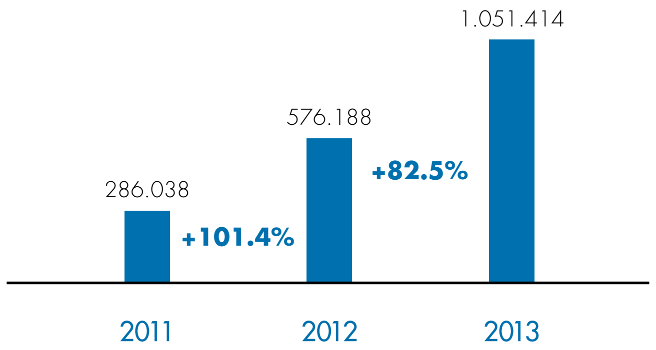
ANNUAL REPORT 2013

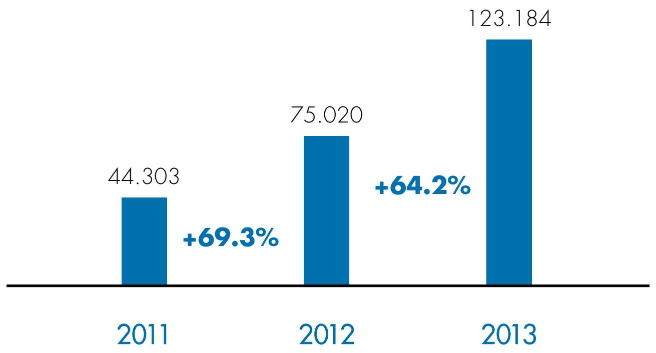
Bravofly Rumbo Group

FINANCIAL INFORMATION IN SUMMARY (IN '000 EUR)

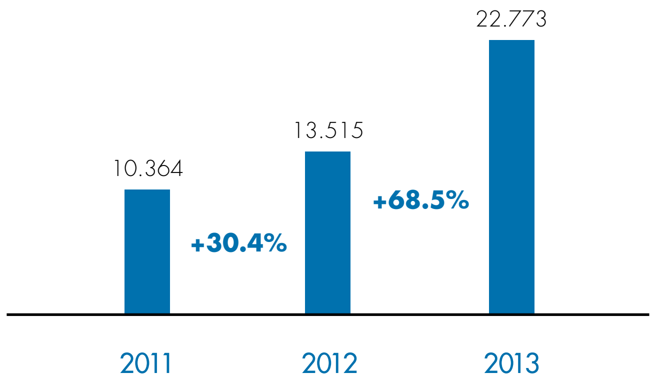
Gross Travel value



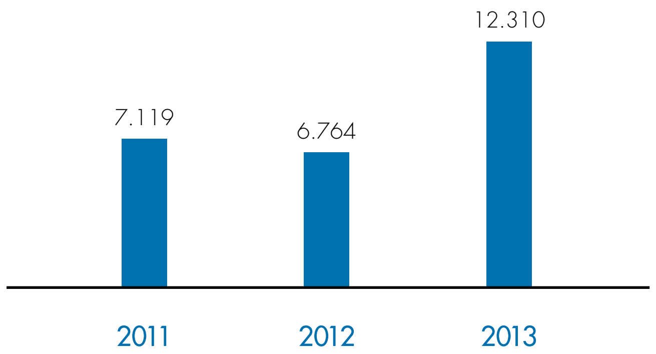
Revenues



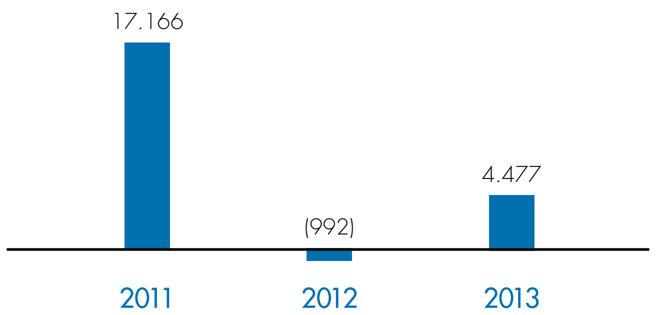
Adjusted EBITDA*



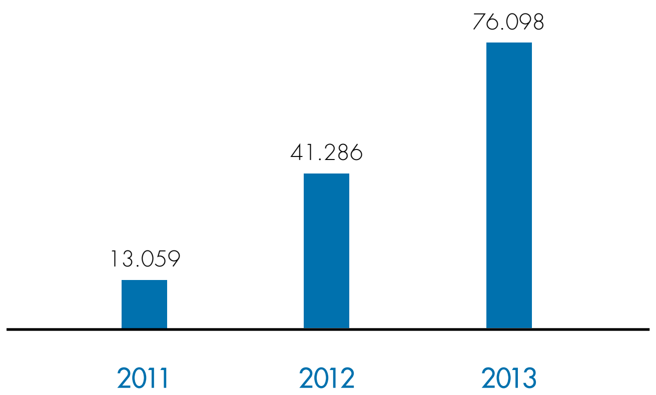
Profit for the period



Net financial position (Net cash, if positive)



Net Shareholders' equity



NOTES:
*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.

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CHAIRMAN'S MESSAGE

> To support our long-term growth, in 2014 we were listed at the SIX Swiss Exchange in Zurich.

2013 was a milestone year for the Bravofly Rumbo Group.

Once again we secured growing results, with a record travel value exceeding €1.1 billion. This is a new and important milestone, confirming the quality of our strategic choices and our ability in retaining a growing number of clients, thanks to a wide range of products, to our cutting edge technology and to our commitment to deliver full assistance.

Satisfying the needs of our clients in the best possible way is the cornerstone of our activities. For this reason, we invest time and resources in the development of solutions to simplify research, comparison and booking processes, also through new channels such as the mobile channel.

Market expectations are that by 2015 one fifth of bookings will be done through mobile phones. In 2013, smartphones and tablets already generated respectively 11% and 8% of our traffic. To keep up with this trend and to continue to be aggressively competitive, we introduced the "Mobile First" policy. Every new platform we develop will be designed initially for mobile devices and subsequently adapted to desktop browsers.

Offering a multichannel, integrated experience and being in touch with customers in different ways according to different needs and products are both key assets for a cutting-edge tour operator. With the aim of establishing our name as a modern-day tour operator, we are committed towards strengthening a more traditional channel, the one of direct contact with clients through our travel agents. I believe that the integration between our cutting-edge IT platforms and the skills of our consultants in charge of clients every step of the way is a feature that makes us stand out with respect to our online competitors, and a critical factor in attracting consumers who usually address traditional travel agents.

We are also committed to widening and diversifying our offer in order to satisfy the diverse needs of our new and existing clients. In particular, in the

> We expect investments amounting to €200 million to pursue external growth in the next few years.

past years we have been focussing a lot of attention on dynamic holiday packages. We developed a dedicated online platform sourcing from a database of millions of products and services, in order to provide our clients with tailor-made trips by matching different travel components dynamically.

At the end of 2013 we started taking the first steps towards a stock listing, a process that was finally completed in the first months of 2014 on the SIX Swiss Exchange in Zurich. The listing's main objective was that of gathering new capital to support our long-term growth also through external lines, with expected investments amounting to €200 million in the next few years. In order to pursue this strategy, we also created an internal Group team dedicated to the scouting and analysis of potential prospects.

I would like to conclude these few lines by thanking all of the people in our Group, who on a daily basis work with great passion to help our clients to make their dreams come true, enabling us to reach our objectives and the results you will read about below. I would also like to praise the efforts of our management team, which enabled us to create a united, strong group ready to grasp every opportunity in a constantly-evolving market.

Fabio Cannavale
Chairman
Bravofly Rumbo Group

CEO'S MESSAGE

With the acquisition of the French travel metasearch engine Jetcost we entered into a strategic market segment for the travel sector.

The year 2013 saw our integration with the Spanish OTA Rumbo, acquired at the end of 2012. This marked our final move from being a fast-growing start-up to being one of the leaders in the European travel sector. We can now count on a solid and well-organised structure able to compete with increased strength on an international field.

In the first full business year after the acquisition, we obtained a 64% growth in revenues from 2012, amounting to €123 million. Adjusted EBITDA was €23 million, with a 69% increase from the previous year. Gross Travel Value reached €1.1 billion.

In general, we are witnessing a constant growth in online travel booking. According to PhoCusWright, in Europe the proportion of online travel bookings as a percentage of total travel bookings ("online travel penetration") reached 43% in 2013 and is projected to be at 47% in 2015.

Our commitment in developing cutting-edge platforms and in responding to the needs of clients enables us to be ready to exploit the growth opportunities existing in all product categories in the travel sector. The flights area is still our main business, but hotel, travel package and cruise bookings and other products and services different from flights are growing faster: they represented 18% of 2013 overall revenues. This trend manifests our strategy aimed at balancing the weight of the different product categories on our turnover.

At a geographical level, Italy, Spain and France are our confirmed core markets, in which we offer our complete range of products and services. Overall, the three countries represented 74% of revenues for 2013. During the course of the year we further strengthened our presence in other European markets and laid the groundwork for growth in other areas such as Asia Pacific.

The acquisition of the French travel metasearch Jetcost, which joined our Group at the end of 2013, enabled us to enter into a strategic market segment for the travel sector and will give us a further boost

“Our commitment in developing cutting-edge platforms and in responding to the needs of clients enables us to be ready to exploit the growth opportunities existing in all travel product categories.”

to our internationalisation strategy. Thanks to more contained set-up and operational costs compared to the ones of an OTA, as well as a less complex platform, we believe that the metasearch engine developed with Jetcost is an ideal vehicle to explore and penetrate new countries.

We have planned several ambitious projects and in order to develop them we can rely on people who constantly work with dedication and enthusiasm. For this reason, I would once again like to thank all of the Bravofly Rumbo Group staff: they are a crucial part of our success.

Francesco Signoretti
Chief Executive Officer
Bravofly Rumbo Group

KEY FACTS

More than **565 employees** across five countries

117 developers & 23 system engineers

More than **4.5** million **passengers** handled

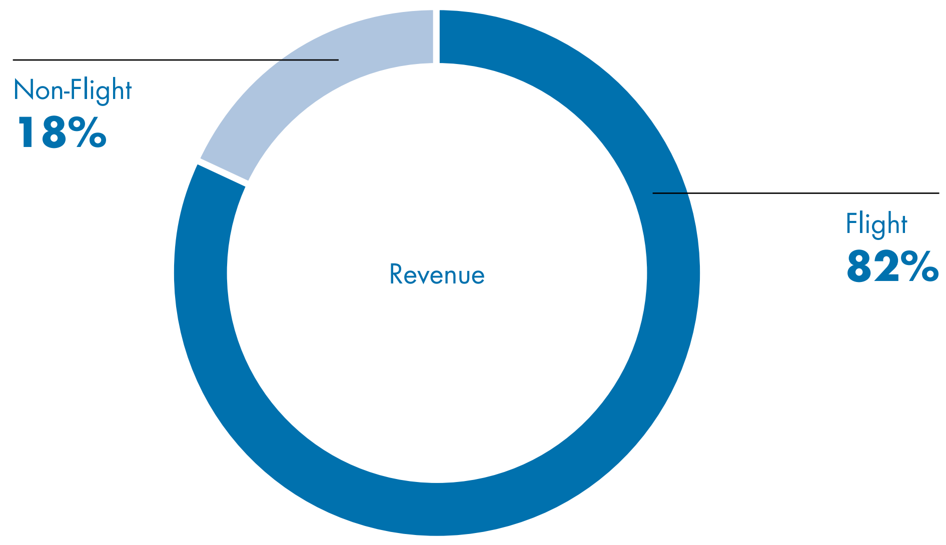
2.1 million monthly **inbound calls & emails handled**

More than **1.5** million **mobile apps** downloaded

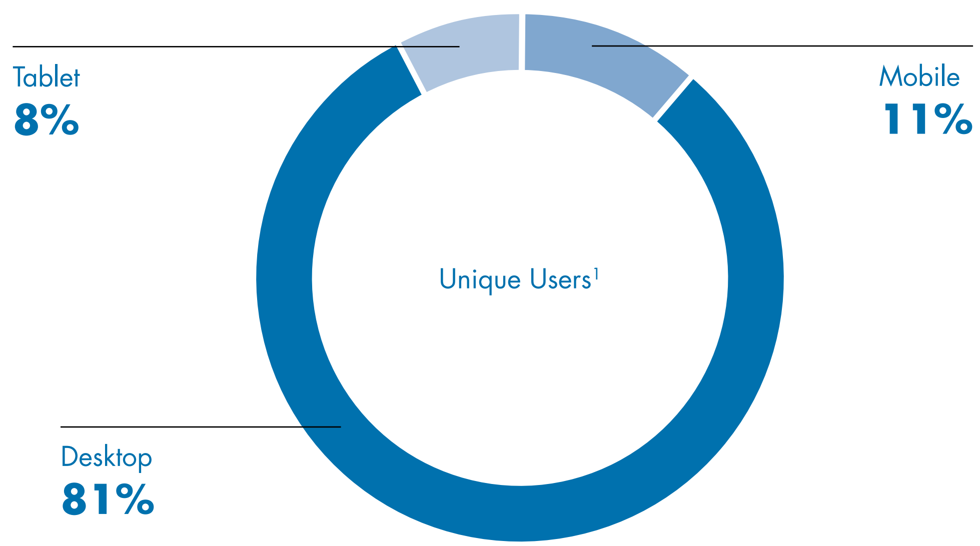
Average of over **7** million **unique visitors** (non-bounce) per month

42.4% of **flight bookings** generated by **returning customers**

REVENUE BY PRODUCT 2013



UNIQUE USERS BY DEVICE 2013



Source: Google Analytics

1. Represents non-bounce unique users - defined as number of unique users who visit our webpages and click at least on one link on the pages

BRAVOFLY RUMBO GROUP AT A GLANCE

Bravofly Rumbo Group is a Swiss-based, pan-European online travel agency (OTA), with increasingly expanding coverage in new markets inside and outside of Europe.

We operate under a number of key brands, including Bravofly, Rumbo, Volagratis, Jetcost, Crocierissime, Viaggiare and Viajar.

Through our online tools and technologies, we enable consumers to easily search for, compare and book flights, vacation packages, cruises, hotel accommodation, car rentals and other travel products and services. Our desktop and mobile web platforms provide users with well-designed, user-friendly interfaces that integrate our offer with multiple filtering, sorting and comparison tools. We strive to simplify users' searching and booking experience while concealing the complexity of the underlying technology.

As at 31st December 2013, we operated websites in 14 languages, localized for over 35 countries. Our core geographical market is Southern Europe, which covers Italy, Spain and France. We are strengthening our position in other European markets such as Germany, Eastern Europe and Scandinavia. We intend to expand into new markets where we see a sizable growth opportunity, including selected countries in Asia Pacific and Latin America.

We offer products and services from over 350 airlines, 400,000 hotels, as well as over 40 million dynamic packages, main cruise lines around the world and more than 6,000 car rental locations.

We support customers through email, chat, and both inbound and outbound calls. Customer service works in 12 languages and is available 24 hours a day, 7 days a week to English, Spanish and Italian speaking customers.

We conduct our business primarily through our two major European hubs in Chiasso (Switzerland) and in Madrid (Spain). The Group employs more than 565 people.

OUR MISSION

We are committed to help people book their holidays in the simplest way possible. We aim to:

» be the information and booking channel of choice for European consumers

» allow customers to book tailored travel and leisure solutions at the best price available

» provide customers with ease-of-use, security and assistance during the search and booking phase as well as in the post-purchase phase, thanks to cutting-edge technology and strong know-how in the leisure industry

HISTORY

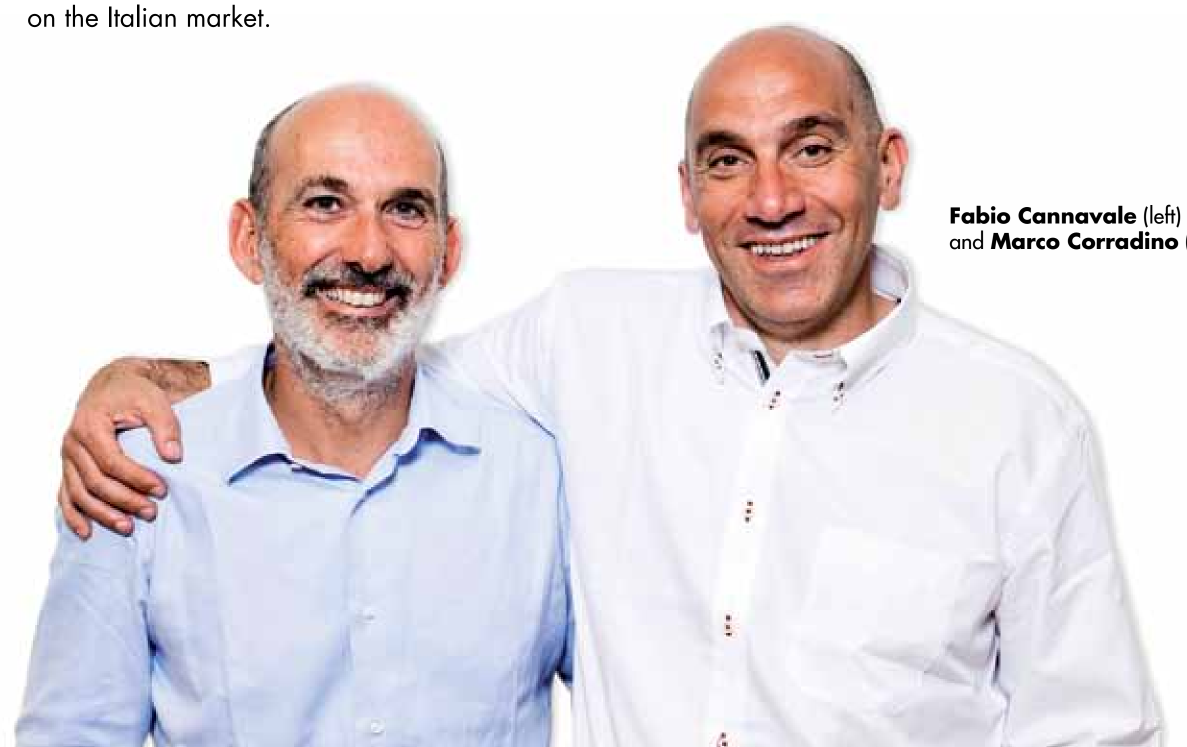
Year	Technological innovations	Product range
2004	Search engine for finding and comparing low cost flights	Low cost flights
2005	Integration with GDS and launch of direct flights booking option	Traditional flights
2006		
2007	Search engine for hotels	Hotel accommodations
2008	Flights search engine improved with *Find a Deal* and *Search by Price* tools Integration with train booking system in Spain	Car rental
2009	Feature for process combining flights from different carriers	Package holidays
2010	First mobile app Volagratis for iOS devices. Dynamic sourcing package platform	Cruises
2011	First mobile app Volagratis for OVI and Android devices. Dynamic sourcing package platform	Restaurant reservations Dynamic sourcing packages
2012	*Search by Map* option. Integration of car hiring within the flights booking platform	High-end, luxury hotel accommodations
2013	Rumbo integration	Web check in Parking

2004

Fabio Cannavale and Marco Corradino, two professionals with extensive knowledge and understanding of the travel and e-commerce industries, developed and launched Volagratis, a pioneering search engine for low cost flights on the Italian market.

2006

The Bravofly Group was founded in 2006 and set up its headquarters in Chiasso (Switzerland). This was the beginning of the international expansion, with localized websites launched in Spain, France, Germany and the United Kingdom.



Fabio Cannavale (left) and **Marco Corradino** (right)

2010

New executives joined and reinforced the Group's top management team. Francesco Signoretti became Chief Executive Officer, while Sergio Stievano and Gaspar Santonja became Chief Operating Officer and Chief Financial Officer. In 2010, Bravofly Group also bolstered the shareholding structure, bringing in a pool of investors including AXA Private Equity (renamed Ardian in 2013) and Micheli Associati as minority shareholders.

2011

The Group launched a new website specializing in package holidays, offering both dynamic and static packages. Following the entrance of Crocierissime, the offer of cruises enhanced the range of products provided directly by the Group.

2012

In November the Group acquired Rumbo from Orizonia Corporación and Telefónica. Founded in 2000, Rumbo is one of leading Online Travel Agencies in Spain, also operating in other European markets as well as in South America. Subsequently the acquisition, the company has changed its name to Bravofly Rumbo Group.

2013

In December, Bravofly Rumbo Group acquired the travel metasearch provider Jetcost. Launched in 2006 in France, over just a few years Jetcost has became a leading player in its domestic market, being also well-placed in Italy and Spain.

OUR BRANDS

Bravofly is a travel website offering flights from both traditional and low cost airlines, and integrates a variety of travel products and services, such as hotel reservations and car rentals. Bravofly websites are available in 14 languages.

Rumbo is a full-service travel website, whose extensive offer comprises flight tickets, package holidays, cruises, hotels and rental cars, as well as bus and railway tickets. Rumbo addresses our Spanish-speaking markets.

Crocierissime offers access to deals from top Italian and other cruise lines, including Msc Crociere, Costa Crociere, Norwegian Cruise Line and Royal Caribbean. Crocierissime mainly addresses the Italian market.

Volagratis is a travel website offering a complete range of travel products and services from flights and hotel reservations, to package holidays and cruise vacations. Volagratis mainly addresses the Italian market.

Viaggiare provides dynamic package holidays, enabling users to combine two or more travel components, such as flights and accommodations, from our extensive product and service offering. Viaggiare mainly addresses the Italian market.

Viajar is a Spanish website that provides a range of customized travel content such as flights, hotels, vacation packages, cruises, and railway tickets. Viajar addresses the Spanish-speaking markets.

Jetcost is a French metasearch provider that allows users to search for and compare travel and leisure products from several suppliers. Jetcost websites are localized for European countries, as well as for other markets such as Brazil and Australia.

Bravoavia is a travel website specialized in flights search, comparison and booking. It was launched in 2011 in Russia as a joint venture, and it mainly addresses Russian-speaking markets.

In 2014 Bravofly Rumbo Group started a restyling process for its main brands in order to improve Group recognition. The process is still ongoing as of June 30th.

Bravofly
Rumbo
Crocierissime
Volagratis

FOCUS ON JETCOST

In December 2013, Bravofly Rumbo Group entered the metasearch business through the acquisition of the French company Jetcost.

Jetcost is a travel metasearch site that provides cutting-edge technology to let users run flight, hotel, car rental and other travel product queries, using a number of search options to refine the results. The metasearch engine scans several suppliers and OTA websites simultaneously and aggregates the best search options. Once users have chosen the most suitable solution from the extensive Jetcost inventory, they are directed to the provider site to complete the booking.

In 2006 Arnaud Cohen Scali, Jérôme Cohen Scali and Antoine Michelat launched Jetcost as one of the first travel metasearch engines on the French market, specializing in both traditional and low cost flights. Over the years the company has expanded into new markets as well as extended the offer to include car rental, hotels, package holidays and other travel and leisure products and services.

Today, Jetcost operates localized websites in 20 countries, and has recently entered into 5 new markets outside of Europe, including Brazil and Australia. Jetcost is one of the leading players in its home-market, France, where it attracts approximately 2.5 million unique users per month. The company is well-positioned in Italy and Spain with 1 million unique users each per month.

The growth has been mainly driven by the founders' ability to develop a cutting-edge platform with an easy-to-use interface, to plan a successful marketing strategy to expand the user base, and to make the company a partner of choice for leading travel providers. Jetcost's main customers are airlines, car rental companies, tour operators and OTAs. In particular, the partnership with Bravofly Rumbo Group dates back to 2007, and today Jetcost is a primary volume contributor to OTA sales in France.

In December 2013, Bravofly Rumbo Group reached an agreement for the acquisition of Jetcost, which will continue to operate as an independent business run by its founders. Besides entering a new business segment, the deal was aimed at supporting the Group in strengthening its position on existing markets as well as entering new ones. For Jetcost the acquisition will strengthen and accelerate the growth process through exploitation of Bravofly Rumbo Group's resources, expertise and know-how.

"Over the years we have been approached by several companies interested in our business, but we have always rejected their offers. Bravofly Rumbo Group's proposal caught our attention right away because we felt the company had our same approach to work, and aspirations very close to ours.

