

Bravofly Rumbo Group provides preliminary trading update and full year financial guidance

The European online travel agency recorded preliminary consolidated revenues of EUR 71 million in the first six months of this year (+20% vs. H1 FY13). The growth has been facilitated by the strong expansion outside its core markets (+67% vs. H1 FY13).

- *Continuous growing volumes: EUR 643 million of Gross Travel Value (+22% vs. H1 FY13); 1,746 thousand Bookings (+16% vs. H1 FY13)*
- *Growth in consolidated financial figures: preliminary consolidated revenues of EUR 71 million; preliminary Adjusted EBITDA of EUR 12 million; Net Financial Position increased to EUR 105 million*
- *Guidance provided for rest of the year: performance in the second half of the year expected to be aligned, in absolute figures, to the results recorded in the first half*

Amsterdam / Chiasso, 28 July 2014. Bravofly Rumbo Group provides a preliminary update on its trading performance and its strategy. A comprehensive half-year report will be published on 16 September 2014.

Gross Travel Value in the first half of the year amounted to EUR 643 million, up 22% from EUR 525 million in the same period of last year. The number of Bookings increased by 16% to 1,746 thousand from 1,501 thousand in the same period of last year.

The Group recorded preliminary consolidated revenues of EUR 71 million for the first six months of this year, compared to EUR 60 million in the same period of last year, implying a year-on-year growth rate of 20%. Jetcost, the metasearch business acquired in December 2013, contributed to such growth, with EUR 6 million of third-party revenues.

In the first six months of this year, preliminary consolidated revenues in Bravofly Rumbo Group's core markets (Italy, Spain and France) amounted to EUR 51 million, compared to EUR 47 million last year, representing a growth rate of 9% year-on-year. Growth outside the core markets was significantly stronger, with revenues in the first half of the year amounting to EUR 20 million, compared to EUR 12 million in the previous year, representing a growth rate of 67% year-on-year. Total Group's Adjusted EBITDA in the period amounted to EUR 12 million, up from EUR 11 million in the same period of last year. The Net Financial Position of the Group as of June 30 increased to EUR 105 million driven by the IPO capital increase

(providing total gross proceeds amounting to over EUR 88 million) and strong internal cash generation. A final and comprehensive half-year report will be published on 16 September 2014.

The performance of the Group experienced **contrasting trends** during the first two quarters of the year. The Group's consolidated revenues in the first quarter increased by 37% compared to the same period last year, while growth in the second quarter reduced to approximately 8%. Since the second quarter, the Group has seen a sudden increase in competition in its core markets. In particular, in the Group's Travel Agency markets in Spain and Italy, some competitors pursued aggressive pricing policies that also supported a strong growth of selected metasearch players. The combined effect has been more competition for traffic and higher pressure on pricing, in particular in the paid marketing channels. In this environment, Bravofly Rumbo Group has decided to prioritize the growth in volumes and of the customer base to support its long-term growth strategy.

Despite the more challenging conditions, the Group confirms its **long-term growth strategy**, built-on its strong position in the flight business in its core markets (Italy, Spain and France) and further developing the vacation business, as well as the continuous expansion outside its core markets, where Bravofly Rumbo Group has achieved excellent results. The Group is particularly focused on enhancing the user experience of its websites, a key element to increase traffic, site conversion and therefore marketing spend efficiency. Substantial resources are also being deployed on mobile, an area that represents a significant growth opportunity. Before the end of the current year, the Group expects to release important upgrades of its websites.

In the **vacation business** the Group has achieved satisfactory growth in its dynamic package business and has reduced its volumes and revenues in the hotel standalone business, area of business considered non-core by the Group. In the first half-year of 2014, Bravofly Rumbo Group successfully extended its integrated online and offline business model in vacation and cruises within the Spanish market.

Growth outside the core markets has been very strong both in Europe (e.g. in the Scandinavian countries) and outside Europe (e.g. in Australia). During the same period the Group also released localized websites for selected Southeast Asian markets. The imminent release of technological developments shall also allow a more rapid and efficient website customization for new markets. In order to strengthen the competitiveness outside its core markets, the Group is also working on the integration of local low cost airlines and the access to more competitive fares.

