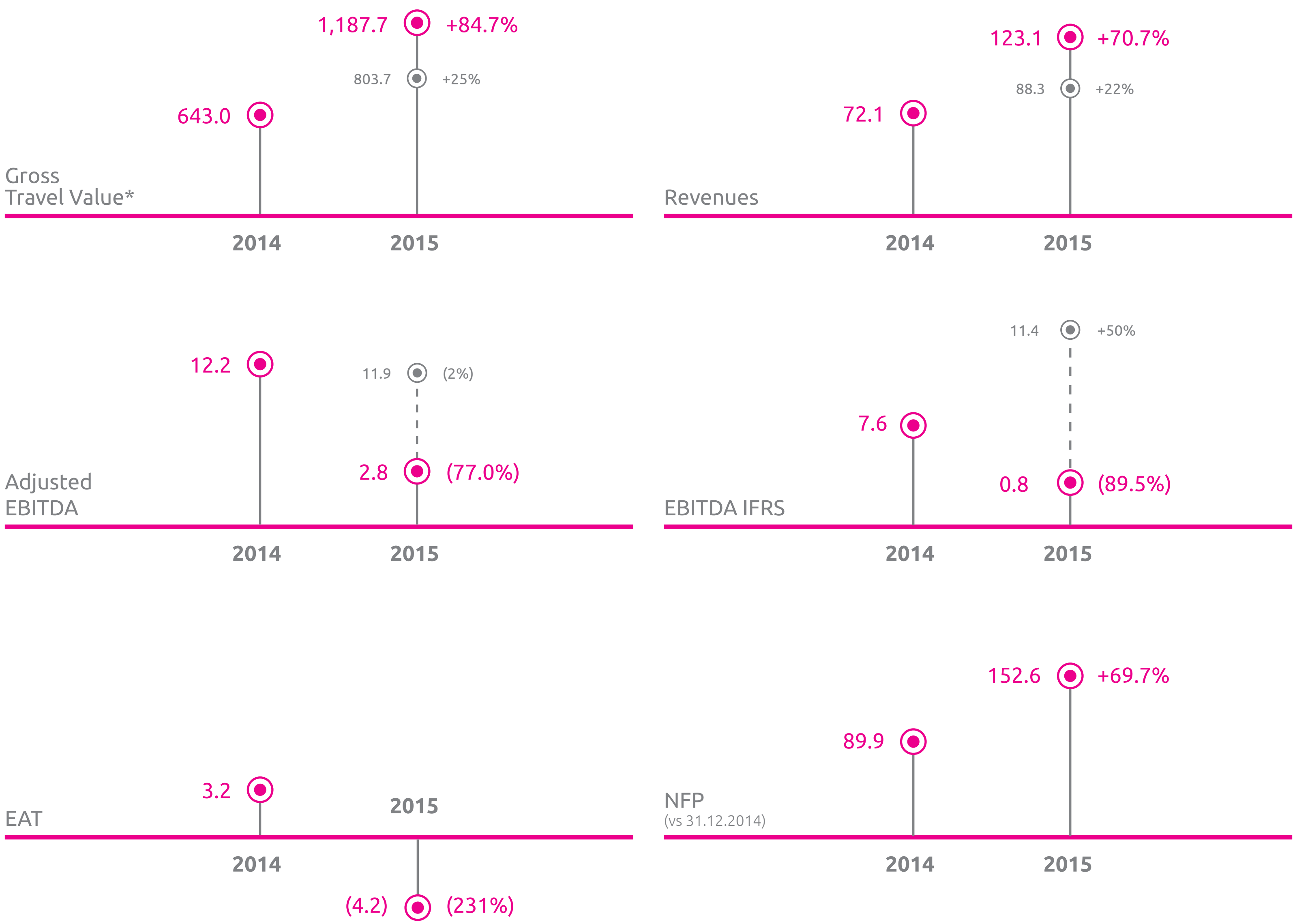
interimreport halfyear2015

lastminute.comgroup

Financial information in summary

(in € million)



1H2015 data at Group Level (lastminute.com consolidated 4 months since 1 March 2015) compared with official 1H2014

1H2015 data showing organic performance against official 1H2014

* 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, cruises and gross of any discounts and cancellations.

Contents

Chairman's message

"The key focus of our Group is to simplify the life of travellers, anytime anywhere."

We are running our business according to the strategic plan set out in the three year 2017 guidance.

We are laying the foundations for the future success of our Group by tackling the challenges faced by the industry and by anticipating upcoming opportunities.

The competitive environment is tough and prices are under pressure. The traditional "transaction-based" operating model is challenged and therefore OTAs must turn their focus to strategies that create end-to-end customer value. Our business is at the forefront of innovation, and technology offers the potential to access new sources of values by allowing OTAs to simplify the life of travellers and more closely tailor their products to match customer preferences.

The key focus of our Group is to simplify the life of travellers, anytime anywhere.
Our Group is keen to integrate complementary businesses and invest in new initiatives as we are dedicated to broadening our offering and being with our customers throughout their whole journey. From booking to returning home we want to increase customer touch-points and thereby establish new sales opportunities – for us it's all about tailoring products so they perfectly match our customer's preferences.

This strategy will ensure we become more customer-centric, confident that revenues will flow naturally from a more positive end-to-end search, purchasing and post travel experience, driving increased conversion and retention rates.

Smartphones, tablets and wearable devices are no longer the future, they are now the key inspiration, information and purchasing channels for travellers. To unlock this potential we must clearly set new developments to our mobile platforms, our number one priority.

With lastminute.com we acquired one of the most recognised and iconic European brands in the online travel industry and, based on our sound financial structure and reliable and experienced management team, we will continue to participate in the consolidation of the market through M&A.

