eDreams ODIGEO

ANNUAL REPORT

2015-16

Summary Financial Information

(*) 3 and 12 Months ending March

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

#1

flight retailer in Europe; growing market share

330M

monthly searches[1]

>17M

Customers served last year

140

web sites[2]

44

countries where we operate

+51%

strong growth in mobile channel bookings[1]; 24%[4] of flight bookings done via mobile devices

+37%

Strong growth in advertising and metasearch revenues[3]. Leader in France. Present in 11 countries

[1] Monthly searches in all our OTA sites
[2] Includes sites across all markets, brands , and devices
[3] FY 2016 year-on-year growth, ending March 2016
[4] Average FY 2016

Index

- Results Highlights
- Quote from CEO
- Management Report
    - Business Review
        1. By Geography
        2. By Business
    - Strategy update
    - Outlook
    - Financial Review
    - Other information
- Consolidated Financial Statements and Notes with Audit Report
- Standalone Financial Statements and Notes with Audit Report
- Responsibility Statement
- Annual Corporate Governance Report

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

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 on 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

Quote from the CEO

"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 eDreams 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."

Business review

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.

Cash flow was also positive with cash at the end of March of 132.0 million euros[1].

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

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 had a sound performance in fiscal year 2016, increasing the gap vs the European industry average, and now represent 24% of our flight bookings, reaching 6.8 million downloads of our apps at the end of March 2016.

Customer satisfaction results have increased significantly, with a 20% reduction in customers needing assistance.

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

As a result of all of these initiatives, the company delivered a good result with growing bookings, revenue margin and adjusted EBITDA. Overall, the results are slightly ahead of the guidance given to the market at our last results presentation which testifies to our sound performance this year.

During the year booking trends continued to improve, showing a 10% increase overall, while revenue margin growth was stable at 6% and adjusted EBITDA growth accelerated, growing by 6%.

Booking and revenue margin growth rates accelerated in our core markets, with all three markets (Spain, Italy and France) growing in the last quarter of the 2016 fiscal year.

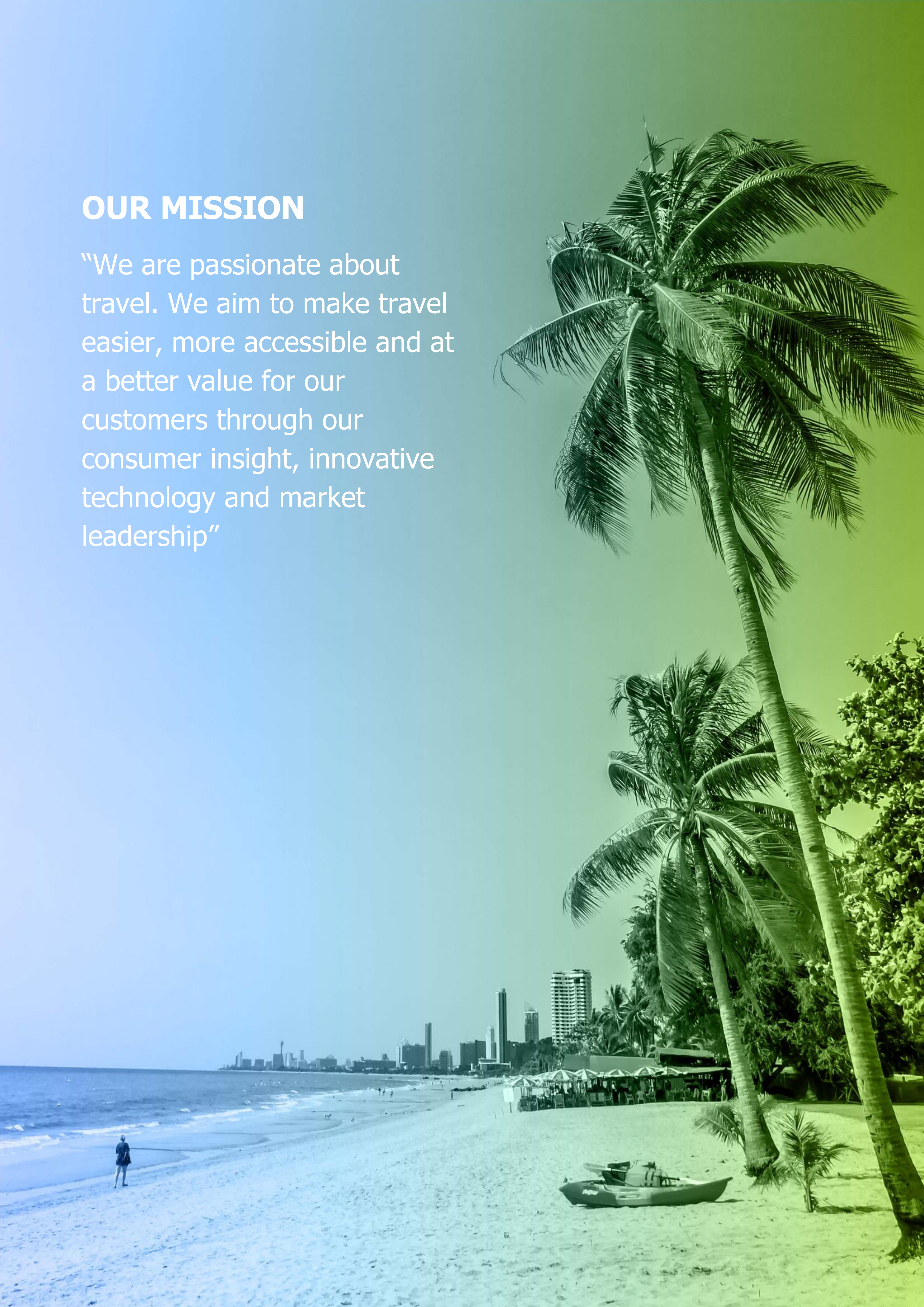
Flight revenues showed solid growth rates, due to our continued efforts to improve products, re-orient price and channel performance. Non-flight revenues also improved, mainly due our growing advertising and metasearch business as well as dynamic packages, hotels and car rentals.

The company generated 10.7 million bookings, up 10% year-on-year, and revenue margin of €463.3 million, up 6% year-on-year.

Adjusted Ebitda amounted to €95.8 million, which reflected an acceleration in growth rates in Q4, up 6% year-on-year.

And adjusted Net income stood at €20.1million, representing a 50% increase year-on-year.

