	(40,196)
Amortisation, depreciation and impairment	16/17/18	(9,788)	(5,710)
Profit before interest and income tax		**(20,716)**	**10,357**
Finance income	10	338	677
Finance costs	10	(1,843)	(1,007)
Share of result of equity-accounted investees	20	(64)	(110)
Profit before income tax		**(22,285)**	**9,917**
Income tax	11	4,383	(2,716)
Profit for the period		**(17,901)**	**7,201**
- thereof attributable to the Shareholders of lastminute.com N.V.	12	(18,015)	7,306
- thereof attributable to non-controlling interest		114	(105)
OTHER COMPREHENSIVE INCOME Items that will never be reclassified to profit or loss		-	
Remeasurements of the Employee benefits liability	13	(212)	(583)
Related tax	11	41	121
Items that will never be reclassified to profit or loss		**(171)**	**(462)**
Items that are or may be reclassified to profit or loss Foreign currency translation differences		**401**	**-**
Items that are or may be reclassified to profit or loss		**401**	**-**
Total other comprehensive income for the period, net of tax		**230**	**(462)**
Total comprehensive income		**(17,671)**	**6,739**
- thereof attributable to the Shareholders of lastminute.com N.V.		(17,785)	6,844
- thereof attributable to non-controlling interest		114	(105)
EARNINGS PER SHARE			
Basic earnings per share (in EURO)	12	(1.27)	0.53
Diluted earnings per share (in EURO)	12	(1.27)	0.51

Consolidated balance sheet

in '000 EUR	Notes	31 Dec 2015	31 Dec 2014
NON CURRENT ASSETS			
Property plant and equipment	16	3,296	937
Intangible assets	17	139,776	86,468
Goodwill	17/18	60,746	45,949
Non current financial assets	19	1,325	143
Investment in equity accounted investees	20	291	355
Deferred tax assets	11	8,777	550
TOTAL NON CURRENT ASSETS		**214,211**	**134,402**
CURRENT ASSETS			
Inventories		30	22
Current financial assets	19	1,251	509
Current tax assets	11	1,206	506
Trade and other receivables	21	46,406	30,539
Cash and cash equivalents	22	65,559	89,316
TOTAL CURRENT ASSETS		**114,452**	**120,892**
TOTAL ASSETS		**328,663**	**255,294**
SHARE CAPITAL AND RESERVES			
Share capital	23	146	146
Capital reserves	23	127,751	127,751
Translation reserve	23	401	-
Treasury share reserve	23	(8,838)	(3,939)
Retained earnings	23	21,363	39,385
EQUITY ATTRIBUTABLE TO SHAREHOLDERS OF lastminute.com N.V.		**140,823**	**163,343**
Non-controlling interest		(36)	(169)
TOTAL EQUITY		**140,787**	**163,174**
NON CURRENT LIABILITIES			
Non current provisions	24	2,000	2,000
Employee benefits liabilities	13	2,766	1,752
Deferred tax liabilities	11	31,342	22,198
TOTAL NON CURRENT LIABILITIES		**36,108**	**25,950**

in '000 EUR	Notes	31 Dec 2015	31 Dec 2014
CURRENT LIABILITIES			
Current provisions	24	2,455	717
Current tax liabilities	11	2,112	602
Trade and other payables	26	147,201	64,851
TOTAL CURRENT LIABILITIES		**151,768**	**66,170**
TOTAL LIABILITIES		**187,876**	**92,120**
TOTAL LIABILITIES AND EQUITY		**328,663**	**255,294**

Consolidated statement of changes in equity

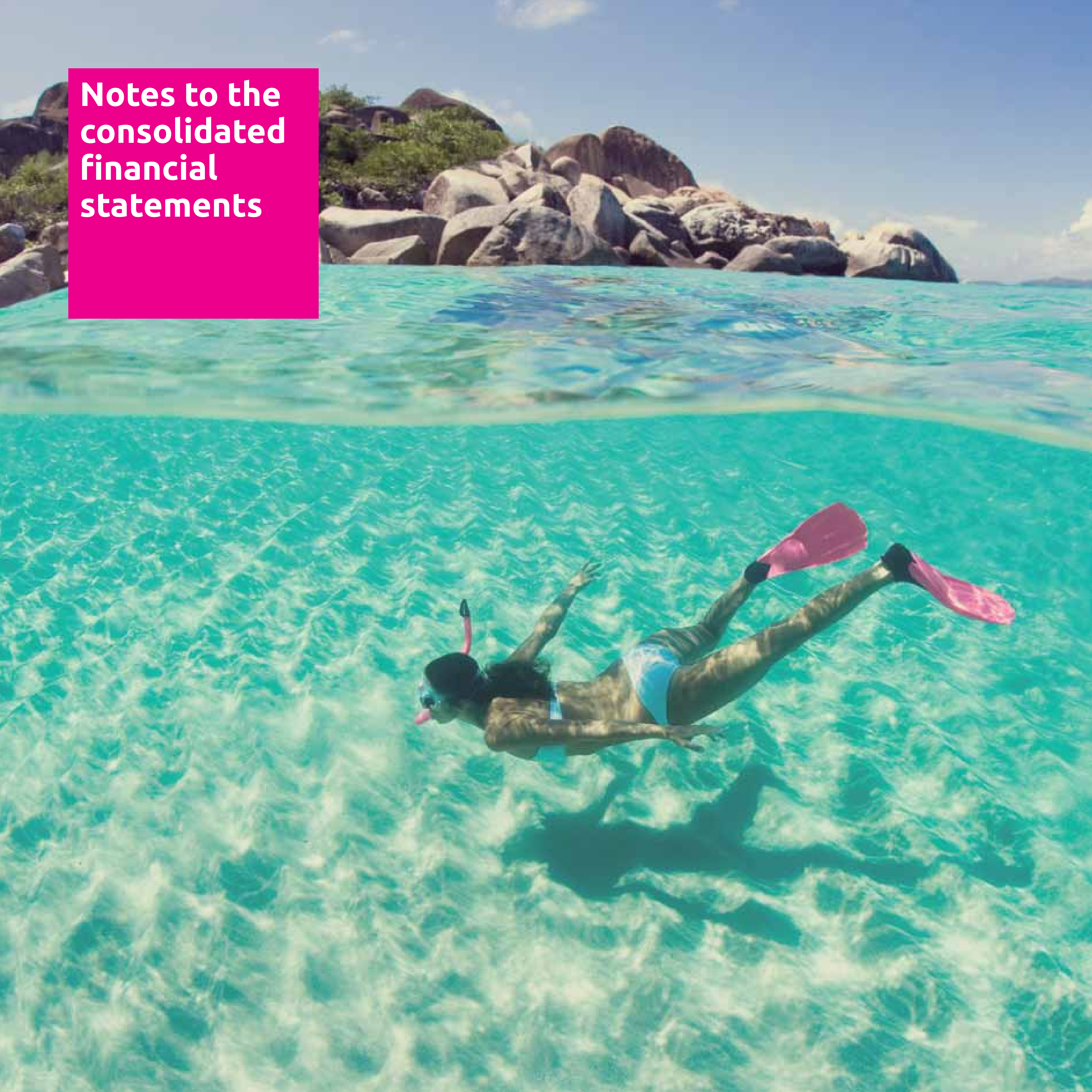
in '000 EUR	Notes	Share capital	Capital Reserves	Translation Reserve	Treasury Share Reserve	Retained Earnings	Equity attributable to Shareholders of lastminute.com N.V.	Non-controlling interest	TOTAL EQUITY
Balance at 1 January 2015		**146**	**127,751**	**-**	**(3,939)**	**39,385**	**163,343**	**(169)**	**163,174**
Result for the period		-	-	-	-	(18,015)	(18,015)	114	(17,901)
Other comprehensive income									
- Remeasurements of the Employee benefits liability (net of tax)	11/13	-	-	-	-	(171)	(171)	-	(171)
- Foreign currency translation differences	23	-	-	401	-	-	401	-	401
Total other comprehensive income net of tax		**-**	**-**	**401**	**-**	**(171)**	**230**	**-**	**230**
Total comprehensive income net of tax		**-**	**-**	**401**	**-**	**(18,186)**	**(17,785)**	**114**	**(17,671)**
Transactions with shareholders									
- Share-buy back plan	23	-	-	-	(4,899)	-	(4,899)	-	(4,899)
- Share-based payments	14	-	-	-	-	164	164	-	164
- Constitution of subsidiaries with non-controlling interest	2	-	-	-	-	-	-	19	19
Total transactions with shareholders		**-**	**-**	**-**	**(4,899)**	**164**	**(4,735)**	**19**	**(4,716)**
Balance at 31 December 2015		**146**	**127,751**	**401**	**(8,838)**	**21,363**	**140,823**	**(36)**	**140,787**

in '000 EUR	Notes	Share capital	Capital Reserves	Translation Reserve	Treasury Share Reserve	Retained Earnings	Equity attributable to Shareholders of lastminute.com N.V.	Non-controlling interest	TOTAL EQUITY
Balance at 1 January 2014		**124**	**42,001**	**-**	**-**	**33,973**	**76,098**	**(124)**	**75,974**
Result for the period		-	-	-	-	7,306	7,306	(105)	7,201
Other comprehensive income									
- Remeasurements of the Employee benefits liability (net of tax)	11/13	-	-	-	-	(462)	(462)	-	(462)
Total other comprehensive income net of tax		**-**	**-**	**-**	**-**	**(462)**	**(462)**	**-**	**(462)**
Total comprehensive income net of tax		**-**	**-**	**-**	**-**	**6,844**	**6,844**	**(105)**	**6,739**
Transactions with shareholders									
- Increase in share capital	23	22	85,750	-	-	-	85,772	-	85,772
- Share-buy back plan	23	-	-	-	(3,939)	-	(3,939)	-	(3,939)
- Buy-back share options	23	-	-	-	-	(1,788)	(1,788)	-	(1,788)
- Share-based payments	14	-	-	-	-	356	356	-	356
- Transactions with non-controlling interest	4	-	-	-	-	-	-	60	60
Total transactions with shareholders		**22**	**85,750**	**-**	**(3,939)**	**(1,432)**	**80,401**	**60**	**80,461**
Balance at 31 December 2014		**146**	**127,751**	**-**	**(3,939)**	**39,385**	**163,343**	**(169)**	**163,174**

