

eDreams ODIGEO: Full Year Results to 31st March 2016

Strategic initiatives delivering growth in bookings, revenues and Adjusted EBITDA;
Adjusted Net Income +50%

Barcelona, 20 June, 2016 – eDreams ODIGEO (www.edreamsodigeo.com), the largest flight retailer in Europe and one of the world's leading online travel companies, today reported its results for the full year ended March 31st 2016.

RESULTS HIGHLIGHTS

- Solid growth in bookings (+10%), revenue margin (+6%) and Adjusted EBITDA (+6%)
- Adjusted net income of €20.1million, representing a 50% increase on the previous year
- Cash position at the end of the period stood at €132.0 million, up 8%
- Flight: revenue margin up +5%. Non-flight: revenue margin up +10%
- Expansion Markets: growth in revenue margin +16% and bookings up +20%
- Successful implementation of strategy:
 - Significant improvement in customer experience
 - Business model changes in product, marketing and pricing – bookings (+10%) and variable cost per booking (-6%)
 - Mobile channel acceleration – bookings up 51%, 24% of all flight bookings in FY 2016
 - Advertising and Metasearch business grew 37%
- Full-year results ahead of guidance
- Outlook 2017: Bookings:>10.7 million; Revenue margin:>€463 million; Adjusted EBITDA €105 million (10% growth year-on-year), +/- €2 million

Dana Dunne, CEO, commented

“These results reflect significant progress made this year and a moment of transition for the business, with bookings, revenue margin and EBITDA all growing at a steady rate. Our Expansion markets continue to grow strongly and our Core markets returned to growth for a third consecutive quarter. The rapid increase in mobile bookings, ahead of the industry average has been particularly pleasing, along with improvements in our product, traffic re-orientation and revenue.”

He added:

“Looking ahead, we see a positive market environment for the company which will enable us to make travel easier, more accessible and better value for more customers. We expect further growth in bookings, revenue margins and adjusted EBITDA and to capitalise on the growth in the OTA market fuelled by the move from offline to online.”

FULL FISCAL YEAR 2016 RESULTS

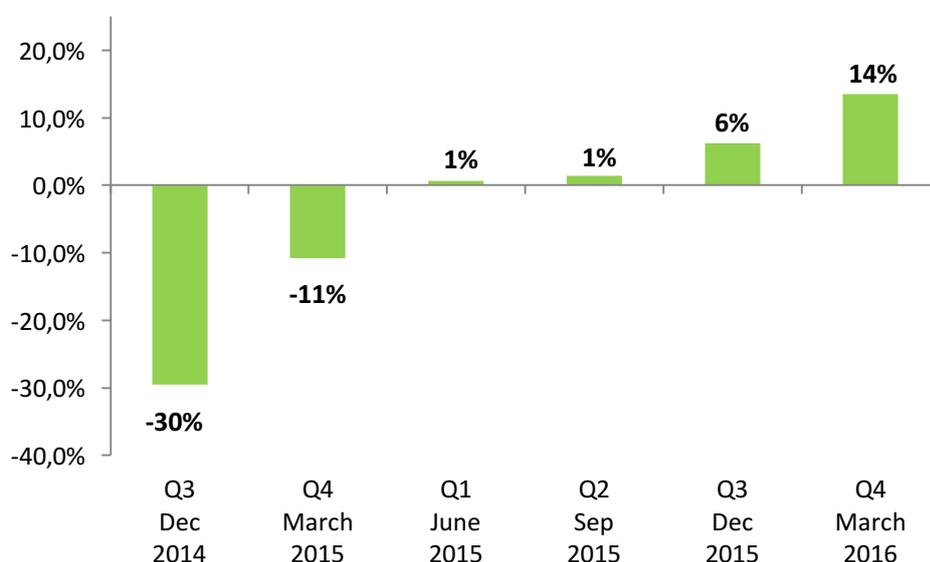
In the 12 months ended March 31, 2016, eDreams ODIGEO delivered solid results. The strategy announced in June 2015 continues to drive improvements in the business, and is consequently delivering positive growth rates in bookings, revenue margin and adjusted EBITDA.

The group is making good progress in all the strategic initiatives, including an improved product proposition, business model and channel mix realignment, as well as improved customer experience and satisfaction.

This resulted in bookings growing 10% to 10.7 million, a rise of 6% in revenue margin to €463.3 million, adjusted EBITDA growth accelerating in Q3 and Q4, up 6% year-on-year, and adjusted Net Income rising by 50%.