[1] Net of overdrafts

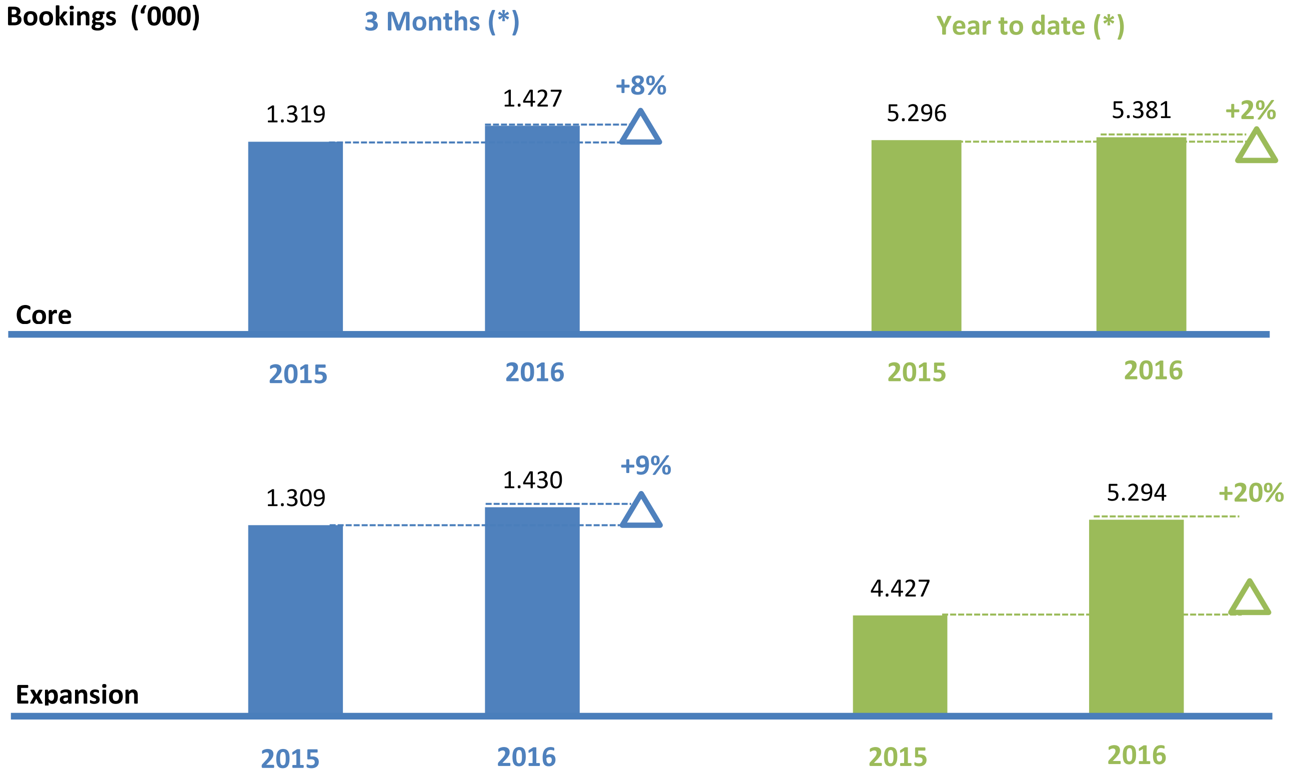


OUR MISSION

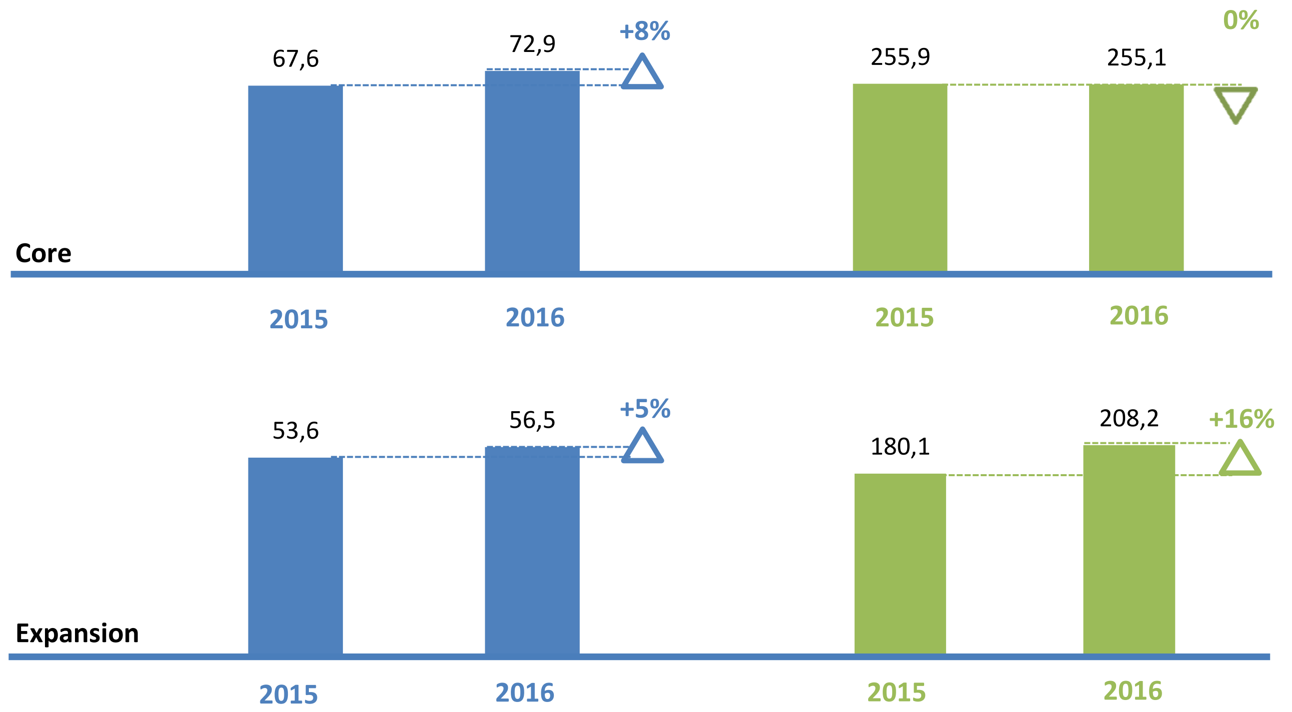
"We are passionate about travel. We aim to make travel easier, more accessible and at a better value for our customers through our consumer insight, innovative technology and market leadership"

Geographical Evolution

Bookings ('000)



Revenue Margin (€ million)



(*) 3 and 12 Months ending March

Business review by geography

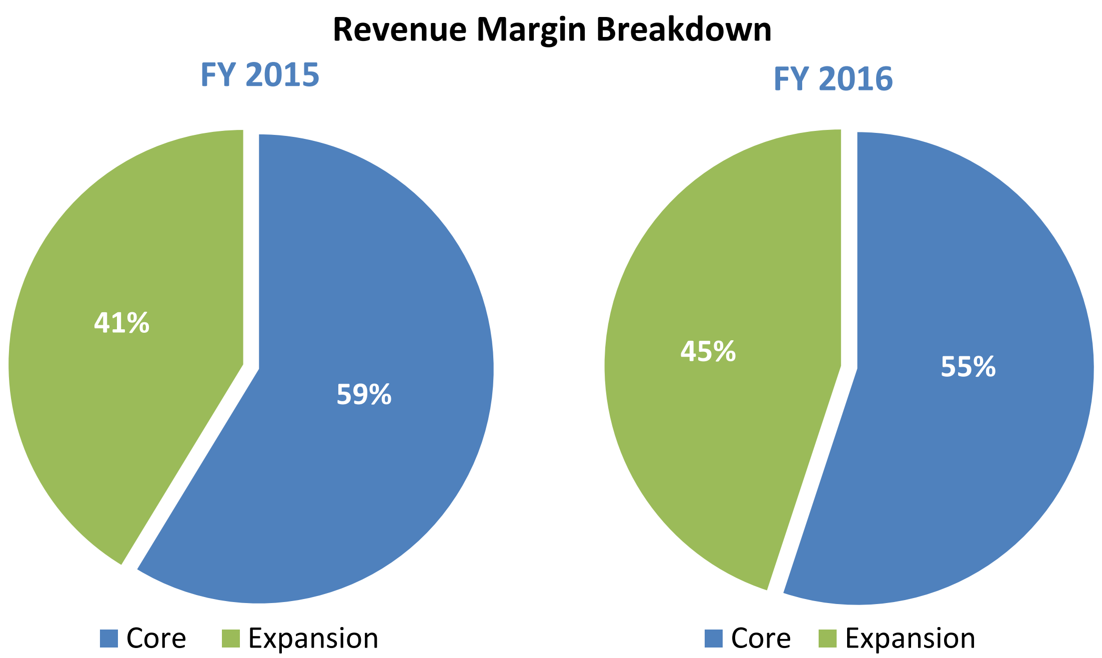
Core markets bookings reached 5.4 million, up 2% year-on-year (+8% in Q4), and the positive bookings trend continues to improve. Bookings growth was due to an increase in our flight business mainly in Spain and in Italy. The company increased Bookings for both regular flight Bookings as well as for low 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. The revenue margin showed a significant improvement in performance over the course of the year going from (-3%) in Q1, (-5%) in Q2, (-1%) in Q3 to +8% in Q4. 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.

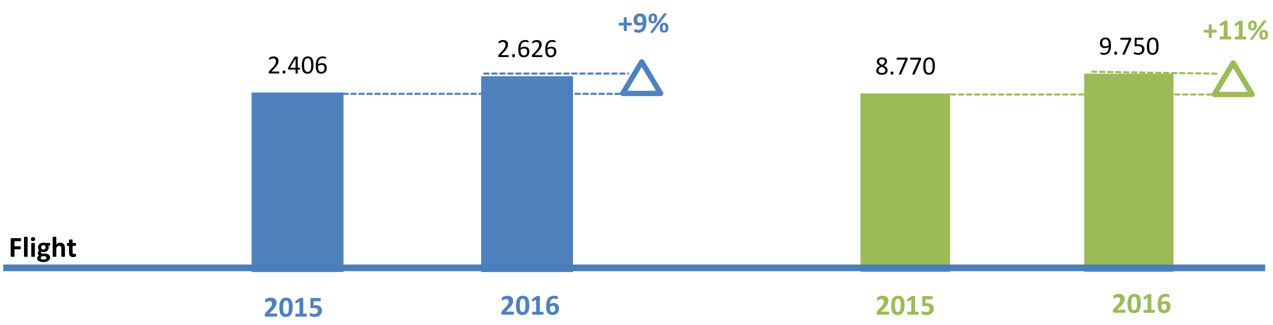
The Expansion markets drove overall revenue margin growth, up 16% year-on-year and stood at €208.2 million. Growth in Expansion was principally due to the increase in Bookings of 20%, partly offset by a slight decrease in Revenue Margin per booking (-3%), reflecting our pricing and marketing re-orientation strategy.