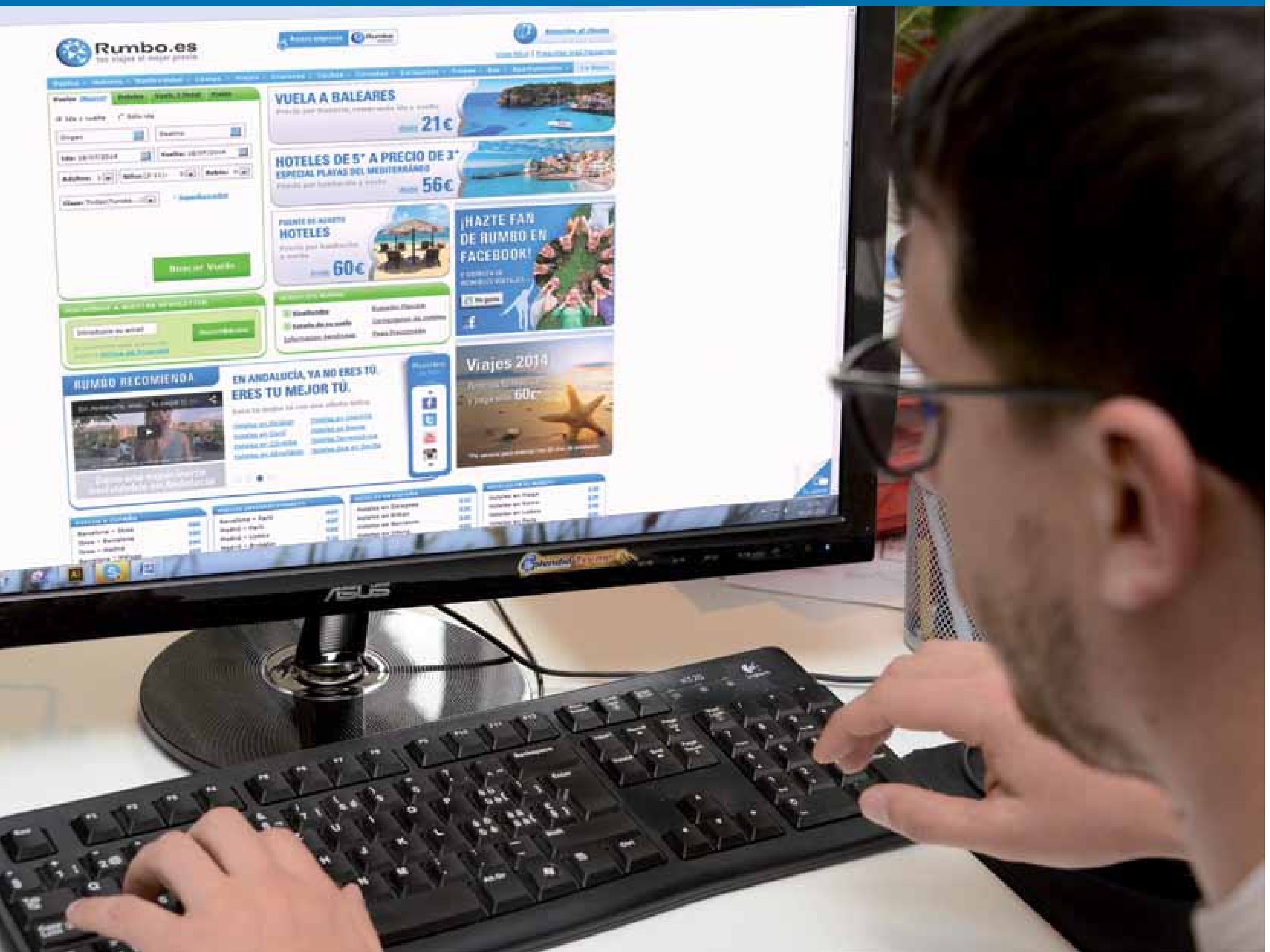
The human aspect has been a key factor in our decision to enter the Group.

Not to mention the opportunity to join forces with one of the leading players in the industry, a company that shares our commitment to help customers to easily choose the travel solution that most suits their needs, through a wide range of products and services as well as cutting edge technologies. We believe that the Group's expertise and global market presence will enable us to accelerate our growth."

Arnaud Cohen Scali
Co-Founder of Jetcost

OUR BUSINESS

Bravofly Rumbo Group's core activity is to enable customers to find and book their travel arrangements, by providing a large range of travel products and services as well as cutting-edge technologies.



Our consumers utilize our services for searching and booking flights or other travel and leisure products such as package holidays, cruises, rental cars or hotel accommodation.

Through a mix of IT-driven platforms and human-interface operations, we provide users with tools to find and select the flights or other services they want, to combine flight and non-flight offerings into dynamic vacation packages, and to book and pay for the chosen services. We also provide ancillary products and services such as travel insurance.

Tools to search and choose. The metasearch and the OTA's search functions of our web platforms allow users to search for a wide range of travel products and services, and compare the prices from various product providers by using our advanced filtering functionality.

Booking machine. While our metasearch site (i.e. Jetcost) redirects consumers to the product provider to complete the booking, users of our OTA's platform can make the reservation they wish through our booking system, and also purchase ancillary services. We complement our technological platforms with a team of skilled agents available to support users in every stage of booking of their travel arrangements. Acting as a tour operator, we enable our customers to build and book their ideal vacation by dynamically mixing and matching multiple travel components (for example, airline tickets, hotel rooms, rental cars and travel insurance) into one bundled, low-price package. We also provide customers with agents' support on the telephone in order to best arrange their vacation.

Post sales services. Once customers have booked their flights or other travel and leisure products, we can offer post-sale assistance through our skilled travel agents.

OUR MAIN PRODUCTS

Flights. We offer flights from over 350 airlines, both low cost and traditional. Airline ticketing is our largest activity, with websites specializing in searching, comparing and booking flights.

Hotel booking. We provide online access to inventories of more than 400,000 hotels, integrated service providers linking travel agents and hotel operators, and also deal directly with hotels.

Package holidays. Through our platform, we enable our customers to create dynamic packages, as well as to select static packages whose features and prices are defined in advance by the tour operators we partner with.

Cruises. We work with renowned cruise lines, including Msc Crociere, Costa Crociere, Norwegian Cruise Line and Royal Caribbean, Ibero Cruceros and Pullmantur Cruises, to offer cruise vacations at the best fares available.

Car Rental. In cooperation with RentalCars.com we offer worldwide, low-cost car rental. In order to provide the best offer on each market, we leverage a large network of global suppliers such as Sixt, Europcar, Avis and Hertz as well as local niche players.

Ancillary services. We offer an expanding range of ancillary travel-related services. These include pre-arranged airport parking and online check-in. In certain countries we also offer a flight flexibility option called Volaflex, which allows customers to cancel flights and obtain repayment of the ticket price even when the rates previously selected by the customers would not entitle passengers to repayment on cancellation.

OUR SALES CHANNELS

As a technology-driven company, we rely heavily on our IT solutions to sell our products and services. At the same time, we have built up dedicated teams of travel agents and customer service agents to assist our customers through live interaction, typically by telephone. We regard our dual technological and operational approach as a strategic strength and one of our key distinguishing factors.

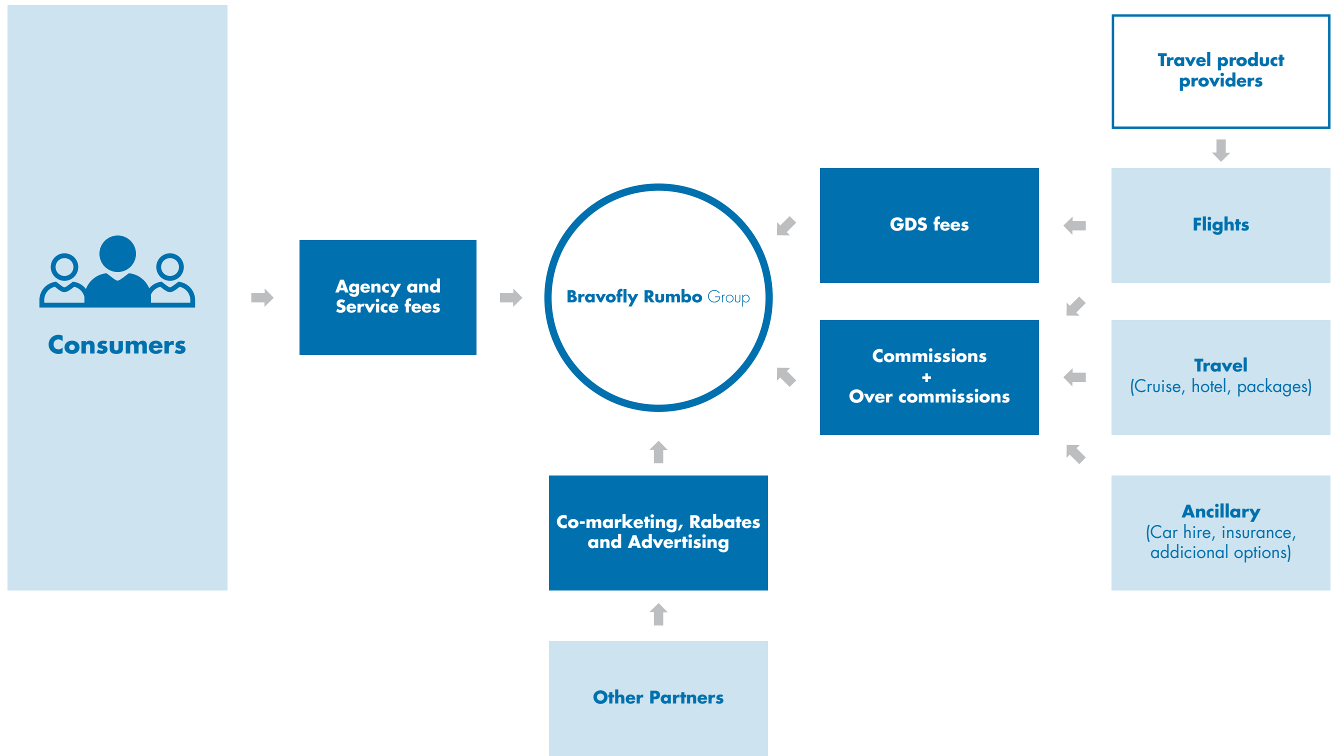
The tendency to rely on agents to book travel arrangements can vary significantly from product to product. Customers booking package holidays and cruise vacations are usually more likely to book through agents, who support them at every stage of the process.

To meet cruise and package holidays customer needs, we provide a team of travel agents who are regularly trained. The consultants' extensive knowledge of our offer is combined with a cutting-edge platform for sourcing travel products and connected services, in order to provide customers with tailor-made solutions, which are often different from what they had come across when browsing deals on our website.

Customers can get in touch with our consultants in two ways. Once they have chosen a travel arrangement and sent the reservation request through our websites, the travel consultant who is best suited to handle their requirements will automatically contact them. Otherwise, customers may call the consultancy service directly. In both cases, the booking is completed with an average of three calls, including after-sales service. The integration of the CRM platform with the switchboard enables recognition of the number of the account for customers who have previously called the service, directly addressing them to the consultant who is already assisting them.

OUR SOURCES OF REVENUE

Our revenues consist of fees that our customers pay when they they use our services, and a wide variety of commissions and similar fees paid by travel product providers and other partners.



Main sources of flight revenue

Service and agency fees. We generate revenue from the mark-ups, service and agency fees we charge our end customers for the services we provided.

Commissions from airlines. In certain markets, airlines may pay us a commission calculated as a percentage of the gross value of the flights booked through our platforms. Airlines may also pay an additional commission (over-commission) typically upon the achievement of certain sales targets.

GDS revenues. We receive incentive payments from our Global Distribution System, or GDS service providers based on the booking volumes completed through their systems.

Additional revenues connected with the flight business. We generate additional revenue from a series of additional services connected with our flight products, such as third-party insurance or flight flexibility options.

Sources of non-flight revenue

Dynamic package holidays. We receive a combined stream of flight revenues, revenue from hotel bookings and, where relevant, from other products and services that customers include in the package.

Static vacation packages. We receive commissions from our suppliers on the basis of volumes generated. In other cases, we have access to net prices and charge a mark-up to our customers.

Cruises. We generate revenue connected with cruise bookings through a dual approach. Usually, our suppliers pay us a commission on the basis of volumes generated. In some cases, we have access to net prices and charge a mark-up to our customers.

Hotel bookings. We also use a dual approach with respect to hotel accommodations, generating revenue through a mixture of commissions paid by suppliers on the basis of volumes generated, and mark-ups over net price that we charge to our customers.

Car rentals. We receive commissions from our supplier on the basis of the volumes generated.

Additional revenues connected with non-flight business. Our non-flight revenues also include the margin we generate from the sale to our customers of third-party travel insurance connected with any non-flight product.

Other sources

In addition to our core OTA activity, we also generate revenue from advertising campaigns by a variety of advertisers who pay to advertise on our websites as well as through co-marketing activities.

Co-marketing and promotional activities. We develop promotional and co-marketing projects, mainly in Italy, Spain and France. In addition to generating revenue and building a database of potential new customers, these initiatives give us a powerful opportunity to link our brands to well-known offline brands of leading international companies, such as Enel, Telecom, Unicredit, Intesa San Paolo, PosteMobile, HomeAway, Wall Street Institute and General Optica.

Our knowledge and expertise in the travel sector enable us to create significant added value for co-marketing partners. Implementing promotional campaigns with specific features and personalized solutions. Usually, these campaigns consist of rewarding their customers with our travel vouchers. We can execute all phases of these projects with a high degree of technological flexibility. We provide our partners with turnkey solutions and expert technical assistance and support.

Advertising and agreements with tourist boards. Our websites give advertisers the opportunity to communicate with consumers and increase their brand visibility at an international level. The size and engagement of the audience makes our websites an ideal place for advertisers to maximize the impact of advertising investments, reaching interested shoppers. We provide advertisers with a wide range of innovative solutions to satisfy their individual needs.

We also cooperate with tourist boards in order to attract travellers to their destinations. We are involved in several projects to promote local attractions and boost hotel bookings and other services in a given region. This activity is particularly well-established in Spain, where Rumbo is the partner of a number of regional tourist boards. Our initiatives with them include travel promotions, packages created specifically for a given marketing campaign, social media campaigns and dedicated pages on group websites.

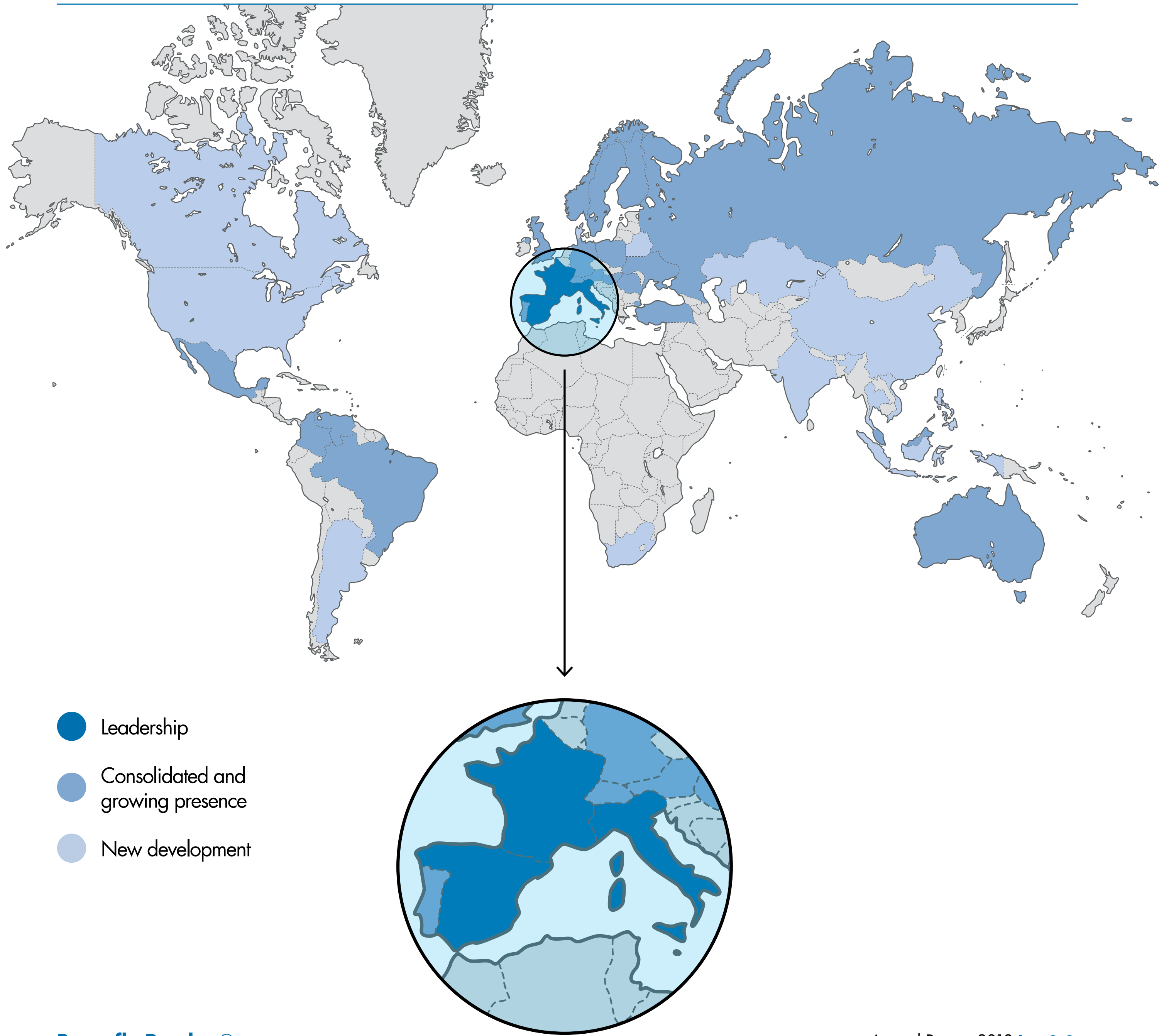
OUR PRESENCE AND EXPANSION STRATEGY

Bravofly Rumbo Group operates websites in more than 35 countries. Our core geographical market is Southern-Europe (Italy, Spain and France), where we provide a complete range of travel products and services. Thanks to our localized websites for flight searches, we are well-positioned to capitalize on growth opportunities in the online travel industry in Germany, Scandinavia and Eastern Europe.

In 2013 we boosted our development in the more recent markets such as Russia, Australia, the Philippines, and Singapore, as well as eyed new markets including other Asian countries, the Middle East and South America.

Our approach in these markets is to employ our tried and tested, capital-light "Land and Expand" strategy, which involves a step-by-step expansion approach into a new area. The acquisition of Jetcost has further increased our strategic flexibility. It allows us to enter into markets that by way of how they are structured are less appealing for international OTAs.

We plan to leverage our metasearch capabilities, state of the art technology platform and our ability to share best practices between our existing and international operations to maximize the probability of success for our international expansion plans.



NEW BUSINESS VENTURES

We support innovative digital start-ups, helping them to develop platforms to integrate new products and services.

We currently hold stakes in and act as development partner for four such businesses:

2spaghi is an Italian community for food lovers, providing a social platform to share their eating experience and make restaurant reservations.

DoveClub is a private sale club, offering exclusive travel deals to registered members. It is a joint venture between Bravofly and RCS, one of the main Italian publishers.

Prezzibenzina is a location-based platform to search for filling stations and compare fuel prices in a given area. The platform is available in Italy both online and as an application for mobile devices.

Vivigratis is a deal-of-the-day aggregator. The platform scans hundreds of offers from flash sales websites and private buying clubs, and classifies them using a series of filters that reflect subscribers' requirements.

FOCUS ON M&A ACTIVITY

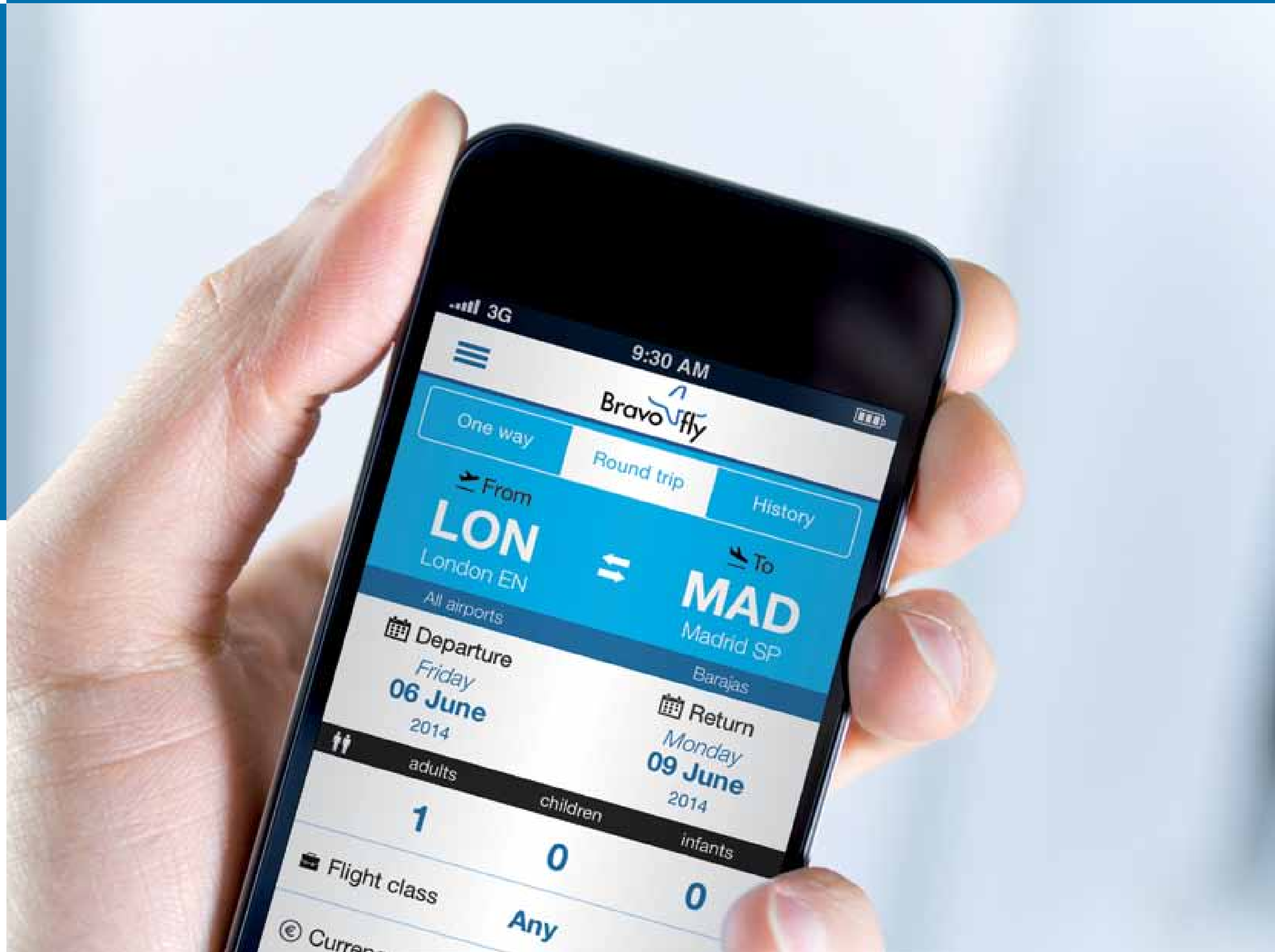
Historically, Bravofly Rumbo Group has pursued an organic growth strategy. With the acquisitions of Rumbo in 2012 and Jetcost in 2013, we have also launched an internationally-minded external growth strategy. Today our objective is to capture the significant growth potential in our core markets and leverage our existing platform for expansion into new territories through a multi-pronged growth strategy involving organic and M&A growth levers.

In the coming years we expect to invest a total of €200 million in M&A transactions. Through selected acquisitions we aim at consolidating our structure, broaden our product offer, strengthen our presence on the markets where we already operate and expand to new geographical areas both as an OTA and a metasearch provider.

In order to support M&A activities, in 2013 we created a dedicated team responsible for sourcing, assessing and executing acquisitions.

Our current key criteria in evaluating potential targets include additional non-flight competencies, new channel capabilities, significant IT know-how, and expansion of our geographic footprint and large customer bases. It is important to us that potential targets are showing growth, positive EBITDA and a strong cultural fit.

OUR TECHNOLOGY



Information technology is at the core of our business. Bravofly Rumbo Group's key competency is developing well-designed, user-friendly interfaces that integrate a wide travel offer with multiple filtering, sorting and comparison tools.

Our commitment is to simplify users' searching and booking experience, concealing the complexity of the underlying technology. Competitive strength lies in the high flexibility of the platforms' architecture and the ability to rapidly adapt the infrastructure to evolving consumer demands. All technological systems are designed in-house at our IT development departments in Chiasso and in Madrid, which employ 117 IT developers and 23 system engineers.

OUR KEY TECHNOLOGIES

Technology platforms power our websites by rapidly searching through extensive databases of flights, package holidays, cruise vacations, hotel accommodation and other travel-related products, and return comprehensive query results in a clear and intuitive manner. Advanced features help reduce the large volume of information by matching users' requirements, such as timing, price, airports and number of stopovers. Ranking software sorts the results by relevance and suitability to users' needs. Comparison tools make it easier for users to evaluate option details and decide which deal is best for them. In addition, our technological infrastructure provides a secure reservation system through which customers can safely book their flights and other travel arrangements.

Our agents support users in the booking process and provide post-purchase assistance. We have optimized our customer service by developing a unique architecture that integrates technological functions with service operations. Even in case of sporadic system and automatic process interruptions, customers can complete bookings, having our operators manually complete the reservation.

Flights search tools. Our websites provide users with easy-to-use interface and useful tools to search, compare and book flights that match their needs in just a few minutes. We believe that we pioneered the increase of customer options by making it possible to combine outbound and return flights operated by different traditional and low cost carriers in Europe.

For users with greater flexibility, we provide an interactive graph showing the lowest airfares a few days before and after the selected date. The ''Best Offers'' option makes it possible to find the cheapest deals for a selected route or at a specific location. ''Search by Map'' allows the user to input a departure location and maximum price, then displays on a map the best flight deals for several destinations.

"Integration is obviously not only a matter of software, but also a matter of processes, people and culture."

Raffaella Rossini
Product Owner Master

Package holiday search tools. Through the dynamic package holidays platform, customers can tailor their package holiday by matching different travel components, such as flights and hotel accommodation. Our websites offer millions of travel products and services, which are dynamically updated every day by monitoring supplier databases.

Our search tools enable users to define their destination on a map and access additional information on vacation features through for example integrated TripAdvisor reviews or integrated weather information. Customers who are able to be flexible in terms of destinations and dates can significantly increase their opportunities to find an attractive package. With our Best Deal feature, they can select up to three destinations from those suggested by the interface, and specify how flexible they are regarding a given departure date. For many customers, budget rather than destination is the starting point in choosing a vacation package. Our Search by Price feature allows them to set a maximum price and then choose among destinations and dates that fit their budget.

Hotel search tools. Using our services, customers can choose and book hotel accommodation in any of several hundred thousand hotels worldwide. The key features of searching and comparing our hotel bookings include the advanced filtering functionality, the possibility of doing a visual map search, detailed accommodation customization and additional trip details.

The advanced filtering functionality enables the real-time sorting of results without having to reload the webpage, based on categories such as star rating of hotels, cost, specific facilities at the hotel and board time. Through our map search functionality, the customer can select a hotel based on its location on a map. We also offer various options in terms of room type and dining arrangements, with real-time pricing updates. Extensive information on hotel features and the surrounding area supplements our offer.