Summary Income Statement

(in € million)	3M March 2015	3M March 2016	Var	12M March 2015	12M March 2016	Var
Revenue Margin	121.2	129.4	7%	436.0	463.3	6%
Adjusted EBITDA	28.0	31.7	14%	90.5	95.8	6%
Non-recurring items	-6.9	-3.4	-51%	-16.0	-10.5	-34%
EBITDA	21.1	28.3	34%	74.5	85.3	15%
EBIT	-162.2	24.1	N.A.	-125.0	67.0	N.A.
Net income	-173.8	5.9	N.A.	-181.3	12.4	N.A.
Adjusted net income	5.5	9.2	66%	13.4	20.1	50%

Adjusted EBITDA quarterly evolution (YoY variation)

Business review by geography

Core markets bookings reached 5.4 million, up 2% year-on-year (+8% in Q4), and the positive bookings trend continues to improve. Bookings growth was due to an increase in our flight business mainly in Spain and in Italy. The company increased Bookings for both regular flight Bookings as well as for low cost Bookings. This has been partly offset by a decrease of our charter activity in France, which is mainly due to the terrorist attacks and geo-political issues in North Africa.

Expansion markets bookings showed good growth rates, up 20% year-on-year, due to an increase in flight Bookings driven both by regular flight Bookings and low cost Bookings. The increase mostly relates to European countries like the UK, Germany and countries outside of Europe, and in particular the significant increase in Bookings in the United States.

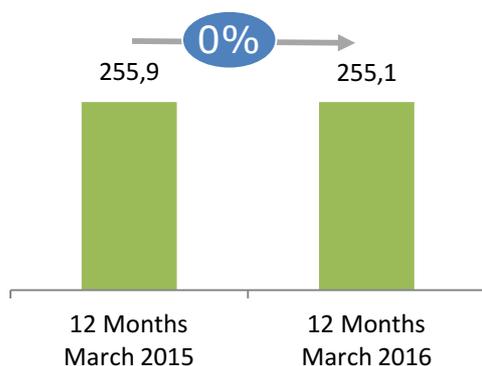
The revenue margin in our Core segment for the full year 2016 stood at €255.1 million (-0.3% year-on-year), principally due to the decrease in Revenue Margin per Bookings (-2%) in line with the pricing and marketing re-orientation strategy. This has been partly offset by the positive impact on our revenue margin of the increase in Advertising and Meta click-out revenue as well as the increase in Bookings. All 3 markets within Core in Q4 grew in revenue margin, the first time since September 2013, as strategic initiatives delivered both volume growth and market share gains.

The Expansion markets drove overall revenue margin growth, up 16% year-on-year. Growth in Expansion was principally due to the increase in Bookings of 20%, partly offset by a slight decrease in Revenue Margin per booking (-3%), reflecting our pricing and marketing re-orientation strategy.

These markets now represent 45% of our overall revenue margin (which is up from 41% in fiscal year 2015).

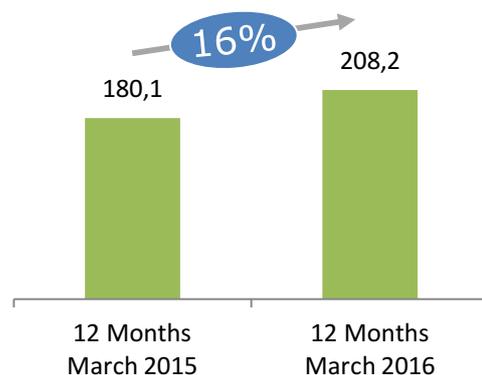
Core Revenue margin

In € Million



Expansion Revenue margin

In € Million



Business review by Flight/Non-Flight

The company’s growth in bookings, up 10% year-on-year, was mainly sustained by growth in the Flight business bookings.

In the Flight business, progress in our strategic initiatives continued to deliver good growth in bookings, up 11% in fiscal year 2016, fueled by both Regular and Low Cost carrier’s bookings thanks to our re-alignment on pricing and marketing that delivered results in the second half of the year.

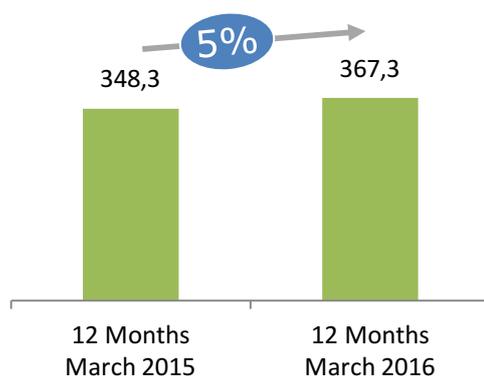
In Non-Flight, the bookings trend improved throughout the year and reached €925 million in fiscal year 2016, down 3% overall but up 4% in Q4. Bookings in Non-Flight were down in part due to a decrease in the packaged tours business in France and Germany as a result of the terrorist attacks and political environment in North Africa, key destinations for vacation packages. This was partly offset by higher bookings relating to hotels and dynamic packages.