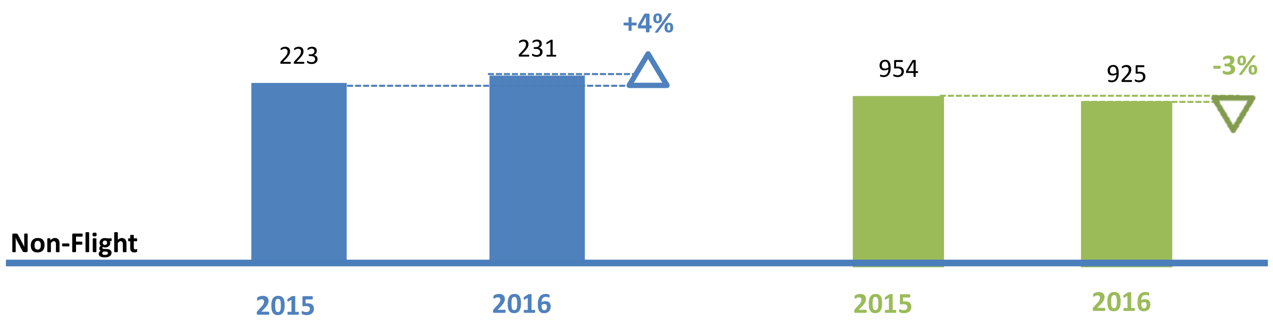
These markets now represent 45% of our overall revenue margin (which is up from 41% in fiscal year 2015).



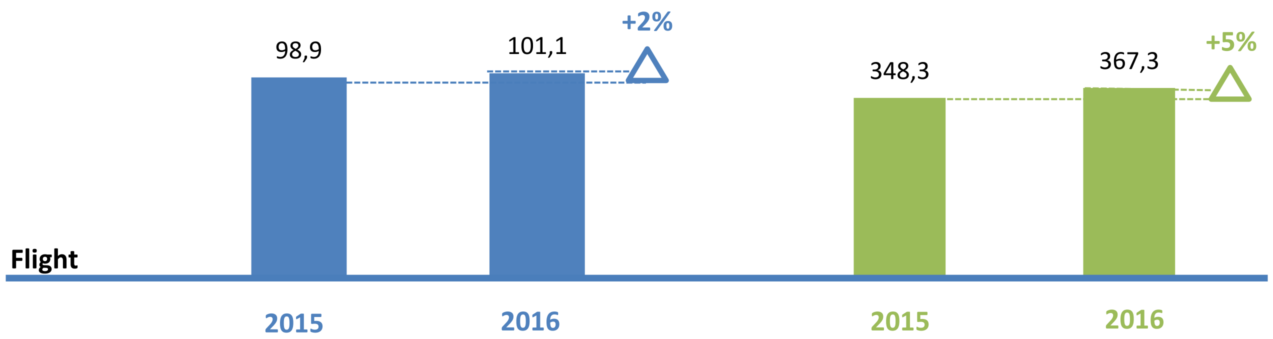
Business Evolution

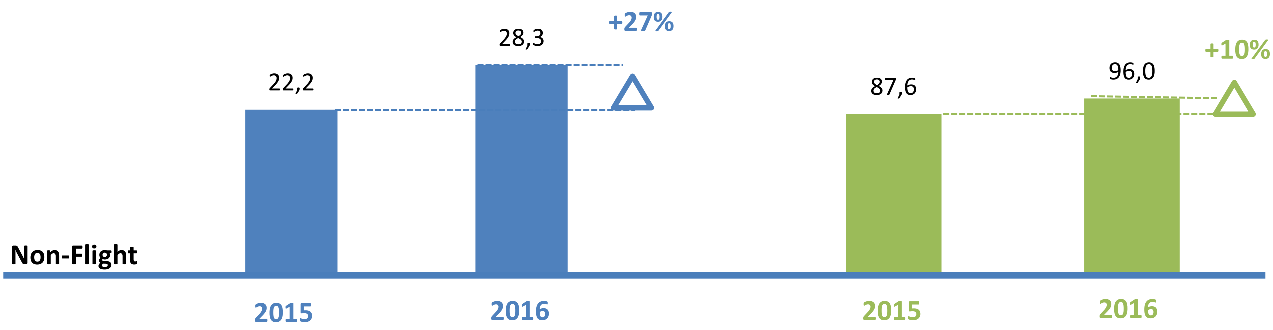
Bookings ('000) **3 Months (*)** **Year to date (*)**





Revenue Margin (€ million)





(*) 3 and 12 Months ending March

Business review by business

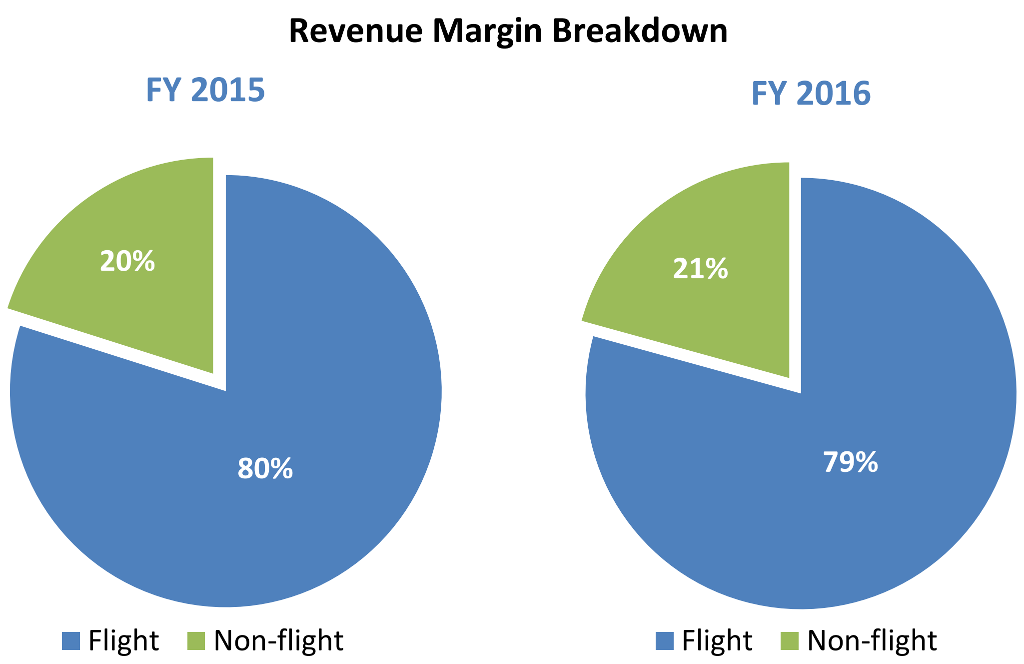
The company's growth in bookings, up 10% year-on-year, was mainly sustained by growth in the Flight business bookings.

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 strategy 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.



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.

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 year-on-year), +/- €2 million

Financial Review

Summary and Analysis of Income Statement – Full P&L in page 22

(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%

Revenue Margin increased by 6%, to €463.3 million, principally due to an increase in Bookings by 10% and partly offset by a decrease of 3% in Revenue Margin per Booking in line with the pricing and marketing optimization strategy, together with a mixed effect of incentives offered to suppliers. This has been partly offset by the positive impact on our revenue margin of the increase in Advertising and Meta click-out revenue.

Variable costs increased in fiscal year 2016, principally as a result of the increase in Bookings. Variable costs per booking decreased by 6% year-on-year as a results of the positive impact of our pricing and marketing optimization strategy.

Higher **fixed costs** mainly relating to higher personnel expenses (no bonus was accrued last year), higher IT costs and higher external fees.

Adjusted EBITDA for fiscal year 2016 amounted 95.8 million, up 6% year-on-year. Adjusted EBITDA accelerated in the fourth quarter and increased by 14% year-on-year during the quarter, due to higher revenues in flight and non-flight, and lower variable costs per booking.

If we normalized for the differences in bonus accrual and payment between this year and last year, EBITDA growth would have been significantly higher at +18% in Q4 and +12% for the full fiscal year 2016.

Non-recurring items reduced by 51% due to last year impact of provision for restructuring in France.

EBITDA growth was significantly higher than the Adjusted EBITDA, up 15% year-on-year. The reason for the difference was the reduction in non-recurring items.

D&A and Impairment decreased since last year was negatively impacted by an impairment of intangible assets and goodwill of 179.5.