Cruise search tools. Bravofly Rumbo Group has developed an advanced filtering functionality that enables customers to sort results based on categories such as cost, departure dates and locations, cruise provider and cruise type. We also provide extensive information on both cruise features and stopover locations.

DEVELOPMENT OF MOBILE PLATFORMS

In the past few years Bravofly Rumbo Group has developed a variety of platforms for handheld mobile devices. With mobile, smartphone and tablet penetration increasing, there is a significant opportunity to capture existing and new customers who are migrating to these devices in what has been described as a shift from desktop to mobile devices.

In 2010 we introduced our first iOS-based app in Italy to enable mobile users to search for, sort, compare flights in a few quick steps, and complete the booking process easily and safely. We subsequently released the app for Android devices and Nokia smartphones.

We also introduced features that are well-suited to mobile devices such as flight status trackers informing customers in real time about punctuality, delays or cancellations of their booked flights.

"We are committed to improving our skills and keeping our attitude open, in order to successfully face the challenges of the future."

Vanesa Tejada
Product Owner Master

In 2013, we made our website fully mobile-adaptive. That is, our mobile site adapts its content and user interface depending on the user's device. Although mobile users had always been able to access our websites over their devices, our servers now recognize whether the visitor is accessing a site over a desktop, a tablet or a handheld and presents the website to users in a format optimized for the devices they are using.

Mobile platforms are important because they allow customers to access us anytime, anywhere, even after they have begun their trip. We see different possible ways to capture value through the mobile channel: as a customer acquisition channel, which may lead to the completion of the transaction in a mobile device or on a desktop, and as a facilitator for cross-selling value-added services throughout the travel experience of our customers. We will continue to innovate and launch applications that will add convenience to our customers' daily lives. Given the increasing trend towards mobile bookings, we have adopted a ''Mobile First'' strategy and develop every new website for mobile devices first, before adapting it for desktop browsing.

OUR INTEGRATION EXPERIENCE

Following the merger between Bravofly and Rumbo, we have focused on the integration of the two companies' platforms for each of our offerings. The main challenge has been to converge onto a single platform by product, ensuring the same performance in booking volumes and reducing the impact on user experience.

The integration process has involved flight, hotel, cruise and package sales platforms, as well as involving customer payment software, software preventing malicious transactions, the platform providing customer assistance on bookings, and the user account management platform.

In each area, we selected the platform we deemed best, developed by either Bravofly or Rumbo, integrating however the "not-to-miss features" from the one left out. This selection process was a really challenging task, for which we implemented a careful business analysis focusing on some assets:

- » Readability of the bookings data for Business Intelligence
- » Performance and scalability of the software
- » Booking volumes generated
- » Internal support for the technology used
- » Number of product suppliers integrated
- » Ease of integration of new partners
- » Ease of customization of the inventory depending on business needs

In June 2013 we began migrating our websites to the upgraded platforms, starting from minor markets in order to easily monitor the process and customer reactions. We expect the process to be completed by 2014.

The integration has had positive consequences on the IT team's organization and workflow. Having a single platform, we were able to release resources and re-assign them onto improvement efforts and new projects as well as reducing maintenance work.

The reorganization of the work processes has been facilitated by the Scrum method, used by the whole team to develop new software. This means having a common glossary, a similar team organization (with a Scrum Master, a Product Owner and the Developers), and handling projects according to similar procedures. To strengthen cooperation within the new IT team we created a "Community of Practice" in order to share experiences and discuss common technology, project, practice, and knowledge issues.

New projects are now assigned to mixed teams, including developers based in Chiasso and in Madrid (eg. Sabre GDS integration).

OUR CUSTOMERS

Building long-lasting, strong customer relationships is key to our success. In 2013 we processed over 2.8 million transactions, handling over 4.5 million passengers.

Overall at a group level, returning customers generated 42.4% of our flight bookings in 2013. In Italy and Spain, where our presence is more established, we had 57.9% booking made by returning customers, while in the newer countries they were 25.5%.

CUSTOMER ASSISTANCE

We aim to be accessible to our customers in every way possible. We provide email support, chat support, inbound and outbound call centers. Our email support replies to customers' queries within 48 hours, while our chat support provides instant help for Italian-speaking customers. Our inbound call center is available 24 hours a day, 7 days a week for Italian, Spanish and English speaking customers. It also enables us to complete the bookings directly by phone. Our outbound call center makes sales calls for other key languages, targeting potential customers from incomplete bookings and website leads.

Our approach is to handle key issues in-house and to outsource less critical tasks to customer relationship management companies that we judge able to serve our customers with the efficiency and high quality standards that we demand. To this end, we have a long-lasting partnership with Transcom and Atento, two global CRM service providers. Outsourced call centers are based in Italy, Morocco, Hungary, Tunisia and the Czech Republic.

TRAVEL AGENT SUPPORT

We are committed to help clients arrange their perfect journey. Our websites are meant to be a one-stop shop for all requirements across a wide range of travel and leisure categories, while cutting edge technology helps users search, compare and book solutions in a fast, simple and safe way.

Although our business is highly technology-driven, we believe that technical platforms cannot, and should not, completely replace human support. Some customers prefer to make their bookings using operator assistance. The tendency to rely on human interface to book travel arrangements can vary significantly from product to product. For example, customers arranging vacation packages and cruise vacations have historically been more likely to book through agents than customers arranging flights.

Our efforts aim to connect users with travel experts who provide advice and information for planning and booking products and services that suit their needs. We want our customers to know that they can rely on our expertise to find the best solutions, and on our commitment to back them throughout the entire travel and leisure experience.

Our agents support customers at every stage of the process. Prior to sale, they are available by phone to answer questions and provide assistance. At the moment of sale, our agents can guide the customer through the booking process through an online chat. After sale, they assist customers with their post-booking needs, for example, re-bookings, cancellations, or purchase of ancillary services, and can also handle changes from the airlines.

CUSTOMER FEEDBACK MANAGEMENT

Corporate reputation is a key factor in developing our business. At the heart of this is maintaining a positive relationship with our customers, whether this is through the continuing high-quality service that we offer, from a complete booking process where the client is looked after by skilled travel agents from start to finish, or through customer feedback. We have a dedicated team within our Operations & Marketing department that works closely to address any query or claim and resolve it as quickly as possible.

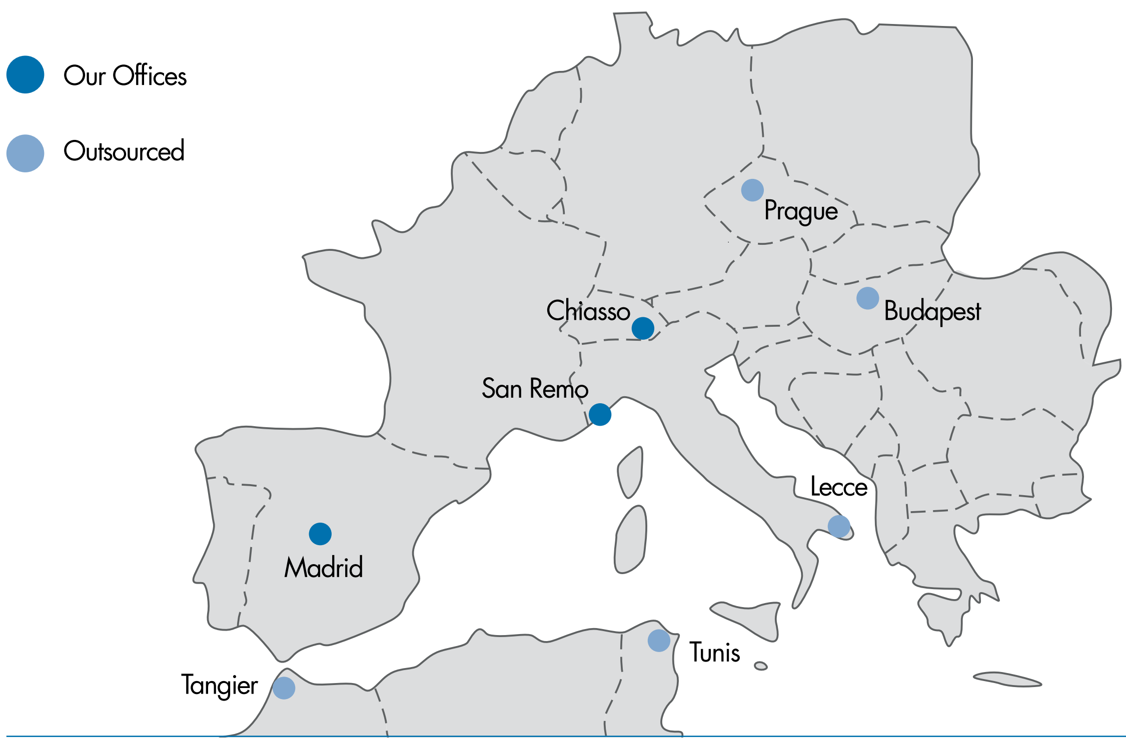
We also run periodic surveys to monitor customer satisfaction. Feedback plays a key role in developing our strategies to gain and retain customers, giving us a better understanding of what they want and need. Collating all this information in a comprehensible and effective way involves the production of detailed monthly reports establishing the key areas for improvement and also where our actions and reactions have resulted in increased customer satisfaction. Our goal is to create a virtuous circle in which customer feedback allows us to make calculated decisions, generating greater efficiency and developing a business strategy that takes into account the specific requirements and needs of all the countries we operate in.

CUSTOMER ENGAGEMENT

We successfully engage with our audience on the main social networks, from Facebook to Twitter, Google+, Pinterest, and Linkedin. In particular, we regard Facebook fan pages as an excellent forum for marketing our products and services to customers and potential customers while at the same time building communities of travel enthusiasts.

On these networks, users can share experiences, learn about our latest news, get support before and after the booking of flights and holidays, and receive special offers reserved for fans.

In 2013, we achieved more than 1,100,000 "likes" and followers, with official pages localized for Italy, Spain, United Kingdom, France, Germany and Russia. Our presence in social media networks helps us build communities, brand awareness and goodwill. Despite a large audience, we are able to establish a direct relationship with many of our fans. We continuously seek to encourage fan participation and stimulate interaction by using social initiatives and contests to make the pages more appealing.



OUR PEOPLE

At 31st December 2013, Bravofly Rumbo Group had a total of 568 employees, 255 of which at our headquarters in Switzerland.

Bravofly Rumbo Group considers the quality of human capital a condition for outstanding achievements. Our strategy is to attract and retain the very best people in all areas of the company. We focus on making Bravofly Rumbo Group an innovative, exciting place to work, where talent is well recognized and bright, young people are empowered to reach their professional goals. We complemented the dynamic young team with a strong, experienced management group.

TALENT SOURCING

The Bravofly Rumbo Group needs to rely on the most talented people to remain competitive. Our staffing strategy is based on developing talents within the company, and we usually run internal assessment before calling job seekers.

The first step of our recruitment process is to define the technical and soft skills needed for a given position. We use a variety of channels to source talents at different career stages, after checking our database of profiles that we have interviewed over the years. Entry-level staff is recruited from universities and through Careers Days, which are a great opportunity to introduce our company and meet a high number of students and graduates. Basic aspects we look for in junior profiles are curiosity, a deep interest in innovation technology, along with excellent academic background and experience in living abroad.

Vacancies in senior positions are communicated through Bravofly Rumbo Group's websites, employment websites and social media for professional networking, which are becoming a more and more useful channel to reach a larger talent pool. We also involve international headhunters and staffing agencies, which are instructed to submit candidates with diverse characteristics. Senior profiles have relevant experiences, also outside our core business, and bring new views to the company. For the Bravofly Rumbo Group seniority is a question of knowledge and expertise, rather than age: our challenge it to recruit strongly motivated "young seniors".

TRAINING & DEVELOPMENT

Bravofly Rumbo Group considers training as a critical investment to ensure continuing success. We are committed to improving and developing our people's technical and soft skills as well as management expertise, providing the essential tools to achieve professional and personal growth. Training initiatives create opportunity to share knowledge and information between the company's functions. Bravofly Rumbo Group actively involves internal talents to teach colleagues, in order to promote mutual exchange and team building. In 2013, we held 30 external and internal courses and training on the job activities for approximately 15,000 man-hours. The courses covered three areas: technical skills (Excel, SEO, Amadeus GDS), management expertise, and language skills. In particular, we focused on Spanish and English, and invested on Scrum Methodologies and on GDS (Amadeus and Sabre) for learning on the job activities. We are fostering and improving in Agile Methods Implementation, promoting the creation of cross-country Scrum teams.

As far as employee development is concerned, we launched an individual development program based on a multi-rater feedback questionnaire called 360, aimed at personal and organizational development; the feedback is based on an online questionnaire collecting the observed behaviour of each participant, which is linked to specific and organizationally relevant competencies.

The person receiving the feedback completes a self-assessment and then receives a feedback from the manager, a group of colleagues and a group of direct reports based on the same questionnaire. Feedback from Colleagues and direct reports is aggregated in the final report, therefore confidentiality is granted.

The final report, explored during an individual coaching conversation, helps the participant in understanding the possible distance between his/her self-perception and the one of others, identifying strengths and the development areas to focus on.

EMPLOYEE DIVERSITY

Multiculturalism, respect and ethics are at the heart of our culture. Some 30 nationalities are represented in our headquarters in Chiasso and Madrid, with 20 languages spoken. The first of the primary core competencies we require from our employees is to have an open, multicultural approach.

With regards to gender diversity, 48% of permanent employees in 2013 were women. Bravofly Rumbo Group supports female employees through work-life balance programs, such as extending maternity leaves up to six month at its Swiss headquarters, ensuring 100% salary in the last two months, which is not required by local laws.

EMPLOYEE INCENTIVE PROGRAMS

To motivate talent, Bravofly Rumbo Group pays close attention to performance evaluation. Most of our employees have a Management by Objectives (MbO) plan, which is updated annually. The assigned objectives aim at improving both individual and team performance, giving the employees the opportunity to share company goals and increasing their sense of belonging to the Bravofly Rumbo Group.

For the same reason, we continued with a stock option plan for our top talents and also launched a stock accumulation plan. We believe this initiative makes our people more involved in Bravofly Rumbo Group's results, by having all the rights and benefits of a stockholder.

Workforce by contract type	2011	2012	2013
Permanent Staff	216	458	525
Temporary Staff	28	57	43
Outsourcing Staff	170	329	284
Total	**414**	**844**	**852**

Workforce by gender	
Female	48%
Male	52%

Based on permanent heads

Split by professional category	
VPs and Directors	5%
Senior managers	10%
Staff	86%

Based on permanent heads

Workforce by range of age at 31 December 2013	
<30 years old	29%
30 - 35 years old	35%
35 - 40 years old	19%
>40 years old	18%

Based on permanent and temporary heads

	2011	2012	2013
Staff Turnover / Out	8.16%	8.89%	6.46%

"I like to say that I began my experience with Bravofly Rumbo Group as a customer. I was looking for a flight on volagratis.com when I noticed a job opening for a Team Leader. Today, serving as a Customer Care Operations Manager, my main goal is to provide users with the best assistance they can ask for, and make them pleased to book again through us. It is quite impressive thinking about the results we have achieved over the past few years. When I joined the Group in 2008, there were less than 40 people working in my department, while today I have hundreds of colleagues from several countries.

Despite the fast growth, we have been able to maintain the same strong values that had driven us at the beginning. To me, cooperation is one of the most important of these values, helping us to constantly improve our service."

Stefania Soranzo
Customer Care Operations Manager
Chiasso

"In 2010 I received a job offer from Rumbo to fill a new position with responsibility for managing flight revenues. It was a big challenge, since I was asked to design tools and processes from scratch. It was also a great opportunity because I ended up getting involved in relevant business decisions, and taking part in several key projects.

Right now, I lead the Metasearch Team and our main task is optimizing more than 400 different metasearch engines in order to keep profitability on a channel that generates high volumes of traffic on our websites.

At Bravofly Rumbo Group you have the opportunity of using cutting-edge tools, working with agile methods and within cross-functional teams. It is really motivating to team up with people who share my passion and are interested in achieving the same objectives in an international, fast-paced working environment."

Isabel Rodríguez
Head of Metasearch
Madrid

"I joined Bravofly Rumbo Group in 2009. As a Business development manager, I deal with several and diverse activities, aimed at expanding partnerships on the French market. Since I started working here, I have witnessed the transition from a start-up to a more structured organization. Even facing a more competitive and fast-changing environment, the Group keeps a start-up spirit, encouraging people to take personal initiative and share information and experiences.

What I like most about working at Bravofly Rumbo Group is the international and multi-cultural environment, and the opportunity to team up with colleagues with different backgrounds and perspectives."

Ilham Khaliss
Business Development Manager
Paris

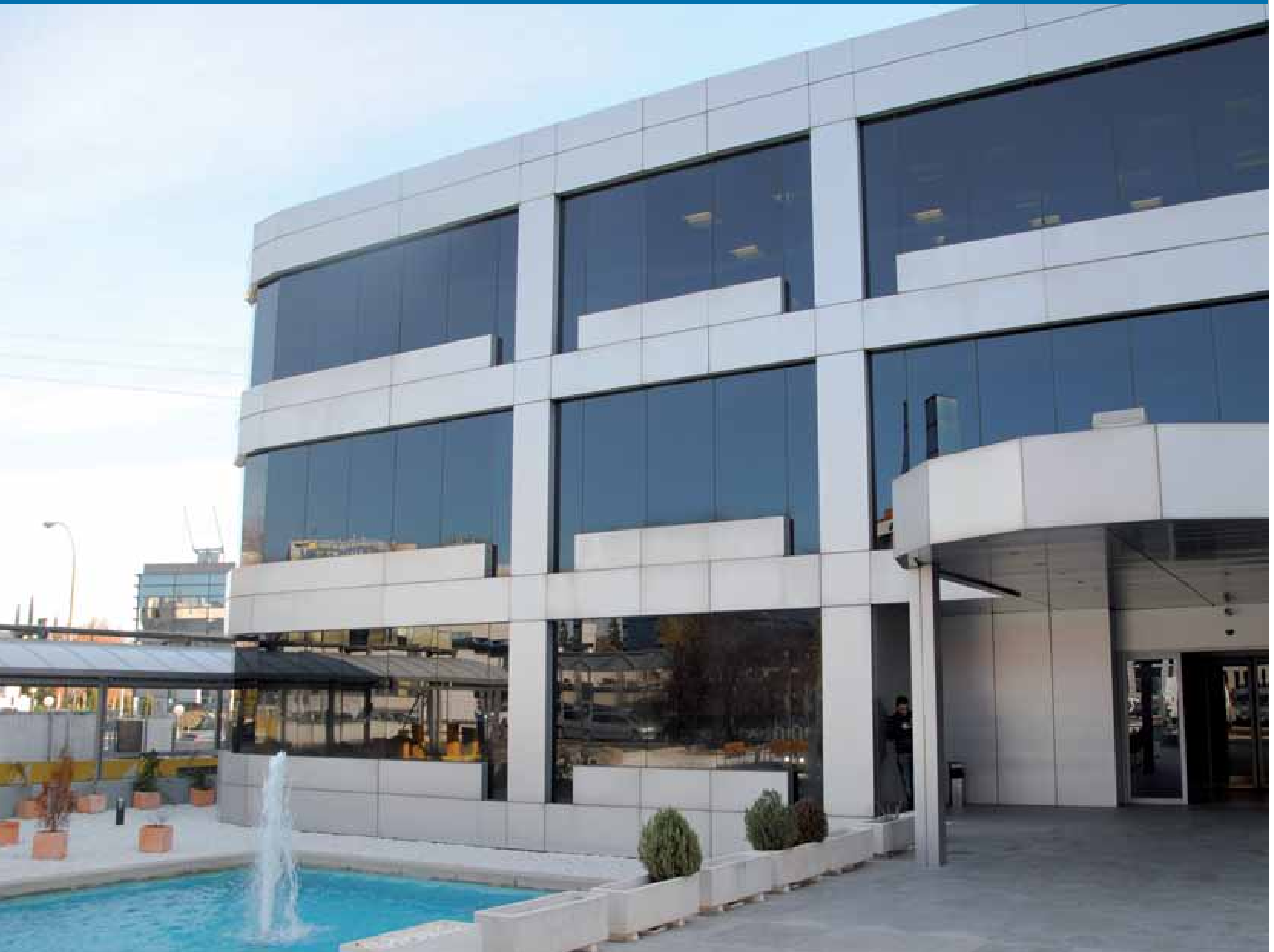
"I have been working in the travel industry for 15 years, and most of them I spent at the Bravofly Rumbo Group. I joined Rumbo's Financial and Administration department in 2003, and today I serve as Spain's financial manager. My department knows the ins and outs of the company, and also keeps its feet on the ground, providing a pinch of reality to our dreams.

I'm proud to team up with many talented people from whom I try to learn every day as much as possible. There are brilliant people working on major projects with big responsibilities, who are very young.

Becoming a much larger and more global company has increased our added value through a wider range of potential customers within many different regions, and through a stronger presence in new markets, each one with its unique heritage."

Beatriz Moreno
Spain's Financial Manager
Madrid

OUR STRUCTURE



MEMBERS OF THE MANAGEMENT

Francesco Signoretti

Chief Executive Officer

Francesco Signoretti holds a degree in engineering from the University of Rome La Sapienza. He joined the Bravofly Rumbo Group in 2010 and has acted as Chief Executive Officer since then. Between 1993 and 1999, Francesco Signoretti worked as consultant for McKinsey & Company. From 1999 to 2001, he co-founded and was managing director for eDreams Italy. From 2001 to 2004, he worked in the marketing department of Wind Telecom. Between 1994 and 2010, he worked for Unicredit Bank, where he held various positions eventually becoming head of global CRM and multichannel banking and deputy head of global retail marketing and segments.

Gaspar Santonja

Chief Financial Officer

Gaspar Santonja holds a diploma in finance from Icade in Madrid. Between 1999 and 2002, he worked for Citigroup as a corporate finance professional both in London and Milan. In 2003, he became a member of the founding team of Eidos Partners, a corporate finance boutique based in Milan, where he worked until he joined the Bravofly Rumbo Group as Chief Financial Officer in 2010.

Sergio Stievano

Chief Operating Officer

Sergio Stievano holds a degree in economics from the Bocconi University of Milan. Between 1997 and 2001, he held various positions in both the Marketing and IT areas at Fiat Group and AME Spa. From 2001 to 2010, he was head of the online bookstore Bol.it, Mondadori-Bertelsmann joint venture. In 2010, he joined the Bravofly Rumbo Group as Business Development Director and has been Chief Operating Officer since 2012.

In June 2014, Sergio Stievano has been appointed as General Manager of Bravofly Rumbo Group.

Filippo Onorato

Vice President IT

Filippo Onorato holds a master in science degree in electronics engineering and computer science from the University of Padua. He spent almost 10 years as an IT architect and senior IT development manager in the telecom industry (Sodalia, Bell Atlantic, Telecom Italia) and in the banking industry (TIBCO/TFTI). From 1999 to 2004, he was IT director at eDreams Group in Emeryville, USA, Barcelona, Spain, and Milan, Italy. From 2004 to 2012, he was eBusiness and IT director EMEA at Arrow Electronics. From 2012 to 2013, he was CIO at Alpitour Group. He joined Bravofly Rumbo Group in 2013.

Jérôme Cohen Scali

Vice President Metasearch

Jérôme Cohen Scali is a graduate of the ESSEC Business School and holds a diplôme d'études appliquées (or DEA) in Probability from the University of Paris VI, a master's degree in Applied Mathematics and a DEA in Finance from the University of Paris Dauphine. From 1999 to 2004, Jérôme worked as a trader at Calyon. From 2004 to 2008, he was a trader for HSBC. In 2006, he cofounded Jetcost. He joined the Bravofly Rumbo Group in 2013 as Vice President Metasearch.

Maria Teresa Rangheri

Chief Communication Officer

Maria Teresa Rangheri holds a degree in law from the University of Milan. From 2005 to 2007, she was communications and public relations director at Fondo Ambiente Italiano, and from 2002 to 2005 she was the internet banking content manager at Banca Intesa. From 2001 to 2002, she was the head of internal and internet communication at Wind Infostrada. She has worked as professional journalist since 2000. She joined the Bravofly Rumbo Group in 2007 as marketing director and was appointed Chief Leisure Travel and Tourism Officer in 2011. She has been the Chief Communication Officer since 2013.

Chiara Santambrogio

Chief Customer Operations Officer

Chiara Santambrogio holds a degree in chemistry from the University of Milan. From 1999 to 2006, she was an account manager at Televoice Spa. From 2006 to 2008, she was the business support manager at Transcom World Wide. She joined the Bravofly Rumbo Group as Head of Operations in 2008, and became Chief Customer Operations Officer in 2013.

Corrado Casto

Chief Software Development Officer

Before joining the Group, Corrado worked as a senior software engineer and software analyst at NewMedia Solutions from 2003 to 2005. From 2001 to 2003, he was software engineer and software analyst at Tecnosistemi Group. He has been at Bravofly Rumbo Group since 2004, and was responsible for the design of the Volagratis platform from its inception. Since 2005 he is the Chief Software Architect and Chief Software Development Officer.

Francesco Sala

Chief Marketing Officer

Francesco Sala holds a degree in management, economics and industrial engineering from the Politecnico di Milano. He joined the Bravofly Rumbo Group for an internship within the marketing department in 2006 and has subsequently held various positions within the Group. He was appointed Chief Marketing Officer in 2013.

Marco Boniardi

Chief System and Infrastructure Officer

Between 2004 and 2007, Marco worked as head of development for Expopage, the web division of FieraMilano. In 2003, he was project manager for mobile infrastructure and applications at H3g. From 1999 to 2003, Marco was the webmaster for the Italian website eDreams. He started collaborating with Bravofly in 2005, and since 2007 he has been Chief System and Infrastructure Officer.

Andrea Bertoli

Chief Vacation Business Officer

In June 2014, Bravofly Rumbo Group broadened its management team with Andrea Bertoli, who took on the new position of Chief Vacation Business Officer. Andrea joined the Group in 2012 and has managed the company's new business development since then. Previously he worked with a leading ski resort in Northern Italy, eDreams and McKinsey.