Consolidated cash flow statement

in '000 EUR	Notes	2015	2014
Cash flow from operating activities			
Profit / (Loss) for the period		(17,901)	7,201
Adjustments for:			
- Amortization and depreciation	16/17/18	8,853	5,710
- Impairment losses on intangible and tangible assets	17	935	-
- Net finance result	10	1,505	330
- Income tax expense	11	(4,383)	2,716
- Share-based payments	14	164	356
- Share of result of equity-accounted investees	20	64	110
Change in trade and other receivables	21	6,428	(2,516)
Change in inventories		(8)	16
Change in trade and other payables	26	(7,245)	1,872
Change in provisions	24	602	52
Change in employee benefit liability	13	270	160
Interest paid	10	(29)	(273)
Income tax (paid)/received		(3,475)	(3,443)
Net cash (used in) / from operating activities		**(14,220)**	**12,291**
Cash flow from investing activities			
Interest received	10	246	232
Purchase of property, plant and equipment	16	(2,530)	(627)
Proceeds from sale of property, plant and equipment	16	1	86
Purchase of intangible assets	17	(13,343)	(5,922)
Proceeds from sale of intangible assets	17	-	
Acquisition of subsidiaries, net of cash acquired	4	11,945	(8,747)
Acquisition of financial assets	19	-	(226)
Proceeds from sale of financial assets	19	(1,124)	571
Net cash (used in) / from investing activities		**(4,805)**	**(14,633)**
Cash flow from financing activities			
Repayments of borrowings		-	(21,860)
Buy-back of share options	23	-	(1,788)
Share Buy back plan	23	(4,899)	(3,939)
Capital contribution	23	-	85,772
Net cash (used in)/from financing activities		**(4,899)**	**58,185**
Net increase / (decrease) in cash and cash equivalents		**(23,924)**	**55,843**
Cash and cash equivalents at 1 January	22	89,316	33,473
Effects of currency translation on cash and cash equivalents		167	-
Cash and cash equivalents at 31 December	22	65,559	89,316

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. The address of the Company's registered office is Jan van Goyenkade 8, 1075 HP Amsterdam. The consolidated financial statements of the Company as at and for the year ended 31 December 2015 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.
As a result of the acquisition of lastminute.com (see Note 4), the Group now has foreign operations, consolidated as explained in the corresponding accounting policy below.

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 now has foreign operations, consolidated as explained in the corresponding accounting policy below.

Basis of preparation

The consolidated financial statements have been prepared in accordance with "International Financial Reporting Standards" ("IFRSs") as endorsed by the European Union (EU).

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.
The consolidated financial statements were authorised for issue by the Board of Directors on 21 March 2016.

Adoption of new and revised standards and interpretations

The Group has applied the following standards and amendments for the first time for their annual reporting period commencing 1 January 2015:

- Annual Improvements to IFRSs - 2011 – 2013 Cycle.

These revised standards did not have a significant 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 recognised in the period in which the estimates are revised and in any future periods affected.
Information about critical judgments in applying accounting policies that have the most significant effect on the amounts recognised 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:

Capitalised development costs

As of 31 December 2015 and 2014 lastminute.com Group has capitalised development costs in the carrying amount of EUR 16,751 thousand and EUR 5,758 thousand, respectively (refer to note 17). As of 31 December 2015, capitalised development costs not yet available for use were EUR 1,202 thousand (2014: EUR 1,280 thousand). The Group has to make estimates and judgments about the technical feasibility of completing its development projects for improved features on the internet page and the future economic benefits of those projects. If the estimated outcome differs significantly from actual results, the consolidated financial statements could be materially affected.

Income taxes

As of 31 December 2015 the net liability for current taxes amounts to EUR 906 thousand (2014: EUR 96 thousand). The net liability for deferred taxes amounts to EUR 22,565 thousand at 31 December 2015 (2014: EUR 21,648 thousand, refer to Note 11). 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 recognised 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 recognised in the balance sheet in future periods.

As of 31 December 2015 management recognised deferred tax assets on losses carried forward for EUR 8,099 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 4,455 thousand as of 31 December 2015 (EUR 2,717 thousand for 2014 - refer to note 24).

Business combinations

The Group initially recognises 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 amortisation expense and impairment tests.

Impairment

As of 31 December 2015 and 2014 the Group had respectively EUR 60,746 thousand and EUR 45,949 thousand in goodwill (see Note 18) and EUR 121,171 thousand and EUR 76,518 thousand in intangible assets with an indefinite useful life (see Note 17). 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 amortisation and are annually

tested for impairment. Assets that are subject to amortisation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable.
An impairment loss is recognised 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 recognised amount of any non-controlling interests in the acquiree, less the net recognised 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 recognised 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 recognised 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 unrealised income and expenses arising from intra-group transactions, are eliminated in preparing the consolidated financial statements. Unrealised losses are eliminated in the same way as unrealised 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 derecognises the assets and liabilities of the subsidiary, and any related non-controlling interest and other components of equity. Any resulting gain or loss is recognised 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. Interests in associates are accounted for using the equity method. They are recognised 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 of the present document.

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 recognised 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.
- 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 capitalised 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 capitalised 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

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 recognised in profit or loss.

Intangible assets

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

Trademarks

Separately acquired trademarks are recognised at historical cost. Trademarks acquired in a business combination are recognised at fair value at the acquisition date. Trademarks are considered to have an indefinite useful life and hence not subject to amortisation. They are tested annually for impairment. 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.

Capitalised development costs

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

- they lead to new or substantially improved features on the internet page or other intangible assets;
- the finalisation 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 capitalised 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.

Amortisation

Amortisation of intangible assets is charged to profit or loss on a straight-line basis over their estimated useful life. Amortisation of intangible assets begins at the date they are available for use. Intangible assets with an indefinite useful life are not amortised.
The estimated useful lives are as follows:

Capitalised development cost	2-3 years
Other intangible assets	2-4 years

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 recognised in profit or loss.

Goodwill

At the acquisition 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 recognised in the income statement as income since it is representative of a profitable investment. Whenever the initial recognition of a business combination can be determined only provisionally, adjustments to the initially allocated values are recognised within 12 months of 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 generally 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.

Impairment of 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 recognised in the income statement whenever the carrying amount of an asset or its cash-generating unit exceeds its recoverable amount.
Impairment losses recognised 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 amortisation, if no impairment loss had been recognised. An impairment loss in respect of goodwill is not reversed.

Leasing

The present value of finance lease obligations is recognised 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 recognised as an integral part of the total lease expense, over the term of the lease.

Financial instruments

Financial assets

Financial assets are initially recognised 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 categorised 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 recognised in profit or loss;
- loans and receivables at amortised cost, whereby the difference between the issue and repayment amount is recognised 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 recognised 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 amortised cost, 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 from the date of acquisition.

Financial liabilities

Financial liabilities are initially recognised at fair value less any directly attributable transaction costs. With the exception of the put liability and the contingent consideration relating to the Jetcost acquisition, which were measured at fair value through profit or loss, they are subsequently stated at amortised cost, whereby the difference between the issue and repayment amount is recognised in profit or loss using the effective interest method over the period to maturity.

Trade and other payables

Trade and other payables are stated at amortised cost, which generally corresponds to their nominal value.

Inventories

Inventories are stated at the lower of cost and net realisable value. Net realisable value is the estimated selling price in the ordinary course of business, less estimated selling costs. The cost is calculated using the weighted average method. The cost includes expenditures incurred in acquiring the inventories and bringing them to their existing location and condition.

Provisions

Provisions are recognised 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 "Volaflex", which allows them to cancel the covered flight booking at their sole discretion. Provisions are made to cover related expected claims and other directly related costs using current assumptions.

Employee benefits

Post-employment plans

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 an unfunded defined benefit 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 recognised 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 recognised 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 recognised 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 equity-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 recognised as an employee expense over the vesting period, with a corresponding increase in equity over the same period. The amount recognised 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 recognised 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 recognised as equity are repurchased, the amount of the consideration paid, net of any tax effects, is recognised 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 recognised as an increase in equity and the resulting surplus or deficit on the transaction is presented within Capital reserve.

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 recognises revenue when the outcome of the underlying transaction can be estimated reliably. Revenue associated with the transaction is recognised 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 recognised 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 "Volaflex", which allows them to cancel the covered flight booking at their sole discretion. When a customer cancels a flight booking covered by Volaflex, 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 Volaflex are recognised 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 recognised according to the information provided on their periodical statements.

Revenue from advertising services comprises revenue from providing sponsoring links and advertisements on the Group's companies websites. Revenue derived from the delivery of advertisements is recognised 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 sponsoring links is recognised upon notification from the alliance partner that a transaction has occurred.