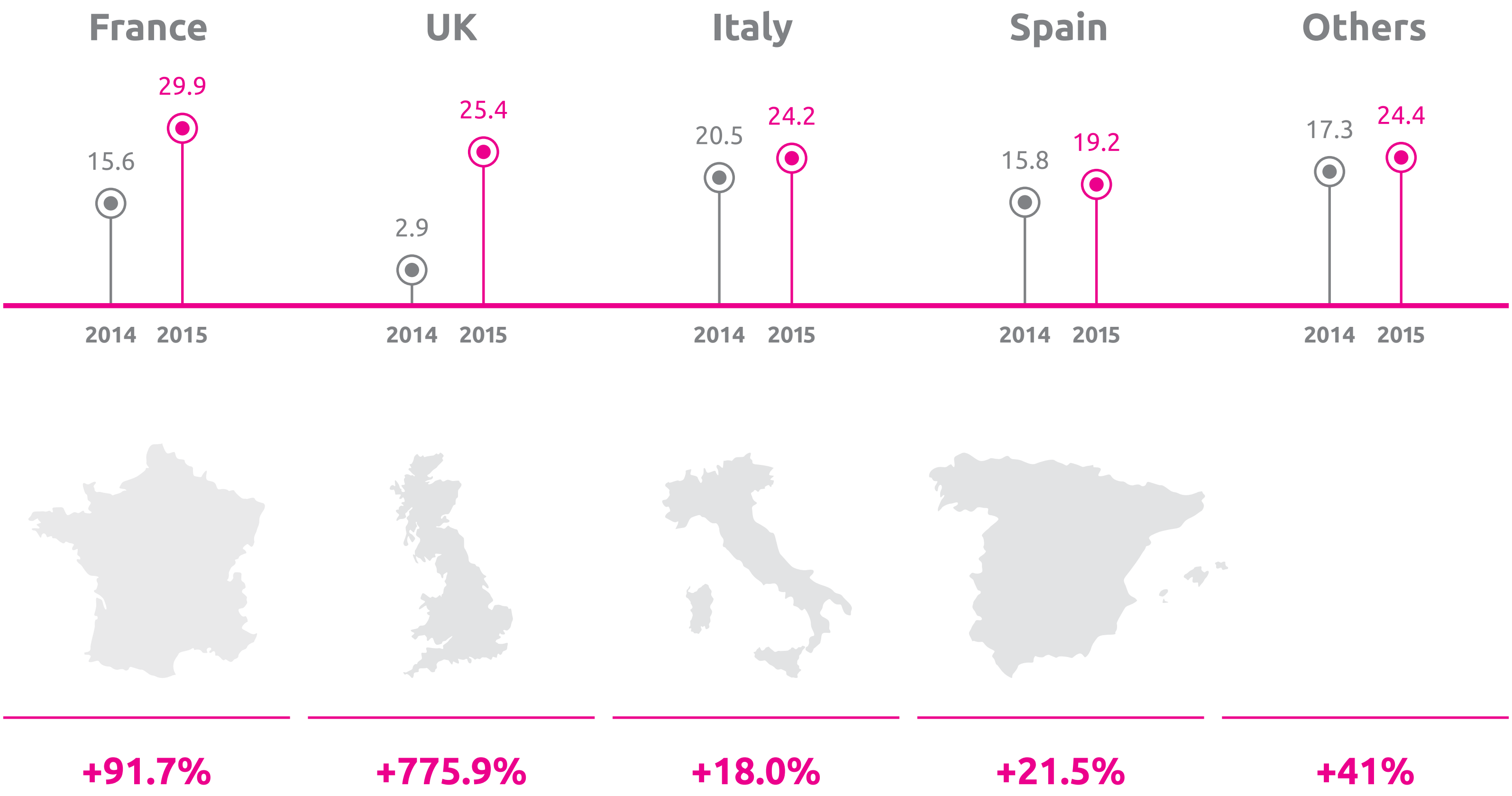
Our employees are the key to our success. So we are rewarding our very best people by giving them access to stock based retention programmes. We launched a Long Term Incentive Plan (LTIP) in March 2015 and this four-year programme is connecting employees with the long term strategy of the Group, backed by a robust and recurring buyback activity.

As a healthy company we are focused on the profitable allocation of resources that help us build a new Group based on a balanced cost-structure. On the one hand we are managing the current integration process of our businesses to benefit from scale, synergies and reduced costs, while on the other hand we continue to invest in technology, marketing and talent to support our evolving operating model backed by clear key success factors.

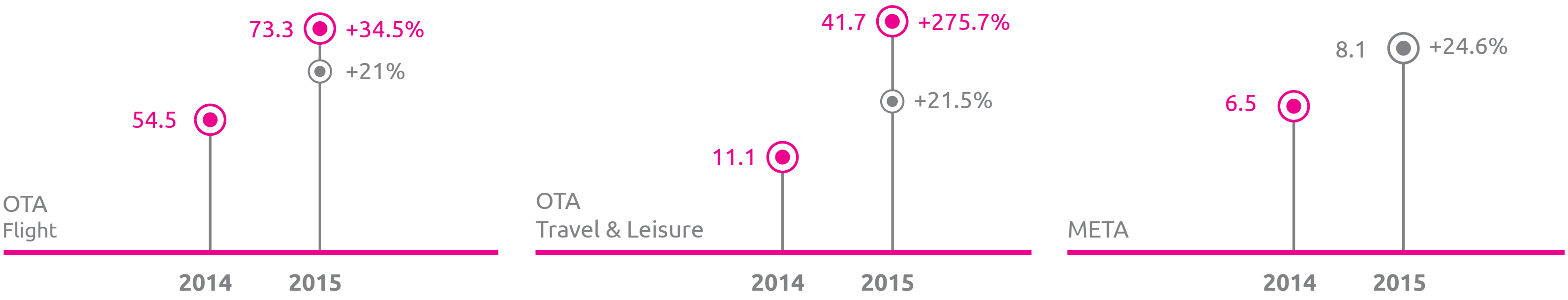
We are applying our best efforts to follow these principles so that all stakeholders will benefit in the mid to long term.

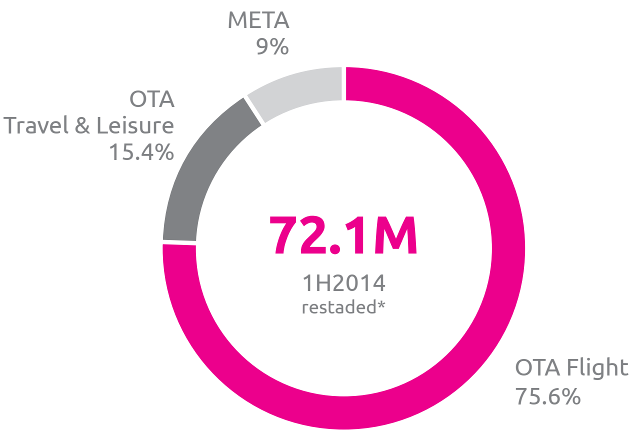
Fabio Cannavale
Chairman of the Board of Directors

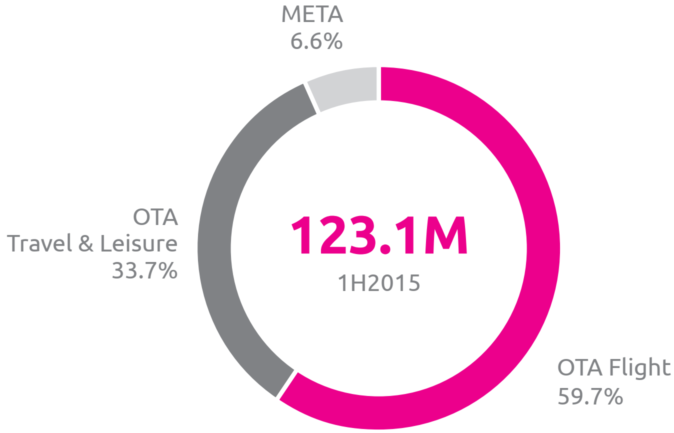
Revenues by geography
(in € million)



Revenues by business
(in € million)







organic growth

***** Official 1H2014 figures showed 82.9% flight and 17.1% Non-flight. Data included META which is now split out

CEO's message

"2015 is a transitional year, a cornerstone in our history."

