eDreams ODIGEO

FIRST 9 MONTHS RESULTS REPORT

FY 2017

Summary Financial Information



eDreams ODIGEO has built a highly successful travel business over the past 15 years with well-known global brands.

#1

flight retailer in Europe[1]; growing market share

750M

monthly searches[2]

>17M

Customers served[1]

143

web sites[3]

44

countries where we operate[1]

30%

flight bookings done via mobile devices[2]

#1

Leading Metasearch in France[1]. Present in 11 countries

[1] Reference period FY 2016
[2] Reference period Q3 FY 2017
[3] Includes sites across all markets, brands, and devices

Index

- Results Highlights
- Quote from CEO
- Business Review
    1. By Geography
    2. By Business
- KPIs - NEW
- Outlook
- Financial Review
- Other information
- Condensed Consolidated Interim Financial Statements and Notes
- Glossary & reconciliation -NEW

Solid First nine months with continued growth in Bookings, Revenue Margin and Adjusted EBITDA; Adjusted Net Income +78% y-o-y; Cash Flow before financing €27.6 million

Results Highlights

- Solid growth in bookings (+9%), revenue margin (+5%) and Adjusted EBITDA (+18%);
- Adjusted net income of €19.4 million, representing a 78% increase;
- Solid cash flow with cash position of €77 million (up 18%);
- Solid performance in all Core Markets: Bookings (+11%) and revenue margin (+8%)
- Revenue diversification strategy in non-flight products: Bookings (+7%) and revenue margin (+11%)
- Strategic initiatives continue to boost performance;
- Further investment in the business to build scale, be more agile, improve business model, and create a better customer experience;
- Increased transparency with new KPIs introduced to measure operational performance;
- Acquired budgetplaces.com, a leading hotel bookings site, in line with acquisition strategy;
- Full year guidance raised; Bookings: 11.2-11.5 million (5-8% growth y-on-y), Revenue margin €465-475 million (0-2% growth y-on-y); Adjusted EBITDA €105-107 million (10-12% growth year-on-year).

Quote from the CEO

"We have had a good nine months of the financial year to date with continued growth in bookings, revenue margin and Adjusted EBITDA. The strategic initiatives that we put in place continue to drive this performance. In addition we have invested and continue to invest in our business in order to strengthen our long term competitiveness, growth and customer proposition. In particular, we are focusing our continued investment around the customer, including the further differentiation of our offer and the speed with which we can respond to and lead consumer trends. As we have said previously, this investment of some top line growth in the short term, will, over the long term, deliver a more compelling and competitive customer proposition and robust, high quality revenue growth. As a result of these initiatives, we have revised up our expectations towards the upper end of the guidance we provided at the start of the year."

Business review

eDreams ODIGEO delivered a solid financial performance in the first 9 months of fiscal year 2017. The strategy announced in 2015 continues to drive improvements in the business, and is delivering positive growth rates in bookings and revenue margin, up 9% and 5% respectively. Adjusted EBITDA growth rates continue to be very strong, growing by 18% in the first nine months as a result of growth in bookings and revenue margin combined with a 10% reduction in variable cost per booking.

Our revenue diversification strategy continues to have a positive impact on our business, with growth in our flight related ancillaries and non-flight products. Bookings in non-flight businesses were up 7% and revenue margin up 11% driven by growth in hotels, cars and dynamic packages, development of our metasearch business, and partially offset by a decrease in our packaged tours business.

In our flight business, good progress in delivering our strategic initiatives has boosted performance and is positioning us well for long term growth. We continue to make the planned investments in our business to build scale, become more agile, improve the business model, and create a better customer experience.

Our Core markets performed strongly with Bookings up 11% and revenue margin up 8%, driven by strategic initiatives, our diversification strategy and our continued investment.

The first nine months also saw strong profit growth. Adjusted net income was up significantly to €19.4 million, representing an 78% increase year-on-year.

In October 2016 the group successfully refinanced its debt, with a full repayment of 2018 Notes and 2019 Notes, and the issuance of 2021 Notes. It increased the Super Senior Revolver Credit Facility from €130million to €147 million, and switched its new debt to a single maintenance covenant of 6.0x Gross Leverage Ratio, with the terms also improving to allow for efficient repurchases of up to 10% of principal per year. We have successfully reduced our covenant ratio from 5.0x in December 2015 to 4.0x in December 2016, which gives up ample headroom vs our Gross Leverage covenant ratio. In addition, our Net Leverage Ratio was down from 4.3x in December 2015 to 3.3x in December 2016.

In the first nine months of fiscal year 2017 the group reported a very solid cash flow performance with a cash position of €77 million (up 18% year-on-year). Cash flow from operations went from -4.7 million euros to €41.7 million, and Cash Flow before financing from -28.1 million euros to €27.6 million, as a result of improvements in EBITDA, working capital and capex. Overall the Group delivered a very strong cash flow performance.

The financial performance for the first nine months demonstrates that the shift in our business model is delivering positive results. We continue to drive more revenues outside of flight tickets which are higher margin and generate more cash for the business. Overall we consider this a solid set of results and in line with where we would expect to be following the start of our transformation in June 2015.

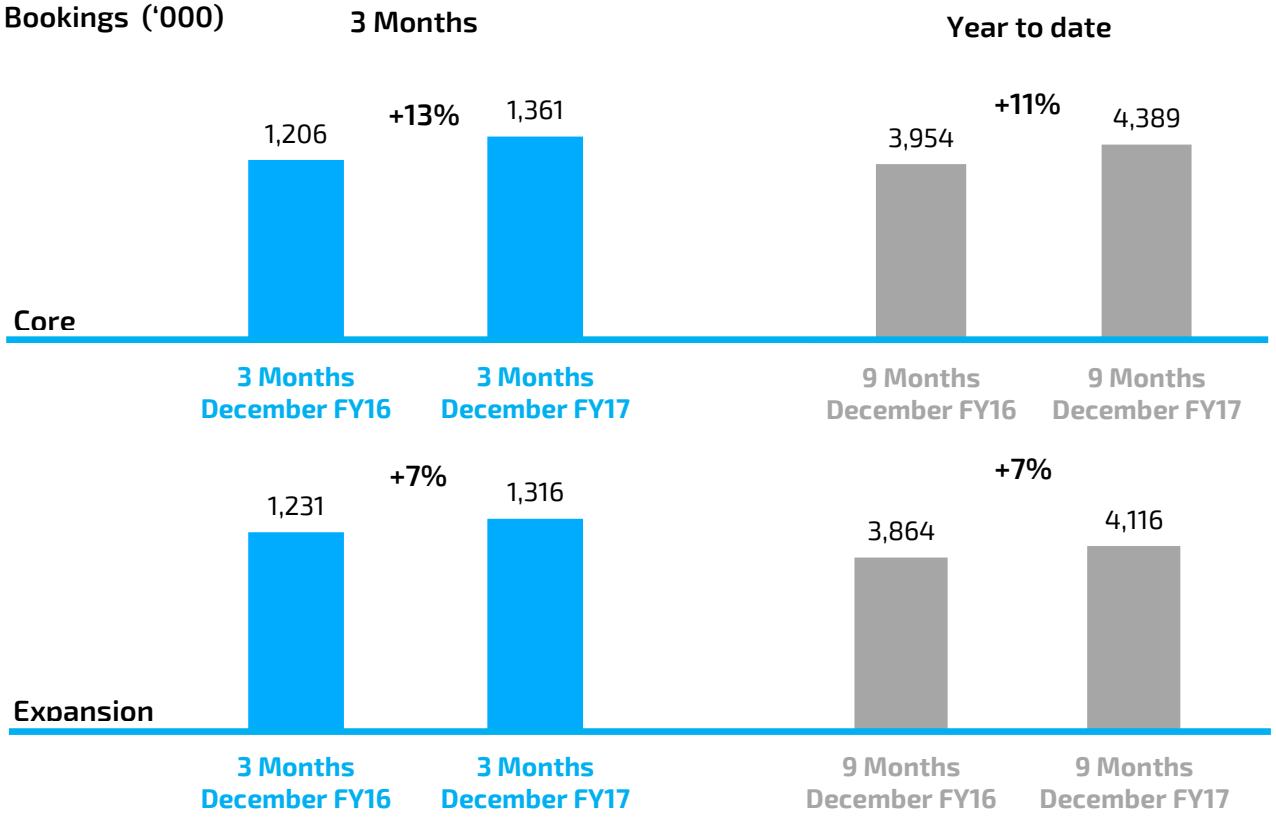
OUR MISSION

“We are passionate about travel. We aim to make travel easier, more accessible and better value for our customers through our consumer insight, innovative technology and market leadership”

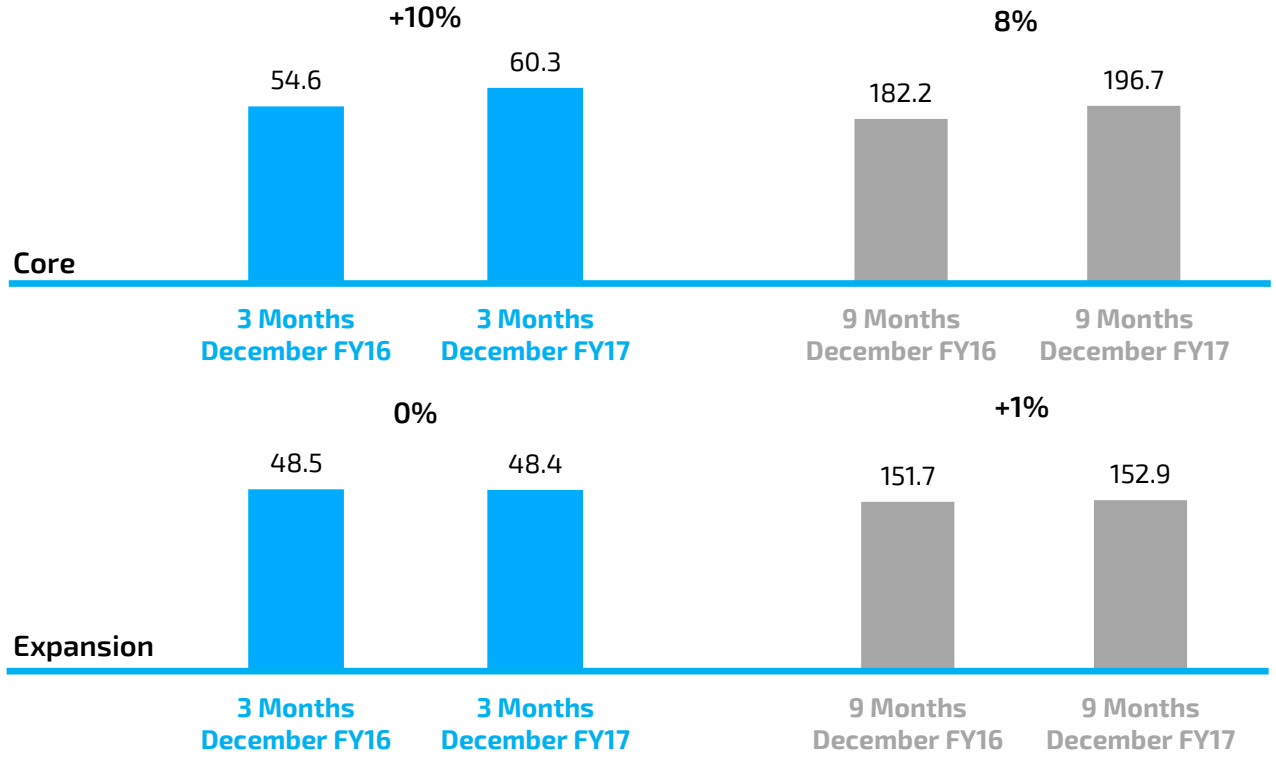


Geographical Overview

Bookings ('000)



Revenue Margin (€ million)