Income taxes

Income tax comprises current and deferred taxes. Income tax is recognised in profit or loss except to the extent that it relates to items recognised in other comprehensive income or directly in equity (i.e. transactions with shareholders), in which case it is recognised 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. The amount of deferred taxes is based on the expected manner of realisation or settlement of the carrying amount of assets and liabilities, using tax rates enacted or substantially enacted at the balance sheet date.
Deferred tax assets resulting from temporary differences and tax loss carry-forwards are recognised only to the extent that it is probable that future taxable profits will be available against which the asset can be utilised. Deferred tax assets are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

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 3)	1 January 2018	Not Yet endorsed
IFRS 9 Financial Instruments 3)	1 January 2018	Not Yet endorsed
IFRS 16 Leases 3)	1 January 2019	Not Yet endorsed
Revisions and amendments of Standards and Interpretations	**Effective date**	**Mandatory application**
Annual Improvements to IFRSs 2010–2012 Cycle– various standards 2)	1 February 2015	1 January 2016
Defined Benefit Plans: Employee Contributions - Amendments to IAS 19 2)	1 February 2015	1 January 2016
Accounting for Acquisitions of Interests in Joint Operations (Amendments to IFRS 11) 2)	1 January 2016	1 January 2016
Clarification of Acceptable Methods of Depreciation and Amortisation (Amendments to IAS 16 and IAS 38) 2)	1 January 2016	1 January 2016
Annual Improvements to IFRSs 2012–2014 Cycle– various standards 3)	1 January 2016	1 January 2016
Disclosure Initiative (Amendments to IAS 1) 1)	1 January 2016	1 January 2016
Sale or Contribution of Assets between an Investor and its Associate or Joint Venture (Amendments to IFRS 10 and IAS 28) 2)	to be determined	Not Yet endorsed
Recognition of Deferred Tax Assets for Unrealised Losses : Amendments to IAS 12 1)	1 January 2017	Not Yet endorsed
Disclosure Initiative: Amendments to IAS 7 1)	1 January 2017	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.

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 2015	31 Dec 2014
Current financial assets (Investments)	33	33
Total financial assets at fair value through profit or loss	**33**	**33**
Non-current financial assets	1,325	143
Current financial assets (Deposits and other)	1,218	477
Trade and other receivables *	42,147	29,714
Cash and cash equivalents (excl. cash on hand)	65,554	89,309
Total loans and receivables	**110,244**	**119,643**
Trade and other payables *	146,877	63,942
Total Financial liabilities measured at amortised cost	**146,877**	**63,942**

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

For further details refer to Note 19.
The carrying amounts of the above listed loans and receivables including cash and cash equivalents as well as of the financial liabilities measured at amortised 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 categorised 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 2015	Level 1	Level 2	Level 3	Total
Financial assets measured at fair value				
Investments funds	33	-	-	**33**

in '000 EUR	Fair value			
31 December 2014	Level 1	Level 2	Level 3	Total
Financial assets measured at fair value				
Investments funds	33	-	-	**33**

As of 31 December 2015, the Group held investments funds for an amount of EUR 33 thousand (EUR 33 thousand in 2014) 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.
The following table shows a reconciliation from the opening balances to the closing balances for Level 3 fair values:

in '000 EUR	2015		2014	
	Jetcost Option Liabilities	Contingent consideration	Jetcost Option Liabilities	Contingent consideration
Balance as of 1 January	-	-	6,631	1,969
Settlement of option liability (see Note 4)	-	-	(6,266)	-
Reclassifications (see Note 4)	-	-	(511)	511
Recognised in profit or loss	-	-	146	-
Settlement of earn-outs (see Note 4)	-	-	-	(2,480)
Balance as of 31 December	**-**	**-**	**-**	**-**

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. Organisational and process measures have been designed to identify and mitigate risks at an early stage.

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 airlines. 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 21.

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 2015	31 Dec 2014
Non-current financial assets	1,325	143
Current financial assets	1,251	509
Trade and other receivables *	42,147	29,714
Cash and cash equivalents (excl. cash on hand)	65,554	89,309
Total	**110,277**	**119,675**

** "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, by credit card. 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 Group also applies cash-pooling for liquidity management purposes.
As of 31 December 2015, total amount of unused available cash credit lines for the Group was EUR 23,131 thousand (EUR 25,200 thousand at 31 December 2014). Trade and other payables are due within 90 days.

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 and Swiss francs. 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 2015, the Group's balance sheet net exposure in CHF amounted to EUR 2,162 thousand (2014: EUR 5,645 thousand). As of 31 December 2015, the Group's balance sheet net exposure in GBP amounted to EUR 13,112 thousand (2014: EUR 1,735 thousand). As of 31 December 2015, the Group's balance sheet net exposure in USD amounted to EUR 663 thousand (2014: EUR 172 thousand).

A strengthening (weakening) of the EUR against the CHF, GBP and USD of 20% at 31 December would have affected profit or loss by the amounts shown in the table below:

in '000 EUR	2015		2014	
	Strenghtening	Weakening	Strenghtening	Weakening
Currency risk sensitivity in CHF	(360)	360	(941)	941
Currency risk sensitivity in GBP	(2.164)	2.164	(289)	289
Currency risk sensitivity in USD	(111)	111	(28)	28

This analysis is based on foreign currency exchange rate variances is based 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 2015 the Group has no bank liabilities with variable interest rates (31 December 2014: EUR nil). See also note 25.

The Group further has cash and cash equivalents with variable interest rates in the amount of EUR 65,554 thousand (31 December 2014: 89,310 thousand). See also note 22.

As of 31 December 2015 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.

Actuarial risk

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.

Actuarial risk 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.

Total maximum exposure where the date of departure is after 31 December 2015 amounts to approximately EUR 2,059 thousand (2014: EUR 1,365 thousand). Hence, any reasonably possible change to management's best estimate for the provision would not have significantly impacted the Group's profit or loss and equity.

Note 4 - Changes in the Scope of Consolidation

Financial year 2015

Acquisition of lastminute.com

On 2 March 2015 the Group finalised the acquisition of lastminute.com from Sabre Corporation.
The Group acquired the lastminute.com's business through an asset deal, debt-cash free, for a total consideration of GBP 1.
The Group assumed the respective assets and liabilities, whereas the major item was represented by the negative working capital. In addition the Group signed a non-exclusive arm's length multi-annual agreement for the usage of Sabre's GDS' system.
Through the deal the Group acquired the lastminute.com's operations located in UK, France, Germany, Spain and Italy, establishing a leading position in all major European Countries.
The following table summarises the consideration paid for lastminute.com, 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)	2 Mar 2015
Cash	1
Total consideration paid in cash*	1
Property plant and equipment	1,433
Other intangible assets	3,533
Non current financial assets	800
Trade and other receivables	22,295
Cash and cash equivalents	11,946
Provisions	(1,136)
Employee benefits liabilities	(247)
Trade and other payables	(89,145)
Trademarks	44,655
Deferred taxes liabilities	(8,931)
Fair value of total identifiable net assets acquired	**(14,797)**
Goodwill	14,796
Total consideration	**1**

** Total consideration paid is 1 GBP < = 1 EUR*
Rounded up to the nearest EUR thousand.

The Group effectively gained control over lastminute.com on 2 March 2015 and consolidated it from that date.
The Group's transaction costs relating to the LMN acquisition are not material to the consolidated financial statements.
The fair value of acquired trade receivables is EUR 22,295 thousand. The gross contractual amount for trade receivables due is EUR 23,057 thousand, of which EUR 762 thousand is expected to be uncollectible.
Goodwill not yet allocated is 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.

Constitution of Sealine Investment LP
On 23 March 2015, the Group constituted Sealine Investment LP. The total capital paid was EUR 0.1 thousand. The new company is totally owned by the Group. The company is the vehicle used by the Group to run a new cash-settled share-based payment arrangement established on 26 March 2015 and it is consolidated. For further information reference should be made to Note 14.

Constitution of URBANnext SA
On 28 September 2015, the Group constituted URBANnext SA, a newco which operates a shared-use mobility aggregator app. The capital contribution initially paid was EUR 92 thousand. The company is managed in partnership with the co-founders of the acquired app called Batsharing, renamed by the Group as Urbi. Under the terms of the agreement, lastminute.com group is the major shareholder owning the 80% of shares for a total of EUR 74 thousand.

Sharing mobility represents the most relevant innovation in the world of urban mobility. Through this partnership, lastminute.com group will be able to offer its growing 10 million customer base solutions for all mobility requirements: from long-haul flights and train tickets, to now also travel and transport within a city.

Financial year 2014

Acquisition of Jetcost minorities and settlement of earn-outs
The transaction for the acquisition of 80% of the share capital of Blue SAS ("Jetcost") completed on 27 December 2013 included a call option exercisable by the Group and a put option exercisable by the minority shareholders of Jetcost, for the remaining 20% of the shares. As of 31 December 2013 a put liability of EUR 6,631 thousand (including earn-out portions) had been recognized as a financial liability.
On 27 June 2014, the Group acquired the remaining 20% of the shares of Blue SAS ("Jetcost") by paying a cash consideration of EUR 6,266 thousand. The initial Jetcost purchase agreement further included two earn-out components, leading to a total maximum additional consideration of EUR 640 thousand for these 20%, payable in cash. The difference of EUR 146 thousand between the consideration for the 20% acquired and the time-discounted fair value of the put liability (excluding earn-out positions) has been recognized in profit or loss in 2014, see Note 3.
Following the acquisition of the remaining 20%, the contingent consideration for the Jetcost earn-outs related to 100% of the shares and its time-discounted fair value had hence increased from EUR 1,969 thousand (related to 80% of the shares) as of 31 December 2013 to EUR 2,480 thousand (related to 100% of the shares).
On 11 September 2014, in order to accelerate its investment in the meta-search channel and to foster the implementation of a more robust long term strategy, the Group agreed on the early settlement of the two earn-out components related to the acquisition of 100% of the capital of Jetcost for a total amount of EUR 2,480 thousand. No other consideration is due by LMN in respect to its acquisition of Jetcost.