2015 is a transitional year, a cornerstone in our history. Acceleration is a central theme that underpins and sustains our mid to long term strategy. In line with our previous commentary, since the acquisition of lastminute.com by Bravofly Rumbo Group back in March, we have re-focused our 1H and 2H efforts on fast integration that we foresee will come with a short-term trade-off in volume and profitability growth.

As part of this fast integration, we quickly communicated a new Group leadership structure centralised in Chiasso, a new operating model, changed our Group name and announced that lastminute.com will become the core brand of our business. We have implemented a roadmap on how best to combine the two businesses to make the most of their strengths and opportunities, and to develop initiatives in order to simplify operations, make structures more manageable, consolidate resources and control costs.

Priorities were changed to reduce the overlapping period of end-state and legacy technical platforms. We are pleased that we are ahead of plan and will conclude the migrations of all the websites and the overall IT infrastructure by the end of the year.

In line with the focus on our core lastminute.com brand, we increased our marketing investment to launch an offline TV campaign in the UK, France and Italy, with a budget of more than EUR 15 million.
We are already seeing the benefit of growing brand awareness and direct to site traffic. In the future we will continue to invest by selecting the most efficient marketing channels, both online and offline, and the most appropriate way to further increase our brand awareness.

We are working with the best talents across the Group, and we organise departments by functions and not geography. Thereby we are building top-tier competence centres capitalising experiences and skills mostly on mobile platforms from lastminute.com. We are also boosting cultural diversity through the launch of an internal ERASMUS programme, during which employees relocate for several months to a different Group office around the world. This allows them to share experiences, build common understanding and spend time together to integrate into each other's cultures.

Just after the conclusion of the 1H we started a consultation process for potential redundancy involving nearly 110 people in the UK, targeting cost savings and minor capex from March 2016 of about EUR 18 million per year. This plan is part of a more comprehensive project enabling cost reduction from IT spend, renegotiation of contracts and office space, the extent of which will be accurately set out by the end of the integration.

Our ambition is to be at the forefront of technology innovation and, in line with our mission of simplifying the life of travellers, we are committed to improving the customer experience, making the booking flow easier and releasing new functionalities, services and features on our mobile-apps and websites.

We want to offer the most comprehensive and valuable proposition to our millions of customers by focusing, post integration, all efforts of our technology team and new competence centres.

“Such a result is a very good sign that supports our expectations to over-perform the industry CAGR in the next few years.”

Business wise, we are now in a leading position in France, the UK, Italy and Spain: in those countries we have focused on sustaining market share as well as customer retention and we have seen an organic double digit growth in Gross Travel Value and Revenues. Such a result is a very good sign that supports our expectations to over-perform the industry CAGR in the next few years with a well-balanced revenue streams also from a product perspective.

Non-core countries are growing fast, even if the focus on our major markets has relatively lowered the speed (+41% against + 68% last year). From 2016 we expect to benefit from the integration and to accelerate this performance.

The success of the launch of the Long Term Incentive Plan is a clear message that shows our key employees trust in our vision and strategy. Careful management is now required to allocate resources that can help create sustainable value generation.

Francesco Signoretti
CEO

Calendar of relevant events 1H2015

January

Mobile website* - Flight, new One Page Checkout - OPCO

Mobile website - Flight, multiproduct homepage with responsive layout activated for smartphone

February

Mobile website - Flight, sale of ancillary services included in OPCO (Cars, Insurances, Web check-in)

New anti-fraud and payment systems implemented

Danish website released

March

Acquisition of lastminute.com

New executive team announced

Release of new organisation

Start of LTIP

April

Migration** of Italian platforms

Mobile App - Flight, scan of documents and credit cards for automatic fill-in.

Cruises, responsive website

***** All releases and new features have been implemented first on mobile platform and are available for desktop
****** All migrations refer to lastminute.com systems switched to end-state platforms

May

Migration of French flights platform

Change of the Company name
and first trading name under LMN ticker

Mobile website - Flight, sale of luggage on GDS flights

June

Kick-off of the TV Campaign in the UK, Italy and France

Board approves increase of maximum volume of buy-back program from EUR 10 million to EUR 18 million

Start of the internal ERASMUS programme

July

Migration of Germany flights platform

Mobile App - Hotel, new Apple Pay payment method implemented

August

Migration of Ireland flights platform

Start of the UK Consultation Process

New B2C trains website released for Spanish market

CFO's message

"The operating model confirms its strength in generating free cash flow."

Figures reported in this 1H2015 show material increases of Gross Travel Value and Revenues (+84.7% and 70.7% respectively), explained both by the inclusion of the lastminute.com acquisition since 1 March 2015, and high double digit growth on an organic basis (+25% and +22%). On the other hand profitability is suffering due to the consolidation of the acquired entity, which is not yet operating at a breakeven level.

Focus on an accelerated integration will generate positive and sustainable economic impact from cost saving and business synergies by Q1 2016 instead of Q2 as initially planned, but this is likely to produce short term economic headwinds with a trade-off from lower volume growth. Other factors influencing the performance are both not recurring, such as extraordinary brand investments, and structural, namely slight decreases in agency fees and increases of marketing cost per acquisition (CPA) due to competitive dynamics. From an organic perspective the EBITDA adjusted remains stable while the IFRS data shows relevant increase due to the absence of IPO costs accounted in 2014.

The flight business continues to develop at a fast pace and is now also entering the B2B landscape. It remains our core business supported by advanced technology, overall quality of product offering and customer support. We also saw some very good results from our Dynamic Package business where the Group has focused investments to leverage its competitive advantages. META (Jetcost) continues to deliver positive results (+24.6% all organic) and contributes to profit generation to an even greater extent.

From a geographic perspective, revenue performance is becoming more balanced across markets as revenues are now derived more equally from France, the UK, Italy, Spain and other countries. Costs show an increase in marketing expenses partially due to organic growth, but also fuelled by increases in CPA alongside the launch of the offline ADV Campaign in the UK, France and Italy in June. Other cost items are substantially in line with expectations.

The operating model confirms its strength in generating free cash flow. NFP stood at nearly EUR 153 million against 90 million at the end of 2014 due to both seasonality effects and structural benefits arising from negative working capital, which is now even higher after the consolidation of lastminute.com.