BOARD OF DIRECTORS

Jérôme Cohen Scali

Executive Director, Vice President Metasearch

Matteo Renzulli

Non-executive Director

Matteo Renzulli holds a degree in industrial engineering from the Polytechnic University of Milan. Between 1999 and 2006, he was head of strategy and business development at Fastweb. From 2006, he has been a director at Micheli Associati, Italy. Currently, he is a board member of Banzai Spa, Elba Assicurazioni Spa, Inbetween GR Spa, MusiXmatch Spa, Citinews Spa, Tethis Spa, Città del Sole Srl, Qualifarma Retail Srl and Milkster Ltd, as well as the boards of several smaller, non-public companies.

Roberto Italia

Non-executive Director

Roberto Italia graduated in economics from LUISS University, Rome, and holds an MBA from INSEAD, Fontainebleau, France. He has been a member of the Bravofly Rumbo Group since 2013. From 1990 to 1994, he worked at the Telecom Italia Group. Active in private Equity since 1994, he was with Warburg Pincus, Henderson Private Capital and Cinven, for which he was senior advisor from mid-2013. Currently, he is a director of Space Holding Srl, chief executive officer of Space SpA, and a board member of Avio SpA, Redbrick Capital Partners Srl, Red Black Capital SA, Cinven Luxco 1 SA, Cinven Luxco 2 SA and FCP Manco Sarl.

Francesco Signoretti

Executive Director, CEO

Fabio Cannavale

Chairman

Fabio Cannavale holds a degree in engineering from Politecnico di Milano and holds an MBA from INSEAD, Fontainebleau, France. In 2004, he co-founded Volagratis.com and has been the Chairman of the Group since then. He started his career as a consultant, initially from 1989 to 1996 for A. T. Kearney and for McKinsey & Company. In 1996 he launched The Floating Village in Venezuela, an innovative concept of a holiday village built on boats. From 1999 to 2001, Fabio co-founded and was a member of the management team of eDreams Italy. From 2001 to 2004 he worked for his family-owned businesses and collaborated with a not-for-profit entity. He is also a member of the board of directors Cavotec SA, Nomina SA and Consortium Real Estate B.V.

Ottonel Popesco

Non-executive Director

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. From 1983 to 1988, he was the sales and marketing manager in the CKB manufacturing division of ABB France. In 1988, he joined Cavotec. Currently, Ottonel is the group CEO and a member of the board of directors of Cavotec SA Switzerland.

Christian De Prati

Non-executive Director

Christian De Prati holds a degree in economics and a Ph.D. in finance from the University of Zurich. From 1998 atond 2008, he was the managing director and chief executive officer for Merrill Lynch Capital Markets AG, and subsequently vice president for Credit Suisse First Boston from 1995 to 1998. He was then country head for Switzerland at Bank of America Merrill Lynch from 2009 to 2011. Currently, Christian is member of the board of directors at Cornèr Bank Group, Peach Property Group and Sterling Strategic Value.

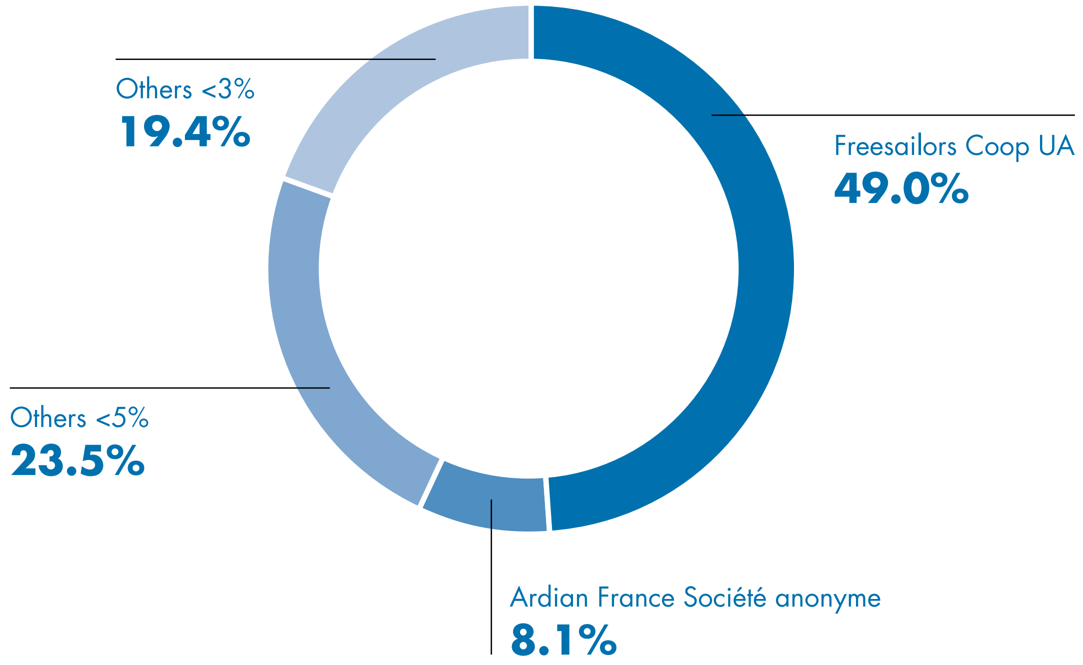
Teodoro D'Ambrosio

Non-executive Director

Teodoro is the CEO of Bravoavia. As an internet entrepreneur and angel investor, he has a number of successful ventures in his track record and he manages an active portfolio of 20 companies. Most of his investments are made through the TA Venture, a Kiev-based venture fund of which he is venture partner. Teodoro started his career at Emaze, which he transformed to become a market leader in Italy for software and network security. Teodoro has an Engineering degree and an Executive degree from Berkeley.

Following the shareholders meeting, which took place on April 15th, 2014, the Board of Directors includes: Fabio Cannavale, Julia Bron, Jérôme Cohen Scali, Christian De Prati, Roberto Italia, Ottonel Popesco, Matteo Renzulli, Francesco Signoretti.

OWNERSHIP STRUCTURE



As of December 2013, the share capital of Bravofly Rumbo Group (Bravofly BV) was split into 12,361 thousand shares with a fair value of EUR 0.01 each. During 2013, in the context of the Jetcost acquisition, the Company completed an increase in share capital by issuing 1,185 thousand additional ordinary shares with a nominal value per share of EUR 0.01, with total proceeds amounting to EUR 21,330 thousand.

BRAVOFLY RUMBO GROUP CONSOLIDATED FINANCIAL STATEMENTS

31st DECEMBER 2013

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

in '000 EUR	Notes	2013	2012 Restated*	2011 Restated*
Revenues	6	123,184	75,020	44,303
Marketing costs	7	(50,813)	(30,566)	(15,799)
Personnel costs	8	(22,113)	(13,073)	(8,223)
Other operating costs	9	(29,256)	(20,065)	(10,597)
Amortization. depreciation and impairment	16/17/18	(5,118)	(2,835)	(1,563)
Profit before interest and income tax		**15,884**	**8,481**	**8,121**
Finance income	10	111	83	45
Finance costs	10	(1,166)	(383)	(27)
Share of result of equity-accounted investees	20	127	(307)	(89)
Profit before income tax		**14,956**	**7,874**	**8,050**
Income tax	11	(2,646)	(1,110)	(931)
Profit for the period		**12,310**	**6,764**	**7,119**
- thereof attributable to the Shareholders of Bravofly BV	12	12,400	7,239	7,387
- thereof attributable to non-controlling interest		(90)	(475)	(268)
OTHER COMPREHENSIVE INCOME Items that will never be reclassified to profit or loss				
Remeasurements of the Employee benefits liability (net of tax)	13	(40)	(198)	(43)
Related tax	11	8	42	9
Items that will never be reclassified to profit or loss		**(32)**	**(156)**	**(34)**
Items that are or may be reclassified to profit or loss		**-**	**-**	**-**
Total other comprehensive income for the period. net of tax		**(32)**	**(156)**	**(34)**
Total comprehensive income		**12,278**	**6,608**	**7,085**
- thereof attributable to the Shareholders of Bravofly Rumbo Group BV		12,368	7,083	7,353
- thereof attributable to non-controlling interest		(90)	(475)	(268)
EARNINGS PER SHARE				
Basic earnings per share (in EURO)	12	1.11	0.71	0.74
Diluted earnings per share (in EURO)	12	1.08	0.70	0.74

** Please note that 2012 and 2011 have been restated as a result of the application of IAS 19 (2011) - refer to notes 2 for futher detail*

CONSOLIDATED BALANCE SHEET

in '000 EUR	Notes	31 Dec 2013	31 Dec 2012 Restated*	31 Dec 2011 Restated*	1 Jan 2011 Restated*
NON CURRENT ASSETS					
Property plant and equipment	16	1,019	1,289	681	379
Intangible assets	17	85,633	69,262	3,856	2,346
Goodwill	17/18	45,949	25,831	351	-
Non current financial assets	19	227	295	2,651	2,650
Investment in equity accounted investees	20	465	-	2,605	316
Deferred tax asset	11	495	1,385	191	149
TOTAL NON CURRENT ASSETS		**133,788**	**98,062**	**10,335**	**5,841**
CURRENT ASSETS					
Inventories		38	130	141	155
Current financial assets	19	771	964	799	191
Current tax assets	11	130	171	86	328
Trade and other receivables	21	27,654	21,943	8,706	5,116
Cash and cash equivalents	22	33,473	30,167	13,716	12,295
TOTAL CURRENT ASSETS		**62,066**	**53,375**	**23,447**	**18,084**
TOTAL ASSETS		**195,854**	**151,437**	**33,782**	**23,925**
SHARE CAPITAL AND RESERVES					
Share capital	23	124	112	100	20
Capital reserves	23	42,001	20,683	43	123
Retained earnings		33,973	20,491	12,916	7,187
EQUITY ATTRIBUTABLE TO SHAREHOLDERS OF BRAVOFLY RUMBO GROUP BV		**76,098**	**41,286**	**13,059**	**7,330**
Non-controlling interest		(124)	138	53	162
TOTAL EQUITY		**75,974**	**41,424**	**13,112**	**7,492**
NON CURRENT LIABILITIES					
Non current provisions	24	2,000	1,600	1,600	1,600
Employee benefits liability	13	1,008	774	426	387
Deferred tax liabilities	11	22,234	17,144	272	219
Long Term Financial Liabilities	25	19,508	27,297	-	-
TOTAL NON CURRENT LIABILITIES		**44,750**	**46,815**	**2,298**	**2,205**
CURRENT LIABILITIES					
Non current provisions	24	665	447	297	31
Employee benefits liability	25	10,486	5,121	-	-
Deferred tax liabilities	11	2,066	1,388	1,266	2,357
Long Term Financial Liabilities	26	61,913	56,242	16,810	11,841
TOTAL CURRENT LIABILITIES		**75,130**	**63,198**	**18,373**	**14,228**
TOTAL LIABILITIES		**119,880**	**110,013**	**20,670**	**16,433**
TOTAL LIABILITIES AND EQUITY		**195,854**	**151,437**	**33,782**	**23,925**

** Please note that 31 Dec 2012 and 31 Dec 2011 have been restated as a result of the application of IAS 19 (2011) and the finalization of the purchase price allocation for Rumbo and Pigi Shipping, refer to notes 2 and 4 for further details, Please note that 1 Jan 2011 has been restated as a result of the application of IAS 19 (2011) and the correction of an provision, refer to note 2 for further details*

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

in '000 EUR	Notes	Share capital	Capital Reserves	Retained Earnings	Equity Attributable to shareholders of Bravofly Rumbo Group bv	Non-controlling interest	Total equity
Balance at 1 January 2011, as previously reported		**20**	**123**	**8,837**	**8,980**	**162**	**9,142**
Restatement for provisions and Ias 19	2			(1,648)	(1,648)	(2)	(1,650)
Restated balance at 1 January 2011		**20**	**123**	**7,189**	**7,332**	**160**	**7,492**
Result for the period (restated)				7,387	7,387	(268)	7,119
Other comprehensive income							
- Remeasurements of the Employee benefits liability (net of tax)	11/13			(34)	(34)	-	(34)
Total other comprehensive income net of tax (restated)				**(34)**	**(34)**	**-**	**(34)**
Total comprehensive income net of tax (restated)		**-**	**-**	**7,353**	**7,353**	**(268)**	**7,085**
Transactions with shareholders							
- Increase in share capital	23	80	(80)	-	-	-	-
- Dividend paid to shareholders	23			(2,000)	(2,000)	(4)	(2,004)
- Share-based payments	14			167	167	-	167
- Acquisition/loss of control of subsidiaries with non-controlling interest	4				-	(34)	(34)
- Capital contribution by non-controlling interest				207	207	199	406
Total transactions with shareholders		**80**	**(80)**	**(1,626)**	**(1,626)**	**161**	**(1,465)**
Restated Balance at 31 December 2011		**100**	**43**	**12,916**	**13,059**	**53**	**13,112**
Result for the period (restated)		-	-	7,239	7,239	(475)	6,764
Other comprehensive income							
- Remeasurements of the Employee benefits liability (net of tax)	11/13	-	-	(156)	(156)	-	(156)
Total other comprehensive income net of tax (restated)		-	-	(156)	(156)	-	(156)
Total comprehensive income net of tax (restated)		-	-	7,083	7,083	(475)	6,608
Transactions with shareholders							
- Increase in share capital	23	12	20,640	-	20,652	-	20,652
- Share-based payments	14	-	-	656	656	-	656
- Acquisition/loss of control of subsidiaries with non-controlling interest	4	-	-	(165)	(165)	280	115
- Capital contribution by non-controlling interest		-	-	0	0	280	280
Total transactions with shareholders		**12**	**20,640**	**492**	**21,144**	**560**	**21,703**
Restated Balance at 31 December 2012		**112**	**20,683**	**20,491**	**41,286**	**138**	**41,424**
Result for the period		-	-	12,400	12,400	(90)	12,310
Other comprehensive income							
- Remeasurements of the Employee benefits liability (net of tax)	11/13	-	-	(32)	(32)	-	(32)
Total other comprehensive income net of tax		**-**	**-**	**(32)**	**(32)**	**-**	**(32)**
Total comprehensive income net of tax		**-**	**-**	**12,367**	**12,368**	**(90)**	**12,278**
Transactions with shareholders							
- Increase in share capital	23	12	21,318	-	21,330	-	21,330
- Share-based payments	14	-	-	819	819	-	819
- Acquisition/loss of control of subsidiaries with non-controlling interest	4	-	-	294	294	(172)	123
Total transactions with shareholders		**12**	**21,318**	**1,114**	**22,444**	**(172)**	**22,272**
Balance at 31 December 2013		**124**	**42,001**	**33,973**	**76,098**	**(124)**	**75,975**

** Please note that 2012 and 2011 have been restated as a result of the application of IAS 19 (2011), refer to Note 2 for further details,*
Please note that 1 January 2011 has been restated for a provision and fot the result of the application of IAS 19 (2011), refer to Note 2 for further details

CONSOLIDATED CASH FLOW STATEMENT

in '000 EUR	Notes	2013	2012 Restated*	2011 Restated*
Cash flow from operating activities				
Profit for the period		12,310	6,764	7,119
Adjustments for:				
- Amortization and depreciation	16/17/18	5,118	2,835	1,563
- Net finance result	10	1,055	300	(18)
- Income tax expense	11	2,646	1,110	931
- Other non-cash items		-	-	(258)
- Share-based payments	14	819	656	167
- Share of result of equity-accounted investees	20	(127)	307	88
Change in trade and other receivables	21	(2,382)	(2,014)	(3,529)
Change in inventories	21	92	11	14
Change in trade and other payables	26	3,902	5,339	4,776
Change in provisions	24	618	91	267
Change in employee benefit liability	13	194	131	(4)
Interest paid		(694)	(237)	(3)
Income tax paid		(2,080)	(1,011)	(1,517)
Net cash from operating activities		**21,471**	**14,281**	**9,597**
Cash flow from investing activities				
Interest received		111	83	45
Purchase of property, plant and equipment	16	(386)	(371)	(490)
Proceeds from sale of property, plant and equipment	16	-	-	28
Purchase of intangible assets	17	(5,371)	(3,485)	(2,549)
Acquisition of subsidiaries, net of cash acquired	4	(1,545)	(49,619)	(447)
Transactions equity accounted investees	4	5	-	(2,601)
Acquisition of financial assets	19	-	-	(608)
Proceeds from sale of financial assets	19	288	2,491	-
Net cash used in investing activities		**(6,898)**	**(50,901)**	**(6,622)**
Cash flow from financing activities				
Proceeds from borrowings	25	-	32,418	-
Repayments of borrowings	25	(11,267)	-	-
Capital contribution	23	-	20,652	406
Dividends paid		-	-	(2,004)
Net cash (used in)/from financing activities		**(11,267)**	**53,070**	**(1,598)**
Net increase in cash and cash equivalents		**3,306**	**16,450**	**1,377**
Cash and cash equivalents at 1 January	22	30,167	13,716	12,339
Cash and cash equivalents at 31 December	22	33,473	30,167	13,716
		-	**-**	**-**

** Please note that 2012 and 2011 have been restated as a result of the application of IAS 19 (2011), refer to Note 2 for further details*

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

NOTE 1 - GENERAL INFORMATION

Bravofly Rumbo Group BV (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. On 23 December 2013, the Company changed its name from Bravofly BV to Bravofly Rumbo Group BV. The consolidated financial statements of the Company as at and for the year ended 31 December 2013 includes the Company and its subsidiaries (together referred to as "Bravofly Rumbo Group" or the "Group" and individually as "Group entities"). The Group primarily is an online travel agency involved in the organization, consulting and sale of travel services over its websites.

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.

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 authorized for issue by the Board of Directors on 6 March, 2014.

CHANGE IN THE STRUCTURE OF THE BALANCE SHEET

Due to its significance, goodwill of EUR 45,949 thousand (2012: EUR 25,831 thousand) has been separately disclosed from other intangible assets in the balance sheet. This constitutes a change of presentation compared to the financial statements as of 31 December 2012.
The amounts of goodwill and intangible assets presented in the balance sheet as of 31 December 2012 were restated to reflect the finalization of the purchase price allocation for the acquisitions of Pigi Shipping Srl and Rumbo SA, refer to Note 4 for further details and to the restatement section below for the quantitative impact on the consolidated balance sheet as of 31 December 2012.

ADOPTION OF NEW AND REVISED STANDARDS AND INTERPRETATIONS

As of 1 January 2013, the Group has adopted the following new standards and amendments to standards:

- IFRS 13 Fair Value Measurement
- Presentation of Items of Other Comprehensive Income (Amendments to IAS 1)
- IAS 19 Employee Benefits (2011)
- Disclosures - Offsetting Financial Assets and Financial Liabilities (Amendments to IFRS 7)
- Annual Improvements to IFRSs 2009-2011 Cycle (issued by the IASB in May 2012)

As of 1 January 2013, the Group has also early adopted the following new standards and amendments to standards:

- IFRS 10 Consolidated Financial Statements
- IFRS 11 Joint Arrangements
- IFRS 12 Disclosure of Interests in Other Entities
- IAS 28: Investments in Associates and Joint Ventures (2011)
- Recoverable Amount Disclosures for Non-Financial Assets (Amendments to IAS 36) (2013)

With the exception of the revisions to IAS 19, the new and revised standards did not have any impact on the Group's overall results and balance sheet. The nature and the effects of the changes most relevant to the Group's financial statements are explained below.

IFRS 13 replaces and expands the disclosure requirements about fair value measurements in other IFRSs, including IFRS 7. As a result, the Group has included additional disclosures in this regard (see Note 3).

As a result of the Amendments to IAS 1, the Group has modified the presentation of items of OCI in its statement of profit or loss and OCI, to present separately items that would be reclassified to profit or loss from those that would never be. Comparative information has been re-presented accordingly.
Due to the fact that the Group's accounting policy choice for actuarial gains and losses under the former IAS 19 already was immediate recognition in other comprehensive income, the principal impact of IAS 19 (2011) relates to the computation of the return on plan assets. Previously the return on plan assets was calculated based on their long-term expected return. Under IAS 19 (2011), the Group calculates the return on plan assets by using the discount rate used to measure the defined benefit obligation. The net interest calculated by applying the discount rate to the net defined benefit liability is included in Personnel costs.
As required by the new standard, the Group's 2012 consolidated financial statements including comparatives have been restated to reflect the changes. The impact of these restatements on the consolidated balance sheet, the consolidated statement of profit or loss and other comprehensive income and the consolidated cash flow statement for all periods included in these consolidated financial statements is presented in the next section.

COMPARATIVE FIGURES AND RESTATEMENTS

The prior-periods information included in these consolidated financial statements has been restated to reflect:

» The finalization of the purchase price allocation for the acquisitions of Pigi Shipping Srl and Rumbo SA, as described in Note 4
» Changes in accounting policies following the adoption of IAS 19 Employee Benefits (2011), as described above
» The opening balance of the retained earnings as of January 1, 2011 was restated to reflect an additional provision in the amount of EUR 1.6 million relating to additional tax liabilities that arose during the years preceding 2011. The restatement of this error is presented in accordance with IAS 8

The quantitative impact of these restatements is summarized in the tables below:

in '000 EUR	1 January 2011			
	As Reported	Restatement of provision	Impact IAS 19 (2011)	Restated
Balance sheet				
Deferred tax assets	145	-	4	149
Provisions	31	1,600	-	1,631
Employee benefits liability	405	-	(18)	387
Trade and other payables	11,768	73	-	11,841
Equity	**9,141**	**(1,673)**	**22**	**7,492**

in '000 EUR	31 December 2011			
	As Reported	Restatement of provision	Impact IAS 19 (2011)	Restated
Balance sheet				
Deferred tax assets	203	-	(12)	191
Provisions	297	1,600	-	1,897
Employee benefits liability	486	-	(60)	426
Equity	**14,664**	**(1,600)**	**48**	**13,112**

in '000 EUR	31 December 2012					
	As Reported	Change in presentation	Finalization of PPA	Restatement of provision	Impact IAS 19 (2011)	Restated
Balance sheet						
Deferred tax assets	1,399	-	-	-	(14)	1,385
Intangible assets	78,392	(65,040)	55,910	-	-	69,262
Goodwill	-	65,040	(39,209)	-	-	25,831
Deferred tax liabilities	444	-	16,701	-	-	17,145
Provisions	447	-	-	1,600	-	2,047
Employee benefits liability	839	-	-	-	(66)	773
Equity	**42,972**	**-**	**-**	**(1,600)**	**52**	**41,424**

	2011			2012		
	As Reported	Impact Ias 19 (2011)	Restated	As Reported	Impact Ias 19 (2011)	Restated
Profit or Loss						
Personnel costs	8,280	(57)	8,223	13,043	30	13,073
Income tax	919	12	931	1,116	(6)	1,110
Profit for the period	**7,074**	**45**	**7,119**	**6,789**	**(24)**	**6,765**
Basic earnings per share (IN EUR)	0.73	0.01	0.74	0.71	-	0.71
Diluted earnings per share (IN EUR)	0.73	0.01	0.74	0.71	(0.01)	0.70
Comprehensive income						
Remeasurements of the Employee benefits liability	(29)	(14)	(43)	(251)	53	(198)
Related tax	6	3	9	53	(12)	41
Other comprehensive income for the period, net tax	**(23)**	**(11)**	**(34)**	**(198)**	**41**	**(157)**
Other comprehensive income	**7,051**	**34**	**7,085**	**6,591**	**17**	**6,608**
Cash flow						
Profit of the period	7,074	45	7,119	6,789	(24)	6,765
Income tax expense	919	12	931	1,116	(6)	1,110
Change in employee benefit liability	53	(57)	(4)	101	30	131
Net cash from operating activities	**9,597**	**—**	**9,597**	**14,281**	**-**	**14,281**

The ongoing impact of the application of IAS 19 (2011) on the profit or loss, other comprehensive income and on the cash flow statement is expected to be of a similar magnitude.

USE OF ESTIMATES AND JUDGMENTS

The preparation of the consolidated financial statements in conformity with IFRSs requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimates are revised and in any future periods affected.

Information about critical judgments in applying accounting policies that have the most significant effect on the amounts recognized in the consolidated financial statements as well as information about assumptions and estimation uncertainties that have a significant risk of resulting in a material adjustment within the next financial year affects mainly the following areas:

Capitalised development costs

As of 31 December 2013, 2012 and 2011 Bravofly Rumbo Group has capitalized development costs in the carrying amount of EUR 7,204 thousand, EUR 6,044 thousand and EUR 2,902 thousand, respectively (refer to note 17). As of 31 December 2013, capitalized development costs not yet available for use were EUR 726 thousand (2012: EUR 1,479 thousand, 2011: EUR 587 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 2013 the net liability for current taxes amounts to EUR 1,936 thousand (2012: EUR 1,218 thousand, 2011: EUR 1,180 thousand). The net liability for deferred taxes amounts to EUR 21,739 thousand at 31

December 2013 (EUR 15,759 thousand and EUR 69 thousand respectively at 31 December 2012 and 2011, 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 recognized liabilities for income tax-related uncertainties are adequate. Various internal and external factors may have favorable or unfavorable effects on the income tax assets and liabilities. These factors include, but are not limited to, changes in tax laws and regulations or their interpretation, and changes in tax rates. Any such changes that arise could impact the current and deferred income tax assets and liabilities recognized in the balance sheet in future periods.

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 2,665 thousand as of 31 December 2013 (EUR 2,047 thousand for 2012 and EUR 1,897 thousand for 2011 - refer to note 24).

Business combinations

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

Impairment

As of 31 December 2013, 2012 and 2011 the Group had EUR 45,949 thousand, 25,831 thousand and 351 thousand respectively in goodwill (see Note 18) and EUR 76,518 thousand, EUR 61,132 thousand and nil respectively 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 amortization and are annually tested for impairment. Assets that are subject to amortization are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable.

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

BASIS OF CONSOLIDATION

The consolidated financial statements include the financial statements of the parent company Bravofly Rumbo Group BV and of the companies over which Bravofly Rumbo Group BV has the right to exercise control, either directly or indirectly.