Financial loss in fiscal year 2016 decreased by €4.9 million, mainly as a result of the negative impact in fiscal year 2015 of 3.6 million related to the early repayment penalty fee on 2019 notes.

Income tax increased by €3.2 million mainly due to an increase in deferred tax since last year was notably impacted by a movement in deferred liability associated with the Go Voyages brand impairment offset by reversal of tax credit on losses carried forward as well as regularization on tax rate applicable in the UK.

The **Adjusted Net Income** stood at €20.1 million, a 50% improvement year-on-year.

Summary & Analysis of Cash Flow Statement – Full cash flow in page 26

(in € million)	3M March 2015	3M March 2016	12M March 2015	12M March 2016
Adjusted EBITDA	28.0	31.7	90.5	95.8
Non-recurring items	-6.9	-3.4	-16.0	-10.5
Non-operating / non-cash items	0.2	4.6	7.7	4.1
Provider Termination	0.0	0.0	-6.1	0.0
Change in working capital (excl. IPO impacts)	60.2	53.9	2.2	-2.6
Change in working capital related to IPO	-0.1	0.0	-18.1	0.0
Income tax paid	-1.1	-0.1	-6.0	-4.8
Net cash from operating activities	80.3	86.7	54.3	82.0
Cash flow from investing activities	-10.5	-7.1	-32.1	-30.5
Cash flow related to committed Capex	0.0	0.0	-3.1	0.0
Cash flow from financing	-13.5	-12.9	-43.0	-41.1
Cash and cash equivalents at end of period (net of bank overdrafts)	121.8	132.0	121.8	132.0

The **cash flow from operating activities increased by €27.7 million,** mainly reflecting:

- The increase in recurring EBITDA
- The fact that last year was negatively impacted by the payments of IPO related expenses for €18.1m€
- The fact that last year was negatively impacted by the payment of a penalty related to a provider termination.
- Lower income tax paid following the application for US income tax of deductions for investments in software internally developed

- Partly mitigated by a cash outflow on working capital reflecting the impact of Easter holidays which fell this year in March compared to April for the year ended March 31, 2015, which resulted in less Regular Bookings on the month of March 2016 compared to March 2015 and which is the main driver for our working capital

We have used **cash in investments of 30.5 million euro** compared to 32.1 million euro in the same period of last year. Investments in fiscal year 2016 mainly relates to the development of our common platform, investments on our new mid/back-office system, license acquisition and cancelation penalties, the move to our new Barcelona offices and investments in hardware and others.

Cash flow used in financing amounted to 41.1 million euro, compared to 43.0 million euros in the same period of last year. The main difference is the lower interest and other financial expenses following the partial redemption of the 2019 Notes.

Summary & Analysis of Balance sheet – Full Balance Sheet in page 24

(in € million)	**12M March 2015**	**12M March 2016**
Total fixed assets [2]	1018.7	1032.3
Total working capital [3]	-278.6	-276.6
Deferred tax	-37.6	-41.2
Provisions	-15.8	-16.5
Other non-current assets / (liabilities)	6.3	6.9
Other current assets / (liabilities)	0.1	0.1
Financial debt	-457.5	-462.9
Cash and cash equivalents	121.8	132.1
Net financial debt[4]	-335.7	-330.8
Net assets	357.4	374.1

Compared to last year, main changes relate to:

- Increase of **fixed assets** mainly related to software developed internally
- **Working capital:** Slight decrease of negative working capital as a result of the impact of Easter holidays which fell this year in March compared to April for the year ended March 31,

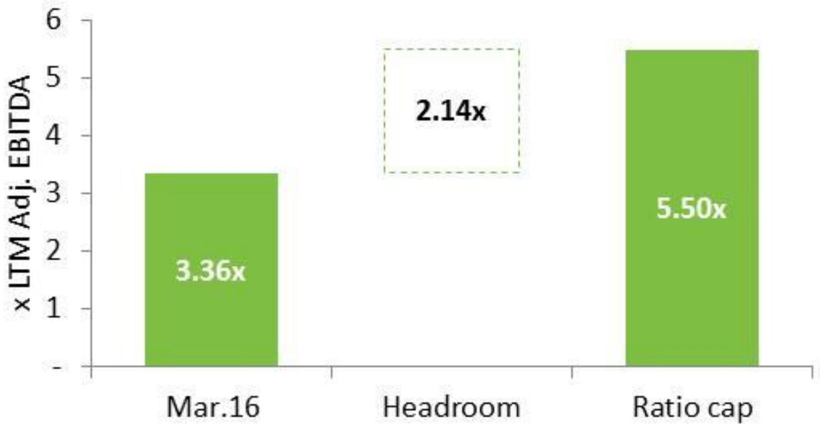
[2] Excluding non-current deposits and guarantees amounting to €2.8 million and €3.3 million in March 2015 and 2016, respectively.
[3] Including non-current deferred revenue amounting to €31.8 million and €26.2 million in March 2015 and 2016, respectively.
[4] Excluding non-current loans and receivables amounting to €2.3 million and €1.7 million in March 2015 and 2016, respectively.

2015, which resulted in less Regular Bookings on the month of March 2016 compared to March 2015.

- Decrease by 4.9€m of **net financial debt**: increase of Cash position (+10.3€m) offset by a 5.4€m increase of financial debt, mainly related to lower amortized financing costs combined with slight increase in other financial debt.

Debt Cover ratio

We have only one maintenance covenant[5] in our SS RCF, which is a ratio 5.5x Net Debt to LTM adjusted EBITDA. At the end of March 2016 the current net leverage ratio was 3.36x, providing us with ample headroom.



On April 14th 2016, the Group has repurchased 30M€ of the 2018 Notes (see Note 34.1).

The company is engaged in conversations with financial institutions regarding a potential refinancing and/or an additional notes redemption or repurchase following its solid financial results and cash position in the fiscal year 2016.

Other information

Risks and Uncertainties

See a description of the Risks and Uncertainties faced by the Group in Note 5 of the Notes to the Consolidated Financial Statements attached hereafter.

Annual Corporate Governance Report

Please refer to our Annual Corporate Governance Report later on in this Annual Financial Report.

Shareholder information

The subscribed share capital of eDreams ODIGEO as at March 31, 2016, is €10.49 million divided into 104,878,049 shares with a par value of ten euros cents (€0.10) each, all of which are fully paid.

5 Covenants figures presented above are unaudited and at GEO Travel Finance level

Neither at March 31, 2016 or during the fiscal year 2016, none of the Group companies held shares in the holding companies.

Branches of the Company

The Company has no direct branches.

Research and development activities

We operate an increasingly centralized technology platform with highly efficient processes, focused on the integration of search engine interaction, inventory sourcing, product customization, dynamic pricing, inventory management, booking, accounting/reporting, collection and payment. We continuously develop this platform internally thanks to our engineers. Almost all of our research and development activities deal with the improvement of our platform.

See a description of the accounting policy applied by the Group for its Internally-generated intangible assets - research and development expenditure in note 4 of the Notes to the Consolidated Financial Statements attached hereafter.

Important events that have occurred since March 31, 2016

See a description of the Subsequent events in Note 34 of the Notes to the Consolidated Financial Statements attached hereafter.

OUR PURPOSE

"To help people discover their world through travel"

Consolidated Financial Statements and Notes for the year ended March 31, 2016

eDreams ODIGEO

and Subsidiaries

Registered office:

1, Boulevard de la Foire

L-1528 Luxembourg

R.C.S. Luxembourg B N° 159 036

As of June 15, 2016 the Board of Directors formally prepared and approved these Consolidated Financial Statements for the year ended March 31, 2016.

Deloitte.

Deloitte Audit
Société à responsabilité limitée

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L-1528 Luxembourg

REPORT OF THE REVISEUR D'ENTREPRISES AGREE

Report on the consolidated financial statements

We have audited the accompanying consolidated financial statements of eDreams ODIGEO, S.A., which comprise the consolidated statement of financial position of eDreams ODIGEO, S.A. as at March 31, 2016, the related consolidated income statement and the consolidated statements of other comprehensive income, changes in equity and cash flows for the year ended March 31, 2016 and a summary of significant accounting policies and other explanatory information.

Responsibility of the Board of Directors for the consolidated financial statements

The Board of Directors is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with International Financial Reporting Standards as adopted in the European Union, and for such internal control the Board of Directors determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

Responsibility of the réviseur d'entreprises agréé

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing as adopted for Luxembourg by the *Commission de Surveillance du Secteur Financier*. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the consolidated financial statements are free from material misstatement.