The Board of Directors in June approved a resolution to increase the maximum amount of the share buyback which started on 17 September 2014, from EUR 10 million to EUR 18 million. Such a decision supports a strategy to invest our finances in our key employee's stock based programme, stabilise the fluctuations of the share price and, generally speaking, put money in a successful business story. This cash on hand will be also focused on new initiatives and respective investments in diverse business cases. While we are currently evaluating some very small but strategic acquisitions, we anticipate being able to continue participating in the consolidation of the market on a larger scale once the integration process is completed.

From an outlook perspective, we are fine-tuning our estimates for the year-end, lowering our revenue target from EUR 270 to 255 million, due to the focus on accelerated reorganisation.

Francesco Guidotti
CFO

Business review - Actual

Flights

Organic double digit growth confirms Flights as the core product of our offering. Trains are registering a staggering increase and will represent a wide area of potential growth.

Total growth: **+34.5%** Organic growth: **+21%**

Hotels

The Hotel business is supported by succesful offerings such as Top Secret® Hotel which is now on its road to be extended across Europe.

Total growth: **+456%** Organic growth: **+30%**

Packages

Packages include Tour Operator offerings, Dynamic Packages and Cruises. TOs are still relevant in some specific countries supporting the offering, while DPs represent the area in which the Group is investing and growing more.

Total growth: **+300%** Organic growth: **+35%**

Ancillaries and Media

We are continuously expanding our offering of travel-related and Media services.

Total growth: **+76%** Organic growth: **+9%**

- Media
- Car rental
- Insurances

Leisure

This business was acquired with lastminute.com, and is considered a future revenue growth opportunity for the Group.

All business comes from lastminute.com acquisition

- Theatre tickets
- Spa breaks
- Travel Guides
- Others

New Product · **New Product** · **New Product** · **New Product**

Actually embedded
To be embedded
Coming soon

Business review - Actual

Flights

Organic double digit growth confirms Flights as the core product of our offering. Trains (which are included in this segment) are registering a staggering increase and will represent a wide area of potential growth. Customer retention and scale become even more important to sustain volume increase and a sufficient level of profitability. We are in the best position to benefit from both, the most advanced technology and the mixed model OTA-META enabling customers to find the best solution for their requirements. We are also launching B2B initiatives in order to broaden our customer base and gain market share through a clean revenue-sharing model in a landscape in which we are first mover.

This is part of a rounded strategy pointing at getting more customers from different channels and benefit from volume generation and respective over-commissions from suppliers. Even if competitive dynamics lead to a slight decrease of agency fees, our product strengths and the focus on making more simple, clear and friendly the user experience of our booking flow are consistently increasing the conversion rate, mostly on mobile.

Against airline's direct channels we can benefit from structural competitive advantages, such as global reach, the possibility to combine different carriers for return flights and a wider portfolio of ancillaries and bundled products.

Hotels

The Hotel business is supported by a succesful offering such as Top Secret® Hotel, which is now on its road to be extended across Europe. These are opaque hotels at unrivalled prices saving customers up to 35% in key cities - a product lastminute.com established ten years ago.
The decision to combine both direct agreements with hotel chains and access to bedbanks enables the Group to offer the most comprehensive database of rooms available.

Packages

Packages include Tour Operator offerings, Dynamic Packages and Cruises. TOs are still relevant in some specific countries supporting the offering, while DPs represent the area in which the Group is investing and growing more. We leverage concrete competitive advantages based on best of breed offering on flights, direct agreements with more than 4,500 hotels and access to global and local bedbanks.
The offering is updated in real time during the search phase and supported by millions of possible combinations in the back-end. Customers can easily filter the right number of options and find what is most suitable to his purchasing behaviour and inspiration.

The Company can get access to valuable fairs from suppliers and generate profit to a greater extent than stand-alone products.

Our transactional performance in the Cruise segment continues to grow double digits year on year, although a pressurised consumer spend environment in this category is impacting margins through strong competition from operators and distributors. However, benefits from the lastminute.com acquisition have been felt quickly as our proprietary (previously Bravofly Rumbo Group) technology underpinning the Cruises platform was quickly extended to the lastminute.com brand in Italy, Spain and France.

Ancillaries and Media

We are continuously expanding our offering of travel-related and Media services. Insurances and car rentals are growing double digit year on year even when considering opt-in selection imposed by EU regulatory bodies. Our agreement with RentalCars.com provides low-cost car rental services in 165 countries around the world. Ancillaries in general will not only be part of the sale of a stand-alone core product, but will be extensively embedded in packages.

Media revenues doubled in the period, which includes the addition of media income from the lastminute.com acquisition. We can now expand a successful advertising solutions platform through exploitation of the global lastminute.com brand, and we see this segment as an important and strategic revenue stream for the future of the Group.

Leisure

This business was acquired with lastminute.com, and is considered a future revenue growth opportunity for the Group. Currently it is predominantly UK-only, but it is a strong fit with our smart travel provider strategy, where adding value to the trip can come either pre or during travel.

The work on our new theatre entertainment ticketing platform is nearly complete allowing for a rich, competitive customer experience and expansion outside of a strong London West End offering. The team continues to build other added value experiences such as spa breaks and travel guides.

Business review - Outlook

From OTA to Smart Travel Provider

Vision

Simplify the life
of travellers

Strategy

Support customers
across their entire travel experience

Execution

Focus on improving the user experience mostly on mobile is a top priority in order to **increase conversion**

Flights as hook product to generate **traffic and volumes**

Competitive advantages on Packages are key drivers to **uplift margin per booking.**

Ancillary products support attraction and retention rate and lead to **lower cost per acquisition.**

Business review - Outlook

Ambition for sustainable long-term value creation

	2015			Target **2017**		Ambition **2020**
GTV	**€ 2,500M**	**> CONFIRMED**	**GTV**	**€ 3,000M**	**GTV**	**€ 5,000M**
Revenues	**Increasing > € 270M** Over-performing respective Industry CAGR	**>** Fine tuned at **€ 255M**	**Revenues**	**€ 330M**	**Revenues**	**€ 600M**
EBITDA	**Increasing for BRG** **Stable for LMN**	**>** Brought to **Stable** **>** Brought to **Decreasing**	**EBITDA** margin	**18%**	**EBITDA** margin	**25%**
Profitability	**Declining on combined basis** Reflecting LMN consolidation and first-stage integration process	**> CONFIRMED**				