Other transactions
During 2014, the Group participated in a contribution in equity for the total amount of EUR 90 thousand to the subsidiary BravoAvia SA. Minority shareholders participated proportionally in the capital increase with EUR 60 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 by the Group CEO. Starting from 2014, the Group modified its segment reporting to adapt itself to the acquisition of Jetcost (transaction completed at the end of 2013) and its new organisational structure. Jetcost is a separate and independent business for the Group and is managed and reported as such (as Metasearch), but it leverages on the Group in a number of non-commercial areas. The Group considers the Jetcost business as strategic and is monitoring it separately. The acquisition of lastminute.com has not changed the basis of segmentation as the business acquired was integrated into the OTA ("Online Travel Agency") segment of the Group.
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.

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

in '000 EUR	2015			2014		
	OTA	Metasearch	Total	OTA	Metasearch	Total
Consolidated Revenues	**230,093**	**19,597**	**249,690**	**133,985**	**13,002**	**146,987**
Total Revenues	230,565	28,032	258,597	134,206	17,079	151,285
Intersegment Revenues	(472)	(8,436)	(8,908)	(221)	(4,077)	(4,298)
Consolidated EBITDA Adjusted	**(10,662)**	**10,190**	**(472)**	**16,039**	**5,074**	**21,113**
Non-cash impact of stock options			(164)			(356)
IPO Costs and related bonuses			-			(3,871)
Costs related to acquisition and integration of subsidiaries			(402)			(24)
Litigation, restructuring and other costs/income incidental to operating activities			(9,889)			(795)
Depreciation and Amortisation			(9,788)			(5,710)
Profit before Interest and Income Tax			**(20,716)**			**10,357**

* *The Group defines "Adjusted EBITDA" as EBITDA (Profit before interest and income tax plus depreciation and amortisation) 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, restructuring and IPO.*

Both 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 analyses the Group's non-current assets excluding financial instruments and deferred taxes by the Company's country of domicile and other countries as of 31 December 2015 and 2014, based on the geographic location of the assets:

in '000 EUR	2015	2014
France	47,551	35,868
UK	40,494	-
Spain	83,050	84,925
Switzerland	18,418	7,311
Netherlands	-	-
Others	14,595	5,605
Total	**204,108**	**133,709**

Note 6 - Revenues

The tables below shows Revenues for 2015 and 2014:

in '000 EUR	2015	2014
Revenue from sales of travel services	226,537	137,257
Revenue from advertising services	14,802	5,460
Revenue from premium number	2,805	2,598
Revenue from Volaflex	3,851	1,356
Other revenues	1,695	316
Total	**249,690**	**146,987**

In 2015 total revenues increased by EUR 102,703 thousand, or +70%, to EUR 249,690 thousand from EUR 146,987 thousand in 2014. This increase is primarily due to i) the effect of the lastminute.com acquisition for the amount of EUR 70,683 thousand, ii) internal growth connected to the META activity for the amount of EUR 6,596 thousand and iii) internal growth connected to the OTA activity for the amount of EUR 25,424 thousand.
A significant indicator for the Group is represented by Gross Travel Value defined as the value of the travel products purchased by the Group's clients using the Group's platforms, including agency fees, insurance and gross of any discounts and cancellations. Gross Travel Value amounted respectively to EUR 2,355 million in 2015 and EUR 1,311 million in 2014: this significant increase is mainly due to effect of lastminute.com acquisition for the amount of EUR 987 million.

Revenues by products

The table below shows Revenues by product for 2015 and 2014:

in '000 EUR	2015	% of the total	2014	% of the total
Flight	144,528	57.9%	119,928	81.6%
Non Flight	105,162	42.1%	27,059	18.4%
Total	**249,690**	**100.0%**	**146,987**	**100.0%**

Flight revenue

In 2015, the Group's flight revenue increased by EUR 24,600 thousand, or +20.5%, to EUR 144,528 thousand from EUR 119,928 thousand in 2014. This increase is primarily due to i) the effect of lastminute.com's acquisition for the amount of EUR 5,868 thousand, and ii) internal growth for the amount of EUR 18,732 thousand.

The 2015 strategy was based on increasing volumes in a much more competitive landscape than before, where META-Search were gaining more and more importance and customers were becoming highly sophisticated and demanding.

Revenue growth is the result of clear understanding of pricing pressure and the decision to retain customers instead of generating higher profitability. That has led to a strong growth in client base and number of travelers handled per year.

Non-flight revenue

In 2015, the Group's non-flight revenue increased by EUR 78,103 thousand, or +289%, to EUR 105,162 thousand from EUR 27,059 thousand in 2014. This increase is primarily due to i) the effect of the lastminute.com's acquisition for the amount of EUR 61,289 thousand and ii) internal growth for the amount of EUR 16,814 thousand. Within the OTA business, the acquisition of lastminute.com has allowed the Group to benefit immediately from the other non-flight markets as Hotel and Leisure.

Geographical Information

The Group categorises its geographical markets by the countries for which its websites are localised 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 2015 and 2014:

in '000 EUR	2015	% of the total	2014	% of the total
France	60,299	24.1%	31,241	21.3%
UK	53,767	21.5%	5,569	3.8%
Italy	52,406	21.0%	40,198	27.3%
Spain	32,395	13.0%	34,350	23.4%
Germany	17,246	6.9%	8,059	5.5%
Netherlands	841	0.3%	686	0.5%
Others	32,736	13.2%	26,884	18.3%
Total	**249,690**	**100.0%**	**146,987**	**100.0%**

In 2015, lastminute.com Group recorded a growth in particular in Italy, UK, France, and in other regions. Growth in UK, France and Germany was driven mainly 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 it was visible an increase compared to the previous year also because in 2014 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

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.
In Spain the Group recorded a limited contraction of the revenues, due to the decrease of the business volumes.

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 2015 and 2014:

in '000 EUR	2015	2014
Online costs	100,829	64,113
Offline costs	21,080	2,080
Total	**121,909**	**66,193**

Marketing costs increased by EUR 55,715 thousand (+84%) from EUR 66,193 thousand in 2014 to EUR 121,909 thousand in 2015. Marketing costs as percentage of revenues increased in 2015 compared to 2014 (49% vs 45%). This increase is primarily due to the effect of the lastminute.com acquisition for the amount of EUR 41,098 thousand and organic growth for EUR 14,617 thousand referred to increase of competition in our core markets and continuing higher weight of business generated outside these core markets, where our brands are less known.
Focus on volumes and customer retention has led to an increase of marketing spending as part of our strategy to boost revenue growth and long-term value creation instead of short-term profitability results.

Note 8 - Personnel Costs

The table below shows Personnel costs for the Group for 2015 and 2014:

in '000 EUR	2015	2014
Wages and salaries	42,201	17,505
Social security charges	12,917	4,303
Expenses relating to defined benefit plans	861	576
Other personnel costs	2,854	1,791
Share-based payments	164	356
Total	**58,997**	**24,531**

Personnel costs increased by EUR 34,466 thousand (+140%) from EUR 24,531 thousand in 2014 to EUR 58,997 thousand in 2015. Costs increased driven by effect of the lastminute.com acquisition for the amount of EUR 32,496 thousand. Personnel costs as percentage of revenues increased in 2015 compared to 2014 (24% vs 17%).
Cost for wages and salaries of EUR 9,947 thousand (2014: EUR 3,911 thousand) have been capitalised as development costs (refer to Note 17 for further details).
Details about expenses relating to defined benefit plans are provided in Note 13.
Other personnel cost include other residual kind of costs related to employees' activity.
Share-based payments related to the existing stock option plans and further details are included in Note 14.
The average number of staff employed by the company in 2015 amounted to 1,054 headcounts (2014: 627).

The table below shows the Group's personnel split at the end of 2015 and 2014:

Units	2015	2014
Sales	100	38
IT	303	145
Operations	292	251
Marketing	235	110
Administration	187	88
Management	12	11
Total	**1,129**	**643**

Note 9 - Other Operating Costs

The table below shows Other operating costs for the Group for 2015 and 2014:

in '000 EUR	2015	2014
Credit card processing fee	21,096	14,244
Fees for advisory, legal and other services	8,818	6,152
Call Center operation costs	16,245	6,208
Expense for operating leases	11,091	2,763
Commissions paid to other travel service brokers	490	295
Other operation costs	21,972	10,534
Total	**79,712**	**40,196**

Other operating costs increased by EUR 39,516 thousand (+98%) from EUR 40,196 thousand in 2014 to EUR 79,712 thousand in 2015. Such increase can be referable to: i) increase of the Group's business activity for EUR 8,057 thousand, and ii) the effect of lastminute.com's acquisition for the amount of EUR 31,459 thousand.
The "other costs" includes costs mainly referred to business providers.
Other operating costs as percentage of revenues increased in 2015 compared to 2014 (32% vs 27%).

Note 10 - Finance Result

The table below shows the Net Finance Result for the Group in 2015 and 2014:

in '000 EUR	2015	2014
Net gain on investments classified as at fair value through profit or loss	-	11
Net FX exchange income	-	428
Interest income	246	232
Others	92	6
Total Finance Income	**338**	**677**
Interest expenses	(29)	(273)
Net loss on investments classified as at fair value through profit or loss	-	(36)
Change in fair value of liabilities related to Jetcost acquisition	-	(146)
Net FX exchange costs	(1,800)	-
Others	(14)	(552)
Total Finance Costs	**(1,843)**	**(1,007)**
Total Net Finance Result	**(1,505)**	**(330)**

The net financial result declined by EUR 1,175 thousand (- 356%) from EUR - 330 thousand in 2014 to EUR - 1,505 thousand in 2015, mainly due to losses by negative effect on exchange rates for EUR 1,800 thousand. In 2014 the line "Others" mainly included the effect of the accelerated amortisation of transaction costs following the early redemption of the Facility Loan Agreement that the Group had in previous years.