Business combinations

Business combinations are accounted for by applying the acquisition method. The Group measures goodwill as the fair value of the consideration transferred (including the fair value of any previously held equity interest in the acquiree) and the recognized amount of any non-controlling interests in the acquiree, less the net recognized amount

(generally fair value) of the identifiable assets acquired and liabilities assumed, all measured as of the acquisition date. When the excess is negative, a bargain purchase gain is recognized immediately in profit or loss.
The Group elects on a transaction-by-transaction basis whether to measure non-controlling interests at their fair value or at their proportionate share of the recognized amount of the identifiable net assets, at the acquisition date.
Consideration transferred includes the fair values of the assets transferred, liabilities incurred by the Group to the previous owners of the acquiree, equity interests issued by the Group and the fair value of any contingent consideration. Transaction costs, other than those associated with the issue of debt or equity securities, incurred in connection with a business combination are expensed as incurred.

Subsidiaries

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

Transactions eliminated on consolidation

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

Changes in ownership interests in subsidiaries without change of control

Transactions with non-controlling interests that do not result in loss of control are accounted for as equity transactions that is, as transactions with the owners acting in their capacity of owners. The difference between fair value of any consideration paid and the relevant share acquired of the carrying value of net assets of the subsidiary is recorded in equity. Gains or losses on disposals to non-controlling interests are also recorded in equity.

Loss of control

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

Interests in equity-accounted investees

The Group's interests in equity-accounted investees comprise interests in associates, which are those entities in which the Group has significant influence, but not control or joint control, over the financial and operating policies. Interests in associates are accounted for using the equity method. They are recognized initially at cost. Subsequent to initial recognition, the consolidated financial statements include the Group's share of the profit or loss and other comprehensive income of equity-accounted investees, until the date on which significant influence ceases.

Additional information regarding changes in the consolidation area is provided in Note 4 of the present document.

FOREIGN CURRENCY

The consolidated financial statements of Bravofly Rumbo Group are presented in Euro (EUR), which is the functional currency of all entities in the Group.
In individual companies, transactions in foreign currencies are recorded at the rate exchange at the date of the transaction.
Monetary assets and liabilities in foreign currencies are translated at year-end rates. Any resulting exchange differences are recognized in profit or loss.

PROPERTY, PLANT AND EQUIPMENT

Property, Plant and Equipment is stated at acquisition or construction cost less accumulated depreciation and impairment losses or reversals. Acquisition and construction cost includes all expenses directly attributable to the acquisition and necessary to bring the asset to working condition for its intended use.

Where parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate components of property, plant and equipment. Borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset will be capitalized as part of the acquisition cost of that asset. An asset is deemed to be a qualifying asset if a substantial amount of time is required to ensure that it is in the intended state ready for use or sale.

Subsequent costs

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

Depreciation

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

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

Depreciation on property, plant and equipment begins when it is in the working condition intended by Management. The residual value and the useful economic life of property, plant and equipment are reviewed annually and adjusted where necessary. Gains and losses arising from the sale of property, plant and equipment are recognized in profit or loss.

INTANGIBLE ASSETS

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

Trademarks

Separately acquired trademarks are recognized at historical cost. Trademarks acquired in a business combination are recognized at fair value at the acquisition date. Trademarks are considered to have an indefinite useful life and hence not subject to amortization. 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 capitalized development costs of Bravofly Rumbo Group consist mainly of capitalized internal and external expenditure for the development of the websites of Bravofly Rumbo Group.

Internal and external development expenditures are capitalized if:

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

Development expenditures that do not fulfill the above criteria are expensed as incurred.

The expenditure capitalized includes the cost of materials together with internal and external project costs as well as borrowing costs that are directly attributable to a development project.

Amortization

Amortization of intangible assets is charged to profit or loss on a straight-line basis over their estimated useful life. Amortization of intangible assets begins at the date they are available for use. Intangible assets with an indefinite useful life are not amortized.

The estimated useful lives are as follows:

Capitalized development costs	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 recognized 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 recognized 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 recognized within 12 months of the acquisition date of control.
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 recognized in the income statement whenever the carrying amount of an asset or its cash-generating unit exceeds its recoverable amount.
Impairment losses recognized in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reviewed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortization, if no impairment loss had been recognized. An impairment loss in respect of goodwill is not reversed.

LEASING

The present value of finance lease obligations is recognized on the balance sheet if substantially all risks and rewards associated with ownership have been transferred to the Group entity.
Minimum lease payments made under finance leases are divided into an interest expense and a reduction of the

outstanding liability based on the annuity method. The interest expense is allocated to each period during the lease term so as to produce a constant periodic rate of interest on the remaining balance of the liability. Assets held under finance leases are depreciated over the shorter of their estimated useful life and the lease term.
Operating lease installments are charged to profit or loss on a straight-line basis over the lease term. Lease incentives received are recognized as an integral part of the total lease expense, over the term of the lease.

FINANCIAL INSTRUMENTS

Financial assets

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

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

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

Impairment of Financial Assets

Financial assets are assessed at each reporting date to determine whether there is objective evidence that they are impaired. A financial asset is impaired if objective evidence indicates that a loss event has occurred after the initial recognition of the asset, and that the loss event had a negative effect on the estimated future cash flows of that asset that can be estimated reliably.

The Group considers evidence of impairment for receivables at both a specific asset and collective level. In assessing collective impairment the Group uses historical trends of the probability of default, timing of recoveries and the amount of loss incurred, adjusted for management's judgment as to whether current economic and credit conditions are such that the actual losses are likely to be greater or less than suggested by historical trends.

Investments

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

Trade and other receivables

Trade and other receivables are stated at amortized 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 recognized 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 are measured at fair value through profit or loss, they are subsequently stated at amortized cost, whereby the difference between the issue and repayment amount is recognized in profit or loss using the effective interest method over the period to maturity.

Trade and other payables

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

INVENTORIES

Inventories are stated at the lower of cost and net realizable value. Net realizable 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 recognized when the Group has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation, and a reliable estimate of the amount can be made. If the effect of the time value is material, provisions are determined by discounting the expected future cash flows.

In connection with flight ticket sales, Bravofly Rumbo 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 and Italy 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.
The present value of the defined benefit obligation is calculated using the projected unit credit method. The pension fund obligations and the related plan assets are assessed annually by a qualified actuary. Current service costs and net interest on the net defined benefit liability or asset are recognized as "Personnel costs". The Group determines the net interest expense by applying the discount rate used to measure the defined benefit obligation at the beginning of the annual period to the then-net defined benefit liability or asset.
Remeasurements of the net defined benefit liability, which comprise actuarial gains and losses on the defined benefit obligation and the return on plan assets (excluding interest) are immediately recognized in other comprehensive income.
When the benefits of a plan are changed or when a plan is curtailed, the resulting change in benefit that relates to past service or the gain or loss on curtailment is recognized immediately as "Personnel costs".

A net pension asset is recorded only to the extent that it does not exceed the present value of any economic benefits available in the form of any future refunds from the plan or reductions in the future contributions to the plan.

Share-Based Payment Transactions

The Group operates an 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 recognized as an employee expense over the vesting period, with a corresponding increase in equity over the same period. The amount recognized as an expense is adjusted to reflect the number of options for which the related service condition is expected to be met, such that the amount ultimately recognized as an expense is based on the number of options that meet the related service condition at the vesting date.

SHARE CAPITAL

Ordinary and preferred 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.

REVENUE RECOGNITION

Revenue is measured at the fair value of the consideration received or receivable, and represents amounts receivable for services rendered, stated net of discounts, cancellations and value added taxes. The Group recognizes revenue when the outcome of the underlying transaction can be estimated reliably. Revenue associated with the transaction is recognized by reference to the stage of completion of the transaction at the end of the reporting period. The outcome of a transaction can be estimated reliably when the amount of revenue can be measured reliably, it is probable that the economic benefits associated with the transaction will flow to the entity and the costs incurred for the transaction and the costs to complete the transaction can be measured reliably. The Group bases its estimate of cancellations on historical results, taking into consideration the type of customer, the type of transaction and the specifics of each arrangement.

Revenue from the intermediation of travel services consists of revenue from the services offered on the websites of Bravofly Rumbo 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, Bravofly Rumbo Group passes the booking to the travel supplier. Bravofly Rumbo Group acts as an agent or broker. Revenue from the intermediation of travel services therefore consists of the commission that represents the difference between the total amount receivable from the customer and the amount payable to the travel supplier or the related commissions received from the travel supplier.

Revenues for flights bookings, hotel room bookings, cruise booking, holiday bookings, car rental bookings and travel insurance, are recognized when the booking is made, secured by credit card or other payment.

In connection with flight ticket sales, Bravofly Rumbo 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 recognized at the time of booking adjusted for the related provision to cover related expected claims and other directly related costs using current assumptions.

Revenue from commissions paid by financial and commercial partners under specific revenue-sharing agreements, such as commissions received from telecom operators based on the volume of inbound calls to our premium customer service numbers, is recognized according to the information provided on their periodical statements.

Revenue from advertising services comprises revenue from providing sponsoring links and advertisements on the Group's companies websites. Revenue derived from the delivery of advertisements is recognized either at the time of display of each individual advertisement, or by reference to the stage of completion over the advertising delivery period, depending on the terms of the contract. Revenue generated from sponsoring links is recognized upon notification from the alliance partner that a transaction has occurred.

INCOME TAXES

Income tax comprises current and deferred taxes. Income tax is recognized in profit or loss except to the extent that it relates to items recognized in other comprehensive income or directly in equity (i.e. transactions with shareholders), in which case it is recognized in other comprehensive income or equity.

Deferred taxes are determined using the balance sheet liability method, providing for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. The following temporary differences are not provided for: the initial recognition of assets or liabilities that affect neither accounting nor taxable profit, and differences relating to investments in subsidiaries to the extent 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 realization 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 recognized only to the extent that it is probable that future taxable profits will be available against which the asset can be utilized. Deferred tax assets are reduced to the extent that it is no longer probable that the related tax benefit will be realized.

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 analyzed yet. The expected effects as disclosed in the table below reflect a first assessment by Group management:

New Standards or Interpretations	Effective date	Planned application
IFRIC 21 Levies 2), 4)	1 January 2014	2014
IFRS 9 Financial Instruments 3), 4)	1 January 2017 at the earliest	to be determined
Revisions and amendments of Standards and Interpretations	**Effective date**	**Planned application**
IAS 32 Offsetting Financial Assets and Financial Liabilities 2)	1 January 2014	2014
Annual Improvements to IFRSs 2010-2012 Cycle 3), 4)	1 July 2014	2015
Annual Improvements to IFRSs 2011-2013 Cycle 3), 4)	1 July 2014	2015
IAS 39 Novation od Derivatives and Continuation of Hedge accounting 2)	1 January 2014	2014
Investment Entities (Amendments to IFRS 10, IFRS 12 and IAS 27) 2)	1 January 2014	2014
IAS 19 Defined Benefit Plans: Employee Contributions 2), 4)	1 July 2014	2015

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

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

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

4) New or revised standard or interpretation has not yet been endorsed by the EU.

NOTE 3 - FINANCIAL RISK MANAGEMENT

Financial Instruments

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

in '000 EUR	31 Dec 2013	31 Dec 2012	31 Dec 2011
Current financial assets (Investments)	472	621	608
Non-current financial assets	79	169	-
Total financial assets at fair value through profit or loss	**551**	**790**	**608**
Non-current financial assets	148	126	2,651
Current financial assets (Short-term deposits)	299	343	191
Trade and other receivables *	27,081	21,566	8,706
Cash and cash equivalents (excl. cash on hand)	33,448	30,114	13,705
Total loans and receivables	**60,976**	**52,149**	**25,253**
Short & Long term financial liabilities	8,600	-	-
Total financial assets at fair value through profit or loss	**8,600**	**-**	**-**
Short & Long term financial liabilities	21,394	32,418	
Trade and other payables *	60,950	53,899	16,809
Financial liabilities measured at amortised cost	**82,344**	**86,317**	**16,809**

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

As of 31 December 2012 and 2011, the Group had an unquoted investment in the amount of EUR 170 thousand designated as an instrument at fair value through profit or loss that was carried at amortized cost as fair value could not be measured reliably. During 2013, the Group wrote-off the investment to profit or loss.
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 amortized cost approximate the estimated fair value of these financial instruments.

Measurement of fair values

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

in '000 EUR	Fair value			
31 December 2013	**Level 1**	**Level 2**	**Level 3**	**Total**
Financial assets measured at fair value				
Corporate debt securities	530	-	-	530
Financial liabilities measured at fair value				
Jetcost Earn-outs (contingent consideration)	-	-	1,969	1,969
Jetcost put option liabilities	-	-	6,631	6,631

in '000 EUR	Fair value			
31 December 2012	**Level 1**	**Level 2**	**Level 3**	**Total**
Financial assets measured at fair value				
Corporate debt securities	620	-	-	620
Financial liabilities measured at fair value				
Jetcost Earn-outs (contingent consideration)	-	-	-	-
Jetcost put option liabilities	-	-	-	-

in '000 EUR	Fair value			
31 December 2011	**Level 1**	**Level 2**	**Level 3**	**Total**
Financial assets measured at fair value				**-**
Corporate debt securities	451	-	-	451
Financial liabilities measured at fair value				
Jetcost Earn-outs (contingent consideration)	-	-	-	-
Jetcost put option liabilities	-	-	-	-

As of 31 December 2013, the Group held corporate bonds at fair value through profit or loss, see note 19. Their fair value was determined based on traded prices in an active market.
The financial liabilities measured at fair value were recognized in the context of the Jetcost acquisition, see note 4.
The following tables show the valuation techniques used in measuring Level 3 fair values, as well as the significant unobservable inputs used:

Type	Valuation technique	Significant unobservable inputs	Inter-relationship between significant unobservable inputs and fair value measurement
Put liability and contingent consideration	Discounted cash flows: The valuation model considers the present value of the expected payment, discounted using a risk-adjusted discount rate. The expected payments are determined considering different scenarios of forecast results, the amount to be paid under each scenario and the probability of each scenario.	Earn-out 2014 quantified between 0 and EUR 1.2 million upon level of achievement of EBITDA 12 months to 31/3/2014 between EUR 5.6 million and EUR 6.7 million. Earn-out 2015 quantified between 0 and EUR 2.0 million upon level of acchievement of EBITDA 12 months to 31/3/2015 between EUR 6.8 million and EUR 8.2 million. Risk-adjusted discount rate for 2013 is 2%.	The estimated fair value would increase (decrease) if: The EBITDA was higher (lower) than expected The risk-adjusted discount rate was lower (higher).

The following table shows a reconciliation from the opening balances to the closing balances for Level 3 fair values:

in '000 EUR	Jetcost Option Liabilities	Contingent consideration
Balance as of 1 January 2013	-	-
Assumed in a business combination	6,631	1,969
Balance as of 31 December 2013	**6,631**	**1,969**

Financial risk management

Risk management is a fundamental element of the Group's business practice on all levels and encompasses different types of risks. At a group level risk management is an integral part of the business planning and controlling processes. Material risks are monitored and regularly discussed with the Executive management of the Company and particularly with Chief Financial Officer, the Chief Executive officer and the Executive Chairman.

Organizational and process measures have been designed to identify and mitigate risks at an early stage. The Group strengthened its financial risk management through the constitution of a specific financial and treasury department reporting to the Chief Financial Officer. The major goal of such department is to guarantee the daily monitoring and management of the financial activities and any eventual risks identified.

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, Bravofly Rumbo 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 2013	31 Dec 2012	31 Dec 2011
Non-current financial assets	227	295	2,651
Current financial assets	771	964	799
Trade and other receivables *	27,081	21,566	8,706
Cash and cash equivalents (excl. cash on hand)	33,448	30,114	13,705
Total	**61,527**	**52,939**	**25,861**

* *"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 2013, total amount of unused available cash credit lines for the Group was EUR 11,860 thousand (EUR 6,657 thousand and EUR 5,000 thousand at 31 December 2012 and 2011 respectively). The credit line relating to the facility loan agreement referred to in Note 25 is included in this amount.

Financial liabilities, except for "Short and Long term financial liabilities", are due within 90 days.

in '000 EUR	Carrying amount	Contractual cash flows	3 months or less
31 December 2012			
Trade and other payables	60,950	60,950	60,950
Total	**60,950**	**60,950**	**60,950**
31 December 2012			
Trade and other payables	53,899	53,899	53,899
Total	**53,899**	**53,899**	**53,899**
31 December 2012			
Trade and other payables	16,809	16,809	16,809
Total	**16,809**	**16,809**	**16,809**

The contractual maturities of the Facility Loan Agreement received in 2012 (amounts gross and undiscounted, including interest payments) and the Jetcost related financial liabilities (at fair value) are as follows at each reporting date:

in '000 EUR	2013			2012			2011		
	Less than 1 year	Between 2 and 5 years	More than 5 years	Less than 1 year	Between 2 and 5 years	More than 5 years	Less than 1 year	Between 2 and 5 years	More than 5 years
Facility Loan agreement	3,773	18,838	-	5,960	28,561	-	–	-	-
Jetcost put option liabilities	6,347	284	-	-	-	-	–	-	-
Earn-out relating to Jetcost	832	1,137	-	-	-	-	-	-	-
Total	**10,952**	**20,259**	**-**	**5,960**	**28,651**	**-**	**-**	**-**	**-**

In 2014, the Group expects to pay EUR 393 thousand for interests related to the Facility Loan Agreement.

For further information about the Facility Loan Agreement, refer to note 25.

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, which is the functional currency of all Group entities.

Nevertheless 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 2013, the Group's balance sheet net exposure in currencies other than EUR amounted to EUR -1,553 thousand (2012: EUR -1,875 thousand, 2011: EUR -1,709 thousand).

A strengthening (weakening) of the EUR against the CHF of 5% at 31 December of the last three years would have affected profit or loss by the amounts shown in the table below:

in '000 EUR	2013 Strengthening	2013 Weakening	2012 Strengthening	2012 Weakening	2011 Strengthening	2011 Weakening
Currency risk sensitivity	74	(74)	113	(113)	104	(104)
Total	**74**	**(74)**	**113**	**(113)**	**104**	**(104)**

This analysis is based on foreign currency exchange rate variances that 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, the contingent consideration and the put liability measured at fair value through profit or loss due to changes in interest rates is not material. Loans and investments with variable interest rates expose the Group to cash flow interest rate risk.

As of 31 December 2013 the Group had bank liabilities with variable interest rates for the amount of EUR 21,394 thousand (31 December 2012: EUR 32,418 thousand, 31 December 2011: nil). See also note 25.

The Group further had deposits and cash and cash equivalents with variable interest rates in the amount of EUR 33,449 thousand (31 December 2012: 29,314 thousand, 31 December 2011: 13,704 thousand). In previous years the Group had deposits with fixed interest rates in the amount of EUR 800 thousand; it had no such deposits in 2013. See also notes 19 and 22.

A change in the interest rates on the financial liabilities outstanding at the end of the reporting period by +/- 1 % with all other variables held constant, would have decreased/increased profit by EUR 219 thousand (2012: EUR 330 thousand, not material for 2011). 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, Bravofly Rumbo Group offers its customers the possibility to acquire a package, 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 package 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. Bravofly Rumbo 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 2013 amounts to approximately EUR 737 thousand (2012: EUR 529 thousand, 2011: EUR 187 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 2013

Acquisition of subsidiary

On 27 December 2013, Bravofly Rumbo Group BV acquired 80% of the shares of Blue SAS ("Jetcost"), a French company operating in the meta-search business, mainly focused on flight, and also in accommodation under the Jetcost trademark. The transaction further included a call option exercisable by the Group and a put option exercisable by the minority shareholders of Jetcost, for the 20% of the shares not acquired by the Group. The call option can be exercised within the second quarter of 2014, while the put option can be exercised in the third quarter of 2014. Considering the call and put options, the financial statements include the effect as if 100% of Jetcost had been acquired.

The Group completed the acquisition mainly to develop its presence in the meta-search channel in different geographies:

- The acquisition of Jetcost represents an additional source of revenue and profitability in the Group's existing core markets in France, Spain and Italy whilst providing a new platform for growth in metasearch revenues
- Jetcost underpins international expansion through a capex-light "Land and Expand" strategy
- Bravofly Rumbo Group to support acceleration of Jetcost's growth

Jetcost will continue to have an independent strategy but will leverage on some support services from the Group.

The purchase agreement for the initial 80% included an initial consideration equal to EUR 25.0 million, of which EUR 3.7 million were paid in cash and EUR 21.3 million were paid in shares following a capital increase completed by the Company in December 2013, please see Note 21 for further detail on this capital increase.

Furthermore, the purchase agreement for the initial 80% included two earn-out components, leading to a total maximum additional consideration of EUR 2.6 million payable in cash. These contingent considerations shall be based on Jetcost's EBITDA in the twelve months ending on 31 March 2014 and on 31 March 2015. As of 31 December 2013, the fair value of both earn-outs, computed by weighting the possible outcomes with probabilities and discounting them to reflect the estimated timing of payment, is as follows for the 80% interest acquired in 2013:

- EUR 0.83 million based on Jetcost's EBITDA for the twelve months ending on 31 March 2014; and
- EUR 1.14 million based on Jetcost's EBITDA for the twelve months ending on 31 March 2015.

For further information about the determination of the fair value of both earn-outs refer to note 3. As of 31 December 2013, the contingent considerations have been presented respectively within the Short and Long Term Financial liabilities in the consolidated balance sheet, see Note 25.

The liability arising from the put commitment for the outstanding 20% was valued at EUR 6.6 million at the time of the acquisition and is composed of the present value of the exercise price amounting to EUR 6.1 million and 20% of the fair value of both earn-out components calculated in the same way as described above. For further information about the determination of the fair value of the put liability refer to note 3. This put liability is presented within the short term financial liabilities (for the exercise price and for the earn-out component related to the period ending on 31 March 2014) and within the long term financial liabilities (for the earn-out component related to the period ending on 31 March 2015) in the consolidated balance sheet, see Note 25. Changes in the fair value of the put liability are recognized in profit or loss.

The Group's transaction costs relating to the Jetcost acquisition are not material to the consolidated financial statements.

The table below includes information relating to the final purchase price allocation of Jetcost:

in '000 EUR	Amount
Property plant and equipment	8
Trademarks (Intangibles assets)	15,385
Technology (Intangibles assets)	180
Non current financial assets	6
Current financial assets	21
Trade and other receivables	2,808
Cash and cash equivalents	2,189
Current tax liabilities	(288)
Deferred tax liabilities	(5,292)
Trade and other payables	(1,529)
Fair value of identifiable net assets acquired	**13,488**
Purchase price, paid in cash	3,734
Purchase price, paid in shares	21,330
Contingent consideration	1,969
Put liability	6,631
Total consideration	**33,664**
Fair Value of identifiable net assets acquired	13,488
Goodwill	**20,176**
Consideration, paid in cash	3,734
Acquired cash and cash equivalents	(2,189)
Net cash outflow	**1,545**

The gross contractual amount of trade receivables is EUR 2,808 thousand. All amounts are expected to be collectible.

Goodwill not allocated is mainly attributable to assembled workforce, the Company's and management's ability to generate future income and growth above the current recognition of the brand and the opportunity for Bravofly to expand its footprint in new markets.

For further information refer to Note 18.

The Group effectively gained control over Jetcost on 27 December 2013 and consolidated it from this date. The inclusion of Jetcost did not have a material impact on the Group's revenues and profit in 2013.

The table below shows a 12-month Pro-forma Statement of Comprehensive Income of the Group including the effect as if the Jetcost transaction had been completed as of 1 January 2013:

in '000 EUR	Proforma Consolidated Financial Statement 2013 incl. Jetcost
Revenues	134,951
Marketing Costs	(55,595)
Personnel costs	(22,282)
Other operating costs	(29,577)
Amortization and depreciation	(5,196)
Profit before interest and income tax	**22,301**
Finance Income	127
Finance costs	(1,466)
Share of result of equity-accounted investees	127
Profit before income tax	**21,089**
Income tax	(4,839)
Profit for the period	**16,249**

For the 12 months period from 1 January 2013 to 31 December 2013 Jetcost had Revenues towards Bravofly Rumbo Group BV amounting to EUR 4,278 thousand.

Incorporation of subsidiary

On 18 July 2013, Vivigratis SA ("Vivigratis") have been incorporated by Bravofly as major shareholder with a 51% participation corresponding to EUR 41 thousand of share capital. Vivigratis is a deal aggregator that scans hundreds of offers from flash sales websites and private buying clubs, and classifies them using a series of filters reflecting subscribers' requirements.

Loss of control

On 19 December 2013, the Group reduced its stake in Hotelyo, a company operating in travel flash sales, to 49%. As at 31 December 2012 the Group owned 51% of Hotelyo and consolidated it; the gain resulting from its deconsolidation was not material. The reduction followed an investment agreement signed between Bravofly SA and RCS, a leading media group in Italy and Spain, giving RCS control over Hotelyo with a 51% stake. As of 31 December 2013 the Group accounted for its Hotelyo interest using the equity method and had deconsolidated it. The remeasurement to fair value of the Group's 49% interest in Hotelyo for the purpose of accounting for it at equity did not result in any material adjustment compared to the carrying amount of the former subsidiary's net assets. For further information refer to Note 20.

Financial year 2012

Acquisition of subsidiary

Red Universal de Marketing y Bookings Online S.a.u

On 23 October 2012, Bravofly Rumbo Group signed the acquisition of 100% of Red Universal de Marketing y Bookings Online S.a.u ("Rumbo SA"), a Spanish company operating in the online travel industry, in particular focused on Spanish and Portuguese markets.

Rumbo SA owns 99,9% of Rede Universal de Viagens Ltd ("Rumbo Brazil"), a company operating in Brazil.

The Group decided to complete this acquisition mainly for a strong complementarity between the Group and Rumbo based mainly on these points:

- Geographical complementarity: Rumbo is strong in Iberia, territory where the Group , before the acquisition, was generating approximately 1% of its turnover;
- Flight know-how complementarity: Rumbo is strong in the traditional airlines segment, whilst before the acquisition the Group was particularly strong in the Low Cost segment;
- Synergic effort on the hotel/vacation market: Rumbo has a particularly efficient platform for hotels that completes the offer of the advantageous platform for dynamic packages already developed by the Group;
- Technology complementarity: both platforms have been developed in JAVA and both companies use the same ERP; and
- Strong cultural fit of management teams.