Consolidated interim financial statements

30 June 2015

Consolidated statement of profit or loss and other comprehensive income

in '000 EUR (for the six months ended 30 June)	Notes	2015	2014
Revenues	7	123,130	72,131
Marketing costs	8	(58,361)	(30,791)
Personnel costs	8	(27,418)	(12,823)
Other operating costs	8	(36,531)	(20,927)
Amortization, depreciation and impairment		(4,373)	(2,813)
Profit before interest and income tax		**(3,553)**	**4,777**
Finance income	8	2,019	366
Finance costs	8	(253)	(477)
Share of result of equity-accounted investees		(39)	(82)
Profit before income tax		**(1,826)**	**4,584**
Income tax	9	(2,429)	(1,365)
Profit for the period		**(4,255)**	**3,219**
- thereof attributable to the Shareholders of LASTMINUTE.COM N.V.	10	(4,395)	3,313
- thereof attributable to non-controlling interest		140	(94)
OTHER COMPREHENSIVE INCOME Items that will never be reclassified to profit or loss			
Remeasurements of the Employee benefits liability		(150)	(21)
Related tax		31	4
Items that will never be reclassified to profit or loss		**(119)**	**(17)**
Items that are or may be reclassified to profit or loss Foreign currency translation differences		**(135)**	**-**
Items that are or may be reclassified to profit or loss		**(135)**	**-**
Total other comprehensive income for the period, net of tax		**(254)**	**(17)**
Total comprehensive income		**(4,509)**	**3,202**
- thereof attributable to the Shareholders of LASTMINUTE.COM N.V.		(4,649)	3,296
- thereof attributable to non-controlling interest		140	(94)
EARNINGS PER SHARE			
Basic earnings per share (in EURO)	10	(0.31)	0.25
Diluted earnings per share (in EURO)	10	(0.31)	0.24

Consolidated balance sheet

in '000 EUR	Notes	30 Jun 2015	31 Dec 2014
NON CURRENT ASSETS			
Property plant and equipment		2,291	937
Intangible assets	14	92,457	86,468
Goodwill	5	95,918	45,949
Non current financial assets	13	1,281	143
Investment in equity accounted investees		317	355
Deferred tax assets		452	550
TOTAL NON CURRENT ASSETS		**192,716**	**134,402**
CURRENT ASSETS			
Inventories		17	22
Current financial assets	13	3,203	509
Current tax assets		-	506
Trade and other receivables	14	75,459	30,539
Cash and cash equivalents	13	148,140	89,316
TOTAL CURRENT ASSETS		**226,819**	**120,892**
TOTAL ASSETS		**419,535**	**255,294**
SHARE CAPITAL AND RESERVES			
Share capital	12	146	146
Capital reserves	12	127,751	127,751
Translation reserve	12	(135)	-
Treasury share reserve	12	(7,784)	(3,939)
Retained earnings	12	34,953	39,385
EQUITY ATTRIBUTABLE TO SHAREHOLDERS OF LASTMINUTE.COM N.V.		**154,931**	**163,343**
Non-controlling interest		(29)	(169)
TOTAL EQUITY		**154,902**	**163,174**
NON CURRENT LIABILITIES			
Non current provisions		2,000	2,000
Employee benefits liabilities		2,267	1,752
Deferred tax liabilities		22,192	22,198
TOTAL NON CURRENT LIABILITIES		**26,459**	**25,950**

→

in ‘000 EUR	Notes	30 Jun 2015	31 Dec 2014
CURRENT LIABILITIES			
Current provisions		1,485	717
Current tax liabilities		1,607	602
Trade and other payables	14	235,082	64,851
TOTAL CURRENT LIABILITIES		**238,174**	**66,170**
TOTAL LIABILITIES		**264,633**	**92,120**
TOTAL LIABILITIES AND EQUITY		**419,535**	**255,294**

Consolidated statement of changes in equity

in '000 EUR	Notes	Share capital	Capital Reserves	Tran-slation Reserve	Treasury Share Reserve	Retained Earnings	Equity attributable to Shareholders of LASTMINUTE.COM N.V.	Non-controlling interest	TOTAL EQUITY
Balance at 1 January 2015		**146**	**127,751**	**-**	**(3,939)**	**39,385**	**163,343**	**(169)**	**163,174**
Result for the period		-	-	-	-	(4,395)	(4,395)	140	(4,255)
Other comprehensive income									
- Remeasurements of the Employee benefits liability (net of tax)		-	-	-	-	(119)	(119)	-	(119)
- Foreign currency translation differences		-	-	(135)	-	-	(135)	-	(135)
Total other comprehensive income net of tax		**-**	**-**	**(135)**	**-**	**(119)**	**(254)**	**-**	**(254)**
Total comprehensive income net of tax		**-**	**-**	**(135)**	**-**	**(4,514)**	**(4,649)**	**140**	**(4,509)**
Transactions with shareholders									
- Share-buy back plan	12	-	-	-	(3,845)	-	(3,845)	-	(3,845)
- Share-based payments	11	-	-	-	-	82	82	-	82
Total transactions with shareholders		**-**	**-**	**-**	**(3,845)**	**82**	**(3,763)**	**-**	**(3,763)**
Balance at 30 June 2015		**146**	**127,751**	**(135)**	**(7,784)**	**34,953**	**154,931**	**(29)**	**154,902**

in '000 EUR	Notes	Share capital	Capital Reserves	Tran-slation Reserve	Treasury Share Reserve	Retained Earnings	Equity attributable to Shareholders of LASTMINUTE.COM N.V.	Non-controlling interest	TOTAL EQUITY
Balance at 1 January 2014		**124**	**42,001**	**-**	**-**	**33,973**	**76,098**	**(124)**	**75,974**
Result for the period		-	-	-	-	3,313	3,313	(94)	3,219
Other comprehensive income									
- Remeasurements of the Employee benefits liability (net of tax)		-	-	-	-	(17)	(17)	-	(17)
Total other comprehensive income net of tax		**-**	**-**	**-**	**-**	**(17)**	**(17)**	**-**	**(17)**
Total comprehensive income net of tax		**-**	**-**	**-**	**-**	**3,296**	**3,296**	**(94)**	**3,202**
Transactions with shareholders									
- Increase in share capital		22	85,750	-	-	-	85,772	-	85,772
- Buy-back share options		-	-	-	-	(1,787)	(1,787)	-	(1,787)
- Share-based payments	11	-	-	-	-	180	180	-	180
Total transactions with shareholders		**22**	**85,750**	**-**	**-**	**(1,607)**	**84,165**	**-**	**84,165**
Balance at 30 June 2014		**146**	**127,751**	**-**	**-**	**35,662**	**163,559**	**(218)**	**163,341**