Note 11 - Income Taxes

Components of income tax expenses

The table below shows the composition of Income tax expenses / (income) for 2015 and 2014:

in '000 EUR	2015	2014
Current income taxes	4,284	2,643
Deferred taxes	(8,668)	73
Total	**(4,384)**	**2,716**

Income taxes recognised in other comprehensive income

The table below shows the composition of income taxes recognised in other comprehensive income for 2015 and 2014:

in '000 EUR	2015	2014
Income taxes on remeasurements of the Employee Benefits liability	41	121
Total income taxes recognised in the period in other comprehensive income	**41**	**121**

Income taxes on remeasurements of the employee benefit liability relate to the defined benefit plans of the Group. In 2015, the amount of taxes recognised directly in equity was nil (in 2014: EUR 43 thousand).

Reconciliation of effective income tax expenses

The table below shows the Group tax rate reconciliation for 2015 and 2014:

in '000 EUR	2015 (%)	2015	2014 (%)	2014
Profit (loss) before taxes		(22,285)		9,916
Income tax based on the Group's expected weighted average tax rate	21.8%	(4,847)	21.0%	2,087
Current-year tax losses for which no deferred tax assets are recognized	(1.3%)	284	3.9%	390
Non deductible expenses	(3.2%)	712	3.7%	362
Tax-exempt income	2.4%	(533)	(1.2%)	(122)
Income Tax (benefit) expense of the Group	**19.7%**	**(4,384)**	**27.4%**	**2,716**

In 2015 the Group's consolidated income taxes benefit amounted to EUR 4,384 thousand, compared with an expense of EUR 2,716 thousand in 2014 with a decrease of EUR 7,100 thousand, mainly due to the effect of deferred taxes recognised on losses in the countries characterised by negative results. The Group's effective tax rate decreased from 27.4% in 2014 to a negative 19.7 % in 2015.
In respect of unrecognised deferred tax assets, as of 31 December 2015, tax losses carried forward of around EUR 2 million exist (2014: EUR 2 million). These losses can be offset against operating future profits, for the main portion, for the period of 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 recognised.

Deferred tax assets and liabilities are attributable to the following:

in '000 EUR	31 Dec 2015		31 Dec 2014	
	Asset	Liabilities	Asset	Liabilities
Trade Receivables	117	-	-	-
Property, plant and equipment	44	-	44	-
Intangible assets	21	(31,242)	49	(21,977)
Employee benefits liability	454	-	320	-
Provision	42	(100)	41	(221)
Losses carry-forward	8,099	-	-	-
Other	-	-	96	-
Deferred Tax assets (liabilities)	**8,777**	**(31,342)**	**550**	**(22,198)**

In 2015 compared with 2014, deferred tax assets increased by EUR 8,227 thousand due to the main following effects:

- increase of EUR 8,099 thousand referred to losses carried forward on LMN entities acquired in business combination. As a general rule, Deferred tax assets resulting from temporary differences and tax loss carry-forwards are recognised only to the extent that it is probable that future taxable profits will be available against which the asset can be utilised. For further information see Note 4;

- increase in employee benefit liability of EUR 134 thousand mainly attributable to French LMN entity acquired in business combination. For further information, please refer to Note 4;
- increase of EUR 117 referred to the difference between the statutory tax base for bad-debt provision and the IFRS value of the same, attributable to French LMN entity acquired in business combination. For further information, please refer to Note 4.

Deferred tax liabilities changed during 2015 by EUR 9,144 thousand mainly due to the deferred income taxes calculated on lastminute.com trademark arisen from the purchase price allocation. For further information see Note 4.

The movement in the net deferred tax asset / liability during 2015 and 2014 was as follows:

in '000 EUR	1 Jan 2015	Recognised in Profit or Loss	Recognised in OCI	Recognised directly in Equity	Business combination	Currency Translation Differences	31 Dec 2015
Net deferred tax assets/(liabilities)	(21,648)	8,668	41	-	(8,931)	(694)	(22,565)
Total	**(21,648)**	**8,668**	**41**	**-**	**(8,931)**	**(694)**	**(22,565)**

in '000 EUR	1 Jan 2014	Recognised in Profit or Loss	Recognised in OCI	Recognised directly in Equity	Business combination	Currency Translation Differences	31 Dec 2014
Net deferred tax assets/(liabilities)	(21,739)	(73)	121	43	-	-	(21,648)
Total	**(21,739)**	**(73)**	**121**	**43**	**-**	**-**	**(21,648)**

Current tax assets & liabilities

As of 31 December 2015, the total net position relating to "Current tax assets & liabilities" amounts to EUR -906 thousand (2014: EUR -96 thousand). In 2015, the net tax position of the Group increased negatively by EUR 810 thousand compared to the previous year mainly due to the general increase of tax base of the French subsidiary during 2015. For further information please see comments on table "Reconciliation of effective income tax expenses" above.

Note 12 - Earnings per Share

Basic earnings per share

The table below shows basic earnings per share for 2015 and 2014:

in '000 EUR	2015	2014
Profit for the period attributable to the shareholders of lastminute.com N.V. (in EURO/000)	(18,015)	7,306
Weighted-average number of shares outstanding during the period (in thousand of units)	14,131	13,879
Basic earnings per share (in EUR)	**(1.27)**	**0.53**

Weighted-average number of ordinary shares (basic)

Number of shares (in thousand of units)	2015	2014
Issued ordinary shares at 1 January	14,623	12,361
Effect of treasury shares held	(492)	(44)
Effect of the capital increase issued on 14 April 2014	-	1,562
Weighted-average number of shares (Basic) at 31 December	**14,131**	**13,879**

Diluted earnings per share

The table below shows diluted earnings per share for 2015 and 2014:

in '000 EUR	2015	2014
Profit for the period attributable to the shareholders of lastminute.com N.V. (in EURO/000)	(18,015)	7,306
Weighted-average number of shares outstanding during the period (in thousand of units)	14,131	14,198
Diluted earnings per share (in EUR)	**(1.27)**	**0.51**

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

Number of shares (in thousand of units)	2015	2014
Weighted-average number of shares (Basic)	14,131	13,879
Effect of share options in issue	-	319
Weighted-average number of shares (Diluted) at 31 December	**14,131**	**14,198**

As the 2015 result of the Group is negative, the share options on issue are anti-dilutive and are ignored in the calculation of diluted earnings per share

Note 13 - Employee Benefits

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 2014 and 2015 the minimum interest was 1.75%.

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. An underfunding is therefore not possible. 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 benefit 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. Benefits 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 2015	31 Dec 2014
Funding of the defined benefit plan		
Present value of unfunded obligations	236	225
Present value of funded obligations	4,871	3,183
Total present value of obligations	**5,107**	**3,408**
Fair Value of plan assets	2,341	1,656
Pension liability recognised in the balance sheet	**2,766**	**1,752**

in '000 EUR	2015	2014
Reconciliation of the defined benefit obligation		
Defined Benefit Obligation at 1.1.	**3,408**	**1,912**
Current service cost (employer)	838	556
Past service cost	(6)	-
Interest cost	53	47
Contributions by plan participants	379	274
Administration cost	2	1
Benefits paid	(408)	(6)
Effect of business combination	286	-
Actuarial (gain) / loss on DBO	224	576
Exchange rate effect	332	49
Defined Benefit Obligation at 31.12.	**5,107**	**3,408**

in '000 EUR	2015	2014
Reconciliation of the fair value of plan assets		
Fair Value of plan assets at 1.1.	**1,657**	**904**
Interest income	26	28
Contributions by the employer	379	274
Contributions by plan participants	379	274
Benefits paid	(286)	134
Return on plan assets excl. interest income	13	(7)
Exchange rate effect	175	49
Fair Value of plan assets at 31.12.	**2,341**	**1,657**

in '000 EUR	2015	2014
Reconciliation of the recognised net pension liability		
Net liability at the beginning of the period	**1,751**	**1,008**
Expense recognised in profit or loss	1,018	576
Expense recognised in other comprehensive income	212	583
Contributions by the employer	(379)	(274)
Effect of business combination	286	-
Benefits paid by unfunded defined benefit plans	(122)	(141)
Net liability at the end of the period	**2,766**	**1,751**

in '000 EUR	2015	2014
Pension expense recognised in profit or loss		
Current service cost (employer)	838	556
Net interest cost	27	19
Administration cost	2	-
Past service costs	(6)	-
Exchange rate effect	157	1
Expense recognised in profit or loss	**1,018**	**576**
Amount recognised in other comprehensive income		
Return on plan assets excl. interest income	13	(7)
Remeasurements gain/(loss):		
Actuarial gain/(loss) arising from demographic assumptions		
Actuarial gain/(loss) arising from financial assumptions	(135)	(319)
Actuarial gain/(loss) arising from experience adjustment	(90)	(257)
Total amount recognised in other comprehensive income	**(212)**	**(583)**

LMnext FR SASU was consolidated as at March 1, 2015. The effect of the consolidation has been disclosed as "Effect of business combination".

Actuarial assumptions for the defined benefit obligations

The following were the principal actuarial assumptions at the reporting date (Swiss plan only):

Actuarial Assumptions	31 Dec 2015	31 Dec 2014
- Discount rate	0.96%	1.26%
- Future salary increases	1.06%	1.00%
- Future pension indexations	0.00%	0.00%
- Mortality table	BVG 2010G	BVG 2010G

As of 31 December 2015, the weighted-average duration of the defined benefit obligation was 21 years (2014: 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:

	2015		2014	
in '000 EUR	Increase	Decrease	Increase	Decrease
Discount rate (0.25%)	(249)	273	(156)	170
Future salary growth (0.25%)	100	(94)	56	(56)
Future mortality (1 year)	61	(61)	37	(38)

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 analysed 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 2015 of EUR 2,341 thousand (2014: EUR 1,657 thousand) consists of a receivable from the insurance company, see above.