Société à responsabilité limitée au capital de 35.000 €
RCS Luxembourg B 67.895
VAT LU25101535
Autorisation d'établissement : 10022179

Deloitte.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the *réviseur d'entreprises agréé's* judgment including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the *réviseur d'entreprises agréé* considers internal control relevant to the entity's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Board of Directors, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the consolidated financial statements give a true and fair view of the consolidated financial position of eDreams ODIGEO, S.A. as of March 31, 2016 and of its consolidated financial performance and its consolidated cash flows for the year ended March 31, 2016 in accordance with International Financial Reporting Standards as adopted in the European Union.

Report on other legal and regulatory requirements

The management report, which is the responsibility of the Board of Directors, is consistent with the consolidated financial statements.

The accompanying Corporate Governance Statement which is the responsibility of the Board of Directors, includes the information required by the law of 19 December 2002 on the commercial and companies register and on the accounting records and annual accounts of undertakings, as amended and the description included with respect to Article 68bis of the aforementioned law is consistent with the consolidated financial statements.

For Deloitte Audit, *Cabinet de révision agréé*

Marco Crosetto, *Réviseur d'entreprises agréé*
Partner

June 16, 2016

Consolidated Income Statement

(Thousand of euros)

	Notes	March 2016	March 2015
Revenue	7	484,650	465,732
Supplies		(21,395)	(29,770)
Revenue Margin	8	**463,255**	**435,962**
Personnel expenses	9	(69,818)	(69,528)
Depreciation and amortization	10	(17,628)	(19,992)
Impairment loss	10	(729)	(179,533)
Gain or loss arising from assets disposals		(11)	(2)
Other operating income / (expenses)	11	(308,089)	(291,911)
Operating profit/(loss)		**66,980**	**(125,004)**
Financial and similar income and expenses			
Interest expense on debt	12	(41,439)	(44,165)
Other financial income / (expenses)	12	(4,678)	(6,898)
Profit/(loss) before taxes		**20,863**	**(176,067)**
Income tax	13	(8,436)	(5,239)
Profit/(loss) for the year from continuing operations		**12,427**	**(181,306)**
Profit for the year from discontinued operations net of taxes (net)		-	-
Consolidated profit/(loss) for the year		**12,427**	**(181,306)**
Non controlling interest - Result		-	0
Profit and loss attributable to the parent company		**12,427**	**(181,306)**
Basic earnings per share (Euro)	6	**0.12**	**(1.73)**
Basic earnings per share (Euro) - fully diluted basis	6	**0.11**	**(1.73)**

The notes on pages 27 to 86 are an integral part of these consolidated financial statements.

Consolidated Statement of Other Comprehensive Income

(Thousand of euros)

	March 2016	March 2015
Consolidated profit/(loss) for the year (from the income statement)	**12,427**	**(181,306)**
Income and expenses recorded directly in equity		
Exchange differences	792	(3,809)
For actuarial gains and losses (pensions)	58	-
Other income and expenses recorded directly in equity	-	-
Tax effect	(34)	-
	816	**(3,809)**
Total recognized income and expenses	**13,243**	**(185,115)**
a) Attributable to the parent company	13,243	(185,115)
b) Attributable to minority interest	-	-

The notes on pages 27 to 86 are an integral part of these consolidated financial statements.

Consolidated Balance Sheet Statement

(Thousand of euros)

ASSETS	Notes	March 2016	March 2015
Non-current assets			
Goodwill	14	728,377	727,820
Other intangible assets	15	294,616	282,581
Tangible assets	16	7,642	5,980
Non-current financial assets	18	4,962	5,077
Deferred tax assets	13	2,298	1,559
Other non-current assets	19	3,599	3,506
		1,041,494	**1,026,523**
Current assets			
Inventory	20	800	-
Trade and other receivables	21	66,237	78,186
Current tax assets	13	10,075	8,194
Financial assets		74	74
Cash and cash equivalent	22	132,077	121,840
		209,263	**208,294**
TOTAL ASSETS		**1,250,757**	**1,234,817**

EQUITY AND LIABILITIES	Notes	March 2016	March 2015
Shareholder's Equity			
Share Capital		10,488	10,488
Share Premium		974,512	974,512
Other Reserves		(622,543)	(444,793)
Other equity instruments		-	-
Profit and Loss for the period		12,427	(181,306)
Foreign currency translation reserve		(738)	(1,530)
		374,146	**357,371**
Non controlling interest		-	-
	23	**374,146**	**357,371**
Non-current liabilities			
Non-current financial liabilities	25	446,463	442,851
Non current provisions	26	6,659	5,612
Deferred revenue	29	26,206	31,750
Deferred tax liabilities	13	43,518	39,114
Other non-current liabilities	-	-	-
		522,846	**519,327**
Current liabilities			
Trade and other payables	28	315,211	323,598
Current provisions	26	9,861	10,208
Current taxes payables	13	12,268	9,633
Current financial liabilities	25	16,425	14,680
		353,765	**358,119**
TOTAL EQUITY AND LIABILITIES		**1,250,757**	**1,234,817**

The notes on pages 27 to 86 are an integral part of these consolidated financial statements.

Consolidated Statement Change in Equity

(Thousand of euros)

	Share Capital	Share premium	Other Reserves	Profit & Loss for the period	Other equity instrum.	Foreign currency translation reserve	Total Equity
Closing balance at March 31, 2014	**234,862**	**238,849**	**(122,684)**	**(20,362)**	**26,012**	**2,279**	**358,956**
Total recognized income / (expenses)	**-**	**-**	**-**	**(181,306)**	**-**	**(3,809)**	**(185,115)**
Capital Increases / (Decreases) (Note 23)	488	49,512	-	-	-	-	50,000
Other operations with members or owners	(224,862)	686,151	(302,806)	-	(26,012)	-	132,471
Operations with members or owners	**(224,374)**	**735,663**	**(302,806)**	**-**	**(26,012)**	**-**	**182,471**
Payments based on equity instruments	-	-	1,100	-	-	-	1,100
Transfer between equity items	-	-	(20,362)	20,362	-	-	-
Other changes	-	-	(41)	-	-	-	(41)
Other changes in equity	**-**	**-**	**(19,303)**	**20,362**	**-**	**-**	**1,059**
Closing balance at March 31, 2015	**10,488**	**974,512**	**(444,793)**	**(181,306)**	**-**	**(1,530)**	**357,371**
Total recognized income / (expenses)	**-**	**-**	**24**	**12,427**	**-**	**792**	**13,243**
Operations with members or owners	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Payments based on equity instruments	-	-	3,528	-	-	-	3,528
Transfer between equity items	-	-	(181,306)	181,306	-	-	-
Other changes	-	-	4	-	-	-	4
Other changes in equity	**-**	**-**	**(177,774)**	**181,306**	**-**	**-**	**3,532**
Closing balance at March 31, 2016	**10,488**	**974,512**	**(622,543)**	**12,427**	**-**	**(738)**	**374,146**

The notes on pages 27 to 86 are an integral part of these consolidated financial statements.

Consolidated Cash Flow Statement

(Thousand of euros)

	Notes	March 2016	March 2015
Net Profit / (Loss)		**12,427**	**(181,306)**
Depreciation and amortization	10	17,628	19,992
Impairment and results on disposal of non-current assets (net)	14 15 17	729	179,533
Other provisions		540	497
Income tax	13	8,436	5,239
Gain or loss on disposal of assets		11	2
Finance (Income) / Loss	12	46,117	51,063
Expenses related to share based payments	24	3,528	(3,788)
Changes in working capital		(2,641)	(10,935)
Income tax paid		(4,773)	(5,952)
Net cash from operating activities		**82,002**	**54,345**
Acquisitions of intangible and tangible assets		(31,138)	(35,420)
Proceeds on disposal of tangible and intangible assets	15	1,705	1
Acquisitions of financial assets	18	(1,042)	(462)
Payments/ Proceeds from disposals of financial assets	18	3	650
Net cash flow from / (used) in investing activities		**(30,472)**	**(35,231)**
Proceeds of issues of shares	23.1	-	50,000
Reimbursement of borrowings	25.1	(446)	(46,328)
Interest and other financial expenses paid		(40,820)	(42,412)
Interest received		161	182
Early repayment fees		-	(3,579)
Fees paid on debt	12	-	(877)
Net cash flow from / (used) in financing activities		**(41,105)**	**(43,014)**
Net increase / (decrease) in cash and cash equivalent		**10,425**	**(23,900)**
Cash and cash equivalents at beginning of period		121,768	145,994
Effect of foreign exchange rate changes		(155)	(327)
Cash and cash equivalents at end of period		**132,038**	**121,767**
Cash at the closing:			
Cash	22	132,077	121,840
Bank facilities&overdrafts	25.1	(39)	(73)
Cash and cash equivalents at end of period		**132,038**	**121,767**

The notes on pages 27 to 86 are an integral part of these consolidated financial statements.