The purchase price amounts to EUR 60 million and has been fully paid in cash. Transaction costs relating to the Rumbo acquisition amounted to EUR 794 thousand, included in Other operating costs.

The table below includes information relating to the acquisition of Rumbo:

in '000 EUR	Adjusted	As originally published
Property plant and equipment	518	518
Capitalized development costs and other intangibles	2,939	9,566
Trademarks (intangibles assets)	58,900	-
Non current financial assets	110	110
Deferred tax assets	1,148	1,148
Current tax assets	40	40
Current financial assets	19	19
Trade and other receivables	8,091	8,091
Cash and cash equivalents	9,280	9,280
Provision	(59)	(59)
Deferred tax liabilities	(16,043)	(43)
Current tax liabilities	(313)	(313)
Current financial liabilities	(3)	(3)
Trade and other payables	(27,597)	(27,597)
Fair value of identifiable net assets acquired	**37,030**	**757**
Purchase price, paid in cash	(60,000)	(60,000)
Total consideration	**(60,000)**	**(60,000)**
Fair Value of identifiable net assets acquired	37,030	757
Goodwill	**(22,970)**	**(59,243)**
Consideration, paid in cash	**60,000**	**60,000**
Acquired cash and cash equivalents	(9,280)	(9,280)
Net cash outflow	**50,720**	**50,720**

The determination of the fair value of certain identifiable intangible assets had not been completed as of 31 December 2012 and therefore, the entire difference between the purchase price and the fair value of the identifiable net assets of EUR 59.2 million was allocated to goodwill, attributable mainly to management expertise and the workforce. The final Purchase Price Allocation has been completed within 2013. Adjustments to the provisional value of assumed intangible assets have been recognized during the year. These adjustments led to corresponding adjustments of deferred tax liabilities and goodwill. Accordingly the 2012 consolidated balance sheet has been adjusted retrospectively, as explained in note 2.
Trademarks were identified in the final Purchase Price allocation and had not yet been identified as of December 31, 2012. For further information refer to Note 17 and 18.

The gross contractual amount of trade receivables is EUR 12,714 thousand and their fair value is EUR 8,091 thousand.

Rumbo contributed revenue of EUR 4,581 thousand and profit of EUR 168 thousand to the Group's results in the 2012 financial year.

The table below shows a 12-month Pro-forma Statement of Comprehensive Income of the Group excluding the contribution of Rumbo in the 2012 accounts of the Group:

in '000 EUR	2012
Revenues	70,436
Marketing costs	(28,438)
Personnel costs	(12,291)
Other operating costs	(18,866)
Amortization and depreciation	(2,373)
Profit before interest and income tax	**8,468**
Finance income	65
Finance costs	(382)
Share of result of equity-accounted investees	(311)
Profit before income tax	**7,840**
Income tax	(1,209)
Profit for the period	**6,631**

The table below shows a 12-month Pro-forma Statement of Comprehensive Income of the Group including the effects assuming consolidation of Rumbo from 1 January 2012:

in '000 EUR	2012
Revenues	106,135
Marketing costs	(44,965)
Personnel costs	(17,093)
Other operating costs	(30,903)
Amortization and depreciation	(4,915)
Profit before interest and income tax	**8,259**
Finance income	282
Finance costs	(471)
Share of result of equity-accounted investees	(311)
Profit before income tax	**7,759**
Income tax	(960)
Profit for the period	**6,799**

Pigi Shipping & Consulting Srl
On 19 July 2012, Bravofly Rumbo Group acquired the remaining 50% interest in Pigi Shipping & Consulting Srl ("Pigi") for EUR 1,480 thousand. The purchase price has been paid in cash.
This 50% interest was purchased from Plico Sas, a third party. This transaction follows the purchase of an initial 50% in 2011. The consideration paid in this second transaction reflected the facts that (i) Bravofly was the only credible buyer for the asset considering its existing 50% in the capital and its strategic contribution to the business and (ii) the seller needed to diversify its investments from the cruise industry, which was impacted by the uncertainties generated by the Costa Concordia accident some few months before the transaction. These circumstances have not impacted the fair value of the Group's already existing interest in Pigi. For further details see below.

The previously held investment in Pigi was accounted for as a joint venture using the equity method.
The Group finalized the acquisition to increase its presence into the cruise sector, whose important development in recent years turned it a key part of the vacation market.

The table below includes information relating to the acquisition of Pigi Shipping Srl:

in '000 EUR	Adjusted	As originally published
Property plant and equipment	96	96
Trademarks and other intangibles assets	2,646	308
Non current financial assets	169	169
Current tax assets	24	24
Current financial assets	6	6
Trade and other receivables	3,198	3,198
Cash and cash equivalents	2,646	2,646
Current tax liabilities	(17)	(17)
Deferred tax liabilities	(700)	-
Current financial liabilities	(6)	(6)
Trade and other payables	(6,477)	(6,477)
Fair value of identifiable net assets acquired	**1,585**	**(53)**

in '000 EUR	Adjusted	As originally published
Consideration, paid in cash	1,480	1,480
Fair value of pre-existing interest in Pigi	2,531	2,531
Fair value of identifiable net assets	1,585	(53)
Goodwill	**2,426**	**3,958**
Consideration, paid in cash	(1,480)	(1,480)
Acquired cash and cash equivalents	2,646	2,646
Net cash inflow	**1,166**	**1,166**

The determination of the fair value of certain identifiable intangible assets had not been completed as of 31 December 2012 and therefore, the entire difference between the purchase price and the fair value of the identifiable net assets of EUR 3.9 million was allocated to goodwill, attributable mainly to management expertise and the workforce. The final Purchase Price Allocation has been completed within 2013. Adjustments to the provisional value of assumed intangible assets have been recognized during the year. These adjustments led to corresponding adjustments of deferred tax liabilities and goodwill. Accordingly the 2012 consolidated balance sheet has been adjusted retrospectively, as explained in note 2.
Mainly a trademark was identified in the final Purchase Price allocation and had not yet been identified as of December 31, 2012. For further information refer to Note 17 and 18.

Pigi contributed to the Group's revenues by EUR 1,693 thousand and losses by EUR 274 thousand. If the acquisition had occurred on 1 January 2012, Group's consolidated revenues would have been EUR 1,724 thousand higher, and the Group's net income would have been EUR 35 thousand lower.
The gross contractual amount of trade receivables is EUR 3,207 thousand. All amounts are expected to be collectible. Transaction costs relating to this acquisition were not significant.

Pigi owns a 100% stake of Cruiseland Srl, an Italian company with share capital of EUR 10 thousand.

Hypercruises SA
On 10 October 2012, Bravofly Rumbo Group acquired the remaining 50% interest in Hypercruises SA ("Hypercruises") for EUR 42 thousand from its majority shareholder (common control transaction). The purchase price was paid in cash.
The previously held investment in Hypercruises was accounted for as a joint venture using the equity method.

Hotelyo SA
On 16 March 2012, Bravofly Rumbo Group acquired a 51% equity of Hotelyo SA ("Hotelyo") for EUR 102 thousand. The purchase price was paid in cash.
Hotelyo is a company focused on hotel flash sales and in the upper segment of travel and vacations (www.hotelyo.it). The acquisition was part of the Group's strategy to broaden its offer within the online leisure market.

Prezzi Benzina Srl
On 21 February 2012, Bravofly Rumbo Group acquired a 50.1% share of Prezzi Benzina Srl ("Prezzi Benzina") for EUR 32 thousand. The purchase price was paid in cash. Prezzi Benzina is a company based in Italy, operating with an online platform comparing prices of distributors. The acquisition was part of the Group's strategy to broaden its offer within the online leisure market.

Acquisition of non-controlling interest
On 27 July 2012, Bravofly Rumbo Group completed a capital increase of EUR 261 thousand, in 2Spaghi Srl, increasing its stake in the company by an additional 7.5%. The contribution was made in cash. After the capital increase, the Group owns 62,5% of 2Spaghi Srl.
2Spaghi is a company based in Italy, operating Italy's most popular online social network focused on restaurant reviews (www.2spaghi.it).

Other transactions
On 10 December 2012 the Group sold for CHF 1 paid in cash its interest in New Media Solution SA ("NM SA") representing 50% of the shares. The investment in NM SA was accounted for as a joint venture using the equity method. The share disposal resulted in a loss for the Group amounting to EUR 157 thousand.

During 2012, Bravofly Rumbo Group participated in a capital contribution in the total amount of EUR 298 thousand to the subsidiary BravoAvia SA. Minority shareholders participated proportionally in the capital increase.

Financial year 2011

Acquisition of subsidiary
On 8 February 2011, Bravofly SA acquired a 55% stake in 2Spaghi Srl ("2Spaghi") for EUR 550 thousand from its majority shareholder (common control transaction). The purchase price was paid in cash. The Group incurred acquisition-related costs of EUR 2 thousand, which are presented as part of other operating costs in the statement of profit or loss and comprehensive income.

2Spaghi is a company based in Italy, operating Italy's most popular online social network focused on restaurant reviews (www.2spaghi.it). The acquisition was part of the Group's strategy to broadening its offer within the online leisure market.

The table below includes information relating to the acquisition of 2Spaghi:

(in EUR thousand)	Amount
Property plant and equipment	2
Intangible assets	360
Trade and other receivables	48
Cash and cash equivalents	103
Deferred tax liabilities	(113)
Trade and other payables	(143)
Fair value of identifiable net assets acquired	**257**
Purchase price, paid in cash	550
Adjustments for receivable on seller taken over Bravofly SA	(58)
Total consideration	**492**
Non-controlling interest, based on their proportionate interest of the net identificable net asset acquired	116
Fair Value of identifiable net assets acquired	(257)
Goodwill	**351**
Consideration, paid in cash	**550**
Acquired cash and cash equivalents	(103)
Net cash outflow	**447**

Goodwill of EUR 351 thousand arose on this acquisition because certain intangible assets did not meet the IFRS 3 criteria for recognition as intangible assets at the date of acquisition. These assets are mainly management expertise and workforce. None of the goodwill recognised is expected to be deductible for tax purposes.

Intangible assets of EUR 360 thousand recognised on this acquisition relate to 2Spaghi technology platform and the contents of its website, with a useful life of 3 years.

The trade receivables comprise gross contractual amounts due of EUR 40 thousand. All amounts are expected to be collectible.

2Spaghi contributed EUR 162 thousand of revenue and EUR -214 thousand of the Group's result in 2011.
The Group effectively gained control over 2Spaghi on 1 January 2011 and has therefore consolidated the investment since that date.

Acquisition of joint venture

On 8 February 2011, Bravofly SA acquired a 50% stake in PIGI Shipping & Consulting Srl ("PIGI") for EUR 2,500 thousand from its majority shareholder (common control transaction). In addition, Bravofly SA made an additional payment of EUR 43 thousand on 19 November 2011 in order to cover losses of PIGI Shipping & Consulting Srl in the previous financial year.

PIGI is a company based in Italy selling online cruises mainly under the Crocierissime brand (www.crocierissime.it). In 2010, PIGI has been chosen by Costa Crociere and by MSC Crociere as "Best Online Agency in Italy". PIGI is a joint venture and is accounted for under the equity method.

Incorporations

On 7 March 2011, Bravoferry Srl ("Bravoferry"), a company based in Italy in which Bravofly SA owns a 51% stake, was incorporated. Bravoferry was incorporated to operate an online travel agency focused on ferries (www.traghettigratis.it). Following the Summer season, the shareholders decided to close down the company in a two-step process: firstly the acquisition, on 25 November 2011, by Bravofly SA of the shares not already owned in the company, and secondly, the liquidation of the company that was completed on 30 December 2011. This company has not been consolidated. The effect of not consolidating this company on the consolidated financial statements is not material.

On 8 March 2011, Hypercruises SA ("Hypercruises"), a company based in Switzerland in which Bravofly SA owns a 50% stake, was incorporated together with the Group's joint venture PIGI Shipping & Consulting Srl. Hypercruises has been incorporated to operate an online travel agency focused on cruises at Pan European level. The Group contributed EUR 38 thousand in cash and the joint venture partner contributed EUR 39 thousand in cash. Hypercruises is a joint venture and is accounted for under the equity method.

On 24 March 2011, BravoAvia Group SA ("BravoAvia"), a company based in Switzerland in which Bravofly SA owns a 60% stake, was incorporated. BravoAvia has been incorporated to support the development of Bravofly's online travel operations in Russia and the other CIS markets. The Group contributed EUR 92 thousand in cash and the other shareholder contributed EUR 406 thousand in cash.

On 13 April 2011, BravoMedia Srl ("BravoMedia"), a company based in Italy in which Bravofly SA owns a 100% stake, was incorporated. BravoMedia has three main areas of activity: i) sale of advertising space online, including space in the websites belonging to the Group, activity previously developed by a third party, ii) develop co-marketing campaigns with other companies and iii) design and distribute leisure products through gift boxes.

On 26 July 2011, Bravofly France Sarl, a company based in France in which Bravofly SA owns a 100% stake, was incorporated. Bravofly France has been incorporated to act as web marketing agency in the French market.

Loss of control

On 1 January 2011, the Group effectively lost control over New Media Solution SA ("NM SA") due to changes to existing contractual agreements leading to the Group having to cancel the call option on the remaining 50% of the shares of New Media Solution SA. Consequently, NM SA was deconsolidated and is now accounted for using the equity method. The Group has joint control over this investment under the contractual agreements.

Due to the deconsolidation of NM SA, non-controlling interest decreased with an amount of EUR 150 thousand. The remeasurement to fair value of the Group's 50% interest in NM SA for the purpose of starting to equity account for the investment did not result in any material adjustments compared to the carrying amounts of the former subsidiary's net assets.

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 has determined the operating segments based on the information reviewed by the Board of Directors for the purposes of allocating resources and assessing performance.

In October 2012, the Group acquired its Spanish competitor Rumbo (Red Universal de Marketing y Bookings Online S.a.). Following the acquisition, "Bravofly" and "Rumbo", representing respectively the group before above mentioned acquisition and the business acquired, have been reported separately in the internal reporting system and hence monitored separately by the Board of Directors. Both business units were identified as operating segments. Following the full integration of Rumbo, Bravofly and Rumbo will be reported together as a single segment from 2014.

The Board of Directors assesses the performance of the operating segments based on a measure of adjusted EBITDA.

in '000 EUR	2013			2012			2011	
	Bravofly Segment (1)	Rumbo Segment (2)	Total	Bravofly Segment (1)	Rumbo Segment (2)	Total	Bravofly Segment (1)	Total
Revenues	87,790	35,394	123,184	70,436	4,584	75,020	44,303	44,303
Consolidated EBITDA adjusted*	**16,504**	**6,269**	**22,773**	**13,001**	**514**	**13,515**	**10,364**	**10,364**
Non-cash impact of stock options			(819)			(656)		(167)
Costs related to acquisition and integration of subsidiaries			(315)			(996)		(62)
Litigation, restructuring and other costs/income incidental to operating activities			(637)			(546)		(452)
Depreciation and Amortization			(5,118)			(2,835)		(1,563)
Profit before Interest and Income Tax			**15,884**			**8,482**		**8,120**

1) Bravofly Segment includes all companies except Rumbo Sa, Rumbo Brazil and Bravoventure
2) Rumbo Segment includes only Rumbo Sa, Rumbo Brazil and Bravoventure
** 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.*

Both operating segments generate revenues by selling services related to "flight" and "non-flights" products, refer to Note 6 for further information about revenues, including geographical information. The table below analyzes the Group's non-current assets excluding financial instruments and deferred taxes by the Company's country of domicile and other countries as of 31 December 2013, 2012 and 2011, based on the geographic location of the assets:

in '000 EUR	2013	2012	2011
Spain	85,752	85,375	-
France	35,751	3	-
Swiss	5,805	5,506	4,803
Others	5,758	5,499	2,690
Netherlands	-	-	-
Total	**133,066**	**96,382**	**7,493**

NOTE 6 - REVENUES

The tables below shows Revenues for 2013, 2012 and 2011:

in '000 EUR	2013	2012	2011
Revenue from sales of travel services	113,392	68,684	40,041
Revenue from advertising services	4,958	2,636	2,037
Revenue from premium number	2,396	2,191	1,586
Revenue from Volaflex	1,105	696	386
Other revenues	1,333	813	253
Total	**123,184**	**75,020**	**44,303**

In 2013 total revenues increased by EUR 48,164 thousand, or +64.2%, to EUR 123,184 thousand from EUR 75,020 thousand in 2012. This increase is primarily due to the following factors:

- Bravofly organic revenue (excluding contribution from Rumbo, Pigi Shipping and related companies) in 2013 increased by EUR 15,833 thousand, or +23.2%, to EUR 84,087 thousand from EUR 68,254 thousand in the previous year. The Group recorded organic growth in all geographical areas where it operates, with a particular increase outside core markets.
- The 12-month contribution of Rumbo, Pigi Shipping and related companies, which had been included in the consolidated accounts only for part of 2012. Such contribution in 2013 amounted to EUR 39,095 thousand, an increase of EUR 32,329 thousand from EUR 6,766 thousand in 2012.

In 2012, total revenues increased by EUR 30,717 thousand, or +69.3%, to EUR 75,020 thousand from EUR 44,303 thousand in 2011. This increase is primarily due to the following factors:

- Bravofly organic revenue (excluding contribution from Rumbo, Pigi Shipping and related companies) in 2012 increased by EUR 23,951 thousand, or +54.1%, to EUR 68,254 thousand from EUR 44,303 thousand in the previous year. The Group recorded organic growth in all geographical areas where it operate, with a particular increase outside core markets.
- Companies acquired during 2012 (Rumbo, Pigi Shipping and related companies) contributed EUR 6,766 thousand to revenues in 2012. During 2012, the Group recorded revenue from Rumbo only during the period from November 1 through December 31. The Group recorded no material revenue from companies acquired in 2011.

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, cruises and gross of any discounts and cancellations. Gross Travel Value amounted respectively to EUR 1,051 million in 2013, EUR 576 million in 2012 and EUR 289 million in 2011.

Revenues by products

The table below shows Revenues by product for 2013, 2012 and 2011:

in '000 EUR	2013	2012	2011
Flight	101,372	64,457	40,367
No flight	21,812	10,563	3,936
Total	**123,184**	**75,020**	**44,303**

Flight revenue

In 2013, the Group's flight revenue increased by EUR 36,915 thousand, or +57.3%, to EUR 101,372 thousand from EUR 64,457 thousand in 2012. This increase is primarily due to the following factors:

- Bravofly Organic flight revenue in 2013 increased by EUR 12,822 thousand, or +21.1%, to EUR 73,523 thousand from EUR 60,701 thousand in the previous year. Organic growth in flight revenue was driven both by a revenue per unit increase in core markets (mainly in agency and service fees and GDS revenue levels) and by an increase in volumes in other markets.
- The 12-month contribution of Rumbo, which had been included in the consolidated accounts only for part of 2012. Such contribution in 2013 amounted to EUR 27,847 thousand, an increase of EUR 24,091 thousand from EUR 3,756 thousand in 2012. Through the acquisition of Rumbo, the Group strongly increased its market share in the Spanish market.

In 2012, the Group's flight revenue increased by EUR 24,090 thousand, or +59.7%, to EUR 64,457 thousand million from EUR 40,367 thousand in 2011. This increase is primarily due to the following factors:

- Bravofly Organic flight revenue in 2012 increased by EUR 20,334 thousand, or +50.4%, to EUR 60,701 thousand from EUR 40,367 thousand in the previous year. Organic growth in flight revenue was driven primarily by an increase in volumes. The Group attributes the increase in volume primarily to improved performance of websites, particularly to enhancements of localized websites, as well as to the effect of significantly increased marketing effort.
- The Group recorded an additional EUR 3,756 thousand in flight revenue contributed by Rumbo during the period from November 1 through December 31, 2012.

Non-flight revenue

In 2013, the Group's non-flight revenue increased by EUR 11,249 thousand, or +106.5%, to EUR 21,812 thousand from EUR 10,563 thousand in 2012. This increase is primarily due to the following factors:

- Bravofly Organic non-flight revenue in 2013 increased by EUR 3,011 thousand, or +39.9%, to EUR 10,564 thousand from EUR 7,553 thousand in the previous year. Organic growth in non-flight revenue was driven primarily by Group's dynamic package activities and, to a smaller degree, by the contribution of car rental and advertising activities.
- The 12-month contribution of Rumbo and the Italian cruise business, which had been included in the consolidated accounts only for part of 2012. Such contributions in 2013 amounted to EUR 11,248 thousand, an increase of EUR 8,238 thousand in 2012.

In 2012, the Group's non-flight revenue increased by EUR 6,627 thousand, or +168.4%, to EUR 10,563 thousand from EUR 3,936 thousand in 2011. This increase is primarily due to the following factors:

- Bravofly Organic non-flight revenue in 2012 increased by EUR 3,617 thousand, or +91.9%, to EUR 7,553 thousand from EUR 3,936 thousand in the previous year. Major factors contributing to such growth include: (i) the development during 2012 of the vacation package product in Italy, which the Group had launched during 2011; (ii) the launch of the vacation package product in France; (iii) the development of the car rental product increasing the opportunities of sale in Group's websites and (iv) the continuous growth in advertising revenues.
- The Group recorded an additional EUR 3,010 thousand in non-flight revenue from the consolidation of the newly –acquired Italian cruise business and Rumbo.

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, Management believes that the majority of customers booking through the Italian, Spanish and French websites are located in those countries.

The table below shows Revenues from different countries based on website languages for 2013, 2012 and 2011:

in '000 EUR	2013	2012	2011
Italy	42,583	38,047	27,822
France	20,974	16,940	10,276
Spain	32,932	4,984	492
Netherlands	221	88	60
Others	26,474	14,961	5,653
Total	**123,184**	**75,020**	**44,303**

In 2013 and in 2012, Bravofly Rumbo Group recorded organic growth in all geographical areas where it operates, with a particular increase outside core markets. The growth in Spain is mainly attributable to the full consolidation of Rumbo, which enjoys a particular strong market positioning in this country and which was consolidated for 12 months in 2013 and only for 2 months in 2012. Revenues from other regions were positively impacted by the launch of new markets.

Major Customers

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

NOTE 7 - MARKETING COSTS

The table below shows Marketing costs for the Group for 2013, 2012 and 2011:

in '000 EUR	2013	2012	2011
Online costs	47,170	28,177	14,971
Offline costs	3,643	2,389	827
Total	**50,813**	**30,566**	**15,798**

In 2013, marketing costs increased by EUR 20,247 thousand, or +66.2%, to EUR 50,813 thousand from EUR 30,566 thousand in 2012. As a percentage of revenues, marketing costs increased from 40.7% in 2012 to 41.2% in 2013. The increase in marketing costs in 2013 was mainly driven by: (i) the 12-month consolidation of Rumbo, (ii) investments in search engines and meta-search channels, (iii) strategic decision to expand into new markets, where the Group's brands are less established and in products which are in developing phase (such as our vacation business) and (iv) continuing efforts in television advertising, which after the first experience in 2012 have continued in Italy and have been launched in Spain.
In 2012, marketing costs increased by EUR 14,768 thousand, or +93.5%, to EUR 30,566 thousand from EUR 15,798 thousand in 2011. As a percentage of revenues, marketing costs increased from 35.7% in 2011 to 40.7% in 2012. The increase in marketing costs reflected the Group's strategic decision to increase the level of marketing investment with the aim of supporting a very strong revenue growth. In 2012, marketing efforts focused primarily on increasing the Group's visibility in search engines and other online marketing channels, as well as on expanding into new markets. In 2012, the Group purchased television advertising for the first time, for a total cost of EUR 1,544 thousand. Of this amount, EUR 1,088 thousand were used to support the launch of the Group's vacation business in Italy.

NOTE 8 - PERSONNEL COSTS

The table below shows Personnel costs for the Group for 2013, 2012 and 2011:

in '000 EUR	2013	2012 Restated	2011 Restated
Wages and salaries	16,152	9,591	6,137
Social security charges	3,454	1,466	939
Expenses relating to defined benefit plans	504	448	288
Other personnel costs	1,184	912	692
Share-based payments	819	656	167
Total	**22,113**	**13,073**	**8,223**

In 2013, personnel costs increased by EUR 9,040 thousand, or +69.2%, to EUR 22,113 thousand from EUR 13,073 thousand in 2012. As a percentage of revenues, personnel costs increased from 17.4% in 2012 to 18.0% in 2013. Personnel costs increase of EUR 9,040 thousand was impacted by the 12-month consolidation of Rumbo that had only contributed to 2 months in 2012. Personnel costs in 2013 also includes EUR 261 thousand of redundancy costs. Personnel cost was also affected by non-cash costs related to accounting for stock options of EUR 819 thousand in 2013 and EUR 656 thousand in 2012.
In 2012, personnel costs increased by EUR 4,850 thousand, or +59.0%, to EUR 13,073 thousand from EUR 8,223 thousand in 2011. As a percentage of revenues, personnel costs decreased from 18.7% in 2011 to 17.4% in 2012. Personnel costs increased in absolute terms due to substantial growth in the number of employees. This headcount increase resulted both from new hires made to support our organic growth and from the acquisition of new companies during the year, particularly Rumbo. As a percentage of revenues, the reduction was driven by higher efficiency and by the increased use of outsourcing for our back-office activities. Personnel cost was also affected by non-cash costs related to accounting for stock options of EUR 656 thousand in 2012 and EUR 167 thousand in 2011.
Cost for wages and salaries of EUR 2,867 thousand (2012: EUR 1,772 thousand, 2011: EUR 1,242 thousand) have been capitalized 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 2013 amounted to 585 headcounts (2012: 522, 2011: 221).