Consolidated cash flow statement

in '000 EUR (for the six months ended 30 June)	Notes	2015	2014
Cash flow from operating activities			
Profit for the period		(4,255)	3,219
Adjustments for:			
- Amortization and depreciation		3,985	2,813
- Impairment losses on intangible assets		388	-
- Net finance result	8	(1,766)	111
- Income tax expense	9	2,429	1,365
- Share-based payments	11	82	180
- Share of result of equity-accounted investees		39	82
Change in trade and other receivables	14	(22,117)	(3,848)
Change in inventories		6	-
Change in trade and other payables	14	82,260	18,403
Change in provisions		(216)	(191)
Change in employee benefit liability		119	91
Interest paid		-	(213)
Income tax (paid)/received		79	(1,716)
Net cash from operating activities		**61,033**	**20,296**
Cash flow from investing activities			
Interest received		103	32
Purchase of property, plant and equipment		(165)	(182)
Proceeds from sale of property, plant and equipment		-	11
Purchase of intangible assets	14	(6,526)	(3,219)
Acquisition of subsidiaries, net of cash acquired	5	11,945	(6,266)
Acquisition of financial assets	13	(2,945)	-
Proceeds from sale of financial assets	13	-	327
Net cash (used in)/from investing activities		**2,412**	**(9,297)**
Cash flow from financing activities			
Repayments of borrowings		-	(12,620)
Buy-back of share options		-	(1,787)
Share Buy back plan	12	(3,845)	-
Capital contribution		-	85,772
Net cash (used in)/from financing activities		**(3,845)**	**71,365**
Net increase in cash and cash equivalents		**59,600**	**82,364**
Cash and cash equivalents at 1 January	13	89,316	33,473
Effects of currency translation on cash and cash equivalents		(776)	-
Cash and cash equivalents at 30 June	13	148,140	115,837

Note 1 - General Information

Lastminute.com N.V. (hereinafter referred to as the "Company") is a company domiciled in the Netherlands and inscribed in the Netherlands Chamber of Commerce. The address of the Company's registered office is Jan van Goyenkade 8, 1075 HP Amsterdam. The consolidated interim financial statements of the Company as at and for the half-year ended 30 June 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 1 March 2015 (see Note 5), the Annual General Meeting of Shareholders held on 19 May 2015 approved the change of the Company name from Bravofly Rumbo Group N.V. to lastminute.com N.V. The Group is an online travel player providing consumers with online tools and technologies that allow them to easily search for, compare and book flights, vacation packages and cruises, hotel accommodations, car rentals and other travel products and services.

The consolidated interim financial statements were approved for issue by the Board of Directors on 15 September 2015.

Note 2 - Significant Accounting Policies

The accounting policies applied are consistent with those described in the consolidated financial statements for the year ended 31 December 2014, except for the adoption of the following new and revised standards with effective date 1 January 2015:

- Annual improvements to IFRSs 2011-2013 cycle.

These revised standards did not have a significant impact on the Group's consolidated interim financial statements.
Furthermore, as a result of the acquisition of lastminute.com (see Note 5), the Group now has foreign operations, consolidated as follows:
(i) the assets and liabilities of foreign operations, including goodwill and fair value adjustments arising on acquisition, are translated into Euro at the exchange rates at the reporting date. The income and expenses of foreign operations are translated into Euro at the average exchange rates for the period.
(ii) Foreign currency differences are recognised in Other Comprehensive Income and accumulated in the translation reserve, except to the extent that the translation difference is allocated to non-controlling interests.

Basis of preparation

The consolidated interim financial statements for the half-year ended 30 June 2015 have been prepared in accordance with International Accounting Standard ("IAS") 34 – Interim Financial Reporting. The Group has applied the option of publishing condensed consolidated interim financial statements. These consolidated interim financial statements should be read in conjunction with the annual consolidated financial statements for the year ended 31 December 2014 which were prepared in accordance with International Financial Reporting Standards ("IFRS") as endorsed by the European Union (EU).

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

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

Use of judgments and estimates

The significant judgments made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the consolidated financial statements as at and for the year ended 31 December 2014.

Note 3 - Seasonality

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

Note 4 - Financial Instruments

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

in '000 EUR	30 Jun 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	1,281	143
Current financial assets (Short-term deposits)	3,170	477
Trade and other receivables *	75,412	29,714
Cash and cash equivalents (excl. cash on hand)	148,134	89,309
Total loans and receivables	**227,997**	**119,643**
Trade and other payables *	235,082	63,942
Total Financial liabilities measured at amortized cost	**235,082**	**63,942**

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

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

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

in '000 EUR	Fair value			
30 June 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				
Investment funds	33	-	-	**33**

As of 30 June 2015, the Group held investment funds for the amount of EUR 33 thousand at fair value through profit or loss: their fair value was determined based on traded prices in an active market.
There were no transfers among the Fair Value Levels during the period.
There were no changes in valuation techniques during the period.
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	-	-	(6,266)	-
Reclassifications	-	-	(511)	511
Recognized in profit or loss	-	-	146	-
Balance as of 30 June	**-**	**-**	**-**	**2,480**

Note 5 - Business Acquisition

Acquisition of lastminute.com

On 1 March 2015 the Group finalized 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.

As of the date of approval of these interim financial statements the purchase price allocation has not been completed yet. In accordance with IFRS 3, the allocation process will be completed within a period not exceeding one year from the acquisition date. Management expects that further intangible assets will be identified during the process. As of 30 June 2015, the excess of the purchase consideration over the provisional fair values of net assets and liabilities acquired has been recognised as goodwill, provisionally quantified as EUR 50 million and subject to change following the completion of the purchase price allocation.

No reliable information about revenue and profit or loss of LMN from 1 January to 28 February 2015 is available at the date of approval of the interim financial statements. Therefore the information about revenue and profit or loss for the combined group as though the acquisition date for LMN had been as of 1 January 2015 will be presented in the annual consolidated financial statements of the Group.

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:

Consideration (in '000 EUR)	1 March 2015
Cash	1*
Total consideration	**1**
Property plant and equipment	1,444
Other intangible assets	3,568
Non current financial assets	800
Trade and other receivables	22,200
Cash and cash equivalents	11,946
Provisions	(984)
Employee benefits liability	(247)
Trade and other payables	(88,695)
Total identifiable net assets acquired	**(49,968)**
Non-controlling interest	-
Goodwill	49,969
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 1 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.
Revenues for LMN side since acquisition date to 30th June has been EUR 35.1 million and the result for these four months has been a loss of EUR 11.1 million.
The gross contractual amount of trade and other receivables is EUR 22,963 thousand. The amount expected to be collectible is EUR 22,200 thousand.

Goodwill not yet allocated is mainly attributable to the assembled workforce, the companies and management's ability to generate future income and growth through the recognition of their trademarks and the opportunity for the Group to expand its footprint in new markets.

Note 6 - Segment Information

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

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

Management is determining operating segments based on the information reviewed by the Group CEO.
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 organizational structure. Jetcost is a separate and independent business for the Group and is managed and reported as such, 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.
- Meta-search, which includes the business generated in our websites focused on directing traffic, in exchange for a commission, to the sites of OTAs and airlines and other direct providers.