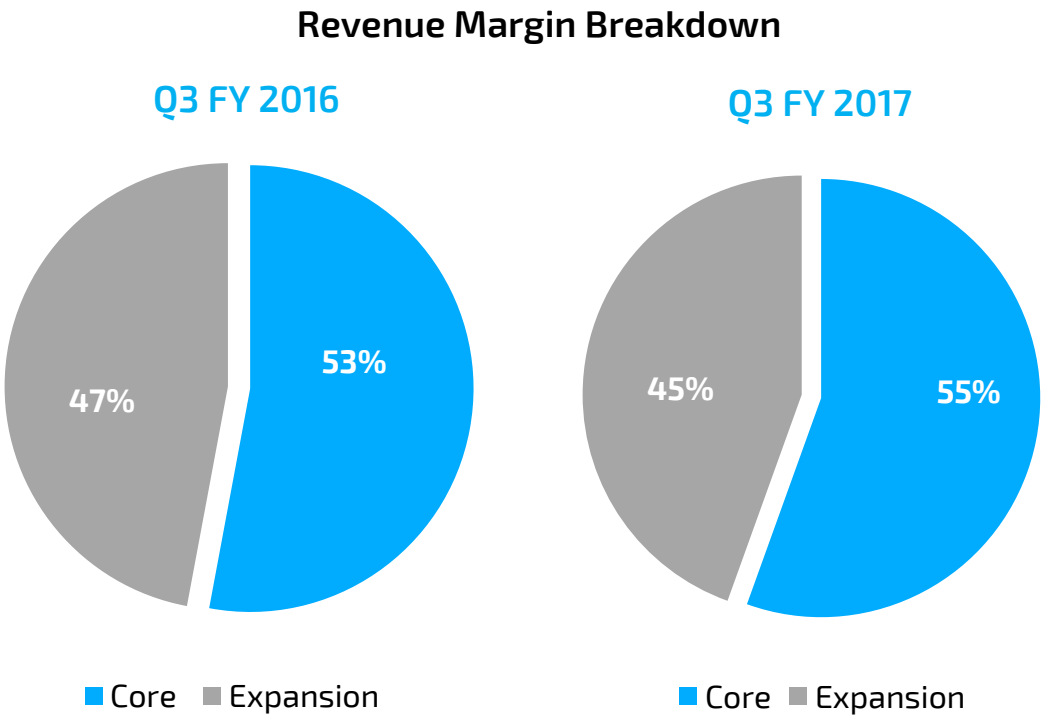
Business review by geography

Our Core markets (France, Italy, Spain) delivered a solid growth in bookings and revenue margin in the first nine months of fiscal year 2017. Core markets bookings reached 4.4 million, up 11% year-on-year, as a result of our strategic initiatives, diversification strategy and continued investment.

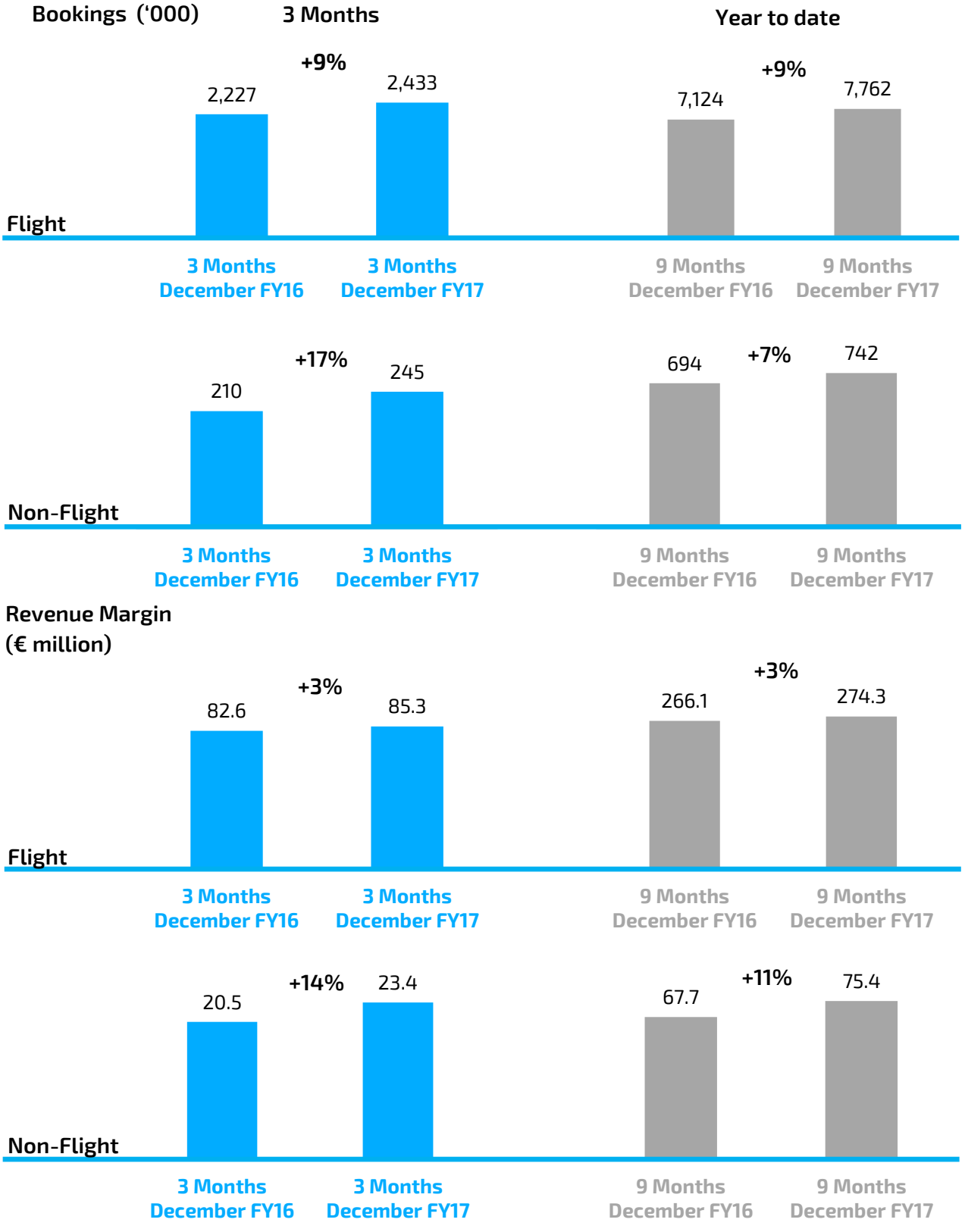
Revenue margin in our Core segment for the first nine months of fiscal year 2017 also experienced solid growth rates, up 8% year-on-year, to €196.7 million. While revenue margin per booking fell 3%, the group delivered 8% growth in revenue margin as a result of our continued investment in the business.

Expansion markets experienced solid growth rates, up 7% year-on-year, in the first nine months of the year, driven by the strategic initiatives and investments made in our business and revenue diversification.

Expansion markets revenue margin was up 1% year-on-year for the first nine months to €152.9 million. The performance was driven by booking growth, negative foreign exchange impact, in particular the depreciation of the pound vs the euro, and revenue margin per booking.



Business Evolution



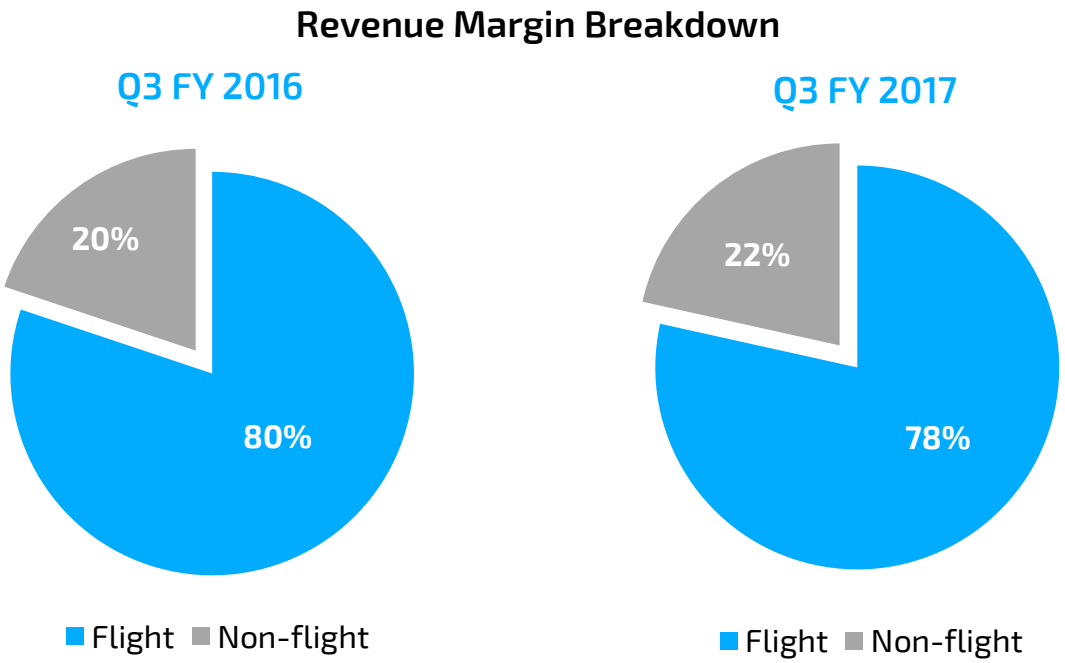
Business review by business line

Progress in strategic initiatives have boosted our performance and position us well for longer term growth. In the first nine months of fiscal year 2017 we delivered solid growth rates in flight bookings, up 9% year-on-year. We continue to make investments in order to build scale, become more agile, improve the business model, and create a better customer experience.

Revenue margin performance in our flight business experienced growth rates of 3%, reaching €274.3 million for the first nine months of fiscal year 2017. Revenue margin growth was driven by growth in bookings, which were up 9% year-on-year. Revenue Margin per Booking for flight products was down 5%, as a result of channel mix re-alignment and price re-orientation, which also produced reduction in cost per booking and increase in profitability per booking, and the negative impact of the foreign exchange, already explained. This negative impact was partially offset by the positive impact from our revenue diversification strategy, which included flight related ancillaries, which delivered solid results.

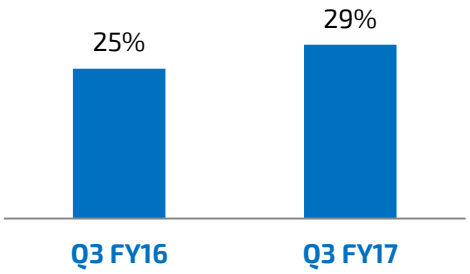
Bookings trend in our Non-flight business improved as a result of our diversification strategy, up 7% in the first nine months of FY 2017, and an increase of 17% for the 3 months to December for FY 2017. The growth was driven by car rentals, hotels and dynamic packages, and was partially offset by a planned decrease in our packaged tours business.

Non-flight revenue margin grew for the fifth consecutive quarter. The growth was primarily driven by growth in car rentals, hotels and dynamic packages, and by the development of metasearch. Revenue growth was partly offset due to the decline in packaged tours. For the first nine months of FY 2017 these businesses grew revenue margin by 11%.