Expected contributions in 2015

The Group expects to pay contributions to the defined benefit plans in the amount of EUR 424 thousand in 2016.

Note 14 - 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 2015, the expense recognised as personnel costs for the share option plan amounted to EUR 164 thousand (2014: EUR 356 thousand). The table below shows the share options costs for the Group for 2015 and 2014 with the split according to the respective granting dates:

in '000 EUR	2015	2014
Equity-settled share-based payment transactions		
Share options granted in 2012	-	193
Share options granted in 2013	164	163
Total	**164**	**356**

During 2014 the Group repurchased EUR 52 thousand vested options and anticipated the vesting and re-purchased additional 4 thousand unvested options. The re-purchase price amounted to the difference between the price at which shares were sold in the IPO discounted for the placing fees (EUR 38.14) and the exercise price of the respective options (EUR 8.33 on average).

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

in thousands of options	2015 (in thousands of options)	Weighted average exercise price 2015 (EUR)	2014 (in thousands of options)	Weighted average exercise price 2014 (EUR)
Reconciliation of outstanding share options				
Oustanding at 1 January	622	9.17	699	9.37
Forfeited during the year	-	-	(21)	17.91
Repurchased during the year	-	-	(56)	8.33
Oustanding at 31 December	**622**	**9.17**	**622**	**9.17**
Exercisable at 31 December	**581**	**8.56**	**420**	**8.00**

The weighted-average contractual life of the options outstanding at 31 December 2015 was 1.39 years (2014: 2.39 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 (see note 4). 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.
As at 31 December 2015, the total net amount of the participants' initial contribution to the limited partnership entity amounted to EUR 500 thousand.

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 2015, the net liability recorded in relation to the cash settled obligation in relation to the plan amounted to 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 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. Key assumptions used in the assessment are based on the management 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 389 thousand for a total investment of around EUR 6 million (see note 23 for additional details).

Note 15 - Leasing

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

in '000 EUR	31 Dec 2015	31 Dec 2014
Less than one year	2,850	1,633
Between one and five years	6,775	2,447
More than five years	3,511	33
Total	**13,136**	**4,113**

The Group leases a number of cars and office spaces under operating leases. The leases typically ran for a period between 1 and 4 year. After lastminute.com acquisition, 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 16 - Property Plant and Equipment

The tables below show Property, Plant & Equipment movements during 2015 and 2014:

in '000 EUR	Furniture	IT Equipment	Other	Total
Historical Cost				
Balance at 1 January 2015	**203**	**2,519**	**252**	**2,974**
Additions	38	2,492	-	2,530
Acquisitions from business combinations	313	103	1,017	1,433
Impairment	-	(58)	-	(58)
Currency translation differences	(3)	-	(6)	(9)
Balance at 31 December 2015	**551**	**5,057**	**1,263**	**6,871**
Accumulated depreciation				
Balance at 1 January 2015	**139**	**1,705**	**194**	**2,038**
Depreciation for the year	102	642	823	1,567
Impairment for the year	-	(16)	-	(16)
Currency translation differences	-	-	(14)	(14)
Balance at 31 December 2015	**241**	**2,331**	**1,003**	**3,575**
At 1 January 2015	**65**	**814**	**58**	**937**
At 31 December 2015	**311**	**2,726**	**259**	**3,296**

in '000 EUR	Furniture	IT Equipment	Other	Total
Historical Cost				
Balance at 1 January 2014	**162**	**2,064**	**295**	**2,521**
Additions	41	579	6	627
Disposals	-	(124)	(49)	(173)
Balance at 31 December 2014	**203**	**2,519**	**251**	**2,974**
Accumulated depreciation				
Balance at 1 January 2014	**117**	**1,218**	**167**	**1,502**
Depreciation for the year	22	567	65	653
Disposals	-	(80)	(38)	(118)
Balance at 31 December 2014	**139**	**1,705**	**194**	**2,038**
Carrying amounts				
At 1 January 2014	**45**	**846**	**128**	**1,019**
At 31 December 2014	**65**	**814**	**58**	**937**

Investments in 2015 and 2014

In 2015 and 2014 the Group made additions to Property plant and equipment respectively for EUR 3,963 thousand (1,433 thousand due to business combination) and EUR 627 thousand: the additions in 2015 were mainly relating to IT equipment for EUR 2,492 thousand; the remaining amount is related to the acquisition of lastminute.com. Please refer to Note 4 “Changes in the scope of consolidation” for further details on the lastminute.com acquisition.

Capital Commitments

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

Note 17 - Intangible Assets

The tables below shows Intangibles and Goodwill movements during 2015 and 2014:

in '000 EUR	Capitalised development cost	Other intangible assets	Trademarks	Total intangible assets	Goodwill	Total
Historical Cost						
Balance at 1 January 2015	**22,232**	**2,728**	**76,518**	**101,478**	**45,949**	**147,426**
Acquisitions - internally developed	9,947	124	-	10,071	-	10,071
Acquisitions - external supplier	3,272	-	-	3,272	-	3,272
Acquisitions from business combinations	3,533	-	44,655	48,187	14,796	62,983
Impairment	(1,002)	-	-	(1,002)	-	(1,002)
Currency translation differences	(80)	(16)	64	(32)	1	(31)
Balance at 31 December 2015	**37,902**	**2,836**	**121,236**	**161,974**	**60,746**	**222,720**
Accumulated amortisation and impairment						
Balance at 1 January 2015	**14,155**	**855**	**-**	**15,010**	**-**	**15,010**
Amortisation for the period	7,135	87	65	7,287	-	7,287
Impairment for the year	(109)	-	-	(109)	-	(109)
Currency translation differences	4	6	-	10	-	10
Balance at 31 December 2015	**21,185**	**948**	**65**	**22,198**	**-**	**22,198**
Carrying amounts						
At 1 January 2015	**8,077**	**1,873**	**76,518**	**86,468**	**45,949**	**132,417**
At 31 December 2015	**16,717**	**1,888**	**121,171**	**139,776**	**60,746**	**200,522**

in '000 EUR	Capitalised development cost	Other intangible assets	Trademarks	Total intangible assets	Goodwill	Total
Historical Cost						
Balance at 1 January 2014	**16,474**	**2,595**	**76,518**	**95,587**	**45,949**	**141,536**
Acquisitions - internally developed	3,911	-	-	3,911	-	3,911
Acquisitions - external supplier	1,847	164	-	2,011	-	2,011
Disposals	-	(31)	-	(31)	-	(31)
Balance at 31 December 2014	**22,232**	**2,728**	**76,518**	**101,478**	**45,949**	**147,427**
Accumulated amortisation						
Balance at 1 January 2014	**9,270**	**683**	**-**	**9,953**	**-**	**9,953**
Amortisation for the period	4,885	172	-	5,057	-	5,057
Balance at 31 December 2014	**14,155**	**855**	**-**	**15,010**	**-**	**15,010**
Carrying amounts						
At 1 January 2014	**7,204**	**1,912**	**76,518**	**85,634**	**45,949**	**131,583**
At 31 December 2014	**8,077**	**1,873**	**76,518**	**86,468**	**45,949**	**132,417**

Investments in 2015 and 2014

During 2015, additions have mainly related to capitalised development cost for a total amount of EUR 16,752 thousand (2014: EUR 5,758 thousand), 3,533 thousand are related to acquisition from business combination. The increase of Trademarks is totally related to lastminute.com brands. Please refer to Note 4 "Changes in the scope of consolidation" for further details on the lastminute.com acquisition.

Capitalised development costs

The capitalised development costs relate to internal and external expenditures in connection with the development of significantly improved features on the webpages of the Group.

Impairment of Capitalised development costs

The Capitalized development costs' impairment with a carrying amount of EUR 893 thousand is referred to development projects discontinued because no longer used for future years and it's based on management assumptions and estimates.

Trademarks

Rumbo trademark (Rumbo)

The impairment test for the brand "Rumbo" and "Viajar" with carrying amounts of EUR 55,150 thousand and EUR 3,750 thousand respectively as of 31 December 2015 and 2014 was performed together with Rumbo goodwill on OTA level, using the model and assumptions described in Note 18 and did not result in the recognition of any impairment losses.

Jetcost trademark

The impairment test for the brand "Jetcost" with a carrying amount of EUR 15,385 thousand as of 31 December 2015 and 2014 was performed together with the Jetcost goodwill on Metasearch level, using the model and assumptions described in Note 18 and did not result in the recognition of any impairment losses.

Pigi trademark ("Crocierissime")

The impairment test for the brand "Crocierissime" with a carrying amount of EUR 2,232 thousand as of 31 December 2015 and 2014 was performed together with the Pigi Shipping Srl goodwill on OTA level, using the model and assumptions described in Note 18 and did not result in the recognition of any impairment losses.

lastminute.com trademark

The impairment test for the brand "lastminute.com" with a carrying amount of EUR 44,655 thousand as of 31 December 2015 was performed together with the lastminute.com goodwill on OTA level, using the model and assumptions described in Note 18 and did not result in the recognition of any impairment losses.

Other intangible assets

In 2015, additions in "other intangible assets" were mainly relating to IT software to be used for business for EUR 124 thousand (in 2014: EUR 164 thousand).