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

in '000 EUR (for the six months ended 30 June)	**2015**			**2014**		
	OTA	**Metasearch**	**Total**	**OTA**	**Metasearch**	**Total**
Consolidated Revenues	**115,076**	**8,054**	**123,130**	**65,631**	**6,500**	**72,131**
Total Revenues	115,241	12,296	127,537	65,675	8,155	73,830
Intersegment Revenues	(165)	(4,242)	(4,407)	(44)	(1,655)	(1,699)
Consolidated EBITDA Adjusted*	**(1,840)**	**4,627**	**2,787**	**9,018**	**3,210**	**12,228**
Non-cash impact of stock options			(82)			(180)
IPO Costs and related bonuses			-			(3,871)
Costs related to acquisition and integration of subsidiaries			(1,532)			(162)
Litigation, restructuring and other costs/income incidental to operating activities			(353)			(425)
Depreciation and Amortization			(4,373)			(2,813)
Profit before Interest and Income Tax			**(3,553)**			**4,777**

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

Note 7 - Revenues

In the first six months of 2015, total revenues increased by EUR 50,999 thousand, or +70.7%, to EUR 123,130 thousand from EUR 72,131 thousand in the same period of 2014. This increase is primarily due to: i) the effect of the lastminute.com acquisition for the amount of EUR 35,140 thousand and ii) internal growth connected to the OTA activity for the amount of EUR 15,859 thousand.

A significant indicator for the Group is represented by Gross Travel Value ("GTV") defined as the value of the travel products purchased by the Group's clients using the Group's platforms, including agency fees, insurance, cruises and gross of any discounts and cancellations. Gross Travel Value amounted respectively to EUR 1,188 million in the first half of 2015 compared with EUR 643 million for the same period of 2014: the significant increase is mainly referred to effect for four months of lastminute.com acquisition.

Revenues by products

The table below shows Revenues by product for the first six months of 2015 and 2014:

in '000 EUR (for the six months ended 30 June)	2015	% of the total	2014	% of the total
Flight	80,093	65.05%	59,787	82.89%
Non Flight	43,037	34.95%	12,344	17.11%
Total	**123,130**	**100.00%**	**72,131**	**100.00%**

Flight revenue

In the first half of 2015, the Group's flight revenue increased by EUR 20,306 thousand, or +34.0%, to EUR 80,093 thousand from EUR 59,787 thousand in the same period of 2014. This increase is primarily due to: i) the effect of the lastminute.com's acquisition for the amount of EUR 8,316 thousand and ii) internal growth connected to the OTA business for the amount of EUR 11,990 thousand.

Non-flight revenue

In the first half of 2015, the Group's non-flight revenue increased by EUR 30,693 thousand, or +248.6%, to EUR 43,037 thousand from EUR 12,344 thousand in the same period of 2014. This increase is primarily due to: i) the effect of the lastminute.com's acquisition for the amount of EUR 26,524 thousand and ii) growth connected to its OTA business for the amount of EUR 4,169 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 categorizes its geographical markets by the countries for which its websites are localized through language and other elements. Because websites in a specific language can be accessed from any location, users outside a country can also use these websites. Products are not delivered to physical addresses, and the locations of users' ISPs and of the banks issuing customer's credit cards do not identify users' locations with certainty. Therefore a split of revenues based on customers' location is not available. However, Group management believes that the majority of customers booking through the Italian, UK, Spanish and French websites are located, respectively, in Italy, UK, Spain and France.

The table below shows Revenues from different countries based on website languages for the first six months of 2015 and 2014:

in '000 EUR (for the six months ended 30 June)	2015	% of the total	2014	% of the total
Italy	24,266	19.71%	20,456	28.36%
Spain	19,173	15.57%	15,831	21.95%
UK	25,374	20.61%	2,949	4.09%
France	29,891	24.28%	15,614	21.65%
Germany	8,608	6.99%	4,157	5.76%
Netherlands	309	0.25%	315	0.44%
Others	15,509	12.60%	12,809	17.76%
Total	**123,130**	**100.00%**	**72,131**	**100.00%**

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

Note 8 - Other Costs

Marketing costs

Marketing costs increased by EUR 27,570 thousand (+89.5%) from EUR 30,791 thousand in the first half-year 2014 to EUR 58,361 thousand in the first half-year 2015. Marketing costs as percentage of revenues increased in 2015 compared to 2014 (47.4% vs 42.7%). This increase is primarily due to the effect of the lastminute.com acquisition for the amount of EUR 17,622 thousand and organic growth for EUR 9,948 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.

Personnel costs

Personnel costs increased by EUR 14,595 thousand (+113.8%) from EUR 12,823 thousand in the first half-year 2014 to EUR 27,418 thousand in the first half-year 2015. Costs increased driven by the effect of the lastminute.com acquisition for the amount of EUR 13,773 thousand. Personnel costs as absolute percentage of revenues increased in 2015 compared to 2014 (22.3% vs 17.8%).

Other operating costs

Other operating costs increased by EUR 15,604 thousand (+74.6%) from EUR 20,927 thousand in the first half-year 2014 to EUR 36,531 thousand in the first half-year 2015. Such increase can be referable to: i) increase of the Group's business activity for EUR 1,339 thousand, and ii) the effect of the lastminute.com acquisition for the amount of EUR 14,265 thousand. Other operating costs as percentage of revenues increased in 2015 compared to 2014 (29.7% vs 29.0%).

Net Financial costs

The net financial result improved by EUR 1,877 thousand (+1,691%) from EUR -111 thousand in the first half-year 2014 to EUR 1,766 thousand in the first half-year 2015, mainly due to gain by positive exchange rate effects of EUR/CHF for EUR 1,848 thousand, of which EUR 623 thousand deriving from the effect of the lastminute.com acquisition.

Note 9 - Taxes

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

The Group's consolidated income taxes charge amounted to EUR 2,429 thousand at 30 June 2015, compared with EUR 1,365 thousand at the end of June 2014 with an increase of Euro 1,064 thousand mainly due to: i) a higher taxable income in the French and Italian subsidiaries compared with the same period of the previous year and ii) non-recognition of deferred tax assets on losses in the countries characterized by negative results in the first semester of 2015. Deferred tax assets have been recognized only in the countries where future taxable profits will probably be available against which the asset can be utilised.