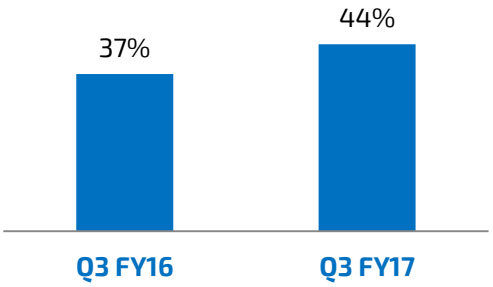


New KPIs – Full definition and reconciliation at the glossary in page 49-56

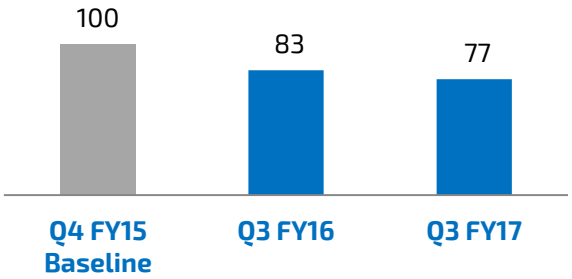
Revenue Diversification ratio



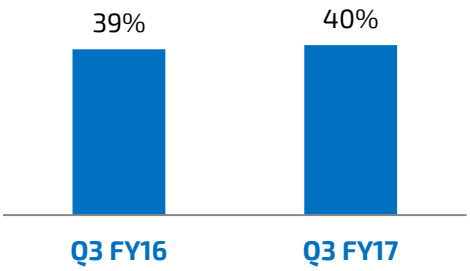
Product Diversification ratio



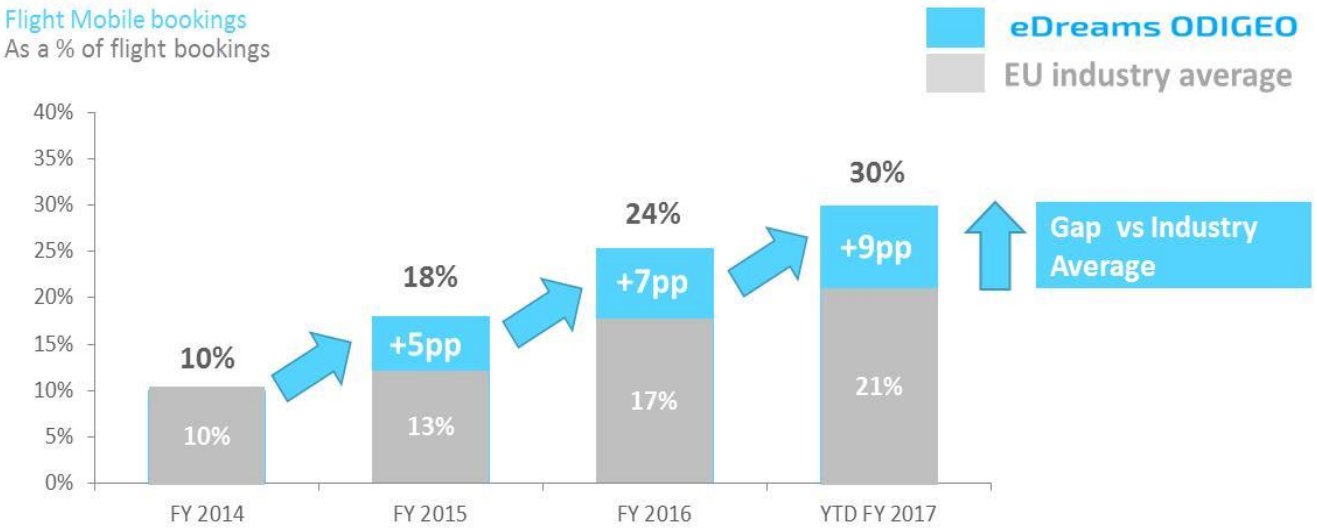
Acquisition spend per booking index



Customer Repeat booking rate



Bookings coming from mobile channels



Outlook

The focus for the rest of fiscal year 2017 will be investing for the long term sustainability of the business. We will invest to reinforce our delivery of sustainable profit growth, some of which will deliver results in the longer term, including adapting our revenue model to respond to changing customer needs and developing off-line advertising, which we do not expect to generate revenue immediately.

As a result of the Q3 performance, we have raised on annual targets for fiscal year 2017. All M&A transactions taking place in fiscal year 2017 has been reflected in the guidance:

	Initial Guidance (June 2016)	**Revised Guidance** (February 2017)
Bookings (million)	**In excess of 10.7 Mn**	**11.2-11.5Mn** **5-8% growth y-on-y**
Revenue Margin (million euros)	**In excess of 463 million euros**	**465-475 million euros** **0-2% growth y-on-y**
Adjusted EBITDA (million euros)	**103-107 million euros** **8-12% growth y-on-y**	**105-107 million euros** **10-12% growth y-on-y**

Over the longer term, and as we execute the next phase of our transformation, we will continue to grow absolute EBITDA with a long-term target of EUR 125-140m EBITDA by 2020.

Financial Review

Analysis of Income Statement – Full P&L in page 23

(in € million)	3M Dec 2015	3M Dec 2016	Var	9M Dec 2015	9M Dec 2016	Var
Revenue margin	103.1	108.7	5%	333.9	349.7	5%
Variable costs	-65.4	-64.9	-1%	-218.7	-214.6	-2%
Fixed costs	-18.0	-22.0	22%	-51.1	-59.3	16%
Adjusted EBITDA	**19.7**	**21.7**	**10%**	**64.1**	**75.9**	**18%**
Non recurring items	-1.6	-2.7	65%	-7.1	-6.9	-3%
EBITDA	**18.1**	**19.0**	**5%**	**57.0**	**69.0**	**21%**
D&A incl. Impairment	-4.5	-4.4	-2%	-14.1	-14.5	3%
EBIT	**13.5**	**14.6**	**8%**	**42.9**	**54.4**	**27%**
Financial result	-11.6	-30.6	163%	-34.7	-51.3	48%
Income tax	-0.3	1.0	n.a.	-1.7	-6.2	n.a.
Net income	**1.6**	**-14.9**	**n.a.**	**6.5**	**-3.0**	**n.a.**
Adjusted net income	**2.5**	**3.0**	**19%**	**10.9**	**19.4**	**78%**

Revenue Margin increased by 5%, to €349.7 million, principally due to an increase in Bookings by 9% and partly offset by a decrease of 4% in Revenue Margin per Booking in line with our strategy to to improve product, re-orient price and channel performance.

Variable **costs** decreased by 2% as increased bookings were more than offset by a reduction in cost per booking of 10% year-on-year. Reductions in variable costs per booking were achieved as a result of the positive impact of our strategy to re-orient price and channel performance.

Fixed costs increased mainly due to higher personnel costs, primarily related to an increase in personnel, higher external fees, mainly related to consultancy work, and offset by lower IT costs.

Adjusted EBITDA for the first nine months of fiscal year 2017 amounted to €75.9 million, up 18% year-on-year.

Non-recurring items decreased by 3% mainly due to employees long term incentive plan (LTI) expenses and contract terminations.

EBITDA growth was higher than Adjusted EBITDA growth, up 21% year-on-year due to the decrease in non-recurring items.

D&A and Impairment in line with previous fiscal year, full detail in the note 8 of our consolidated accounts.

Financial loss in the first nine months of fiscal year 2017 increased by €16.6 million mainly reflecting the write off of financing costs capitalized on previous RCF and the 2018 and 2019´s bonds, and call premium expenses for repayment of old bonds.

Income tax increased by €4.5 million reflecting the increase in taxable profit.

Adjusted Net Income stood at €19.4 million, a 78% improvement year-on-year.

Analysis of Balance sheet – Full Balance Sheet in page 25

(in € million)	Dec 2015	Dec 2016
Total fixed assets[1]	1,029.1	1,033.5
Total working capital[2]	-218.2	-252.0
Deferred tax	-37.7	-42.6
Provisions	-13.5	-10.5
Other non current assets / (liabilities)	6.9	3.1
Other current assets / (liabilities)[3]	0.1	0.0
Financial debt	-465.0	-435.1
Cash and cash equivalents	65.5	77.0
Net financial debt	-399.5	-358.1
Net assets	367.1	373.3

Compared to last year, main changes relate to:

- Increase in **total fixed assets**, due to:
  - An increase of software internally developed
  - An increase in the financing fees capitalized due to the new Revolving Credit Facility
  - Partially offset by the sale of assets related to the Corporate Travel Business in the Nordics and Germany, and the impairment of certain assets of the Leisure Travel Business in the Nordics.
- Decrease of **provisions** due to the expiry of a tax contingency.
- Decrease of **other non current assets / (liabilities)** mainly related to the reversal of a receivable indemnity linked to the provision that has expired.
- Increase of negative **working capital** due to working capital improvement initiatives.
- Increase of **deferred tax liability** mainly due to technology developed in the US

[1] Excluding non-current deposits and guarantees amounting to €3.4 million and €3.1 million in December 2015 and 2016, respectively.
[2] Including non-current deferred revenue amounting to €28.5 million and €23.3 million in December 2015 and 2016, respectively.
[3] Including Financial Assets amounting to €0.1 million in December 2015.

- Decrease of **net financial debt**, due to:
  - Decrease of **financial debt** following the repurchase of €30m of the 2018 notes.
  - Increase of **Cash position.**

Analysis of Cash Flow Statement – Full cash flow in page 27

(in € million)	3M Dec 2015	3M Dec 2016	Var	9M Dec 2015	9M Dec 2016	Var
Adjusted EBITDA	19.7	21.7	10%	64.1	75.9	18%
Non recurring items	-1.6	-2.7	65%	-7.1	-6.9	-3%
Non cash items	1.6	0.3	NM	-0.5	-0.5	NM
Income tax paid	-2.3	-3.0	34%	-4.7	-6.0	28%
Cash flow from operating activities	**-27.8**	**1.8**	**NM**	**-4.7**	**41.7**	**NM**
Cash flow from investing activities	**-6.5**	**-1.6**	**-76%**	**-23.4**	**-14.1**	**-40%**
Cash flow before financing	**-34.3**	**0.2**	**NM**	**-28.1**	**27.6**	**NM**
Treasury shares	**0.0**	**-1.0**	**NM**	**0.0**	**-1.0**	**NM**
Consent fee on change in covenant	0.0	0.0	NM	-0.3	0.0	NM
Repurchase of 2018 Notes	0.0	0.0	NM	0.0	-29.1	NM
Debt issuance/ (repayment)	-0.1	-1.5	NM	-0.2	-1.8	NM
Bond call premium and other refinancing flows	0.0	-20.5	NM	0.0	-21.7	NM
Financial expenses (net)	-7.3	-10.6	45%	-27.6	-28.8	4%
Cash flow from financing	**-7.4**	**-33.6**	**NM**	**-28.2**	**-82.3**	**NM**
Net increase / (decrease) in cash and cash equivalents	**-41.7**	**-33.4**	**-20%**	**-56.3**	**-54.7**	**-3%**
Cash and cash equivalents at end of period (net of bank overdrafts)	**65.4**	**76.9**	**18%**	**65.4**	**76.9**	**18%**

Net cash from operating activities increased by €46.4 million, mainly reflecting:

- Increased adjusted EBITDA by €11.8 million
- Lower non-recurring items (+€0.2 million impact)
- Lower change in working capital (+€35.7 million impact) as a result of working capital improvement initiatives
- Partially offset by higher income tax paid

We have **used cash in investments** of €14.1 million compared to €23.4 million in the same period of last year. The decrease in investing activities mainly relates to lower development costs of our platform vs. last year, as license fees related to our new mid-back office negatively impacted last year and was partly offset by the reversal of a license fee (amortized) following the end of a white label agreement that positively impacted last year, and the positive impact as a result of the sale of the corporate travel business.