The table below shows the Group's personnel split at the end of 2013, 2012 and 2011:

Units	2013	2012	2011
Sales	40	44	26
IT	151	143	41
Operations	207	186	78
Marketing	89	74	43
Administration	83	65	65
Management	17	20	20
Total	**587**	**532**	**273**

NOTE 9 - OTHER OPERATING COSTS

The table below shows Other operating costs for the Group for 2013, 2012 and 2011:

in '000 EUR	2013	2012	2011
Credit card processing fee	9,148	5,691	3,099
Fees for advisory, legal and other services	8,978	6,936	3,247
Call Center operation costs	5,077	4,247	1,738
Expense for operating leases	2,202	1,130	1,001
Commissions paid to other travel service brokers	427	636	517
Other operation costs	3,424	1,425	995
Total	**29,256**	**20,065**	**10,597**

In 2013, other operating costs increased by EUR 9,191 thousand, or +45.8%, to EUR 29,256 thousand from EUR 20,065 thousand in 2012. As a percentage of revenues, other operating costs decreased from 26.7% in 2012 to 23.7% in 2013. This increase in absolute terms was primarily due to a series of factors:

- Increased credit card acquiring costs resulting from the strong increase in gross travel value (+82%).
- Call center variable increasing costs related to larger volumes managed, even if increasing less than proportionally thanks to better efficiency achieved with the outsourcers.
- One-off accrual of a provision for risks of EUR 625 thousand (see note 24).
- Impact of the full consolidation of Rumbo for 12-months in the other cost items, mostly of fixed nature.

In 2012 other operating costs increased by EUR 9,468 thousand, or 89.3%, to EUR 20,065 thousand from EUR 10,597 thousand in 2011. As a percentage of revenues, other operating costs increased from 23.9% in 2011 to 26.7% in 2012. This increase was due primarily due to a series of factors:

- Increased credit card acquiring costs derived from the strong increase in gross travel value (+100%).
- Call center variable costs increased more than proportionally to volumes due to the choice to increase use of outsourcing to accommodate the strong growth registered in the year.
- Increase in fees for advisory, legal and other services include a part of variable costs and Rumbo transaction costs amounting to EUR 794 thousand.

NOTE 10 - FINANCE RESULT

The table below shows the Net Finance Result for the Group in 2013, 2012 and 2011:

in '000 EUR	2013	2012	2011
Net gain on investments classified as at fair value through profit or loss	6	29	-
Interest income	88	54	45
Others	17	-	-
Total Finance Income	**111**	**83**	**45**
Interest expenses	(694)	(237)	(3)
Net FX exchange costs	(149)	(139)	(12)
Others	(323)	(7)	(12)
Total Finance Costs	**(1,166)**	**(383)**	**(27)**
Total Net Finance Result	**(1,055)**	**(300)**	**18**

In 2013, net financial expense increased by EUR 755 thousand, or +252.8%, to EUR 1,055 thousand from EUR 300 thousand in 2012. The increase in financial expenses in 2013 was due primarily to (i) a significant increase in interest expenses resulting from the 12-month impact of the Facility Loan Agreement arranged at the end of October 2012 to finance the acquisition of Rumbo, and (ii) an increase in other financial costs related to the amortization of capitalized acquisition costs (participation and coordination fees) for such Facility Loan Agreement.

In 2012, the Group recorded a net financial expense of EUR 300 thousand as compared with net financial income of EUR 18 thousand in 2011. This change was due primarily to a significant increase in interest expenses resulting from the 2-month impact of the facility loan agreement arranged to finance the acquisition of Rumbo.

For further details on interest income and expenses refer to Note 3.

NOTE 11 - INCOME TAXES

Components of income tax expenses

The table below shows the composition of Income tax expenses for 2013, 2012 and 2011:

in '000 EUR	2013	2012 Restated	2011 Restated
Current income taxes	1,950	985	1,024
Deferred taxes	696	125	(93)
Total	**2,646**	**1,110**	**931**

Income taxes recognized in other comprehensive income

The table below shows the composition of income taxes recognized in other comprehensive income for 2013, 2012 and 2011:

in '000 EUR	2013	2012 Restated	2011 Restated
Income taxes on remeasurements of the Employee Benefits liability	8	42	9
Total income taxes recognized in the period in other comprehensive income	**8**	**42**	**9**

Income taxes on remeasurements of the employee benefit liability relate to the defined benefit plans of the Group.

Reconciliation of effective income tax expenses

The table below shows the Group tax rate reconciliation for 2013, 2012 and 2011:

in '000 EUR	2013	2012 Restated	2011 Restated
Profit before taxes	14,956	7,874	8,050
The Group's expected weighted average rate is 16.9% (2012: 14.3%; 2011:11,8%)			
Income tax based on the Group's expected weighted average tax rate	2,534	1,126	948
Effect of non deductible expenses	226	249	147
Effect of tax free income	(114)	(265)	(181)
Effect of changes in unrecognized tax losses	-	-	17
Income Tax expense of the Group	**2,646**	**1,110**	**931**

In 2013 the Group's income tax expense increased by EUR 1,536 thousand, or 138.4%, to EUR 2,646 thousand from EUR 1,110 thousand in 2012. The Group's effective tax rate increased from 14.1% in 2012 to 17.7% in 2013. This increase reflects a proportionally greater contribution to profits in 2013 from subsidiaries in countries with higher tax rates.
In 2012 our income tax expense increased by EUR 179 thousand, or 19.2%, to EUR 1,110 thousand from EUR 931 thousand in 2011. The Group's effective tax rate increased from 11.6% in 2011 to 14.1% in 2012. This increase reflected a proportionally greater contribution to profits in 2012 from subsidiaries in countries with higher tax rates.

Deferred tax assets and liabilities are attributable to the following:

in '000 EUR	31 Dec 2013		31 Dec 2012 Restated		31 Dec 2011 Restated	
	Asset	Liabilities	Asset	Liabilities	Asset	Liabilities
Trade Receivables	-	-	1,148	-	-	-
Property, plant and equipment	29	-	-	6	-	8
Intangible assets	166	(22,040)	94	(16,798)	117	(80)
Employee benefits liability	163	-	123	-	62	-
Provision	25	(194)	-	(342)	-	(200)
Other	112	-	20	(10)	12	-
Deferred Tax assets (liabilities)	**495**	**(22,234)**	**1,385**	**(17,144)**	**191**	**(272)**

The Group restated the 2011 and 2012 consolidated balance sheets as a result of the application of IAS 19 (2011), refer to note 2, and the final purchase price allocation relating to acquisitions made in 2012, refer to note 4. As a consequence in 2012, deferred tax assets changed by EUR 14 thousand and deferred tax liabilities changed by EUR 16,701 thousand, as described in note 2.

In 2013 compared with 2012, deferred tax assets decreased by EUR 890 thousand mainly due to the release of EUR 1,090 thousand of deferred taxes related to trade receivables from the Rumbo acquisition in 2012; deferred tax liabilities changed during 2013 by EUR 5,090 thousand mainly due to the effect of the intangibles assets (trademarks) assumed by the Group in the Jetcost acquisition, for the total amount of EUR 5,292 thousand.

In 2012 compared with 2011, deferred tax assets increased by EUR 1,194 thousand mainly due to EUR 1,090 thousand of deferred taxes relating to trade receivables assumed in the Rumbo acquisition (see above); deferred tax liabilities changed during 2012 by EUR 16,872 thousand mainly due to the effect of the intangibles assets (trademarks) assumed by the Group in the Rumbo and Pigi acquisitions, for the total amount of EUR 16,700 thousand.

The movement in the net deferred tax asset / liability during 2013, 2012 and 2011 was as follows:

in '000 EUR	31 Dec 2012 Restated	Recognized in Profit or Loss	Recognized in OCI	Business Combination	31 Dec 2013
Net deferred tax assets/(liabilities)	(15,759)	(696)	8	(5,292)	(21,739)
Total	**(15,759)**	**(696)**	**8**	**(5,292)**	**(21,739)**

in '000 EUR	31 Dec 2011 Restated	Recognized in Profit or Loss	Recognized in OCI	Business Combination	31 Dec 2012 Restated
Net deferred tax assets/(liabilities)	(81)	(125)	42	(15,595)	(15,759)
Total	**(81)**	**(125)**	**42**	**(15,595)**	**(15,759)**

in '000 EUR	1 Jan 2011 Restated	Recognized in Profit or Loss	Recognized in OCI	Business Combination	31 Dec 2011 Restated
Net deferred tax assets/(liabilities)	(70)	93	9	(113)	(81)
Total	**(70)**	**93**	**9**	**(113)**	**(81)**

Current tax assets & liabilities

As of 31 December 2013, the total net position relating to "Current tax assets & liabilities" amounts to EUR 1,936 thousand (2012: EUR 1,217 thousand, 2011: EUR 1,180 thousand). In 2013, the net tax position of the Group increased by EUR 719 thousand compared to the previous year. This increase is mainly attributable a) to current tax liabilities acquired with Jetcost acquisition for EUR 288 thousand and b) to higher taxes accrued during 2013 for the residual amount. For 2012, the total net tax position was substantially in line with 2011.

NOTE 12 - EARNINGS PER SHARE

Basic earnings per share

The table below shows basic earnings per share for 2013, 2012 and 2011:

	2013	2012 Restated	2011 Restated
Profit for the period attributable to the shareholders of Bravofly Rumbo Group BV (in EURO/000)	12,400	7,239	7,387
Weighted-average number of shares outstanding during the year (in thousand)	11,189	10,212	10,000
Basic earnings per share (in EUR)	**1.11**	**0.71**	**0.74**

Diluted earnings per share

The table below shows diluted earnings per share for 2013, 2012 and 2011:

	2013	2012 Restated	2011 Restated
Profit for the period attributable to the shareholders of Bravofly Rumbo Group BV (in EURO/000)	12,400	7,239	7,387
Weighted-average number of shares outstanding during the year (in thousand)	11,511	10,391	10,000
Diluted earnings per share (in EUR)	**1.08**	**0.70**	**0.74**

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

Number of shares	2013	2012	2011
Weighted-average number of shares (Basic)	11,189	10,212	10,000
Effect of share options in issue	322	179	-
Weighted-average number of shares (Diluted) at 31 December 2013	**11,511**	**10,391**	**10,000**

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 administrating 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 2013 the minimum interest was 1.5%; in 2014 it will be 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 police.
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 2013	31 Dec 2012 Restated	31 Dec 2011 Restated
Funding of the defined benefit plan			
Present value of unfunded obligations	226	180	128
Present value of funded obligations	1,686	1,217	727
Total present value of obligations	**1,912**	**1,397**	**856**
Fair Value of plan assets	904	623	429
Pension liability recognized in the balance sheet	**1,008**	**774**	**426**

in '000 EUR	31 Dec 2013	31 Dec 2012 Restated	31 Dec 2011 Restated
Reconciliation of the defined benefit obligation			
Defined Benefit Obligation at 1.1.	**1,397**	**856**	**616**
Current service cost (employer)	491	402	277
Interest cost	28	22	17
Contributions by plan participants	235	196	136
Benefits paid	(270)	(266)	(212)
Remeasurements loss/(gain)	53	174	1
Exchange rate effect	(21)	14	20
Defined Benefit Obligation at 31.12.	**1,912**	**1,397**	**856**

in '000 EUR	31 Dec 2013	31 Dec 2012 Restated	31 Dec 2011 Restated
Reconciliation of the fair value of plan assets			
Fair Value of plan assets at 1.1.	**623**	**429**	**229**
Interest income	16	13	13
Contributions by the employer	234	196	136
Contributions by plan participants	234	196	136
Benefits paid	(195)	(163)	(56)
Remeasurements gain/(loss)	13	(24)	(43)
Exchange rate effect	(20)	(24)	15
Fair Value of plan assets at 31.12.	**904**	**623**	**429**

in '000 EUR	31 Dec 2013	31 Dec 2012 Restated	31 Dec 2011 Restated
Reconciliation of the recognized net pension liability			
Net liability at the beginning of the period	**774**	**426**	**387**
Expense recognized in profit or loss	504	448	288
Expense recognized in other comprehensive income	40	198	43
Contributions by the employer	(234)	(196)	(136)
Benefits paid by unfunded defined benefit plans	(76)	(102)	(156)
Net liability at the end of the period	**1,008**	**774**	**426**

in '000 EUR	31 Dec 2013	31 Dec 2012 Restated	31 Dec 2011 Restated
Pension expense recognized in profit or loss			
Current service cost (employer)	491	402	277
Net interest cost	12	9	4
Exchange rate effect	1	37	7
Expense recognized in profit or loss	**504**	**448**	**288**
Amount recognized in other comprehensive income			
Return on plan assets excl.interest income	13	(24)	(42)
Remeasurements gain/(loss):			
Actuarial gain/(loss) arising from demographic assumptions			
Actuarial gain/(loss) arising from financial assumptions	49	(111)	22
Actuarial gain/(loss) arising from experience adjustment	(102)	(63)	(23)
Total amount recognized in other comprehensive income	**(40)**	**(198)**	**(43)**

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 2013	31 Dec 2012	31 Dec 2011
Discount rate	2.20%	2.00%	2.50%
Future salary increases	1.50%	1.5%	1.50%
Future pension indexations	0.00%	0.00%	0.00%
Mortality table	BVG 2010G	BVG 2010G	BVG 2010G

As of December 31, 2013, the weighted-average duration of the defined benefit obligation was 20 years (2012: 20 years; 2011: 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 for 2013:

in '000 EUR	Increase	Decrease
Discount rate (0.25%)	(80)	87
Future salary growth (0.25%)	34	(29)
Future mortality (1 year)	17	(17)

The disclosed sensitivities have been determined by changing the discount rate and the rate of salary increase by +/-0.25% resp. making an adjustment to the mortality so that the longevity increased/decreased by one year.

The sensitivity analysis is based on realistically possible changes as of the end of the reporting period. Each change in a significant actuarial assumption was analyzed separately as part of the test. Interdependencies were not taken into account.

Plan assets

The fair value of plan assets for the Swiss plan as of 31 December, 2013 of EUR 904 thousand (2012: EUR 623 thousand, 2011: EUR 429 thousand) consists of a receivable from the insurance company, see above.

Expected contributions in 2014

The Group expects to pay contributions to the defined benefit plans in the amount of EUR 219 thousand in 2014.

NOTE 14 – EMPLOYEE SHARE OPTION PLAN

On 31 March 2013, the Group offered a third tranche of the 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: this third tranche is subject to a vesting period of 33 months. The exercise price of an option is EUR 18.00. The options can only be exercised in the three year period following the vesting date. All 83,000 options are to be settled by physical delivery of shares, and have been granted to management.

The fair value of the options granted was measured based on the binomial tree lattice model. Expected volatility is estimated by considering historic average share price of selected comparable companies. The main assumptions used in the measurement of the fair value at grant date of the employee share option plan were as follows:

Employee Share Option Plan	2013	2012	2011
Fair value at grant date (in '000 EUR)	453	539	1,172
Share price at grant date (in EUR)	18.00	10.00	8.00
Exercise price (in EUR)	18.00	10.00	8.00
Expected volatility	36.65%	37.09%	35.77%
Expected life	2 years 9 months	2 years 9 months	2 years 4 months
Risk-free interest	Based on Zero Coupon curves with maturity on 31 December 2018	Based on Zero Coupon curves with maturity on 31 December 2017	Based on Zero Coupon curves with maturity on 31 December 2016

In 2013, the expense recognized as personnel costs for the share option plan amounts to EUR 819 thousand (2012: EUR 656 thousand, 2011: EUR 167 thousand).

The table below shows share options costs for the Group for 2013, 2012 and 2011, divided by grant date:

in '000 EUR	2013	2012	2011
Equity-settled share-based payment transactions			
Share options granted in 2011	502	502	167
Share options granted in 2012	193	154	-
Share options granted in 2013	124	-	-
Total	**819**	**656**	**167**

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

in thousands of options	2013	Weighted average exercise price 2013	2012	Weighted average exercise price 2012	2011	Weighted average exercise price 2011
Reconciliation of outstanding share options						
Oustanding at 1 January	644	8.53	504	8.00	-	-
Forfeited during the year	(28)	15.57	(30)	8.00	-	-
Exercised during the year	-	-	-	-	-	-
Expired during the year	-	-	-	-	-	-
Granted during the year	83	18.00	170	10.00	504	8.00
Oustanding at 31 December	**699**	**9.37**	**644**	**8.53**	**504**	**8.00**
Exercisable at 31 December	**-**		**-**	**-**	**-**	**-**

The weighted-average contractual life of the options outstanding at 31 December 2013 was 3.41 years (2012: 4.26 years, 2011: 5.00 years)

	2013	2012	2011
Options issued	83,000	170,000	504,000
Number of beneficiaries	23	38	36
Outstanding as of 31 December 2013	63,000	164,000	472,000
Vesting date	31 December 2015	31 December 2014	31 December 2013
Exercise Price	18.0	10.0	8.0

NOTE 15– LEASING

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

in '000 EUR	31 Dec 2013	31 Dec 2012	31 Dec 2011
Less than one year	1,401	993	470
Between one and five years	1,767	1,707	1,207
More than five years	97	-	33
Total	**3,265**	**2,700**	**1,710**

The Group leases a number of cars and office spaces under operating leases. The leases typically run for a period between 1 and 4 years. The leases of office spaces contain a renewal option.

NOTE 16 – PROPERTY PLANT AND EQUIPMENT

The tables below show Property, Plant & Equipment movements during 2013, 2012 and 2011:

in '000 EUR	Furniture	IT Equipment	Other	Total
Historical Cost				
Balance at 1 January 2013	**156**	**1,692**	**293**	**2,141**
Additions	6	380	-	386
Acquisitions from business combinations	-	6	2	8
Disposals	-	(14)	-	(14)
Balance at 31 December 2013	**162**	**2,064**	**295**	**2,521**
Accumulated depreciation				
Balance at 1 January 2013	**63**	**719**	**70**	**852**
Depreciation for the year	54	513	97	664
Disposals	-	(14)	-	(14)
Balance at 31 December 2013	**117**	**1,218**	**167**	**1,502**
Carrying amounts				
At 1 January 2013	**93**	**973**	**223**	**1,289**
At 31 December 2013	**45**	**846**	**128**	**1,019**

in '000 EUR	Furniture	IT Equipment	Other	Total
Historical Cost				
Balance at 1 January 2012	**63**	**1,022**	**72**	**1,157**
Additions	19	300	52	371
Acquisitions from business combinations	74	370	169	613
Balance at 31 December 2012	**156**	**1,692**	**293**	**2,141**
Accumulated depreciation				
Balance at 1 January 2012	**41**	**397**	**39**	**477**
Depreciation for the year	22	322	31	375
Balance at 31 December 2012	**63**	**719**	**70**	**852**
Carrying amounts				
At 1 January 2012	**22**	**625**	**33**	**680**
At 31 December 2012	**93**	**973**	**223**	**1,289**

in '000 EUR	Furniture	IT Equipment	Other	Total
Historical Cost				
Balance at 1 January 2011	**67**	**585**	**60**	**712**
Additions	2	476	1	479
Acquisitions from business combinations	-	3	-	3
Disposals	(6)	(42)	-	(48)
Reclassifications	-	-	11	11
Balance at 31 December 2011	**63**	**1,022**	**72**	**1,157**
Accumulated depreciation				
Balance at 1 January 2011	**33**	**270**	**31**	**334**
Depreciation for the year	11	145	-	156
Disposals	(3)	(18)	-	(21)
Reclassifications	-	-	8	8
Balance at 31 December 2011	**41**	**397**	**39**	**477**
Carrying amounts				
At 1 January 2011	**34**	**315**	**29**	**378**
At 31 December 2011	**22**	**625**	**33**	**680**

Investments in 2013, 2012 and 2011

For 2013, 2012 and 2011 the Group made additions to Property plant and equipment respectively for EUR 386 thousand, EUR 371 thousand, EUR 479 thousand: these additions were mainly relating to IT server and hardware. Property, plant and equipment acquired in a business combination for EUR 8 thousand are relating to the Jetcost acquisition in 2013, EUR 613 thousand in 2012 related to the Rumbo and Pigi acquisitions, and in 2011 for EUR 3 thousand related to the 2Spaghi 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 2013, 2012 and 2011:

in '000 EUR	Capitalized development cost	Other intangible assets	Trade-marks	Total intangible assets	Goodwill	Total
Historical Cost						
Balance at 1 January 2013	**11,242**	**2,387**	**61,132**	**74,761**	**25,831**	**100,592**
Acquisitions - internally developed	2,867	-	-	2,867	-	2,867
Acquisitions - external supplier	2,365	139	-	2,504	-	2,504
Acquisitions from business combinations	-	180	15,386	15,566	20,175	35,741
Change in scope of consolidation	-	(111)	-	(111)	(57)	(168)
Balance at 31 December 2013	**16,474**	**2,595**	**76,518**	**95,587**	**45,949**	**141,536**
Accumulated amortization						
Balance at 1 January 2013	**5,198**	**301**	**-**	**5,499**	**-**	**5,499**
Amortization for the period	4,072	382	-	4,454	-	4,454
Balance at 31 December 2013	**9,270**	**683**	**-**	**9,953**	**-**	**9,953**
Carrying amounts						
At 1 January 2013	**6,044**	**2,086**	**61,132**	**69,262**	**25,831**	**95,093**
At 31 December 2013	**7,204**	**1,912**	**76,518**	**85,634**	**45,949**	**131,583**

in '000 EUR	Capitalized development cost	Other intangible assets	Trade-marks	Total intangible assets	Goodwill	Total
Historical Cost						
Balance at 1 January 2012	**5,759**	**1,217**	**-**	**6,976**	**351**	**7,327**
Acquisitions - internally developed	1,138	634	-	1,772	-	1,772
Acquisitions - external supplier	1,297	416	-	1,713	-	1,713
Acquisitions from business combinations	3,048	201	61,132	64,381	25,480	89,861
Disposals	-	(81)	-	(81)	-	(81)
Balance at 31 December 2012 Restated*	**11,242**	**2,387**	**61,132**	**74,761**	**25,831**	**100,592**
Accumulated amortization						
Balance at 1 January 2012	**2,857**	**263**	**-**	**3,120**	**-**	**3,120**
Amortization for the period	2,341	119	-	2,460	-	2,460
Disposals	-	(81)	-	(81)	-	(81)
Balance at 31 December 2012 Restated*	**5,198**	**301**	**-**	**5,499**	**-**	**5,499**
Carrying amounts						
At 1 January 2012	**2,902**	**954**	**-**	**3,856**	**351**	**4,207**
At 31 December 2012 Restated*	**6,044**	**2,086**	**61,132**	**69,262**	**25,831**	**95,093**

in '000 EUR	Capitalized development cost	Other intangible assets	Trade-marks	Total intangible assets	Goodwill	Total
Historical Cost						
Balance at 1 January 2011	**3,735**	**336**	**-**	**4,071**	**-**	**4,071**
Acquisitions - internally developed	921	321	-	1,242	-	1,242
Acquisitions - external supplier	1,103	221	-	1,324	-	1,324
Acquisitions from business combinations		360	-	360	351	711
Disposals		(10)	-	(10)	-	(10)
Reclassifications		(11)	-	(11)	-	(11)
Balance at 31 December 2011	**5,759**	**1,217**	**-**	**6,976**	**351**	**7,327**
Accumulated amortization						
Balance at 1 January 2011	**1,639**	**86**	**-**	**1,725**	**-**	**1,724**
Amortization for the period	1,218	189	-	1,407	-	1,407
Disposals		(4)	-	(4)	-	(4)
Reclassifications		(8)	-	(8)	-	(8)
Balance at 31 December 2011	**2,857**	**263**	**-**	**3,120**	**-**	**3,120**
Carrying amounts						
At 1 January 2011	**2,096**	**250**	**-**	**2,346**	**-**	**2,346**
At 31 December 2011	**2,902**	**954**	**-**	**3,856**	**351**	**4,207**

For 2012, the Group restated the amount of Intangibles Assets due to the final purchase price allocation relating to Rumbo and Pigi; for further information refer to Note 4.

Investments in 2013, 2012 and 2011

During 2013, additions have mainly related to capitalized development cost for a total amount of EUR 5,232 thousand (2012: EUR 2,435 thousand, 2011: EUR 2,024 thousand) and trademarks and technology for EUR 15,566 thousand, see below. Acquisition in business combinations were referred to Pigi and Rumbo in 2012 and to 2Spaghi in 2011.

Capitalized development costs

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

Trademarks

Trademarks were identified in the purchase price allocation for the acquisitions of Rumbo and Pigi in 2012 and Jetcost in 2013.

The restated balance as of 31 December 2012 amounts to EUR 61,132 thousand and includes:

- the Brand "Viajar" (related to Rumbo) for EUR 3,750 thousand originally presented as "Other Intangibles" as of 31 December 2012;
- the Brand "Rumbo" for EUR 55,150 thousand provisionally allocated to "Goodwill" as of 31 December 2012;
- the Brand "Crocierissime" (related to Pigi Srl) for EUR 2,232 thousand provisionally allocated to "Goodwill" as of 31 December 2012

In 2013 the increase is mainly related to the purchase price allocation of the Jetcost acquisition, and includes EUR 15,386 thousand related to the Jetcost Brand.
Trademarks have been tested for impairment together with Goodwill. For further information refer to Note 18. No impairment resulted from this impairment test.

Other intangible assets

In 2013, additions in "other intangible assets" are mainly referred to IT software for EUR 139 thousand and for EUR 180 thousand to technology.

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 Group's acquired subsidiaries. The aggregate amount of goodwill allocated to each cash generating unit is as follows at each reporting date:

in '000 EUR	31 Dec 2013	31 Dec 2012 Restated	31 Dec 2011
Rumbo	22,970	22,970	-
Pigi Shipping Srl	2,426	2,426	-
Jetcost	20,176	-	-
2Spaghi	351	351	351
Hotelyo & Prezzi Benzina	27	84	-
Total	**45,950**	**25,831**	**351**

The balance as of 31 December 2013 amounts to EUR 45,950 thousand, an increase of EUR 20,119 thousand compared to prior year as restated. This increase is mainly related to the goodwill relating to the Jetcost acquisition in 2013 for EUR 20,176 thousand.

2Spaghi:
Goodwill was tested for impairment based on an estimate of value in use which did not result in any recognition of impairment losses.