Notes to the 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 35, 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 year ended March 31, 2016

2.1.1 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.

2.1.2 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.

2.1.3 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 has amounted €2.3 million.

2.2 Significant events during the year ended March 31, 2015

2.2.1 Merger of eDreams ODIGEO and its shareholders and subsequent Equity restructuring

Following the Board of Shareholder approval at the Extraordinary General Meeting on April 1, 2014, the Company merged with its shareholders with the aim of simplifying the shareholding and equity structure.

Through the Merger, the absorbed companies contributed all of their assets and liabilities to eDreams ODIGEO. The assets of the absorbed companies mainly consisted of shares in eDreams ODIGEO and convertible bonds issued by a subsidiary of eDreams ODIGEO. The absorbed companies had no meaningful liabilities.

2.2.2 Initial public offering ("IPO") of eDreams ODIGEO

On April 8, 2014, eDreams ODIGEO completed its IPO on the Spanish Stock Market.

The highlights of the offering were:

- 4,878,049 new shares issued by eDreams ODIGEO, raising gross proceeds of approximately €50 million.

- 31,829,264 existing shares sold by certain of eDreams ODIGEO's shareholders, including Luxgoal 3 S.à r.l., and Luxgoal 2 S.à r.l., investment vehicles controlled by the Permira funds; certain funds managed by Ardian France S.A. and its affiliates ("Ardian"); certain Ardian co-investors (the foregoing, the "Principal Selling Shareholders"); as well as certain senior and other management of eDreams ODIGEO (together, the "Selling Shareholders"); the Selling Shareholders have each sold only a portion of their shares in the Company, and eDreams

- eDreams ODIGEO did not receive any of the proceeds from the sale of shares by the Selling Shareholders.

2.2.3 Partial redemption

Pursuant to the successful completion of the IPO, eDreams ODIGEO has contributed the €50 million gross proceeds from the IPO to Geo Travel Finance to allow the redemption of a portion (€46 million) of the 2019 Senior Secured Notes.

Geo Travel Finance redeemed €46 million of its €175 million 10.375% Senior Notes Due 2019 on May 30, 2014.The redemption price equals to 107.781% of the principal amount plus accrued and unpaid interest on the redemption date.

2.2.4 Long Term Incentive Plan

In September 2014 a new Long Term Incentive plan was granted to certain employees (see Note 24.1).

2.2.5 Debt reallocation between eDreams ODIGEO Group

With the aim of improving the tax efficiency of certain intra-group financing arrangement, the Group decided to amend the capital and debt structure of some Group companies which have been effected by the end of March 2015.

A consent letter was delivered on February 24, 2015 to the Bank Agent of the Revolving Credit Facility as well as to the Trustee of the bondholders of the 2018 Notes and the 2019 Notes (the “Lenders”), The Proposed Amendments and the Waiver became effective at March 5, 2015. A consent fee of €877.000 (equal to €2.00 per €1,000 principal amount of the Senior Notes) was paid to the bondholders (See Note 12).

2.2.6 Change in management

The Board of Directors of eDreams ODIGEO announced on January 26, 2015 the appointment of Dana Dunne as Chief Executive Officer, with immediate effect. Dana Dunne, who joined eDreams ODIGEO as Chief Operating Officer in 2012, replaced Javier Pérez-Tenessa de Block who remains with the Company as Honorary Chairman. Philip Wolf who joined the Board in April 2014 has been appointed Non-Executive Chairman, with immediate effect.

Effective March 25, 2015, eDreams ODIGEO (“the Company”) accepted the resignation of Mr. James Hare as an Independent member from the Board of Directors. Mr. Hare was a co-founder of the Company.

3. BASIS OF PRESENTATION

3.1 Statement of compliance

These consolidated financial statements have been prepared in accordance with International Financial Reporting Standards as adopted by the European Union, and the figures are expressed in thousand of euros.

3.2 New and revised International Financial Reporting Standards

The Group has not applied any standard or interpretations whose application is not yet compulsory at March 31, 2016.

As detailed below, during the year ended on March 31, 2016 new accounting standards and interpretations (IAS/IFRS and IFRIC, respectively) have come into force and have been applied.

Furthermore, on the date of drawing up these consolidated financial statements, new accounting standards and interpretations have been published, which are expected to come into effect for accounting periods starting on or after March 31, 2016.

Compulsory standards, amendments and interpretations adopted in the European Union for all accounting periods starting on or after April 1, 2015:

Title	Effective date (annual periods beginning on or after)	Application
Amendments to IAS 19 Defined Benefit Plans: Employee Contributions	1 February 2015	Retrospective application
Annual Improvements to IFRSs 2010-2012 Cycle	1 February 2015	Retrospective application
Annual Improvements to IFRSs 2011-2013 Cycle	1 January 2015	Retrospective application
IFRIC 21 Levies	17 June 2014	Retrospective application

All the standards, amendments and interpretations applicable to the Group's financial statements have been taken into account with effect from April 1, 2015, with no significant impact on these consolidated financial statements.

Standards, amendments and interpretations that may be adopted early in accounting periods starting on or after April 1, 2015, issued by the IASB and adopted by the European Union, for which the Group has not considered early adoption:

Title	Effective date (annual periods beginning on or after)	Application
Amendments to IAS 27- Equity Method in Separate Financial Statements	1 January 2016	Retrospective application
Amendments to IAS 1- Disclosures Initiative	1 January 2016	Retrospective application
Annual Improvements to IFRSs 2012-2014 Cycle	1 January 2016	Retrospective application
Amendments to IAS 16 and IAS 38 – Clarification of Accountable Methods of Depreciation and Amortisation	1 January 2016	Retrospective application
Amendments to IFRS 11- Accounting for Acquisition of Interests in Joint Operations	1 January 2016	Retrospective application
Amendments to IAS 16 and IAS 41- Agriculture: Bearer Plants	1 January 2016	Retrospective application

As indicated above, the Group has not considered an early application of the standards and interpretations detailed above.

3.3 Use of estimates and judgments

In the application of the Group's accounting policies, the Board of Directors is required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

These estimates and assumptions mainly concern the measurement of intangible assets other than goodwill, the measurement of the useful life of fixed assets, capitalization of development costs and measurement of internally-generated assets, purchase price allocation and allocation of goodwill, impairment testing of the recoverable amount, accounting for income tax, analysis of recoverability of deferred tax assets, and accounting for provisions and contingent liabilities.

3.4 Changes in consolidation perimeter

3.4.1 eDreams GmbH

This subsidiary had no business activity during both periods. On September 2014 its sole shareholder Vacaciones eDreams, S.L.U. approved and initiated the liquidation process of this subsidiary which was finalized as at January 29, 2016.

3.4.2 eDreams S.a.r.l

The French subsidiary eDreams Sarl has been merged with the absorbing entity GoVoyages SAS as of April 1, 2015.

3.5 Comparative information

The Directors present together with the figures for the year ended March 31, 2016, the previous years' figures for each of the items on the consolidated statement of financial position, consolidated income statement, consolidated statement of other comprehensive income, consolidated statement of changes in equity, consolidated cash flow statement and the quantitative information required to be disclosed in the consolidated financial statements.

3.6 Working capital

The Group had negative working capital as of March 31, 2016 and 2015, which is a common circumstance in the business in which the Group operates, and in its financial structure, and it does not present any impediment to its normal business.

The Group had a Revolving Credit Facility to fund its working capital needs and IATA Guarantees (see Note 25.2).

4. SIGNIFICANT ACCOUNTING POLICIES

The consolidated financial statements have been prepared on the historical cost basis except for certain properties and financial instruments that are measured at revalue amounts or fair values, as explained in the accounting policies below. Historical cost is generally based on the fair value of the consideration given in exchange for assets. The principal accounting policies are set out below.

Basis, scope and methods of consolidation

The consolidated financial statements incorporate the financial statements of eDreams ODIGEO and entities controlled by the Company (its subsidiaries) up to March 31st each year. Control is achieved where the Company has the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities.

The results of subsidiaries acquired or disposed of during the year are included in the consolidated income statement from the effective date of acquisition and up to the effective date of disposal, as appropriate. Total comprehensive income of subsidiaries is attributed to the owners of the Company and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance.

When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with those used by the Group. All intra-group transactions, balances, income and expenses are eliminated in full in consolidation.