As a result of all of the above, **cash flow before financing increased from negative €28.1 million euros to positive €27.6 million in fiscal year 2017.**

Cash flow used in financing amounted to 82.4 million euros, compared to 28.2 million euros in the same period of last year. The main difference is the 29.1 million euros related to the successful repurchase of €30 million principal amount of our 2018 notes through a tender offer, on April 14th 2016, at a clearing price of 97% for a total of €29.1 million, Bond call premium and other refinancing flows (€21.7 million), and higher financial expenses (€1.2 million)

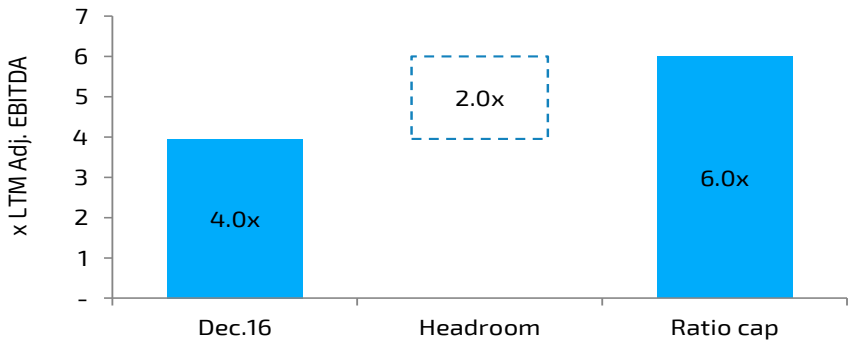
Debt

In October 2016 the group successfully refinanced all its debt, with a full repayment of 2018 Notes and 2019 Notes, and the issuance of 2021 Notes.

Both rating agencies Moodys and S&P re-affirmed our corporate family rating at B2 and B, respectively, and both with stable outlook. The 2021 notes the rating for Moodys stand at B3 and for S&P is at B.

As part of the refinancing the group was able to increase its Super Senior Revolver Credit Facility to €147 million, to ensure it had ample headroom in terms of guarantees as business grows.

And the single maintenance covenant in our SS RCF was switched from 5.5x Net Debt to LTM adjusted EBITDA to 6.0x Gross Leverage Ratio. At the end of December 2016 the Gross leverage ratio was 4.0x, providing us with ample headroom. In addition, our Net Leverage Ratio was down from 4.3x in December 2015 to 3.3x in December 2016.



The terms also improved to allow for efficient repurchases of up to 10% of principal per year.

Other information

Shareholder information

The subscribed share capital of eDreams ODIGEO at December 2016 is €10,584 thousand divided into 105,835,298 shares with a par value of ten euros cents (€0.10) each, all of which are fully paid.

At December 31, 2016, the Group owns €1,000 thousand of Treasury shares recognised at cost and deducted from equity.

Branches of the Company

The Company has no direct branches.

Important events that have occurred since December 31, 2016

See a description of the Subsequent events in Note 19 of the Notes to the Consolidated Financial Statements attached hereafter.

OUR PURPOSE

“To help people discover their world through travel”



Condensed Consolidated Interim Financial Statements and Notes for the nine-month period ended December 31, 2016

eDreams ODIGEO

and Subsidiaries

Registered office:

1, Boulevard de la Foire

L-1528 Luxembourg

R.C.S. Luxembourg B N° 159 036

Condensed Consolidated Interim Income Statement

(Thousand of euros)

	Notes	Un-audited December 2016	Un-audited December 2015
Revenue	6	360,126	351,829
Supplies		(10,441)	(17,957)
Revenue Margin	**6**	**349,685**	**333,872**
Personnel expenses	7	(58,076)	(51,734)
Depreciation and amortization	8	(12,089)	(13,462)
Impairment loss	8 & 2.1.5	(2,424)	(669)
Gain or loss arising from assets disposals	2.1.5	-	(2)
Other operating income / (expenses)	9	(222,655)	(225,135)
Operating profit/(loss)		**54,441**	**42,870**
Financial and similar income and expenses			
Interest expense on debt	10	(39,773)	(31,078)
Other financial income / (expenses)	10	(11,498)	(3,574)
Profit/(loss) before taxes		**3,170**	**8,218**
Income tax		(6,169)	(1,729)
Profit/(loss) for the year from continuing operations		**(2,999)**	**6,489**
Profit for the year from discontinued operations net of taxes		-	-
Consolidated profit/(loss) for the year		**(2,999)**	**6,489**
Non controlling interest - Result		-	-
Profit and loss attributable to the parent company		**(2,999)**	**6,489**
Basic earnings per share (Euro)	**5**	**(0.029)**	**0.062**
Basic earnings per share (Euro) - fully diluted basis	**5**	**(0.027)**	**0.059**

The notes on pages 28 to 46 are an integral part of these Condensed Consolidated Interim Financial Statements.

Condensed Consolidated Interim Statement of Other Comprehensive Income

(Thousand of euros)

	Un-audited December 2016	Un-audited December 2015
Consolidated profit/(loss) for the year (from the income statement)	**(2,999)**	**6,489**
Income and expenses recorded directly in equity		
Exchange differences	(2,224)	1,411
For actuarial gains and losses (pensions)	-	-
Other income and expenses recorded directly in equity	-	-
Tax effect	-	-
	(2,224)	**1,411**
Total recognized income and expenses	**(5,223)**	**7,900**
a) Attributable to the parent company	(5,223)	7,900
b) Attributable to minority interest	-	-

The notes on pages 28 to 46 are an integral part of these Condensed Consolidated Interim Financial Statements.

Condensed Consolidated Interim Balance Sheet

(Thousand of euros)

ASSETS	Notes	Un-audited December 2016	Audited March 2016
Non-current assets			
Goodwill	11	721,726	728,377
Other intangible assets	12	298,573	294,616
Tangible assets		8,050	7,642
Non-current financial assets		8,254	4,962
Deferred tax assets		254	2,298
Other non-current assets		-	3,599
		1,036,857	**1,041,494**
Current assets			
Inventory		-	800
Trade and other receivables		74,625	66,237
Current tax assets		11,004	10,075
Financial assets		-	74
Cash and cash equivalent	13	77,018	132,077
		162,647	**209,263**
TOTAL ASSETS		**1,199,504**	**1,250,757**

EQUITY AND LIABILITIES	Notes	Un-audited December 2016	Audited March 2016
Shareholder's Equity			
Share Capital		10,584	10,488
Share Premium		974,512	974,512
Other Reserves		(604,782)	(622,543)
Treasury shares		(1,000)	-
Profit and Loss for the period		(2,999)	12,427
Foreign currency translation reserve		(2,962)	(738)
		373,353	**374,146**
Non controlling interest		-	-
	14	**373,353**	**374,146**
Non-current liabilities			
Non-current financial liabilities	16	420,901	446,463
Non current provisions	17	3,179	6,659
Deferred revenue		23,349	26,206
Deferred tax liabilities		42,846	43,518
Other non-current liabilities		-	-
		490,275	**522,846**
Current liabilities			
Trade and other payables		305,525	315,211
Current provisions	17	7,324	9,861
Current taxes payables		8,786	12,268
Current financial liabilities	16	14,241	16,425
		335,876	**353,765**
TOTAL EQUITY AND LIABILITIES		**1,199,504**	**1,250,757**

The notes on pages 28 to 46 are an integral part of these Condensed Consolidated Interim Financial Statements.

Condensed Consolidated Interim Statement Change in Equity

(Thousand of euros)

	Share Capital	Share premium	Other Reserves	Profit & Loss for the period	Treasury shares	Foreign currency translation reserve	Total Equity
Closing balance at March 31, 2016 (Audited)	10,488	974,512	(622,543)	12,427	-	(738)	374,146
Total recognized income / (expenses)	-	-	-	(2,999)	-	(2,224)	(5,223)
Capital Increases / (Decreases) *(Note 14)*	96	-	(96)	-	-	-	-
Dealings with own shares or equity instruments (*Note 14*)	-	-	-	-	(1,000)	-	(1,000)
Operations with members or owners	96	-	(96)	-	(1,000)	-	(1,000)
Payments based on equity instruments (*Note 15*)	-	-	5,431	-	-	-	5,431
Transfer between equity items	-	-	12,427	(12,427)	-	-	-
Other changes	-	-	(1)	-	-	-	(1)
Other changes in equity	-	-	17,857	(12,427)	-	-	5,430
Closing balance at December 31, 2016 (Un-audited)	10,584	974,512	(604,782)	(2,999)	(1,000)	(2,962)	373,353

	Share Capital	Share premium	Other Reserves	Profit & Loss for the period	Treasury shares	Foreign currency translation reserve	Total Equity
Closing balance at March 31, 2015 (Audited)	10,488	974,512	(444,793)	(181,306)	-	(1,530)	357,371
Total recognized income / (expenses)	-	-	-	6,489	-	1,411	7,900
Operations with members or owners	-	-	-	-	-	-	-
Payments based on equity instruments	-	-	1,829	-	-	-	1,829
Transfer between equity items	-	-	(181,306)	181,306	-	-	-
Other changes	-	-	8	-	-	-	8
Other changes in equity	-	-	(179,469)	181,306	-	-	1,837
Closing balance at December 31, 2015 (Un-audited)	10,488	974,512	(624,262)	6,489	-	(119)	367,108

The notes on pages 28 to 46 are an integral part of these Condensed Consolidated Interim Financial Statements.

Condensed Consolidated Interim Cash Flow Statement

(Thousand of euros)

	Notes	Un-audited December 2016	Un-audited December 2015
Net Profit / (Loss)		**(2,999)**	**6,489**
Depreciation and amortization	8	12,089	13,462
Impairment and results on disposal of non-current assets (net)	8 & 2.1.5	2,424	669
Other provisions		(2,951)	(2,313)
Income tax		6,169	1,729
Gain or loss on disposal of assets	2.1.5	-	2
Finance (Income) / Loss	10	51,271	34,652
Expenses related to share based payments	15	5,431	1,829
Other non cash items		(2,940)	-
Changes in working capital		(21,023)	(56,515)
Income tax paid		(6,011)	(4,703)
Net cash from operating activities		**41,460**	**(4,699)**
Acquisitions of intangible and tangible assets		(19,421)	(24,235)
Proceeds on disposal of tangible and intangible assets		5,155	1,701
Acquisitions of financial assets		(4)	(857)
Payments/ Proceeds from disposals of financial assets		349	3
Net cash flow from / (used) in investing activities		**(13,921)**	**(23,388)**
Acquisition of Treasury Shares	14	(1,000)	-
Borrowings drawdown	2.1.2	422,553	-
Reimbursement of borrowings	2.1.1 & 2.1.2	(453,405)	(227)
Interest paid		(28,844)	(27,726)
Bond call premium and other refinancing flows		(21,677)	
Interest received		31	79
Fees paid on debt		-	(325)
Net cash flow from / (used) in financing activities		**(82,342)**	**(28,199)**
Net increase / (decrease) in cash and cash equivalent		**(54,803)**	**(56,286)**
Cash and cash equivalents at beginning of period		132,038	121,768
Effect of foreign exchange rate changes		(325)	(75)
Cash and cash equivalents at end of period		**76,910**	**65,407**
Cash at the closing:			
Cash	13	77,018	65,501
Bank facilities&overdrafts	16	(108)	(94)
Cash and cash equivalents at end of period		**76,910**	**65,407**

The notes on pages 28 to 46 are an integral part of these Condensed Consolidated Interim Financial Statements.

Notes to the Condensed Consolidated Interim Financial Statements

1. GENERAL INFORMATION

eDreams ODIGEO (formerly LuxGEO Parent S.à r.l.) was set up as a limited liability company (société à responsabilité limitée) formed under the Laws of Luxembourg on Commercial Companies on February 14, 2011, for an unlimited period, with its registered office located at 1, Boulevard de la Foire, L-1528 Luxembourg (the "Company" and, together with its subsidiaries, the "Group"). In January 2014, the denomination of the Company was changed to eDreams ODIGEO and its corporate form from an S.à r.l. to an S.A. ("Société Anonyme").

eDreams ODIGEO and its direct and indirect subsidiaries (collectively the "Group") headed by eDreams ODIGEO, as detailed in Note 20, is a leading online travel company that uses innovative technology and builds on relationships with suppliers, product know-how and marketing expertise to attract and enable customers to search, plan and book a broad range of travel products and services.

2. SIGNIFICANT EVENTS

2.1 Significant events during the nine-month period ended December 31, 2016

2.1.1 Repurchase of 2018 Notes

The Group, through its subsidiary Geo Debt Finance S.C.A., has repurchased €30 million of the 2018 Notes on April 14, 2016 at a clearing price of 97% (€29.1 million). All the repurchased Notes have been cancelled.