Rumbo Group:
Goodwill arising from the acquisition amounts to EUR 22,970 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 represented management's assessment of the future trends. The key assumptions were as follows:

	31 Dec 2013	31 Dec 2012
Weighted average cost of capital (WACC)	12.9%	13.0%
Perpetuity growth rate	2.0%	2.0%
Revenues growth rate (average of next four years)	16.4%	13.1%

Four 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. The brands "Rumbo" and "Viajar" with carrying amounts of EUR 55,150 thousand and EUR 3,750 thousand respectively as of 31 December 2013 were tested for impairment using the multi-period excess earnings method. This method considers the present value of the net cash flows expected to be generated by the intangible asset under review by excluding any cash flows related to contributory assets. The assumptions used for WACC, perpetuity growth and Revenues growth were as aligned to the ones used for the Rumbo goodwill as described above. The net cash flows generated by each brand were calculated by allocating the cash flows of the Rumbo cash-generating unit in the proportion 94% to Rumbo and 6% to Viajar and deducting contributory asset charges. The impairment calculations for the brands "Rumbo" and "Viajar" did not result in the recognition of any impairment losses.

Pigi Shipping & Consulting Srl:
Goodwill emerging from the acquisition amounts to EUR 2,426 thousand. The impairment test was based on an estimate of the 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 revenue growth rate: the values assigned to the key assumptions represented management's assessment of the future trends in the cruises market. The key assumptions were as follows:

Weighted average	31 Dec 2013	31 Dec 2012
Weighted average cost of capital (WACC)	12.9%	19.0%
Perpetuity growth rate	2.0%	2.0%
Revenues growth rate (average of next five years)	16.3%	18.1%

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. Revenues were based on future expected outcomes taking into account past experience. The impairment test for the brand "Crocierissime" with a carrying amount of EUR 2,232 thousand was performed using the same model and assumptions as for goodwill and did not result in the recognition of any impairment losses.

Jetcost:
Goodwill arising from the acquisition amounts to EUR 20,176 thousand and trademarks to EUR 15,386 thousand. The impairment test for goodwill and trademarks was based on an estimate of fair value less costs of disposal and did not result in any recognition of impairment losses. The fair value measurement was categorized as level 3 fair value based on the inputs in the valuation technique used and described below. The fair value less costs of disposal was determined based on a DCF-calculation. Key assumptions used in the calculation of the recoverable amounts are the discount rate (WACC), the perpetuity growth rate and the revenues growth rate: the values assigned to the key assumptions represented management's assessment of the future trends and were consistent with assumptions that a market participant would make. The key assumptions were as follows:

	31 Dec 2013
Weighted average cost of capital (WACC)	12.9%
Perpetuity growth rate	2.0%
Revenues growth rate (average of next four years)	19.7%

Four 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.

Prezzi Benzina and Hotelyo:
The goodwill related to Prezzi Benzina and Hotelyo is not considered material and therefore not tested for impairment.

NOTE 19 - FINANCIAL ASSETS

The table below shows Financial assets for the Group as of 31 December 2013, 2012 and 2011:

in '000 EUR	31 Dec 13	31 Dec 12	31 Dec 2011
Long-term Deposits	129	93	2,400
Other investments	99	202	251
Total non-current financial assets	**228**	**295**	**2,651**
Short-term Deposits	299	343	191
Other investments	472	621	608
Total current financial assets	**771**	**964**	**799**

Non Current financial assets
Other investment mainly include investments in corporate bonds of EUR 79 thousand (2012: EUR 169 thousand, nil for 2011) of a primary Italian bank with a fixed interest rate of 3% and 3,75% (2012: 4%).
Long term deposits, of EUR 129 thousand (2012: EUR 93 thousand), mainly relate to real estate and utilities agreements). In 2011 the Group held at Barclays and Corner Bank deposits for EUR 2,400 thousand, restricted and relating to the credit card acquiring and issuing activities of the Group; they were denominated in EUR and interest-bearing at variable interest rates between 0.43% and 1.45 %.

Current financial assets
As of 31 December 2013, Other investments included investments in corporate bonds of a primary Italian bank in the amount of EUR 451 thousand (in 2012 and 2011: EUR 451 thousand): the bonds have fixed interest rates of 2 % and 2,5%.
During 2013 the Group fully wrote-off the Other investment in Jabadoo S.r.l., a film production company, in which it entered in 2011 for the amount of EUR 170 thousand. A relating tax credit of EUR 68 thousand has been recognized.

Short term deposits of EUR 299 thousand (2012: EUR 343 thousand) mainly relate to real estate and utilities agreements.

NOTE 20 - INVESTMENT IN EQUITY ACCOUNTED INVESTEES

The table below shows "Investment in equity accounted investees" for the Group as at 31 December 2013, 2012 and 2011:

in '000 EUR	31 Dec 2013	31 Dec 2012	31 Dec 2011
Hotelyo Sa	465	-	-
Hypercruises Sa	-	-	35
Newmedia Solutions Sa	-	-	113
Pigi Shipping & Consulting Srl	-	-	2,457
Total	**465**	**-**	**2,605**

During 2012, the Group gained full control of Pigi Shipping srl and Hypercruises SA (see Note 4) and had no remaining equity accounted investees as of December 31, 2012.
During 2013, the Group reduced its investment in Hotelyo SA. As of 31 December 2013 the Group owned 49% of this investment and accounted for it using the equity method. For further information refer to Note 4.

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	2013	2012			2011		
	Hotelyo	Pigi Shipping Srl	New Media Solutions Sa	Hyper-cruises SA	Pigi Shipping Srl	New Media Solutions Sa	Hyper-cruises SA
Profit or Loss	**(210)**	**(70)**	**78**	**45**	**(122)**	**(4)**	**(8)**
Effects of OCI adjustment	-	-	-	-	-	-	-
Total comprehensive income	**(210)**	**(70)**	**78**	**45**	**(122)**	**(4)**	**(8)**

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 127 thousand (2012: EUR -307 thousand, 2011: EUR -89 thousand).

NOTE 21 - TRADE AND OTHER RECEIVABLES

The table below shows Trade and other receivables as at 31 December 2013, 2012 and 2011 for the Group:

in '000 EUR	31 Dec 2013	31 Dec 2012	31 Dec 2011
Trade receivables	25,844	20,934	8,401
Receivables from shareholders	1	1	8
Other receivables	1,461	558	97
Accrued income and deferred expenses	349	450	200
Total	**27,655**	**21,943**	**8,706**

The two most significant debtors of the Group included in the total trade receivables at 31 December 2013, had an open balance amounting respectively to EUR 5,095 thousand (18%) and EUR 1,233 thousand (4%). The main two debtors as of 31 December 2012 amounted to: EUR 4,844 thousand (23%) and EUR 515 thousand (2%) (2011 amounted to EUR 2,935 thousand (28%) and EUR 590 thousand (7%)).

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

in '000 EUR	31 Dec 2013	31 Dec 2012	31 Dec 2011
Not past due	21,672	17,094	5,320
Past due 0-30 days	1,153	1,088	1,870
Past due 31-120 days	1,931	1,810	640
Past due 121 and over	2,899	1,951	677
Total	**27,655**	**21,943**	**8,507**

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

in '000 EUR	2013	2012	2011
Balance at 1 January	132	96	73
Additions during the year	227	43	31
Used during the year	(96)	(7)	(8)
Balance at 31 December	**263**	**132**	**96**

Impairments are established on an individual basis. All of the receivables concerned are fully impaired as they are considered to be not recoverable. At 31 December 2013, the allowance mainly relates to receivables past due from 121 days and above. 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 2013, 2012 and 2011:

in '000 EUR	31 Dec 2013	31 Dec 2012	31 Dec 2011
Cash on hand	24	53	12
Bank accounts	30,104	27,324	11,424
Credit Card accounts	3,345	2,790	2,280
Total	**33,473**	**30,167**	**13,716**

Bank accounts

The Group's bank accounts are interest bearing with variable interest rates between 0 % and 1.1 % (2012: 0 % - 0.5 %, 2011: 0 % - 0.45 %). Bank overdrafts bear variable interest rates between 2.20 % and 5.55 % (2012: 3.7 % - 7.55 %, %, 2011: 3.55 % - 9.5 %). 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 555 thousand (EUR 510 thousand in 2012 compared with 2011) is mainly related to the growth of the Group's volumes, in particular in foreign currency.

NOTE 23 – CAPITAL AND RESERVES

Share capital

During 2013, in the context of the Jetcost acquisition, the Company completed a capital increase by issuing 1,185 thousand additional ordinary shares with a nominal value per share of EUR 0.01 for total proceeds equal to EUR 21,330 thousand; the fair value of the ordinary shares issued was determined by reference to multiples valuation models adjusted to reflect the private status of the Company; for further information refer to Note 4.

In 2012, the Company completed two capital increases by issuing a total of 65 thousand additional ordinary shares and 1,111 thousand preferred shares, each with a nominal value per share of EUR 0.01 for total proceeds equal to EUR 20,652 thousand.

In 2011, the shareholders of the Group approved, first, an increase of the nominal value of the shares, from EUR 10.00 to EUR 50.00 per share, debiting EUR 80 thousand from reserves, and second, a 5,000:1 share split. On the same meeting, shareholders also approved an increase in authorized capital from EUR 90,000 to EUR 115,000, divided into 11,500,000 shares with a nominal value of EUR 0.01 each.

Please note that preferred shares are not entitled to minimum dividends or any type of special treatment by the Company. In case of an IPO, preferred shares would automatically transform in ordinary shares.

The share capital issued is as follows:

Issued Capital	31 Dec 2013	31 Dec 2012	31 Dec 2011
Number of ordinary shares	11,250,000	10,065,000	10,000,000
Nominal value per share (EUR)	0.01	0.01	0.01
Total	**112,500**	**100,650**	**100,000**
Number of preferred shares	1,111,211	1,111,211	-
Nominal value per share (EUR)	0.01	0.01	-
Total	**11,112**	**11,112**	**-**
Total amount (EUR)	**123,612**	**111,762**	**100,000**

The table below shows the changes in the number of the Company's shares during 2013, 2012 and 2011:

Shares movements during 2011	in number
Number of shares at the beginning of the period (1.1.2011)	2,000
Capital increase issued on 26 July 2011, and split 1:5,000	9,998,000
Number of shares at the end of the period (2011)	**10,000,000**

Shares movements during 2012	in number
Number of shares at the beginning of the period (1.1.2012)	10,000,000
Capital increase issued on 20 July 2012 of ordinary shares	65,000
Capital increase issued on 24 October 2012 of preferred shares	1,111,211
Number of shares at the end of the period (2012)	**11,176,211**

Shares movements during 2013	in number
Number of shares at the beginning of the period (1.1.2013)	11,176,211
Capital increase issued on 23 December 2013 of ordinary shares	1,185,000
Number of shares at the end of the period (2013)	**12,361,211**

Capital reserves

Capital reserves contain share premium reserves that are restricted for immediate distribution to the shareholders. As of 31 December, 2013 they include distributable reserves for an amount of EUR 41,958 thousand (2012: EUR 20,460 thousand, 2011: EUR 43 thousand).

Dividends

In 2013 and 2012, no dividend was paid by the Company to its shareholders. For further information refer to the Consolidated Statement of change in Equity. During 2011 the Company paid EUR 2,000 thousand as dividend (EUR 0.20 per share).

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.

According to the covenants applied as of 31 December 2013 by the existing loan agreement, the Groups needs to maintain a minimum equity equal to EUR 40,000 thousand and Gross Debt / EBITDA ratio lower than 2.75x. Both conditions were respected as of 31 December 2013 (for further information see note 25).

NOTE 24 - PROVISIONS

The table below shows the movements in Provisions for 2013, 2012 and 2011:

in '000 EUR	31 Dec 2010 Restated	Reversals	Use	Additions	Business Combination	31 Dec 2011 Restated
Provision for fraudulent credit card transactions	15	-	(15)	76	-	76
Provision Volaflex	16	-	(11)	16	-	21
Other provisions	1,600	-	-	200	-	1,800
Total	**1,631**	**-**	**(26)**	**292**	**-**	**1,897**
Non-current	1,600					1,600
Current	31					297
	1,631	**-**	**-**	**-**	**-**	**1,897**

in '000 EUR	31 Dec 2011 Restated	Reversals	Use	Additions	Business Combination	31 Dec 2012 Restated
Provision for fraudulent credit card transactions	76	-	(76)	304	-	304
Provision Volaflex	21	-	-	22	-	43
Other provisions	1,800	(93)	(166)	100	59	1,700
Total	**1,897**	**(93)**	**(242)**	**426**	**59**	**2,047**
Non-current	1,600					1,600
Current	297					447
	1,897	**-**	**-**	**-**	**-**	**2,047**

in '000 EUR	31 Dec 2012 Restated	Reversals	Use	Additions	Business Combination	31 Dec 2013
Provision for fraudulent credit card transactions	304	-	(318)	165	-	151
Provision Volaflex	43	-	-	25	-	68
Other provisions	1,700	(7)	(1)	753	-	2,445
Total	**2,047**	**(7)**	**(319)**	**943**	**-**	**2,665**
Non-current	1,600					2,000
Current	447					664
	2,047	**-**	**-**	**-**	**-**	**2,664**

Provisions for fraudulent credit card transactions

Provisions for fraudulent credit card transactions refer to transactions completed in the year preceding the reporting date and likely to be disputed by clients in the following year.

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.

Other provisions

Provision for AGCM proceeding in Italy

On June 27, 2013, the Italian Unfair Competition Authority ("Autorità Garante della Concorrenza e del Mercato" or "AGCM") opened an administrative proceeding against Bravofly SA, requiring Bravofly to provide certain documents concerning its business and alleging that Bravofly was engaged in unfair commercial practices in breach of the Italian Commercial Code through the Volagratis.com website as described below:

» selling travel insurance on an opt-out rather than opt-in basis;
» failure to provide full legal information about Bravofly on the website and to provide a client assistance channel free of charge; and
» failure to provide a complete presentation of prices for its services from the initiation of the purchasing process.

As of 31 December 2013, the Group has provisioned EUR 225 thousand for this risk, based on the final decision issued on February 10, 2014, finding Bravofly in violation of the Italian Consumer Code and imposing administrative sanctions.

Other

As of 31 December 2013, non-current provisions amounted to EUR 2,000 thousand compared to EUR 1,600 thousand as of 31 December 2012 and 2011. The EUR 400 thousand increase in 2013 was related to a provision related to tax risks deriving from prior years. As of 31 December 2012 and 2011, non-current provisions amounted to EUR 1,600 thousand and relate to tax risks deriving from years before 2011. Provisions are based upon management's best estimate and adjusted for actual experience. For further information see note 2.

NOTE 25 – SHORT & LONG TERM FINANCIAL LIABILITIES

The table below shows Short & Long term financial liabilities for the Group as of 31 December 2013 and 2012:

in '000 EUR	31 Dec 2013	31 Dec 2012	31 Dec 2011
Facility Loan Agreement ("CFA")	3,308	5,121	-
Put liability for 20% of Jetcost acquisition	6,346	-	-
Earn-out 1 on Jetcost acquisition	832	-	-
Total Short Term Financial Liabilities	**10,486**	**5,121**	**-**
Facility Loan Agreement	18,087	27,297	-
Put liability for 20% of Jetcost acquisition	284	-	-
Earn-out 2 on Jetcost acquisition	1,137	-	-
Total Long Term Financial Liabilities	**19,508**	**27,297**	**-**
Total Financial Liabilities	**29,994**	**32,418**	**-**
Total Facility Loan Agreement	21,394	32,418	-
Total Other Financial Liabilities related to Jetcost acquisition	8,600	-	-
Total	**29,994**	**32,418**	**-**

Facility Loan Agreement ("CFA")

In 2012, in order to finance part of the consideration related to the Rumbo acquisition, the Group entered into an Euro-denominated loan agreement with Credit Suisse AG and UBS AG with final maturity on 30 June 2016. The loan bears interest at variable spreads over Euribor in a range between 1.45% and 2.70% upon the leverage ratio of the Group.

The original amount totaled EUR 38 million, of which EUR 33 million drawn at closing and additional EUR 5 million of working capital facility. As of 31 December 2013, debt outstanding amounted to EUR 21.4 million and un-used facilities amounted to EUR 10.9 million. During 2013 the Bravofly Rumbo Group BV reimbursed EUR 11.2 million. During the year the loan reduced by EUR 5,121 thousand classified as short term financial liabilities and EUR 5,903 thousand classified as long term financial liabilities as of 31 December 2012, following a partial early redemption. The working capital facility of EUR 5 million has not been drawn on any date. The Group has to comply with certain financial covenants mainly relating to the Group's consolidated financial statement on a quarterly basis starting from 31 December 2012. As of 31 December 2013, covenants required a minimum equity not lower than EUR 40,000 thousand and a Gross Debt / EBITDA ratio lower than 2.75x. Both conditions were respected as of 31 December 2013. At 31 December 2013, the applicable spread was equal to 1.70% (1.95% as of 31 December 2012). This Facility Loan Agreement's security package includes pledges on some internally generated trademarks of Bravofly SA and pledges on the shares of the Group subsidiaries Bravoventure Spain and Rumbo.

For further information refer to Note 3.

Other Financial Liabilities related to the Jetcost acquisition

As of 31 December 2013, the fair value of the Earn-out 1 has been included within the Short Term Financial liabilities, while the fair value of the Earn-out 2 has been included within the Long Term Financial liabilities. The fair value of the put liability was split between its short term and long term components. Refer to Note 4 for further information.

Net Financial Position

The table below represents the net financial position for the Group as of reporting date:

in '000 EUR	31 Dec 2013	31 Dec 2012	31 Dec 2011
Current financial assets	771	964	799
Cash and cash equivalents	33,473	30,167	13,716
Short Term Financial Liabilities	(10,486)	(5,121)	-
Net Financial Position within 12 months	**23,758**	**26,010**	**14,515**
Non current financial assets	227	295	2,651
Long Term Financial Liabilities	(19,508)	(27,297)	-
Net Financial Position over 12 months	**(19,281)**	**(27,002)**	**2,651**
Total Net Financial Position	**4,477**	**(992)**	**17,166**

The Net Financial position for the Group was respectively EUR 4,477 thousand in 2013 (EUR -992 thousand and EUR 17,166 thousand in 2012 and 2011, respectively).

For 2013 compared with 2012, the improvement of the Group's financial position is mainly due to a) the reduction of the Facility Loan Agreement for a total amount of EUR 11,024 thousand and b) higher cash and cash equivalent by EUR 3,306 thousand. Both effects have been partially offset by the financial liabilities relating to the Jetcost acquisition for the total amount of EUR 8,600 thousand.

For 2012 compared with 2011, the worsening of the Group's financial position is mainly due to entering into the Facility Loan Agreement ("CFA") described previously.

NOTE 26 - TRADE AND OTHER PAYABLES

Table below shows "Trade and other payables" as of 31 December 2013, 2012 and 2011:

in '000 EUR	31 Dec 2013	31 Dec 2012	31 Dec 2011
Trade payables	34,598	36,456	6,626
Credit card payables	19,917	13,144	8,072
Other payables	4,473	4,307	1,517
Accrued expenses and deferred income	2,925	2,335	595
Total	**61,913**	**56,242**	**16,810**

Trade payables

All Trade Payables as shown in the table above are due within 90 days. The amount of Trade Payables in 2013 compared with previous year was substantially in line. In 2012, compared with 2011, Trade Payables increased by EUR 29,830 thousand due to: i) the Rumbo acquisition finalized at the end of 2012, ii) a general increase of the Group's business volume, and iii) significant increase of marketing costs.

As at 31 December 2013, the liability towards the Group's major supplier BSP amounted to EUR 6,144 thousand (2012: EUR 7,102 thousand, 2011 nil).

Credit card payables

The credit card payables are post-paid credit card accounts, which are used to make payments in the daily business. The significant increase in 2013 compared to the previous year of EUR 6,772 thousand is mainly due to growth of the Group's sales volumes and increases in the available plafonds. In 2012 the significant increase compared to 2011 of EUR 5,072 thousand was mainly due to the growth of the Group's sales volumes and increases in the available plafonds. At 31 December 2013, the Group had available credit card plafonds for a total amount of EUR 30,630 thousand.

Other payables

Other payables mainly include payables relating to taxes, social security and amounts due to personnel for the annual bonus. In 2013, the amount was substantially in line with prior year. In 2012, compared with 2011, the amount increased by EUR 2,790 thousand due to: i) the Rumbo acquisition finalized at the end of 2012 and ii) a general increase in the Group's number of employees.

Accrued expenses and deferred income

Accrued expenses and deferred income increased significantly since 2011 mainly because of voucher accruals due to the growth of the Group's sales volumes.

NOTE 27 – CONTINGENT LIABILITIES

Proceeding with 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.
Ryanair Ltd also started two commercial proceedings against Red Universal De Marketing y Bookings Online SA (Rumbo) in 2008. The first proceeding relates to a breach of contract due to a failure to comply with the terms and conditions on Ryanair's webpage and is still pending. However, according to case law in similar cases, the likelihood of success for Ryanair Ltd is remote. The second proceeding relates to (i) a breach of the airline's intellectual property rights; (ii) an unfair competition against the airline's good faith; and (ii) a removal of the airlines' flight data from Rumbo's webpage. Concerning this second proceeding the first instance and the appeal court decided in favor of Rumbo. On 18 April 2013, also the Supreme Court on this second proceeding decided in favor of Rumbo and the airline was forced to pay the legal cost.

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 31th, 2013. The second instance appeal is still pending.

Other

In February 2014, the Swiss Federal Tax Administration (SFTA) started a tax audit questioning some transactions from a Swiss withholding tax perspective. The Board of directors estimates the maximum exposure to EUR 2.7 million. Based on all available information, the Board of directors does not consider it likely that the tax audit will lead to a material outflow of economic benefits, if any, for the Group.

NOTE 28 - RELATED PARTIES

The Group is controlled by Freesailors Cooperative (incorporated in the Netherlands), which is controlled by Mr. Fabio Cannavale. Freesailors Cooperative owns 49% of the shares of the Company and controls it. The remaining 51% 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 joint ventures, its post employment benefit plans as well as with its key management personel. 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.

Acquisition of interest in subsidiary

Please refer to Note 4 for information about the acquisition of a 50% interest in Pigi Shipping and Consulting Srl from a shareholder.

Receivables from shareholders

The table below shows Receivables from shareholders as of 31 December 2013, 2012 and 2011:

in '000 EUR	31 Dec 2013	31 Dec 2012	31 Dec 2011
Receivables from shareholders	1	1	8
Total	**1**	**1**	**8**

Key management personnel compensation

The key management compensation for 2013, 2012 and 2011 is presented in the table below and relates to the extended management team of the Group made of 27 individuals:

in '000 EUR	2013	2012	2011
Management compensation	4,060	2,690	1,985
Share-based payments	518	483	146
Total	**4,578**	**3,173**	**2,131**

There have been no other transactions with key management.

Rent

The Group rented some offices from related parties for a total amount of EUR 32 thousand in 2013 (2012: EUR 32 thousand, 2011: EUR 22 thousand).

NOTE 29 – BANK GUARANTEES

As of 31 December 2013, financial institutions had issued bank guarantees to third parties on behalf of the Group for a total amount equal to EUR 5.8 million, of which EUR 3.5 million relate to a bank guarantee to a Spanish GDS airline.

NOTE 30 - GROUP COMPANIES

The table below shows the Group 's structure as of 31 December 2013, 2012 and 2011:

Subsidiaries					
			Ownership interest		
Name	**Country**	**Consolidated for 2013**	**2013**	**2012**	**2011**
Bravofly Rumbo Group BV	Netherlands	-	Parent Company		
Bravofly SA	Switzerland	Fully	100%	100%	100%
Viaggiare S.R.L.	Italy	Fully	100%	100%	100%
Satintour Services	UK	Fully	99.8%	99.8%	99.8%
Blue Sas - JetCost *	France	Fully	80.0%	-	-
Bravonext sa	Switzerland	Fully	100.0%	100.0%	100.0%
2Spaghi Srl	Italy	Fully	62.5%	62.5%	55.0%
Bravoavia Group Sa	Switzerland	Fully	60.0%	60.0%	60.0%
Web to Travel Sarl	France	Fully	100.0%	100.0%	100.0%
Bravomedia Srl	Italy	Fully	100.0%	100.0%	100.0%
Pigi Shipping & Consulting Srl	Italy	Fully	100.0%	100.0%	50.0%
Hypercruises Sa	Switzerland	Fully	100.0%	100.0%	50.0%
Prezzi Benzina Srl	Italy	Fully	50.1%	50.1%	-
Bravoventure Spain SLU	Spain	Fully	100.0%	100.0%	-
Hotelyo SA	Switzerland	Equity	49.0%	51.0%	-
Vivigratis SA	Switzerland	Fully	51.0%	-	-
Rumbo SA	Spain	Fully	100.0%	100.0%	-
Rede Universal de Viagens Ltda	Brazil	Fully	99.9%	99.9%	-
Cruiseland Srl	Italy	Fully	100.0%	100.0%	-

**The ownership percentage presented for Jetcost as of 31 December, 2013 is not taking the put for the additional 20% into consideration. For further information please see Note 4.*

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

KPMG

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

Bravofly Rumbo Group B.V., Amsterdam

As independent auditor, we have been engaged to audit the accompanying consolidated financial statements of Bravofly Rumbo Group B.V. ("the Company"), on pages 46 to 108, which comprise the consolidated balance sheets as at 31 December 2013, 2012 and 2011, and the consolidated statements of profit or loss, statements of other comprehensive income, statements of changes in equity and statements of cash flows for each of the years in the three-year period ended 31 December 2013 and 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.

Opinion
In our opinion, the consolidated financial statements present fairly, in all material respects, the financial position of Bravofly Rumbo Group B.V. as at 31 December 2013, 2012 and 2011 and its financial performance and its cash flows for each of the years in the three-year period ended 31 December 2013 in accordance with International Financial Reporting Standards (IFRS) as adopted by the EU.

KPMG SA

Lorenzo Job
Licensed Audit Expert
Auditor in Charge

Maura Pronini
Licensed Audit Expert

Lugano, March 6, 2014

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