Note 10 - Earnings per Share

Basic earnings per share

The table below shows basic earnings per share for the first half of 2015 and 2014:

in '000 EUR (for the six months ended 30 June)	2015	2014
Profit for the period attributable to the shareholders of LASTMINUTE.COM N.V. (in '000 EUR)	(4,395)	3,313
Weighted-average number of shares outstanding during the period (in thousand)	14,374	13,266
Basic earnings per share (in EUR)	**(0.31)**	**0.25**

Diluted earnings per share

The table below shows diluted earnings per share for the first half of 2015 and 2014:

in '000 EUR (for the six months ended 30 June)	2015	2014
Profit for the period attributable to the shareholders of LASTMINUTE.COM N.V. (in '000 EUR)	(4,395)	3,313
Weighted-average number of shares outstanding during the year (in thousand)	14,374	13,636
Diluted earnings per share (in EUR)	**(0.31)**	**0.24**

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

Number of shares (for the six months ended 30 June)	2015	2014
Weighted-average number of shares (Basic)	14,374	13,266
Effect of share options in issue	-	370
Weighted-average number of shares (Diluted)	**14,374**	**13,636**

Note 11 - Employee Share Option Plan

In the first half-year 2015, the expense recognized as personnel costs for the share option plan amounted to EUR 82 thousand (first half-year 2014: EUR 180 thousand). The table below shows the share options costs for the Group for the first six months of 2015 and 2014 with the split according to the respective granting dates:

in '000 EUR (for the six months ended 30 June)	2015	2014
Equity-settled share-based payment transactions		
Share options granted in 2011	-	-
Share options granted in 2012	-	96
Share options granted in 2013	82	84
Total	**82**	**180**

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

in thousand of options	2015 (in thousand of options)	Weighted average exercise price 2015 (EUR)	2014 (in thousand of options)	Weighted average exercise price 2014 (EUR)
Reconciliation of outstanding share options				
Oustanding at 1 January	622	9.17	699	9.37
Repurchased during the half-year	-	-	(56)	8.31
Oustanding at 30 June	**622**	**9.17**	**643**	**9.46**
Exercisable at 30 June	**581**	**8.56**	**419**	**8.00**

The weighted-average contractual life of the options outstanding at 30 June 2015 was 1.89 years (30 June 2014: 2.94).

Note 12 - Shareholders' Equity

The table below shows Equity as of 30 June 2015, 31 December 2014 and 30 June 2014:

	30 Jun 2015	31 Dec 2014	30 Jun 2014
Share capital	146	146	146
Capital reserves	127,751	127,751	127,751
Translation reserve	(135)	-	-
Treasury share reserve	(7,784)	(3,939)	-
Retained earnings	34,953	39,385	35,662
Equity attributable to Shareholders of LASTMINUTE.COM N.V.	**154,931**	**163,343**	**163,559**
Non-controlling interest	(29)	(169)	(218)
Total equity	**154,902**	**163,174**	**163,341**

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. As of 30 June 2015, the Group held 525 thousand shares for the total value of EUR 7,784 thousand (275 thousand shares as of 31 December 2014 for at total value of EUR 3,939): during the first half of 2015 the Group bought treasury shares for a total of 250 thousand for the total value of EUR 3,845 thousand. The Group did not perform any selling of treasury shares in the period.
On 13 August 2014, the Group announced officially a share buy-back plan to purchase bearer shares of lastminute.com N.V. for a maximum amount of EUR 10 million. This maximum amount could be increased from time to time upon resolution by the Board of Directors, but shall keep under the maximum buyback volume limit of 9,390 bearer shares per day in accordance with art. 55b para. 1 lit c SESTO.
The bearer shares repurchased are to be used for Group's employee stock option 2011–2013 plans and/or to finance acquisitions. The Group's bearer shares are listed in the main standard of SIX Swiss Exchange AG; no separate trading line has been opened for the share buy-back. The share buy-back started on 17 September 2014 and will end no later than 14 April 2016.

Retained Earnings

Retained earnings as of 30 June 2015 amounted to EUR 34,953 thousand (31 December 2014: EUR 39,385 thousand) and contain the loss relating to the current year and previous years accumulated profits generated by the Group and not distributed to shareholders as well as amounts booked in relation to the remeasurements of the employee benefits liabilities and share-based payments.

Dividends

During the first half of 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 maximize long-term shareholder value.

Note 13 - Net Financial Position

The table below represents the net financial position for the Group as of 30 June 2015, 31 December 2014 and 30 June 2014:

in '000 EUR	30 Jun 2015	31 Dec 2014	30 Jun 2014
Current financial assets	3,203	509	554
Cash and cash equivalents	148,140	89,316	115,837
Short Term Financial Liabilities	-	-	(2,480)
Net Financial Position within 12 months	**151,343**	**89,825**	**113,911**
Non current financial assets	1,281	143	117
Long Term Financial Liabilities	-	-	(8,867)
Net Financial Position over 12 months	**1,281**	**143**	**(8,750)**
Total Net Financial Position	**152,624**	**89,968**	**105,161**

The Net Financial Position for the Group was respectively EUR 152,624 thousand at 30 June 2015, EUR 89,968 thousand at 31 December 2014 and EUR 105,161 thousand at 30 June 2014.
The changes in the composition of the Net Financial Position as of 30 June 2015 compared with 31 December 2014 can be mainly explained by the following factors:

- higher cash and cash equivalents by EUR 58,824 thousand totally relating to the increase of the scope of consolidation following the LMN's acquisition;
- the increase of the financial assets relating to the main following factors: i) a security deposit included in the current line towards IATA for the amount of EUR 2.5 million paid during the first semester of 2015, and ii) long term deposits included in the non-current line for the amount of EUR 1,107 thousand in particular referred to deposits for renting of the UK and French offices. For further information see also Note 14.

Note 14 - Balance Sheet

In the first six months of the year compared with year-end 2014, Intangible Assets increased by EUR 5,989 thousand (+6.9%) from EUR 86,468 thousand to EUR 92,457 thousand. Such increase is mainly due to the effect of the consolidation of LMN subsidiaries during the first semester of 2015.
For further information about the movements in Financial Assets (current and non current) and Cash and cash equivalents please refer to the Consolidated Cash Flow Statement for the six months ended 30 June 2015 and Note 13.
The Group's trade position, which is the net amount of trade and other receivables and trade and other payables, decreased by EUR 125,311 thousand (-365.2%) from EUR -34,312 thousand as of 31 December 2014 to EUR -159,623 thousand as of 30 June 2015, mainly due to the effect of the consolidation for four months of LMN subsidiaries during the first semester of 2015 for the amount of EUR 105,452 thousand.

Note 15 - Subsequent Events

As described in detail in the note 5, on 1 March 2015 the Group finalized the acquisition of lastminute.com from Sabre Corporation. Since completion of the acquisition, in-depth reviews have been carried out to assess how best to combine the two businesses and implement initiatives that simplify operations and control costs. As areas of duplication have been identified, the Group proposed redundancies of around 110 employees based in the UK, subject to a formal consultation process that began on 18th August 2015.
The consultation process, started on 18th August 2015 in the UK, will take a minimum of 45 days and, if proposals are confirmed, would lead to potential redundancies over a period from the end of October 2015 to March 2016. At the end of first quarter of 2016, LMN will employ approximately 150 employees in the UK who will continue to play a key role for the Group.
On this basis the Group will benefit of a gradual reduction of some functions and activities in London during the integration process, alongside a parallel reduction of a number of contractors and consequently of a personnel cost reduction.
The Group is about to launch the new organisational structure during the last quarter of 2015 and will guide the new Group with the goal of promoting Group's commercial brands and of realizing the expected synergies.

No other subsequent events occurred since 30 June 2015, which would change the financial position of the Group or which would require additional disclosures in these consolidated interim financial statements.

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