The tender offer was made as part of eDreams' liability management, to decrease its overall level of debt and was financed out of the company's cash flows.

2.1.2 Debt Refinancing

On September 20, 2016, the Group successfully priced an offering of €435,000,000 Senior Secured Notes ("the new Bond") due 2021 at a coupon of 8.50%. The debt offering was oversubscribed, and increased from the originally announced amount of €425,000,000, which reflects the bond market's support for the company, its strategy and performance under the new leadership.

This transaction allows the company to extend the maturity of its debt from less than two years to five years and, in addition, gain significant flexibility vs its current financing. In particular, the terms of the new Bond allows the company to execute on its strategy to continue to reduce its debt in the future, with contractual options to repurchase 10% of the nominal amount every year at a favorable price.

In addition, the company has also refinanced its Super Senior Revolving Credit Facility, increasing the size to €147,000,000 from the current €130,000,000, and gaining significant flexibility as well versus the current terms.

eDreams ODIGEO and certain of its subsidiaries guarantee the new Bond, and the new Bond is secured by certain assets of eDreams ODIGEO. As it is explained in the Note 16 the settlement date for the offering was October 4, 2016.

2.1.3 Modification of existing LTI Plan

On May 10, 2016, the Group approved a modification of the existing "Long Term Incentive Plan" for Managers. The new scheme was based on operational performance, measured with stringent financial and strategic objectives. It will have the benefit of generating long-term company value, being simple to administer and align management and shareholder interest.

The accounting value of the plan after its modification is €13.1 million, €6.8 million more than before the change.

This LTIP will last for 2 years and is designed to vest around financial results publications between November 2016 and November 2017 (See note 15.1).

On November 2016, the First Tranche – First Installment shares have been delivered to the Participants of the Plan.

2.1.4 New LTI Plan

On September 12, 2016, the Extraordinary Shareholders Meeting, upon proposal from the Board of Directors, approved amendments to the Articles of Incorporation of the Company, necessary to execute a new Long Term Incentive Plan for Managers, to ensure that it continues to attract and retain high quality management and better align the interest of management and shareholders. (See note 15.2).

The new LTIP is split in half performance shares and half restricted stock units subject to continued service. Based on operational performance, the new scheme will be linked to stringent financial and strategic objectives.

Total maximum dilution of the performance stock rights ("PSRs") and restricted stock units ("RSUs") would represent, if fully vested, 6.32% of the total issued share capital of the company, over a period of 4 years, and therefore 1.58% yearly average on a fully diluted basis.

The new LTIP will last for four years and is designed to vest around financial results publications between August 2018 and February 2022 (See note 15.2).

2.1.5 Sale of Corporate Travel Business

During December 2016, the Group transferred the corporate travel business of the Travellink brand in Germany, Sweden, Finland, Norway, and Denmark to Australian group Flight Centre Travel.

The line of business transferred is not a significant part of the Group's business. As the Corporate Travel Business of Travellink brand does not represent a separate major line of business or geographical area of operations, it does not meet the criteria to be considered as discontinued operation.

The value of the assets linked to this business was impaired before the sale was finalized for an amount of €1.5 million.

The net assets transferred as part of the transaction are as follows:

	December 2016
Goodwill	3,360
Other intangible assets	2,536
Tangible assets	19
Working Capital	(1,111)
Total net assets transferred	**4,804**

As a result of the sale, no gain or loss has arisen.

The Group has reclassified the proportionate share of the cumulative amount of the exchange differences recognised in other comprehensive income to Profit and Loss for an amount of €0.4 million.

2.1.6 Change in management

Management has decided the appointment of Carsten Bernhard as Chief Technology Officer and Gerrit Goedkoop as Chief Operating Officer, strengthening our senior management team.

Gerrit Goedkoop, who previously served as Chief Customer Officer for eDreams Odigeo will now take up position as Chief Operating Officer. Gerrit has been with eDreams since 2014.

Philippe Vimard, who previously served as Chief Technology Officer and Chief Operating Officer is leaving the business after 6 years.

These management changes were effective from August 1, 2016.

2.2 Significant events during the year ended March 31, 2016

2.2.1 Covenant ratio increase consent from lenders

On June 2015, the Company obtained consent from lenders under the €130 million Super Senior Revolving Credit Facility (SSRCF) to increase the ratio of Consolidated Total Net Debt to Consolidated EBITDA from 5.50:1 to 6.00:1 for the Relevant Period ending on 31 December 2015 only.

The purpose of this amendment was to allow the Company to support its strategy with potential acquisitions, which can be funded from internal cash, but without eating into covenant headroom during the seasonally low point of December.

2.2.2 Change in management

Effective September 22, 2015, eDreams ODIGEO ("the Company") accepted the resignation of Mr. Mauricio Luis Prieto Prieto as an Executive member from the Board of Directors. Mr. Prieto was a co-founder of the Company.

On July 22, 2015 was announced the appointment of Ms. Amanda Wills and Mr. David Elizaga Corrales as an Independent and Executive Director, respectively.

2.2.3 Change in Barcelona offices

On July 2015, the Group moved its Barcelona offices from "World Trade Center" to new offices located in Carrer Bailen and Zona Franca (both located also in Barcelona). The cost of new furniture and general installations related to the refurbishment amounted to €2.3 million.

3. BASIS OF PRESENTATION

3.1 Accounting principles

The accounting policies used in the preparation of these condensed Condensed Interim Consolidated Financial Statements as of and for the nine months period ended December 31, 2016 are the same as those applied in the Group's consolidated annual accounts for the year ended March 31, 2016, except for the following:

- New IFRS or IFRIC issued, or amendments to existing ones that came into effect as of April 1, 2016, the adoption of which did not had a significant impact on the Group's financial situation in the period of application;
- Income tax which, in accordance with IAS 34, is recorded in interim periods on a best estimate basis.
- The Impairment test performed at March 31, 2016 has not been updated as of December 31, 2016, as no impairment indicator was identified, and therefore the Condensed Consolidated Interim Financial Statements have not reflected any adjustment related to the impairment analysis, as at December 2016.

There is no accounting principle or policy which would have a significant effect and has not been applied in drawing up these financial statements.

3.2 New and revised International Financial Reporting Standards

The new IFRS and interpretations published as of March 31, 2015 and effective from April 1, 2015 listed in the Note 3.2 – New and revised International Financial Reporting on the Consolidated Financial Statement for the year ended March 31, 2016, had no material impact on the Group interim Condensed Interim Consolidated Financial Statements at December 31, 2016.

The Group has not early adopted standards and interpretations that are not yet mandatorily effective at April 1, 2016.

3.3 Changes in consolidation perimeter

There have been no changes in the consolidation perimeter since March 31, 2016.

3.4 Comparative information

The Directors present, for comparative purposes, together with the figures for the nine months period ended December 31, 2016, the previous periods' figures for each of the items on the annual consolidated statement of financial position (March 31, 2016), condensed consolidated interim income statement, condensed consolidated interim statement of other comprehensive income, condensed consolidated interim statement of changes in equity, condensed consolidated interim cash flow statement (December 31, 2015) and the quantitative information required to be disclosed in the condensed consolidated interim financial statements.

4. SEASONALITY OF BUSINESS

We experience seasonal fluctuations in the demand for travel services and products offered by us. Because we generate the largest portion of our revenue margin from flight bookings, and most of that revenue for flight is recognized at the time of booking, we tend to experience higher revenues in the periods during which travelers book their vacations, i.e., during the first and second calendar quarters of the year, corresponding to bookings for the busy spring and summer travel seasons. Consequently, comparisons between subsequent quarters may not be meaningful.

5. EARNINGS PER SHARE

The basic earnings per share are calculated by dividing the profit attributable to equity holders of the company by the average number of shares.

The calculation of basic earnings per share (rounded to two digits) for the nine-month period ended December 31, 2016 and 2015, is as follows:

December 2016			December 2015		
Profit attributable to the owners of the parent (€ thousand)	Average Number of shares	Basic Earnings per Share (€)	Profit attributable to the owners of the parent (€ thousand)	Average Number of shares	Basic Earnings per Share (€)
(2,999)	104,656,796	(0.029)	6,489	104,878,049	0.062

In the earning per share calculation as of December 31, 2016 and 2015 dilutive instruments are considered for the Incentive Shares granted (See note 15).

The calculation of fully diluted earnings per share for the nine-month period ended December 31, 2016 and 2015, is as follows:

Basic Earnings per Share - fully diluted basis					
December 2016			December 2015		
Profit attributable to the owners of the parent (€ thousand)	Average Number of shares	Basic Earnings per Share (€)	Profit attributable to the owners of the parent (€ thousand)	Average Number of shares	Basic Earnings per Share (€)
(2,999)	109,763,039	(0.027)	6,489	109,750,993	0.059

6. SEGMENT INFORMATION

The following is an analysis of the Group's Profit & loss breakdown by reportable segments, as well as bookings by reportable segments:

	December 2016		
	Core	Expansion	TOTAL
Gross Bookings	**1,686,507**	**1,632,204**	**3,318,711**
Number of bookings	**4,388,524**	**4,115,504**	**8,504,029**
Revenue	**201,747**	**158,378**	**360,126**
Revenue Margin	**196,736**	**152,949**	**349,685**
Variable costs	(114,652)	(99,901)	(214,553)
Marginal Profit	**82,084**	**53,048**	**135,132**
Fixed costs			(59,277)
Depreciation and amortization			(12,089)
Impairment and results on disposal of non-current assets			(2,424)
Others			(6,901)
Operating profit/(loss)			**54,441**
Financial result			(51,271)
Profit before tax			**3,170**

	December 2015		
	Core	Expansion	TOTAL
Gross Bookings	**1,632,228**	**1,685,138**	**3,317,366**
Number of bookings	**3,953,713**	**3,863,930**	**7,817,643**
Revenue	**195,419**	**156,410**	**351,829**
Revenue Margin	**182,183**	**151,689**	**333,872**
Variable costs	(111,434)	(107,261)	(218,695)
Marginal Profit	**70,749**	**44,428**	**115,177**
Fixed costs			(51,058)
Depreciation and amortization			(13,462)
Impairment and results on disposal of non-current assets			(671)
Others			(7,116)
Operating profit/(loss)			**42,870**
Financial result			(34,652)
Profit before tax			**8,218**

Gross bookings is an operating and statistical metric that captures the total amount paid by customers for travel products and services booked through or with us, including taxes, service fees and other charges and excluding VAT. Gross Bookings include the gross value of transactions booked under both agency and principal models as well as transactions made under white label arrangements and transactions where we just act as "pure" intermediary whereby we serve as a click-through and pass the reservations made by the customer to the relevant travel supplier.

7. PERSONNEL EXPENSES

7.1 Personnel expenses

This item breaks down as follows:

	Un-audited December 2016	Un-audited December 2015
Wages and salaries	39,824	36,338
Social security costs	10,706	10,781
Pensions costs (or employees welfare expenses)	1,122	828
Share-based compensation	5,412	1,829
Other personnel expenses	1,012	1,958
Total personnel expenses	**58,076**	**51,734**

8. DEPRECIATION, AMORTIZATION AND IMPAIRMENT

This item breaks down as follows:

	Un-audited December 2016	Un-audited December 2015
Depreciation of tangible assets	1,771	1,763
Amortization of intangible assets *(see Note 12)*	10,318	11,699
Total Depreciation and amortization	**12,089**	**13,462**
Impairment of tangible assets	80	519
Impairment of intangible assets and goodwill (*see Notes 11 and 12*)	2,344	150
Impairment	**2,424**	**669**

Amortization of intangible assets primarily related to the capitalized IT projects as well as the intangible assets identified through the purchase price allocation.

In connection with the sale of our corporate travel business in the Nordics and Germany, we have impaired the value of the assets linked to this business to the expected value to be received in the potential sale less the cost to sell for an amount of €1.5 million.