Changes in the Group's ownership interests in subsidiaries that do not result in the Group losing control over the subsidiaries are accounted for as equity transactions. The carrying amounts of the Group's interests and the non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiaries. Any difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid or received is recognized directly in equity and attributed to owners of the Company.

All entities directly or indirectly controlled by the Company have been consolidated by the full consolidation method.

Business combinations

Acquisitions of businesses are accounted for using the acquisition method. The consideration transferred in a business combination is measured at fair value, which is calculated as the sum of the acquisition-date fair values of the assets transferred, liabilities incurred and the equity interests issued by the Group in exchange for control of the acquiree. Acquisition-related costs are generally recognized in profit or loss as incurred.

Goodwill is measured as the excess of the sum of the consideration transferred, the amount of any non-controlling interests in the acquiree, and the fair value of the acquirer's previously held equity interest in the acquiree over the net of the acquisition-date amounts of the identifiable assets acquired and the liabilities assumed.

When the consideration transferred by the Group in a business combination includes assets or liabilities resulting from a contingent consideration arrangement, the contingent consideration is measured at its acquisition-date fair value and included as part of the consideration transferred in a business combination. Changes in the fair value of the contingent consideration that qualify as measurement period adjustments within the first 12 months are adjusted retrospectively, with corresponding adjustments against goodwill.

Goodwill

Goodwill arising on an acquisition of a business is not amortized but carried at cost as established at the date of acquisition (see above) less accumulated impairment losses, if any.

For the purposes of impairment testing, goodwill has been allocated to each country, level at which the business is managed, the operating decisions are made and the operating performance is evaluated.

The carrying value of the assets allocated to countries is tested for impairment annually, or more frequently when there is indication that the unit may be impaired. If the recoverable amount of these assets is less than their carrying amount, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit pro rata based on the carrying amount of each asset in the unit.

Any impairment loss for goodwill is recognized directly in profit or loss in the consolidated income statement and is not subsequently reversed.

Investments in associates

An associate is an entity over which the Group has significant influence and that is neither a subsidiary nor an interest in a joint venture. Significant influence is the power to participate in the financial and operating policy decisions of the investee but is not control or joint control over those policies.

Any excess of the cost of acquisition over the Group's share of the net fair value of the identifiable assets, liabilities and contingent liabilities of an associate recognized at the date of acquisition is recognized as goodwill, which is included within the carrying amount of the investment.

The requirements of IAS 39 are applied to determine whether it is necessary to recognize any impairment loss with respect to the Group's investment in an associate. When necessary, the entire carrying amount of the investment (including goodwill) is tested for impairment in accordance with IAS 36 *Impairment of Assets* as a single asset, any impairment loss recognized forms part of the carrying amount of the investment. Any reversal of that impairment loss is recognized in accordance with IAS 36 to the extent that the recoverable amount of the investment subsequently increases.

Revenue recognition

See below some definitions of terms (specific in the sector) in order to better understand the Group Revenue recognition accounting criteria:

Terms	**Definition**
Number of bookings	Number of individual transactions intermediated by the Group, providing travel products and services.
Gross bookings	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 all transactions made by the Group, although their accounting treatment differs depending on the business model: agency or principal, see below.
Revenue	Revenue represents the incomes of the Group relating to the services provided according to IFRS, as follows: - When the Group acts as principal, revenue comprises the gross value of the service supplied to the customer, net of VAT. - When the Group acts as a disclosed agent, revenue is recognized on a "net" basis, with revenue representing the margin earned.
Revenue Margin	Net revenue received, regardless of Group acting as principal or disclosed agent: - When the Group acts as principal, revenue margin comprises the gross value of the service supplied to the customer, net of VAT, less direct costs associated with the supply of travel services. - When the Group acts as a disclosed agent, revenue margin is equal to revenue.

The Group makes travel services available to customer/travelers, either directly or through other agents. The Group generates its travel revenue from the mediation services regarding the supply of (i) flight services including air passenger transport by regular airlines and LCC flights as well as travel insurance in connection with, (ii) non-flight services, including non air passenger transport, hotel accommodation, Dynamic Packages (including revenue from the flight component thereof) and travel insurance for non-flight services. The Group is also engaged in the supply of travel packages and charter flights. Our revenue is earned through service fees, commissions and. in specific cases, mark-ups, as well as commissions and incentive payments received from suppliers. The Group also receives incentives from its Global Distribution System (GDS) service providers based on the volume of supplies mediated by the Group through the GDS systems.

In addition to the travel revenue generated under the agency and principal models, the Group also generates revenue from non-travel related services, such as fees for the supply of advertising services on our websites, incentives received from credit card companies and charges on toll call and services.

The Group recognizes revenue when (i) there is evidence of a contractual relationship in respect of services provided, (ii) such services have been supplied and (iii) the revenue is determinable and collectability is reasonably assured. The Group has evidence of a contractual relationship when the customer has acknowledged and accepted the Group´s terms and conditions that describe the service rendered as well as the related payment terms. The Group considers revenue to be determinable when the product or service has been delivered or rendered in accordance with the said agreement.

Revenue is measured at the fair value of the consideration received or receivable and represents amounts receivable for services provided in the ordinary course of business net of VAT and similar taxes. The Group provides customers the ability to book air travel, hotels, car rentals and other travel products and services through its websites.

When the Group acts as principal and purchases travel services for onwards supply or is the primary obligor in the arrangement, revenue is recognized on a “gross” basis. The revenue comprises the gross value of the service supplied to the customer, net of VAT, with any related expenditure charged as cost of sales. Such revenue comprises sales in respect of charter flights, certain travel packages as well as conferences and events. At the time of booking the travel service revenue is recorded as deferred income. For these products, revenue and supplies are recognized on the date of departure.

In other transactions where the Group acts as a disclosed agent (*i.e.*, bears no inventory risk and is not the primary obligor in the arrangement), revenue is recognized on a “net” basis, with revenue representing the margin earned. Such revenue comprises the supply of mediation services sales in respect of scheduled air passengers, hotels, car rentals and most of our packaged travel products. For Direct Connects, the Group usually passes reservations booked by customers to the travel supplier and revenue represents the service fee charged to the customer. The Group has limited, if any, ability to determine or change the services supplied and the customer is responsible for the selection of the service supplier. Booking is then secured when no further obligation is supported by the Group.
Where the Group acts as a disclosed agent, additional income (over-commissions) may accrue based on the achievement of certain sales target during a certain agreed period. The Group therefore accrues for such income where it is considered probable that the sales targets will be met and the amount to be received is quantifiable. Where it is probable that the sales target will be met, revenue is recognized based on the percentage of total agreed over-commissions achieved at reporting date.
The table below summarizes the revenue recognition basis for the Group’s income streams.

Income stream	Basis of revenue recognition
Charter flight revenue	Date of departure
Scheduled flight mediation services	Date of booking
Airline incentives	Accrued based on meting sales targets
GDS incentives	Date of booking
Direct Connect	Date of booking
Hotel mediation revenue	Date of booking
Car mediation revenue	Date of booking
Dynamic Packages mediation revenue (including the flight portion thereof)	Date of booking
Vacation package revenue	Date of departure
Advertisement services revenue	Date of display
Metasearch	Date of click or date of purchase
Insurance mediation revenue	Date of booking

For flight mediation services, net revenue is generally recognized upon booking as the Group does not assume any further performance obligation to its customers after the flight tickets has been issued by the airline (even though the Group supports fraud risks). Conversely, in cases where (i) the Group pre-purchases and assumes inventory risk or (ii) the Group bears any financial risk with respect to the booking, for instance, in the event of cancellation, gross revenue is recognized at time of departure as the Group is considered to be the primary obligor to the traveler. In these cases, revenue is recognized on a gross basis, comprising the gross value of the service supplied to the customer (net of VAT and cancellations).
In the event of the cancellation of a booking, commissions and service fees earned are reversed. For flight services whereby the Group acts as a principal, cancellations do not impact revenue recognition since revenue is recognized upon the departure date, when the service is actually supplied.
In case of mediation services regarding hotel accommodation, Dynamic packages, car rental and packaged products, net revenue is recognized at the date of booking. However, a provision is recognized to cover the risk of cancellation of the bookings made with departures after closing date. This provision has been calculated in accordance with the historical average cancellation rate by markets (See Note 21.1).

For the supply of other non-flight services, the Group takes the following position: revenue relating to the supply of vacation products is determinable upon a) the departure date for vacation packages, b) the date of publication over the delivery period for advertising revenue and, c) depending on the particular agreement, date of click or date of purchase in respect of metasearch services. In the event of cancellation, the Group's revenue recognition is not impacted since revenue is recognized, in each case, when the service has actually been rendered.