The Flight business revenue margin grew 5% year-on-year, reaching €367.3 million for the full year 2016. This revenue growth was driven by a solid growth in bookings, which were up 11% year-on-year, which was partly offset by a decrease of 5% in Revenue Margin per Booking for Flight products, mainly reflecting our pricing and marketing re-orientation strategy.

The Non-Flight business revenue margin increased by €8.4 million (up 10% year-on-year) to 96.0 million, from €87.6 million in the fiscal year 2015, principally due to a 13% increase in our Revenue Margin per Booking of Non-Flight products. This was mainly as a result of the development of our metasearch business, as well as an increase in other non-transactional revenue, partly offset by a decrease in Bookings of non-flight products.

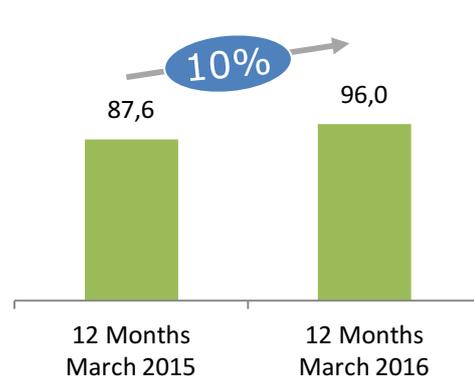
Flight Revenue margin

In € Million



Non-flight Revenue margin

In € Million



Strategy Update

Overall, we made good progress on all our strategic initiatives in the fiscal year 2016.

In regard to traffic source and channel mix, we successfully shifted the mix to less expensive traffic sources. We have been focusing on lower cost channels and customer retention. In addition, improvements made to our products have helped. This is reflected in the 10% bookings growth while reducing our variable cost per booking by 6%.

Mobile channel bookings continued to improve, up 51% in 2016 fiscal year, representing 24% of our total flight bookings on average in the fiscal year 2016.

Customer satisfaction results have increased significantly, with a 20% reduction in customers needing assistance, the introduction of the revised Help Centre, the implementation of a new “my trips” user area and the roll-out of the new contact centre platform.

All our product teams are already integrated in the new agile product development methodology, compared to 36% only six months ago. This allows us to deliver product development much faster, with a significant number of new functionalities launched both in mobile and desktop.

Furthermore we have been successful in revenue diversification with value-add products that increase customers’ basket size, delivering 37% growth in advertising and metasearch business and 18% growth in our ancillary revenues.

Fiscal year 2017 Outlook

In fiscal year 2017 the focus is going to be on increasing the profitability of the business.

- Reduce areas in which we are not as profitable and not strategic to long term success.

In addition we will invest to build long term sustainable business.

- Invest in areas to reinforce our long term sustainability and in the best interest of the customer, even if it leads to a trade-off between short term and long term results.
- Phasing of the year: We expect a strong first half which will underpin most of the growth expected this year and which will allow us to accelerate the investments in the transformation of the business in H2 leading to a lower H2.

The annual targets for fiscal year 2017 are as follow:

- **Bookings:** >10.7 million
- **Revenue margin:** >€463 million
- **Adjusted EBITDA:** €105 million (+10% growth), +/- €2 million

***NOTE**

Core Markets: Spain, Italy, and France

Expansion Markets: All except the Core Markets

International Markets: All except the Core Markets, Germany, the United Kingdom, and the Scandinavian countries

About eDreams ODIGEO

eDreams ODIGEO (www.edreamsodigeo.com) is one of the main retailers of online flights in the world (in terms of revenue) and one of the largest European e-commerce companies. Under its four leading online travel agency brands - eDreams, GO Voyages, Opodo, Travellink, and the metasearch engine Liligo - it offers the best deals in regular and charter flights, low-cost airlines, hotels, cruises, car rental, dynamic packages, holiday packages and travel insurance to make travel easier, more accessible, and better value for the more than 17 million customers it serves worldwide. With a presence in 44 markets, the company has a human team of about 1,700 professionals. eDreams ODIGEO is listed in the Spanish Stock Market.