Additionally, fixed assets in relation with the leisure business in the Nordics operated through the subsidiary Travellink AB have been impaired for an amount of €0.9 million.

For the closing of December 2016, the Company did not update the impairment test performed at March 31 2016. As per management understanding since that date, there have been no events which could impact significantly and change the conclusions reached as per the impairment test performed as of March 31, 2016, other than those mentioned above. Therefore these consolidated financial statements as of December 2016 have not reflected any adjustment related to the impairment analysis. An impairment test will be performed before year-end once the financial projections will be updated and approved by management.

9. OTHER OPERATING INCOME/ (EXPENSES)

This item breaks down as follows:

	Un-audited December 2016	Un-audited December 2015
Marketing and other operating expenses	204,121	206,228
Professional fees	9,536	6,123
IT expenses	4,916	6,117
Rent charges	2,774	2,955
Taxes	925	461
Foreign exchange gains/(losses)	(95)	(79)
Non-recurring expenses	478	3,330
Total other operating income and expenses	**222,655**	**225,135**

Other operating expenses primarily consist in marketing expenses, credit card processing costs (incurred only under the merchant model), chargebacks on fraudulent transactions, IT costs relating to the development and maintenance of our technology, GDS search costs and fees paid to our outsourcing service providers, such as call centers or IT services.

The marketing expenses comprise customer's acquisition costs (such as paid search costs, metasearch costs and other promotional campaigns) and commissions due to agents and white label partners.

A large portion of the other operating expenses are variable costs, either because they are directly related to the number of transactions processed through us or because they result from discretionary decisions from our management.

10. FINANCIAL AND SIMILAR INCOME AND EXPENSE

This item breaks down as follows:

	Un-audited December 2016	Un-audited December 2015
Interest expense on 2019 Notes	(7,176)	(10,037)
Interest expense on 2018 Notes	(11,950)	(18,281)
Interest expense on 2021 Notes	(9,243)	-
Interest expense on Revolving Credit Facilities	(372)	(306)
Effective interest rate impact on debt	(11,032)	(2,454)
Interest expense on debt	**(39,773)**	**(31,078)**
Foreign exchange differences	756	(887)
Other financial expense	(13,184)	(2,773)
Other financial income	930	86
Other financial income / expense	**(11,498)**	**(3,574)**
TOTAL FINANCIAL RESULT	**(51,271)**	**(34,652)**

As detailed in the Note 2.1.1, on April 14, 2016 the Group repurchased €30 million of the 2018 Senior Notes at a clearing price of 97% (€29.1 million). The impact of the clearing price lower than 100% is an income in other financial income of €0.9 million.

Additionally, as detailed in the Note 2.1.2, the Group has refinanced its debt repaying the 2018 and 2019 Senior Notes, and obtaining the new 2021 Senior Notes.

Consequently, one-off redemption expenses have been registered amounting to €8.9 million classified in "Other financial expenses".

The caption "Effective interest rate on debt" includes €0.6 million and €5.8 million of capitalized interest recognized directly into expenses in connection with the above mentioned repurchase of 2018 Senior Notes and repayment of the 2018 and 2019 Senior Notes respectively.

11. GOODWILL

A detail of the goodwill movement for the nine-month periods ended December 31, 2016 and 2015 are set out below:

Balance at March 31, 2016 (audited)	**728,377**
Exchange rate diferences	(1,818)
Impairment	(1,472)
Disposals (See Note 2.1.5)	(3,360)
Balance at December 31, 2016 (un-audited)	**721,726**

Balance at March 31, 2015 (audited)	**727,820**
Exchange rate diferences	1,029
Impairment	-
Changes in the scope	-
Balance at December 31, 2015 (un-audited)	**728,849**

As at December 31, 2016, the amount of the goodwill corresponding to the Nordic markets has decreased due to the evolution of the euro compared to the functional currency of these countries, with a balancing entry under "Foreign currency translation reserve".

As we mentioned in the Note 8, the Company has not identified further impairment indicators and therefore did not update the impairment test performed at December 31, 2016. However, as explained in note 2.1, the Goodwill linked with the Corporate travel business of Travellink has been impaired in the period prior to the sale to Australian group Flight Centre Travel.

The goodwill allocation by markets at December 31, 2016 and 2015 was as follows:

	December 2016	December 2015
Markets		
France	326,522	326,522
Spain	49,073	49,073
UK	39,033	39,033
Italy	44,087	44,087
Germany	155,718	155,718
Nordics	43,975	51,098
Metasearch	8,608	8,608
Other	54,710	54,710
Total	**721,726**	**728,849**

12. OTHER INTANGIBLE ASSETS

The other intangible assets at December 31, 2016 and 2015 break down as follows:

Balance at March 31, 2016 (audited)	**294,616**
Acquisitions	18,174
Amortization (see note 8)	(10,318)
Impairment	(872)
Disposals (See note 2.1.5)	(2,598)
Exchange rate diferences	(429)
Balance at December 31, 2016 (un-audited)	**298,573**

Balance at March 31, 2015 (audited)	**282,581**
Acquisitions	22,015
Amortization (see note 8)	(11,699)
Impairment	(150)
Disposal of intangible assets	(1,700)
Exchange rate diferences	236
Balance at December 31, 2015 (un-audited)	**291,283**

"Acquisitions" mainly correspond to the capitalization of the technology internally developed by the Group which, due to its functional benefits, contributes towards attracting new customers and retaining the existing ones.

13. CASH AND CASH EQUIVALENT

Shown below is a breakdown of cash and cash equivalent:

	Un-audited December 2016	Audited March 2016
Marketable securities	8	8
Cash and other cash equivalent	77,010	132,069
Cash and cash equivalent	**77,018**	**132,077**

At the closing of March, 2016, the majority of the bank accounts and marketable securities were pledged to secure the obligations in respect of the Group financial indebtedness. At the closing of December 2016, after the refinancing mentioned in Note 2.1.2, the bank accounts and marketable securities are no longer pledged.

14. EQUITY

14.1 Share capital

On November 14th, 2016 the company issued share capital of €95,724.90, represented by 957,249 ordinary shares, of €0.10 each, paid through the incorporation of available reserves of the Group. These shares have been delivered to management employees as a partial share-based-payment retribution disclosed in the Note 15.1.

As a result of the new shares' issuance, the subscribed share capital of eDreams ODIGEO at December 2016 is €10,584 thousand divided into 105,835,298 shares with a par value of ten euros cents (€0.10) each, all of which are fully paid.

14.2 Share premium

The share premium account may be used to provide for the payment of any shares, which the Company may repurchase from its shareholders, to offset any net realized losses, to make distributions to the shareholders in the form of a dividend or to allocate funds to the legal reserve.

14.3 Foreign currency translation reserve

The foreign currency translation reserve correspond to the net amount of the exchange differences arising from the translation of the financial statements of eDreams LLC, eDreams Ltd., Liligo Hungary Kft, Findworks Technologies Bt and Travellink since they are expressed in currencies other than the euro.

14.4 Equity-settled share-based payments

The amount recognized under "payment based on equity instruments" in the consolidated balance sheet at December 31, 2016 and March 31, 2016 arose as a result of the Long Term Incentive plan given to the employees during the current year (see Note 15).

14.5 Treasury shares

Own equity instruments that are reacquired (treasury shares) have been recognised at cost and deducted from equity.
No gain or loss is recognised in profit or loss on the purchase, sale, issue or cancellation of the Group's own equity instruments. Any difference between the carrying amount and the consideration, if reissued, is recognised in equity.

15. SHARE-BASED COMPENSATION

15.1 Long term Incentive Plan 1b

A Long Term Incentive Plan ("Incentive Plan") in which certain employees of the Company or any subsidiaries (the "Participants") may participate was granted on September 26, 2014. The purpose

of this Incentive Plan was to enable the Participants to participate in the possible increase in value of the Company.

The total maximum number of shares that could be acquired by the Participants under the Incentive Plan represents 4.4% of the total issued share capital of the Company on a fully diluted basis.

The Incentive Plan basically concerns the granting of the right to receive a certain number of shares in the Company (called Incentive Shares) to the Participants, provided that certain conditions are met:

- Service condition: the Participants must be employed by the Company or any subsidiary during a certain period of time i.e. he must hold an active employment or services relationship until a certain future date.
- Market–performance condition: the target increase in value of the Company's shares must be reached.

The Incentive Plan refers to the ordinary shares issued by eDreams ODIGEO, S.A.

As at March 31, 2016 4,525,591 Incentives Shares were granted under the Incentive Plan.

On May 10, 2016, the Group approved a modification of the existing Long Term Incentive Plan for Managers. The modified scheme will be based on operational performance, measured with stringent financial and strategic objectives. It will have the benefit of generating long-term company value, being simple to administer and align management and shareholder interest.

All currently employed managers that were eligible for the change have been granted the new plan as an alternative to the existing plan on June 2016.

964,459 Incentives Shares granted under the old Incentive Plan were not modified to the new Plan as they corresponded to past employees that had already vested part of the old Plan or current employees that had served notice of resignation.

As a consequence of this modification, the updated accounting value of this plan was €13.1 million, €6.8 million more than before the change.

This LTIP will last for 2 years and is designed to vest around financial results publications between November 2016 and November 2017.

As at December 31, 2016 4,401,443 Incentives shares were granted under the new Incentive Plan, of which 957,249 shares (the First Tranche – First Installment) have already been delivered as shares in November 2016.

The cost regarding the Long Term Incentive Plans has been recorded in the Income Statement (Personnel expenses) (see Note 7) and against Equity (see Note 14), amounting €5.4M and €1.8M in December 31, 2016 and 2015 respectively.

15.2 Long term Incentive Plan 2

On September 12, 2016, the Extraordinary Shareholders Meeting, upon proposal from the Board of Directors, approved amendments to the Articles of Incorporation of the Company, necessary to execute a new Long Term Incentive Plan for Managers, to ensure that it continues to attract and retain high quality management and better align the interest of management and shareholders.

The new LTIP is split in half performance shares and half restricted stock units subject to continued service. Based on operational performance, the new scheme will be linked to stringent financial and strategic objectives.

Total maximum dilution of the performance stock rights ("PSRs") and restricted stock units ("RSUs") would represent, if fully vested, 6.32% of the total issued share capital of the company, over a period of 4 years, and therefore 1.58% yearly average on a fully diluted basis.

The new LTIP will last for four years and is designed to vest around financial results publications between August 2018 and February 2022.

2,954,972 Incentive Shares have been granted under this Plan on December 31, 2016, so there has been no impact in the Financial Statements.

16. BORROWINGS AND DEBT

16.1 Debt by type

The Group borrowings and debts at December 31, 2016 and March 31, 2016 are as follows:

	Un-audited			Audited		
	December 2016			March 2016		
	Current	Non Current	Total	Current	Non Current	Total
Principal						
2021 Notes	-	435,000	**435,000**	-	-	-
2019 Notes	-	-	-	-	129,000	**129,000**
2018 Notes	-	-	-	-	325,000	**325,000**
Total Nominal	**-**	**435,000**	**435,000**	**-**	**454,000**	**454,000**
2021 Notes	-	(15,341)	**(15,341)**	-	-	-
2019 Notes	-	-	-	-	(4,267)	**(4,267)**
2018 Notes	-	-	-	-	(4,201)	**(4,201)**
Total Financing fees capitalized	**-**	**(15,341)**	**(15,341)**	**-**	**(8,468)**	**(8,468)**
Total Principal	**-**	**419,659**	**419,659**	**-**	**445,532**	**445,532**
Accrued interest - 2019 Notes	9,243	-	**9,243**	-	-	-
Accrued interest - 2019 Notes	-	-	-	5,575	-	**5,575**
Accrued interest - 2018 Notes	-	-	-	4,063	-	**4,063**
Total Interests	**9,243**	**-**	**9,243**	**9,638**	**-**	**9,638**
Total Borrowing	**9,243**	**419,659**	**428,902**	**9,638**	**445,532**	**455,170**
Other Financial Liabilities						
Bank facilities and bank overdrafts	108	-	**108**	39	-	**39**
Finance Lease Liabilities	394	1,242	**1,636**	623	931	**1,554**
Other Financial Liabilities	4,496	-	**4,496**	6,125	-	**6,125**
Total other Financial liabilities	**4,998**	**1,242**	**6,240**	**6,787**	**931**	**7,718**
Total financial liabilities	**14,241**	**420,901**	**435,142**	**16,425**	**446,463**	**462,888**

Senior Notes – 2021 Notes

On October 4, 2016, eDreams ODIGEO issued €435 million 8.50% Senior Secured Notes with a maturity date of August 1st 2021 ("the 2021 Notes"). See Note 2.1.