Capital Commitments

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

Note 18 - Goodwill

For the purpose of impairment testing, goodwill is allocated to the cash generating unit OTA which includes lastminute.com. Rumbo, Pigi Shipping Srl, 2Spaghi and Prezzi Benzina goodwill, and to the cash generating unit Metasearch for Jetcost. The aggregate amount of goodwill allocated to each cash generating unit is as follows at each reporting date:

in '000 EUR	CGU	31 Dec 2015	31 Dec 2014
lastminute.com	OTA	14,797	-
Rumbo	OTA	22,970	22,970
Pigi Shipping Srl	OTA	2,426	2,426
2spaghi	OTA	351	351
Prezzi Benzina	OTA	26	26
Jetcost	Metasearch	20,176	20,176
Total		**60,746**	**45,949**

The balance as of 31 December 2015 amounts to EUR 60,746 thousand (EUR 45,949 thousand in 2014).
The Group performed the impairment analysis for both CGUs that contain indefinite life intangible assets and goodwill as of 31 December 2015 and 2014. It was determined that no losses are to be recognised in the consolidated financial statements as of 31 December 2015 and 2014.

lastminute.com, Rumbo, Pigi Shipping & Consulting Srl, 2Spaghi and Prezzi Benzina (OTA)
Goodwill arising from these acquisitions amounts to EUR 40,570 thousand in total, 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 2015	31 Dec 2014
Weighted average cost of capital (WACC)	11.0%	10.5%
Perpetuity growth rate	1.9%	1.5%
Revenues growth rate (average of next five years)	7.7%	13.5%

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

Jetcost (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 2015	31 Dec 2014
Weighted average cost of capital (WACC)	12.0%	10.5%
Perpetuity growth rate	1.5%	1.5%
Revenues growth rate (average of next four years)	1.3%	13.5%

Five years of cash flow were included in the DCF model: a longer period compared with previous year (4 years) has been adopted to have a better representation to reflect the improved forecasting process in the valuation model used. A long-term growth rate into perpetuity was determined based on management's best estimate of the long-term compound annual growth rate in revenues.

Note 19 - Financial Assets

The table below shows Financial assets for the Group as of 31 December 2015 and 2014:

in '000 EUR	31 Dec 2015	31 Dec 2014
Long-term Deposits	1,325	143
Total non-current financial assets	**1,325**	**143**
Short-term Deposits	758	476
Receivables from shareholder	460	-
Other investments	33	33
Total current financial assets	**1,251**	**509**

Non Current financial assets
Long-term deposits of EUR 1,325 thousand (2014: EUR 143 thousand), mainly related to deposits for renting of the UK and French offices for the amount of EUR 1,070 thousand.

Current financial assets
Short-term deposits of EUR 758 thousand (2014: EUR 476 thousand) is mainly related to real estate and utilities agreements. Receivables from shareholders of EUR 460 thousand include an advance in cash made in 2015. For further information refer to Note 28. As of 31 December 2015, as in previous year, "Other investments" mainly included investments funds with a primary French bank for the amount of EUR 21 thousand.

Note 20 - Investment In Equity Accounted Investees

"Investment in equity accounted investees" amounted as of 31 December 2015 and 2014 respectively to EUR 291 thousand and EUR 355 thousand.
The table below shows 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	2015	2014
	Hotelyo SA	Hotelyo SA
Profit or Loss	(130)	(225)
Effects of OCI adjustment	-	-
Total comprehensive income	**(130)**	**(225)**

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 -64 thousand (2014: EUR -110 thousand).

Note 21 - Trade and other Receivables

The table below shows Trade and other receivables as at 31 December 2015 and 2014 for the Group:

in '000 EUR	31 Dec 2015	31 Dec 2014
Trade receivables	41,143	28,077
Receivables from shareholders	-	16
Other receivables	4,123	2,048
Accrued income and deferred expenses	1,140	398
Total	**46,406**	**30,539**

The two most significant debtors of the Group included in the total trade receivables at 31 December 2015 had an open balance amounting respectively to EUR 2,772 thousand (5.9%) (2014: EUR 4,647 thousand (15.2%)) and EUR 2,632 thousand (5.7%) (2014: EUR 1,988 thousand (6.5%)).

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

in '000 EUR	31 Dec 2015	31 Dec 2014
Not past due	36,808	25,991
Past due 0-30 days	2,575	695
Past due 31-120 days	5,229	2,248
Past due 121 and over	1,795	1,605
Total	**46,406**	**30,539**

The movement in the allowance for doubtful debts in respect of trade receivables during the year has been as follows:

in '000 EUR	2015	2014
Balance at 1 January	767	263
Additions during the year	1,214	615
Used during the year	(509)	(111)
Released during the year	(64)	-
Balance at 31 December	**1,408**	**767**

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 121 days and over; except for specific cases, all receivables past due 365 days are written down. Based on historic 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 22 - Cash and Cash Equivalents

The table below shows Cash and cash equivalents as of 31 December 2015 and 2014:

in '000 EUR	31 Dec 2015	31 Dec 2014
Cash on hand	5	6
Bank accounts	54,766	60,980
Credit Card accounts	10,788	8,170
Time deposits	-	20,160
Total	**65,559**	**89,316**

Bank accounts

The Group's bank accounts are interest bearing with variable interest rates between 0% and 0.9% (2014: 0 % and 0.9%). Bank overdrafts bear variable interest rates between 2.6% and 3.2% (2014: 2.5 % and 3.2 %). For further information refer to the Consolidated Cash Flow Statement and Note 25.

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 2,618 thousand is mainly related to Group's choice to maintain at year-end a higher plafond and to the growth of the Group's volumes, in particular in foreign currency.

Note 23 - Shareholders' Equity

The table below shows Equity as of 31 December 2015 and 2014:

	31 Dec 2015	31 Dec 2014
Share capital and reserves		
Share capital	146	146
Capital reserves	127,751	127,751
Translation reserve	401	-
Treasury share reserve	(8,838)	(3,939)
Retained earnings	21,363	39,385
Equity attributable to shareholders of lastminute.com NV	**140,823**	**163,343**
Non-controlling interest	(36)	(169)
Total equity	**140,787**	**163,174**

Share capital

As of 31 December 2015 the number of ordinary shares is 14,622,631 (2014: 14,622,631) for a nominal value per share of EUR 0.01 (2014: 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 table below shows the number of shares and total issued capital as of 31 December 2015 and 2014:

Issued Capital	31 Dec 2015	31 Dec 2014
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 2015 capital reserves, including share premium reserves, amount to EUR 127,751 thousand (2014: 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 thousand;
- 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 newly acquired LMN 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 2015, the Group held 609 thousand shares for the total value of EUR 8,838 thousand (275 thousand shares as of 31 December 2014 for a total value of EUR 3,939): during 2015 the Group bought treasury shares for a total of 334 thousand for the total value of EUR 4,899 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. Starting from 2015 bearer shares were repurchased in connection with the new cash-settled share-based payment arrangement. For more information refer to Note 14. 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 14 April 2016.

Retained Earnings
Retained earnings as of 31 December 2015 amounted to EUR 21,363 thousand (2014: EUR 39,385 thousand) and contain the loss relating to current year and accumulated profits 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 2014 retained earnings included a debit entry to reflect the effect of the buy-back of share options from employees for EUR 1,788 thousand. For further information about these repurchases please refer to Note 14.

Dividends
In 2015 and 2014 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 maximise long-term shareholder value.

Note 24 - Provisions

The table below shows the movements in Provisions for 2015:

in '000 EUR	01 Jan 2015	Business combination	Reversals	Use	Additions	31 Jan 2015
Provision for fraudulent credit card transactions	252	1,004	(616)	(1,872)	1,791	559
Provision Volaflex	120	-	-	(2,580)	2,670	210
Redundancy provision	-	-	-	-	1,254	1,254
Other provisions	2,344	132	(418)	(65)	439	2,432
Total	**2,716**	**1,136**	**(1,034)**	**(4,517)**	**6,154**	**4,455**
Non-current	2,000					2,000
Current	717					2,455
	2,717					**4,455**

Provision "Volaflex"
The provision for Volaflex represents the best estimate of future payments under the Volaflex program. This includes the costs with respect to unused vouchers resulting from flight cancellations before the balance sheet date. Based on the liability adequacy tests performed, no fee deficiency provision is required. Further information on Volaflex is provided in Note 2.

Redundancy Provision
During 2015, the Group implemented a restructuring plan mainly referred LMN UK companies. Following the announcement of the plan, the Group recognised a provision of EUR 1.3 million for expected restructuring costs: the activity will be completed in 2016 and it will be used during the next year.

Other
As of 31 December 2015, non-current provisions amounted to EUR 2,000 thousand: there were no changes compared to 31 December 2014. This provision is relating to tax risks deriving from prior years. Provisions are based upon management's best estimate and adjusted for actual experience. For further information see Note 2.

Note 25 - Net Financial Position

The table below represents the net financial position for the Group as of 31 December 2015 and 2014:

in '000 EUR	31 Dec 2015	31 Dec 2014
Current financial assets	1,251	509
Cash and cash equivalents	65,559	89,316
Net Financial Position within 12 months	**66,810**	**89,825**
Non current financial assets	1,325	143
Net Financial Position over 12 months	**1,325**	**143**
Total Net Financial Position	**68,135**	**89,968**

The Net Financial Position for the Group was EUR 68,135 thousand in 2015, compared to EUR 89,968 thousand in 2014. The changes in the composition of the net financial position as of 31 December 2015 compared to December 2014 can be mainly explained by the following factors:

- a lower cash and cash equivalents by EUR 23,757 thousand totally relating to the increase of the scope of consolidation following the LMN's acquisition to pay part of negative net working capital acquired in the business combination;
- an increase of the total financial assets for EUR 1,924 thousand relating to short and long term deposits mainly referred to renting of the UK and French offices.