The post-acquisition integration of **Jetcost, one of the leading metasearch players** in France with websites covering 20 countries, is proceeding smoothly and Jetcost already contributes significantly to the profitability of the Group. Jetcost continues to be run as a separate and independent business but leverages on the

Group in a number of areas such as mobile, where it is about to release its first mobile optimised website and a new iOS App. The Group intends to accelerate its investment in the metasearch business, where it believes it can achieve significant future growth.

In line with the **acquisition strategy** stated at the time of IPO, the Group continues to actively screen the market for potential targets that would add to or strengthen the Group's presence, particularly in new markets and products. In the last months, some relatively advanced discussions were interrupted after the Group did not find the right balance between opportunity, risk and valuation. Currently, the more advanced opportunities under discussion are related to the vacation and leisure business.

In light of the current dynamics, the Group is providing **guidance** on its expected performance in the second half of the year. The Group expects markets to continue to be challenging in the second half of the year, in which it currently expects volumes, revenues and Adjusted EBITDA, in absolute figures, to be aligned to the results recorded in the first half of the year.

In addition, Bravofly Rumbo Group's Board of Directors assigned management with powers to set up a **share buy-back plan** and for the purchase, under such plan, of Bravofly Rumbo Group shares worth a maximum of EUR 10 million. No implementation of such buy-back will take place prior to its authorization by the Swiss Takeover Board and its official detailed communication to the market.

Fabio Cannavale, Chairman and main shareholder of Bravofly Rumbo Group, comments: *"We operate in a dynamic market and so far we have always been successful in turning challenges into opportunities. Market challenges are often the best stimulus to find new solutions and to offer the best services to our customers"*. He added: *"We expect to close 2014 with a Gross Travel Value of about EUR 1.3 billion, serving more than 5 million passengers."*

Investor conference call on 28 July 2014

Fabio Cannavale, Chairman, Francesco Signoretti, CEO, and Gaspar Santonja, CFO, provide an update on recent trends in the OTA market as well as a first take on the preliminary H1 2014 results.

Time: 11.00 am CET. The conference call will be held in English. To attend the Conference call on Monday, 28 July 2014, at 11.00 am CET please dial-in with the appropriate numbers below.

Dial-in numbers:
From Continental Europe +41 (0)58 310 50 00
From UK: +44 (0)203 059 58 62
From USA: +1 613 570 56 13

The call will be recorded, an MP3 file will be published in the afternoon. Next event: 16 September 2014, Presentation half-year results 2014.

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About Bravofly Rumbo Group

Bravofly Rumbo Group is a Swiss-based online travel agency, or OTA, with a strong presence in Europe. Its web and mobile platforms enable consumers to easily search for, compare and book flights with both traditional airlines and low cost carriers, as well as hotel accommodation, package holidays, cruises, rental cars and other travel-related products and services. The Group traces its roots to 2004, with the launch of Volagratis, a pioneer search engine for low cost flights in the Italian market. Today it operates websites in 14 languages and localized for 35 countries. Its core markets are Italy, Spain and France. The Bravofly Rumbo Group is strengthening its position in other European markets such as Germany, Eastern Europe and Scandinavia, and expanding to untapped markets in selected Asian Pacific and Latin American countries. The Group operates under a number of key brands, including Bravofly, Rumbo, Volagratis, Jetcost, Crocierissime, Viaggiare and Viajar. With more than 4.5 million passengers handled per year, Bravofly Rumbo Group complements its online offer with customer service support in 12 languages.

For more information, please visit bravoflyrumbogroup.com

Some of the information contained in this press release contains forward-looking statements. Readers are cautioned that any such forward-looking statements are not guarantees of future performance and involve risks and uncertainties, and that actual results may differ materially from those in the forward-looking statements as a result of various factors. Bravofly Rumbo Group undertakes no obligation to publicly update or revise any forward-looking statements.