Interest on the 2021 Notes is payable semi-annually in arrears each February 1st and August 1st.

Senior Notes – 2019 Notes

On April 21, 2011 Geo Travel Finance S.C.A. issued €175 million 10.375% Senior Notes with maturity date of May 5, 2019 ("the 2019 Notes"). Interest on the 2019 Notes was payable semi-annually in arrears each May 1st and November 1st.

Senior notes – 2018 Notes

On January 31, 2013 Geo Debt Finance S.C.A. issued €325 million aggregate principal amount of 7.5% Senior Secured Notes with maturity date of August 1st, 2018 ("the 2018 Notes"). Interest on the 2018 Notes was payable semi-annually in arrears each February 1st and August 1st.

As it is explained in Note 2.1, on April 14th 2016, the Group repurchased 30M€ of the 2018 Notes.

As explained in Note 2.1, the Company finalized the process of refinancing its debt on October 4, 2016, and used the proceeds from the new Bond, along with existing cash on balance sheet, to repay the 2019 and 2018 Notes.

16.2 Credit lines

As explained in Note 2.1, the company has also refinanced its Super Senior Revolving Credit Facility, increasing the size to €147,000,000 from the previous €130,000,000, and gaining significant flexibility as well versus the current terms.

At the end of December 2016 and March 2016, the Group had not drawn any significant credit line.

17. PROVISIONS

The amounts of provisions break down as follows:

	Un-audited December 2016	Audited March 2016
Non-current provisions		
Provisions for tax risks	1,848	5,349
Provision for pensions and other post employment benefits	1,331	1,310
Total Non-current provisions	**3,179**	**6,659**
Current provisions		
Provisions for litigation risks	2,970	3,515
Provision for pensions and other post employment benefits	77	78
Provision for other employee benefits	1,216	3,161
Provisions for operating risks and others	3,061	3,107
Total Current provisions	**7,324**	**9,861**

The provision for tax contingencies as of March 2016 concerned mainly an indirect tax contingency which is relating to a transaction between two of the Group's subsidiary companies prior to their acquisition by the Group for which the Group has obtained a full indemnity from the seller. This

contingency has expired as of December 2016, so the provision has been reversed without impact in the Profit and Loss Statement.

As at December 31, 2016 and March 31, 2016, the caption Provisions for other employee benefits mainly includes the provision for the restructuring in France and the related litigation is included in the caption Provisions for litigation risks (see note 18.4).

18. CONTINGENCIES

18.1 Insurance premium tax

The Group considers that there is a possible risk of reassessment of insurance premium tax in certain jurisdictions where the Group renders mediation services to its customers regarding the supply of travel insurance by insurers. This risk is relating to the possible view of local tax authorities that part of the remuneration received by the Group for the mediation of the travel insurance to its customers in certain countries should be considered basis for the levy of insurance premium tax. This risk is estimated at €2.1 million. The Group takes the view that it has sufficient grounds to successfully defend its position in case of a reassessment by local tax authorities. As the risk is considered unlikely to result in a cash outflow, no liability has been recognized in the balance sheet.

18.2 Dispute with UK tax authorities

The Group has been assessed by the UK tax authorities for an amount of €0.4 million. This concerns a dispute re the qualification for VAT purposes of the contractual relationship between the UK entity and a UK bed bank. The Group disputes the UK tax authorities' view that the UK entity should have paid UK VAT on the margin which it has generated in respect of this contractual relationship relating to hotel accommodation which is located outside the UK. The Group has appealed against the assessment with the UK First tier Tribunal, which has decided in our favor. Since the UK Tax Authorities may appeal against this decision, this contingency remains. As the risk is considered only possible, no liability has been recognised in the balance sheet.

18.3 License fees

The group considers that there is a possible risk of reassessment by tax authorities in respect of license fees charged between entities of the Group for the use of certain self-developed software. Tax authorities may take the view that there was an undercharge of license fees to the users. This risk is estimated at a maximum amount of €2.4 million. The group takes the view that it has sufficient arguments to defend its position in case of an assessment by tax authorities. As the risk is considered only possible, no liability has been recognised in the balance sheet.

18.4 Litigation resulting from the Social Plan in France

The restructuring plan project of Go Voyages France was approved on March 20th 2015 by the French Labor Authorities. 66 employees made redundant in accordance with the social plan implemented have challenged their dismissal for economic reason before Paris Labor Court.

The total amount claimed by the 66 employees is equal to €2.7 million. As of December 2016, 9 cases have been settled and the Group has booked a provision for the remaining for €1.5 million based on the best estimate of the Group's Management.

18.5 Litigation with Ryanair

In December, 2015, Ryanair launched a legal action before the Irish High Court related to the Search Engine Marketing activities performed by Vacaciones eDreams via the Google Adwords service. While travel agencies are entitled to use the trademarks and logos of the airlines offered for sale on their websites, such use must not create confusion between the official activities of the airlines and the distribution activity of the OTAs. This action could result in damages granted to Ryanair by Vacaciones eDreams and/or Google Ireland or Google Inc. A provision for this has been booked in the balance sheet for €700 thousand based on the best estimate of the Group's Management.

19. SUBSEQUENT EVENTS

19.1 Acquisition of Budgetplaces.com

On January 16, 2017 the Group has acquired the Barcelona-based business budgetplaces.com, a hotel booking site that provides customers with access to accommodation around the world.

The acquisition will give eDreams ODIGEO and its travel brands access to innovative technology and will improve product diversification, in line with the company's business strategy.

19.2 Travellink business reorganization

On January 31, 2017, the Group has announced its proposal, subject to consultation, to reorganise its operations in the Nordic region; where it operates through the brand Travellink.

The Group has proposed to centralise the business functions currently performed in Stockholm to Barcelona. Roles opened in Barcelona as a result of this process will be available for suitable candidates to transfer.

The company is also looking into opportunities to outsource the Nordics Customer Service department to a third company, with the aim to transfer its existing customer service employees to this third party, thus maintaining employment. The Group will initiate a consultation process with the unions in order to find the best possible solution for both parties.

19.3 Capital increase

On February 21, 2017 the Board of Directors resolved to issue share capital of €94,452.70, represented by 944,527 ordinary shares, of €0.10 each. These shares will be delivered to management employees as a partial share-based-payment retribution disclosed in the Note 15.1.

As a result of the new shares' issuance, the Company's share capital amounts to €10,677,982.50 and is represented by 106,779,825 shares with a par value of €0.10 per share.

20. CONSOLIDATION SCOPE

As at December 31, 2016 and March 31, 2016, the companies included in the consolidation are as follows:

Consolidated entities at December 31, 2016 and March 31,2016

Name	Location / Registered Office	Line of business	% interest	% control
eDreams ODIGEO S.A.	1, Boulevard de la Foire, L-1528 (Luxembourg)	Holding Parent company	100%	100%
Geo Travel Finance S.C.A.	1, Boulevard de la Foire, L-1528 (Luxembourg)	Holding company	100%	100%
LuxGEO S.à r.l.	1, Boulevard de la Foire, L-1528 (Luxembourg)	Holding company	100%	100%
Geo Debt Finance S.C.A.	1, Boulevard de la Foire, L-1528 (Luxembourg)	Holding company	100%	100%
Geo Debt GP S.à r.l.	1, Boulevard de la Foire, L-1528 (Luxembourg)	Holding company	100%	100%
LuxGEO GP S.à r.l.	1, Boulevard de la Foire, L-1528 (Luxembourg)	Holding company	100%	100%
Opodo Limited	26-28 Hammersmith Grove, W6 7BA (London)	On-line Travel agency	100%	100%
Opodo GmbH	Büschstraße 12 20354 (Hamburg)	Marketing services	100%	100%
Travellink AB	Hemvärnsgatan 9,171 54 Solna (Stockholm)	On-line Travel agency	100%	100%
Opodo Italia SRL	Via Boscovich 14, 20124 (Milan)	On-line Travel agency	100%	100%
Opodo SL	Calle Vilanueva 29 28001 (Madrid)	On-line Travel agency	100%	100%
Online Travel Portal Ltd	26-28 Hammersmith Grove, W6 7BA (London)	Dormant	100%	100%
eDreams Inc.	1209 Orange Street, city of Wilmington, County of New Castle, 19801 (State of Delaware)	Holding company	100%	100%
Vacaciones eDreams, S.L.U	Passeig de la Zona Franca, 191-205, 08038 (Barcelona)	On-line Travel agency	100%	100%
eDreams International Network, S.L.U	Carrer Bailén, 67-69, 08009 (Barcelona)	Admin and IT consulting services	100%	100%
eDreams, S.r.L	Via Boscovich 14, 20124 (Milan)	On-line Travel agency	100%	100%
Viagens eDreams Portugal LDA	Avda. Fontes Pereira de Melo, 7 (Lisbon)	On-line Travel agency	100%	100%
eDreams do Brasil Viagens e Turismo	Rua James Watt, 84, 9th floor, Room 2, Brooklin Novo, 04576-050 (São Paulo)	On-line Travel agency	100%	100%
eDreams LLC	160 Greentree Drive Suite 101 (City of Dover) Delaware	On-line Travel agency	100%	100%
eDreams Corporate Travel, S.R.L	Via Boscovich 14, 20124 (Milan)	On-line Travel agency	100%	100%
eDreams Business Travel, S.L.	Carrer Bailén, 67-69, 08009 (Barcelona)	On-line Travel agency	100%	100%
Geo Travel Ventures S.A.	Carrer Bailén, 67-69, 08009 (Barcelona)	On-line Travel agency	100%	100%
Geo Travel Pacific Pty Ltd	Level 5, Plaza Building, Australia Square, 95 Pitt Street, NSW 2000 (Sidney)	On-line Travel agency	100%	100%
Go Voyages SAS	9, Rue Rougemont, 75009 (Paris)	On-line Travel agency	100%	100%
Go Voyages Trade	9, Rue Rougemont, 75009 (Paris)	On-line Travel agency	100%	100%
Liligo Metasearch Technologies	9, Rue Rougemont, 75009 (Paris)	Metasearch	100%	100%
ODIGEO Hungary Kft	Weiner Leó utca 16. 6. em, 1066 (Budapest)	Admin and IT consulting services	100%	100%
Findworks Technologies Bt	Sashegyi út 9, 1124 (Budapest)	On-line Travel agency	100%	100%

Affiliates at December 31, 2016 and March 31,2016

Name	Location / Registered Office	Line of business	% interest	% control
IIPIR Software Development S.L.	Calle Catalina 11, 3.º B Majadahonda (Madrid)	Development software applic	25%	25%

Glossary of definitions

Alternative Performance Measures (APMs)

APMs Not reconcilable to statutory financial information

"Acquisition Cost per Booking Index" refers to the most relevant marketing expenses incurred to acquire new customers (encompassing Paid search, Metasearch and Affiliates), divided by the total number of Bookings. For any given period, the ratio is expressed as an index 100, in which 100 is the value of Acquisition Cost per Booking for the 3 months ended on December 2015. The acquisition cost per booking index provides to the reader a view of the trend of the most important variable cost of the business.