Note 26 - Trade and other Payables

The table below shows "Trade and other payables" as of 31 December 2015 and 2014:

in '000 EUR	31 Dec 2015	31 Dec 2014
Trade payables	95,281	37,639
Credit card payables	38,498	16,355
Other payables	7,242	4,641
Accrued expenses and deferred income	6,181	6,216
Total	**147,201**	**64,851**

The two most significant creditors of the Group included in the total trade payables at 31 December 2015 had an open balance amounting respectively to EUR 10,221 thousand, referred to the Group's major supplier BSP (6.9%) (2014: EUR 5,063 thousand (7.8%)), and EUR 8,099 thousand (5.5%) (2014: EUR 4,953 (7.6%)).
The ageing of trade and other payables at the reporting date is shown in the following table:

in '000 EUR	31 Dec 2015	31 Dec 2014
Not past due	129,854	56,149
Past due 0-30 days	10,926	4,373
Past due 31-120 days	5,217	3,525
Past due 121 and over	1,205	805
Total	**147,201**	**64,851**

Credit card payables

The credit card payables are post-paid credit card accounts, which are used to make payments in the daily business. The increase in 2015 compared to the previous year of EUR 22,143 thousand is mainly due to a more efficient utilisation of the plafonds during the year. At 31 December 2015, the Group had agreed credit card plafonds for a total amount of EUR 83,855 thousand (2014: EUR 37,073 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 2015 increased by EUR 2,601 thousand compared to 2014 mainly due to the effect of the LMN entities acquired in the business combination during 2015.

Accrued expenses and deferred income

Accrued expenses and deferred income remained substantially unchanged compared to 2014.

Note 27 - 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 recognised as dominant in the market.

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 SA even if Ryanair has not been recognised as dominant in the market.

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 doesn't 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. 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 28 - 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 47.5% (2014: 47.5%) of the shares of the Company and controls it. The remaining 52.5% (2014: 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 2015 and 2014:

in '000 EUR	31 Dec 2015	31 Dec 2014
Financial receivables	460	-
Other receivables	-	16
Total	**460**	**16**

In November 2015 the Group has granted an advance in cash to one of the shareholders for an amount of EUR 460 thousand included in "current financial assets" as of 31 December 2015. No interest is payable by the shareholder.

Key management personnel compensation

The key management personnel compensation for 2015 and 2014 is presented in the table below:

in '000 EUR	31 Dec 2015	31 Dec 2014
Management compensation	2,992	3,636
Share-based payments	-	75
Total	**2,992**	**3,711**

In 2015, the composition of key management changed following a new simplified structure, reducing the number of members from 19 in 2014 to 12 in 2015.

Rent

In 2015 no offices are rented by the Group from related parties (2014: EUR 32 thousand).

Other transactions

The Group has incurred consultancy costs with one board member for a total amount of EUR 169 thousand in 2015 (2014: EUR 903 thousand with three members of the board).

Note 29 - Bank Guarantees

As of 31 December 2015, financial institutions had issued bank guarantees to third parties on behalf of the Group for a total amount equal to EUR 39.3 million (2014: EUR 7.3 million), of which EUR 3.5 million relate to a bank guarantee to a Spanish GDS airline and EUR 32.9 million relate to a bank guarantee for the IATA.

Note 30 - Group Companies

The table below shows the Group 's structure as of 31 December 2015 and 2014:

Name	Country	Consolidated for 2015	Ownership interest	
			2015	2014
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%	-
LMnext DE Gmbh	Germany	Fully	100.0%	-
LMnext Services Ltd	UK	Fully	100.0%	-
LMnext UK Ltd	UK	Fully	100.0%	-
BRAVOVENTURE INDIA PRIVATE lmt	India	Fully	100.0%	-
SEALINE INVESTMENTS LP	UK	Fully	100.0%	-
Blue Sas - JetCost	France	Fully	100.0%	100.0%
2Spaghi S.r.l.	Italy	Fully	62.5%	62.5%
Bravojet SA	Switzerland	Fully	60.0%	60.0%
Web to Travel Sarl	France	Fully	merged into LMnext FR	100.0%
Bravomedia S.r.l.	Italy	Fully	100.0%	100.0%
Pigi Shipping & Consulting S.r.l.	Italy	Fully	100.0%	100.0%
Hypercruises SA*	Switzerland	Fully	100.0%	100.0%
Prezzi Benzina S.r.l.	Italy	Fully	50.1%	50.1%
Bravoventure Spain SLU	Spain	Fully	100.0%	100.0%
Hotelyo SA	Switzerland	Equity	49.0%	49.0%
Vivigratis SA	Switzerland	Fully	51.0%	51.0%
Rumbo SA	Spain	Fully	100.0%	100.0%
Rede Universal de Viagens Ltda	Brazil	Fully	100.0%	99.9%
Webnext Limited	Malta	Fully	100.0%	100.0%
LMnext CH SA	Switzerland	Fully	100.0%	-
URBANnext SA	Switzerland	Fully	80.0%	-
Cruiseland S.r.l.	Italy	Fully	100.0%	100.0%
LMnext FR SASU	France	Fully	100.0%	-

** Dissolved on December 29, 2015.*

Note 31 - Subsequent Events

No 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

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Report of the Independent Auditor to the Board of Directors on the Consolidated Financial Statements of

lastminute.com N.V., Amsterdam

As independent auditor, we have been engaged to audit the accompanying consolidated financial statements of lastminute.com N.V., Amsterdam on pages 36 to 88, which comprise the consolidated balance sheets as at December 31, 2015 and the consolidated statements of profit or loss, statements of other comprehensive income, statements of changes in equity and statements of cash flows for the year then ended, and notes, comprising a summary of significant accounting policies and other explanatory information.

Board of Directors' Responsibility for the Consolidated Financial Statements

The Board of Directors is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with International Financial Reporting Standards (IFRS) as adopted by the EU, and for such internal control as the Board of Directors determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of accounting estimates made by the Board of Directors, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

KPMG

lastminute.com N.V., Amsterdam
Report of the Independent Auditor
to the Board of Directors
on the Consolidated Financial Statements

Opinion

In our opinion, the consolidated financial statements present fairly, in all material respects, the financial position of lastminute.com N.V., Amsterdam, as at 31 December 2015 and its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRS) as adopted by the EU.

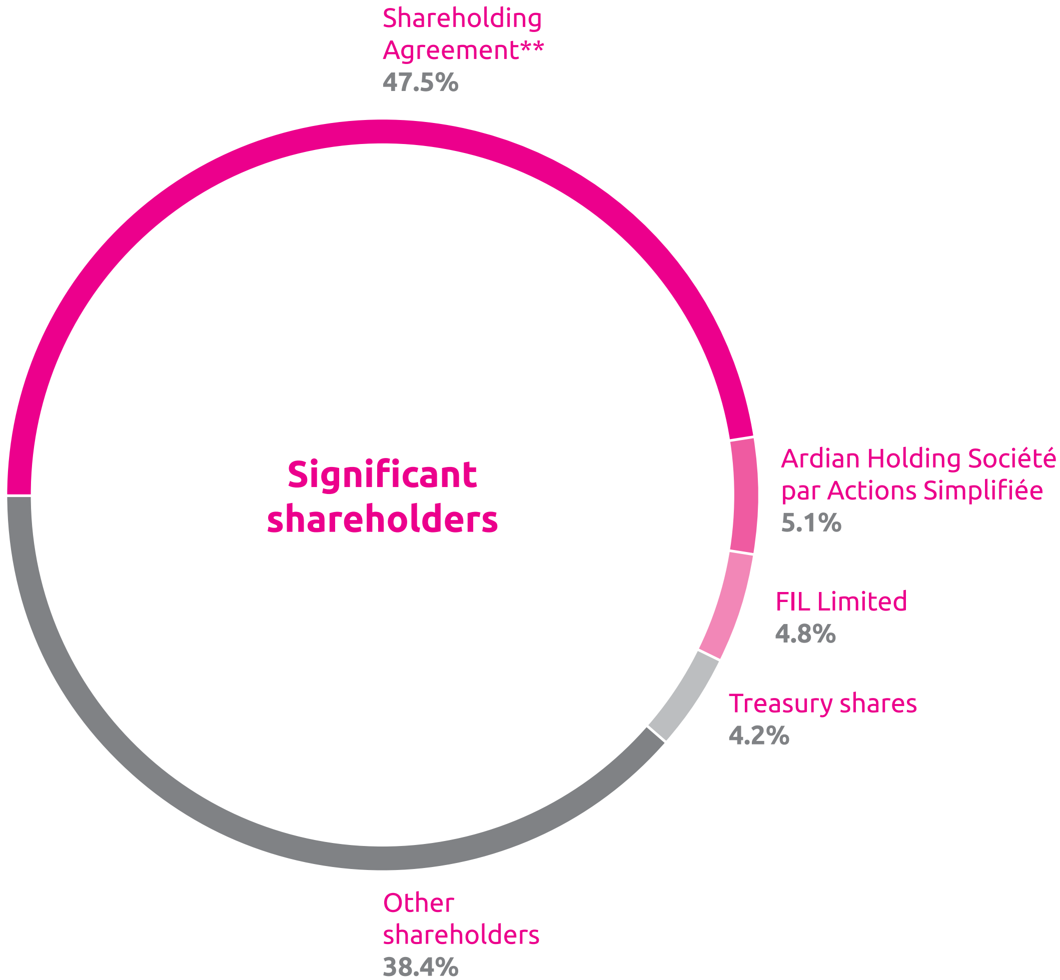
KPMG SA

Lorenzo Job
Licensed Audit Expert

Paolo Filippini
Licensed Audit Expert

Lugano, March 18, 2016

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 31/12/2015.

****** The shareholding agreement involves 18 entities, including Freesailors Cooperatief UA holding 35% of the total issued capital.

Contacts

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following the approval of the audited Consolidated Financial Statements by the lastminute.com N.V. Board of Directors.

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