"Gross Bookings" refers to the total amount paid by our customers for travel products and services booked through or with us (including the part that is passed on to, or transacted by, the travel supplier), including taxes, service fees and other charges and excluding VAT. Gross Bookings include the gross value of transactions booked under both agency and principal models as well as transactions made under white label arrangements and transactions where we act as a "pure" intermediary whereby we serve as a click-through and pass the reservations made by the customer to the relevant travel supplier. Gross Bookings provide to the reader a view about the economic value of the services that the Group mediates.

APMs reconcilable to statutory financial information

"Adjusted EBITDA" means operating profit/loss before depreciation and amortization, impairment and profit/(loss) on disposals of non-current assets, certain share-based compensation, restructuring expenses and other income and expense items which are considered by management to not be reflective of our ongoing operations. Adjusted EBITDA provide to the reader a better view about the ongoing EBITDA generated by the Group.

"Adjusted Net Income" means our IFRS net income less certain share-based compensation, restructuring expenses and other income and expense items which are considered by management to not be reflective of our ongoing operations. Adjusted Net Income provides to the reader a better view about the ongoing results generated by the Group.

"Revenue Diversification Ratio (%)" means % of revenue originated by customers in the last twelve months other than the classic sources of customer revenues. Includes revenues coming from vacation products (car rentals, hotels & dynamic packages), flight ancillaries (seats, bags, insurance, service options, etc), insurance, commissions and over-commissions. It excludes classic sources of customer revenues: flight service fees, cancellation and modification fees, tax refunds and phone revenue. Excludes as well revenues coming from suppliers (GDS incentives, credit card incentives), and advertising and metasearch revenues. Management believes that this measure will evidence the results of one of the strategies of the Group, based on the diversification of the services provided to customers.

"EBIT" means operating profit/loss. This magnitude, although it is not specifically defined in the accounting framework (IFRS), is generally used in the financial markets and consequently is a basic measure to be given to the readers of the financial statements.

"EBITDA" means operating profit/loss before depreciation and amortization, impairment and profit/loss on disposals of non-current assets. This magnitude, although it is not specifically defined in the accounting framework (IFRS), is generally used in the financial markets and consequently is a basic measure to be given to the readers of the financial statements.

"(Free) Cash Flow before financing" means cash flow from operating activities plus cash flow from investing activities.

"Gross Financial Debt" means total financial liabilities considering financing cost capitalized plus accrued interests and overdraft. It includes both non-current and current financial liabilities. This magnitude offers to the reader a global view of the Financial Debt without considering the payment terms.

"Gross Leverage Ratio" means the total amount of outstanding Gross Financial Debt on a consolidated basis divided by "LTM Adjusted EBITDA". This magnitude offers to the reader a view about the capacity of the Group to generate enough resources to repay the Gross Financial Debt.

"LTM Adjusted EBITDA" means "Adjusted EBITDA" of the last twelve months. See definition of "Adjusted EBITDA" above. This magnitude offers to the reader a global view of one full year avoiding seasonality effects.

"Net Financial Debt" means "Gross Financial Debt" less "cash and cash equivalents". This magnitude offers to the reader a global view of the Financial Debt without considering the payment terms and reduced by the effects of the available cash and cash equivalents to face these future payments.

"Net Leverage Ratio" means the total amount of outstanding Net Financial Debt on a consolidated basis divided by "LTM Adjusted EBITDA". This magnitude offers to the reader a view about the capacity of the Group to generate enough resources to repay the Gross Financial Debt, also considering the available cash in the Group.

"Net Income" means Consolidated profit/loss for the year.

"Revenue Margin" means our IFRS revenue less cost of supplies. Our management uses Revenue Margin to provide a measure of our revenue after reflecting the deduction of amounts we pay to our suppliers in connection with the revenue recognition criteria used for products sold under the principal model (gross value basis). Accordingly, Revenue Margin provides a comparable revenue measure for products, whether sold under the agency or principal model.'

Glossary of definitions

Other Defined Terms

"Bookings" refers to the number of transactions under the agency model and the principal model as well as transactions made under white label arrangements. One Booking can encompass one or more products and one or more passengers.

Customer Repeat Booking Rate (%) refers to the ratio, expressed on a percentage basis, of Bookings made in a quarter by customers who made a prior Booking in the 12 months prior to that quarter divided by the total number of Bookings. The ratio is annualized, multiplying by four and by the ratio of the quarter over the average of last 4 quarters, to eliminate seasonality effects.

Product Diversification Ratio (%) This ratio, expressed on a percentage basis, has in the numerator the flight ancillary products and non-flight products attached to a booking (insurance, bags, seats, service options, dynamic package, car rental) and in the denominator the total number of bookings for the period.

"Core Markets" and **"Core Segment"** refers to our operations in France, Spain and Italy

"Expansion Markets" and "Expansion segment" refers to our operations in Germany, the United Kingdom and the other countries in which we operate, including, among others, the Nordics and countries outside Europe;

"Flight Business" refers to our operations relating to the supply of flight mediation services.

"Fixed Costs" includes IT expenses net of capitalization write-off, personnel expenses which are not Variable Costs, external fees, building rentals and other expenses of fixed nature. Our management believes the presentation of Fixed Costs may be useful to readers to help understand our cost structure and the magnitude of certain costs we have the ability to reduce in response to changes affecting the number of transactions processed.

"Fixed Costs per Booking" means fixed costs divided by the number of bookings. See definitions of "Fixed costs" and "Bookings".

"Non-flight Business" refers to our operations relating to the supply of non-flight mediation services, as well as other non-travel activities such as advertising on our websites, incentives we receive from payment processors, charges on toll calls and Liligo's metasearch activity.

"Non-recurring Items" refers to share-based compensation, restructuring expenses and other income and expense items which are considered by management to not be reflective of our ongoing operations.

"Variable Costs" includes all expenses which depend on the number of transactions processed. These include acquisition costs, merchant costs and other costs of a variable nature, as well as personnel costs related to call centers as well as corporate sales personnel. Our management believes the presentation of Variable Costs may be useful to readers to help understand our cost structure and the magnitude of certain costs. We have the ability to reduce certain costs in response to changes affecting the number of transactions processed.

"Variable Costs per Booking" means variable costs divided by the number of bookings. See definitions of "Variable costs" and "Bookings".

RECONCILIATIONS

APMs & Other Defined Terms

(Thousands of euros, figures for 9 months ended on December 2016 and December 2015 unless otherwise stated)

"EBIT", "EBITDA", "Adjusted EBITDA", "LTM Adjusted EBITDA"

	December 2016	December 2015
Operating profit = EBIT	**54.441**	**42.870**
Depreciation and amortization	-12.089	-13.462
Impairment loss	-2.424	-669
Gain or loss arising from assets disposals		
EBITDA	**68.954**	**57.001**
Long term incentives expenses	-5.430	-1.835
Termination cost	-733	-1.013
Restructuring cost	-	-883
Penalty related to the move Barcelona offices	-	-516
Exceptional consultancy fees	-	-1.290
Other	-738	-1.580
Non-recurring items	**-6.901**	**-7.117**
Adjusted EBITDA	**75.855**	**64.118**
Adjusted EBITDA from January to March (Q4)	31.731	25.374
Adjusted LTM EBITDA	**107.586**	**89.492**

"Revenue Margin", "Revenue Margin per booking", "Flight business", "Non-flight business", "Diversification revenue"

	December 2016	December 2015
By Nature:		
Revenue	360.126	351.829
Supplies	(10.441)	(17.957)
Revenue Margin	**349.685**	**333.872**
By Segments:		
Core	196.736	182.183
Expansion	152.949	151.689
Revenue Margin	**349.685**	**333.872**
By Products:		
Flight	274.281	266.144
Non-flight	75.404	67.728
Revenue Margin	**349.685**	**333.872**
Number of bookings	8.498.896	7.817.643
Revenue Margin per booking (euros)	**41**	**43**

	December 2016 (LTM)	December 2015 (LTM)
By source:		
Classic customer revenue	238.094	242.067
Diversification revenue	138.107	115.469
Advertising & Metasearch	34.924	28.183
Supplier revenue	67.943	69.320
Revenue Margin LTM	**479.068**	**455.038**
Revenue Margin from January to March (Q4)	129.383	121.166
Revenue Margin	**349.685**	**333.872**

"Gross Financial Debt", "Net Financial Debt"

	December 2016	December 2015
Non-current financial liabilities	420.901	445.993
Current financial liabilities	14.241	19.047
Gross Financial Debt	**435.142**	**465.040**
(-) Cash and cash equivalents	-77.018	-65.501
Net Financial Debt	**358.124**	**399.539**

"Fixed Cost", "Variable Cost", "Non-recurring items"

	December 2016	December 2015
Fixed cost	-59.277	-51.058
Variable cost	-214.553	-218.694
Non-recurring items	-6.901	-7.117
Operating cost	**(280.731)**	**(276.869)**
Personnel expenses	-58.076	-51.734
Other operating income / (expenses)	-222.655	-225.135
	(280.731)	**(276.869)**

"(Free) Cash Flow before Financing"

	December 2016	December 2015
Net cash from operating activities	41.460	-4.699
Net cash flow from / (used) in investing activities	-13.921	-23.388
Free Cash Flow before financing activities	**27.539**	**(28.087)**

"Adjusted Net Income"

	December 2016	December 2015
Net Income	**- 2.999**	**6.489**
Non-recurring items (included in EBITDA)	6.901	7.117
One-off financial expenses related to the refinancing [1]	18.197	-
Cumulative exchange rate difference related to Corporate Travel [2]	374	-
Impairment of Corporate Travel assets [3]	1.472	-
Impairment of software and licences related to the Nordics leisure activity [3]	872	-
Impairment impact related to the move of Barcelona offices [3]	-	669
Consent fees on change in covenants [4]	-	325
Expenses related to 2018 Notes repurchase [5]	204	-
Tax effect of the above adjustments	-3.569	-1.946
UK income tax rate regularization [6]	-1.000	-1.000
US income tax regularization [7]	-	-1.669
Tax treatment of LTI [8]	-1.029	937
Adjusted net income	**19.423**	**10.921**

1 Financial expenses related to the refinancing correspond to:
-the capitalized financing fees of the 2018 and 2019 Senior Notes written off to financial expenses due to the refinancing (€6,451 thousand)
- the capitalized financing fees of the previous Revolving Credit Facility written off to financial expenses due to the refinancing (€1,429 thousand)
- One-off redemption expenses (€8,878 thousand)
- Expenses related to the obtention of the new Revolving Credit Facility for Guarantees that have not been capitalized and have been recognised as financial expenses of the period (€1,439 thousand)
See also Note 10.

2 The Group has reclassified the proportionate share of the cumulative amount of the exchange differences linked to Corporate Travel recognised in other comprehensive income to Profit and Loss for an amount of €0.4 million (see Note 2.1.5).

3 See Note 8 of the Condensed Consolidated Interim Financial Statements and Notes

4 Consent fee charged by the lenders under the €130 million Super Senior Revolving Credit Facility to increase the ratio of Consolidated Total Net Debt to Consolidated EBITDA from 5.50:1 to 6.00:1 for the Relevant Period ending on 31 December 2015 (See Note 2.2.1)

5 Transaction cost charged by external advisors linked to the repurchased €30 million of the 2018 Senior Notes (See Note 2.1.1)

6 In the UK, the Corporation Tax rate for the years starting the 1 April 2020 has changed from 19% to 18% in FY16 and from 18% to 17% at in FY17. This has generated a revenue in both FY of €1,000 thousand due to the update of the Deferred taxes linked to the UK.

7 This impact corresponds to the recognition of the regularization of the differences of US tax recognised in previous years versus the definitive liquidation of the income tax.

8 During FY15 the tax treatment of LTI was considered as a temporary difference. However, during FY16, the Group changed the approach and considered them a permanent difference due to the doubts about the recoverability of the deferred tax asset. During FY17, based on the modification of the existing LTI Plan explained in Note 2.1.3., the Group reassesed again the fiscal consideration and determined to capitalize the deferred tax asset related to LTI.