The Group generally does not take on credit risk with customers; however the Group is subject to charge-backs and fraud risk which the Group closely monitors.
The Group uses Global Distribution System (GDS) services to process the booking of travel services for its customers. Under GDS service agreements, the Group earns revenue in the form of an incentive payment for each segment that is processed through a GDS service provider. This revenue is recognized at the time the booking is processed.
The Group recognizes revenue for the supply of mediation services regarding the supply of travel insurance to customers at the time of completion of the booking.
The Group generates other revenue, which primarily comprise revenue from advertising and metasearch activities. Such revenue is derived primarily from the delivery of advertisements on the various websites the Group operates and is recognized at the time of display or over the advertising

delivery period, depending on the terms of the advertising contract, as well as for searches, clicks and purchases generated by our metasearch activities.

Reporting revenue on a "gross" versus "net" basis is a matter of significant judgment that depends on relevant facts and circumstances. This analysis is performed using various criteria such as, but not limited to, whether the Group is the primary obligor in the arrangement, the Group has inventory risk, has latitude in establishing price, has discretion in supplier selection or has credit risk.

However, if the judgments regarding revenue are inaccurate, actual revenue could differ from the amount the Group recognizes, directly impacting our reported revenue.

Cost of sales

Cost of sales primarily concerns of direct costs associated with the supply of travel services as principal with the aim to generate revenue, for example relating to the supply of charters. The cost of sales are generally variable in nature and are primarily driven by transaction volumes.

Current operating profit

Current operating profit consists of revenue margin, after deducting personnel expenses, other operating income/ expenses, depreciation and amortization and charges net of reversals to provisions.

Finance result

Finance result consists in income and expense relating to the Group's net financial debt during the accounting period, including gains and losses on the corresponding interest rate and foreign exchange rate hedges.

Leasing

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the Group. All other leases are classified as operating leases.

Assets held under finance leases are initially recognized as assets of the Group at their fair value at the inception of the lease or, if lower, at the present value of the minimum lease payments. The corresponding liability to the lesser is included in the consolidated statement of financial position as a finance lease obligation.

Lease payments are apportioned between finance expenses and reduction of the lease obligation so as to achieve a constant rate of interest on the remaining balance of the liability. Finance expenses are recognized immediately in profit or loss, unless they are directly attributable to qualifying assets, in which case they are capitalized in accordance with the Group's general policy on borrowing costs. Contingent rentals are recognized as expenses in the periods in which they are incurred.

Operating lease payments are recognized as an expense on a straight-line basis over the lease term, except where another systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed. Contingent rentals arising under operating leases are recognized as an expense in the period in which they are incurred.

In the event that lease incentives are received to enter into operating leases, such incentives are recognized as a liability. The aggregate benefit of incentives is recognized as a reduction of rental expense on a straight-line basis, except where another systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed.

Foreign currencies

In preparing the financial statements of each individual group entity, transactions in currencies other than the Company's functional currency of the Euro (foreign currencies) are recognized at the rates of exchange prevailing at the dates of the transactions. At the end of each reporting period, monetary items denominated in foreign currencies are converted at the rates prevailing at that date. Non-monetary items carried at fair value that are denominated in foreign currencies are converted at the rates prevailing at the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

Exchange differences on monetary items are recognized in profit or loss in the period in which they arise.

For the purposes of presenting consolidated financial statements, the assets and liabilities of the Group's foreign operations are translated into Euros using exchange rates prevailing at the end of each reporting period. Income and expense items are translated at the average exchange rates for the period, unless exchange rates fluctuate significantly during that period, in which case the exchange rates at the dates of the transactions are used. Exchange differences arising, if any, are recognized and accumulated in equity.

Goodwill and fair value adjustments on identifiable assets and liabilities acquired arising on the acquisition of a foreign operation are translated at the closing rate of exchange. Exchange differences arising are recognized in equity.

Government grants

Government grants are not recognized until there is reasonable assurance that the Group will comply with the conditions attaching to them and that the grants will be received.

Retirement benefits costs

Defined contribution plans

Based on the provisions of the Collective Agreement applicable to different Group companies, the Group has a defined contribution plan with employees. A defined contribution plan is a plan whereby the Group makes fixed contributions to a separate entity and has no legal, contractual or constructive obligation to make additional contributions if the separate entity does not have sufficient assets to meet the commitments undertaken. Once the contributions have been paid, the Group has no additional payment obligations.

Contributions are recognized as employee benefits when they accrue. Benefits paid in advance are recognized as an asset to the extent that there are a cash refund or a reduction in future payments.

Defined benefit plans

Defined benefit plans establish the amount of the benefit the employee will receive on retirement, normally based on one or more factors such as age, years of service and remuneration.

The liability recognized in the balance sheet is the present value of the obligation in respect of defined benefits on the balance sheet date less the fair value of the plan assets, and adjustments for unrecognized past service costs. The obligation in respect of defined benefits is measured by independent actuaries using the projected unit credit method. The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows, using the interest rates on high quality business bonds denominated in the same currency as will be used to pay the benefits, with maturity periods similar to those of the corresponding obligations. In countries where there is no market for such bonds, the market rates of government bonds are used. Actuarial gains or losses arising from adjustments based on experience and changes in the actuarial assumptions are charged or credited to other comprehensive income in the period in which they arise.

Past service costs are recognized immediately in the result, unless they arise as a result of changes in the pension plan and they are subject to the continuity of employees in service during a specific time (vesting period). In this case, past service costs are amortized using the straight-line method over the vesting period.

Share-based payment arrangements

Equity-settled share-based payments to employees are measured at the fair value of the equity instruments at the grant date.

The fair value determined at the grant date of the equity-settled share-based payments is expensed on a straight-line basis over the vesting period, based on the Group's estimate of the value of the equity instruments that will eventually vest, with a corresponding increase in equity. At the end of each reporting period, the Group revises its estimate of the number of equity instruments expected to vest. The impact of the revision of the original estimates in cash-settled share-based payments, if any, is recognized in profit or loss such that the cumulative expense reflects the revised estimate, with a corresponding adjustment to the equity-settled employee benefits reserve.

Taxation

Income tax expense represents the sum of current tax payable and deferred tax.

Current tax

The current tax payable is based on the taxable profit for the year. Taxable profit may differs from the profit reported in the consolidated income statement due to income or expense that are taxable or deductible in other years and items that are exempt or (permanently) non-deductible. The Group's liability for current tax is calculated by using the tax rates in the relevant countries that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax

Deferred tax is recognized on temporary differences between the carrying amounts of assets and liabilities in the consolidated financial statements and the corresponding tax bases used in the computation of the taxable profit. Deferred tax liabilities are generally recognized for all taxable temporary differences. Deferred tax assets generated by tax loss are only recognized to the extent that it is probable that these tax losses will be offset against taxable profits during the testing period taking into account local limitations regarding the capitalization of the tax losses. Deferred tax assets are generally recognized for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be offset. No deferred tax assets and liabilities are recognized if the temporary difference arises from goodwill or from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax assets and liabilities are measured at enacted or substantively enacted tax rates that are expected to apply in the period in which the liability is settled or the asset realized.

Deferred tax assets and liabilities are only offset if there is a legally enforceable right to set off the amounts recognized and the Group Company intends to settle the net figure, or realize the asset and settle the liability simultaneously.

Intangible assets

Intangible assets acquired separately

Intangible assets with finite useful lives that are acquired separately are carried at cost less accumulated amortization and accumulated impairment losses. Amortization is recognized on a straight-line basis over their estimated useful lives as follows:

	Useful life (Years)
Brands	Indefinite
Licenses	2-5
Trademarks and domains	10
Software	3-5
Software of the group common platform	7
Other intangible assets	2-5

The estimated useful life and amortization method are reviewed at the end of each reporting period, with the effect of any changes in estimate being accounted for on a prospective basis.

Internally-generated intangible assets - research and development expenditure

Expenditure on research activities is recognized as an expense in the period in which it is incurred.

An internally-generated intangible asset arising from the Group's development of its website operating platform and related back office systems is recognized if, and only if, all of the following have been demonstrated:

- an asset is created that can be identified (such as software and new processes)
- it is probable that the asset created will generate future economic benefits, and
- the development cost of the asset can be measured reliably

The revenue associated with the capitalization of internally-generated intangible assets is classified in the profit and loss statement according to the nature of the development cost of the asset.

Where no internally-generated intangible asset can be recognized, development expenditure is recognized in profit or loss in the period in which it is incurred.
Subsequent to initial recognition, internally-generated intangible assets are reported at cost less accumulated amortization and accumulated impairment losses, on the same basis as intangible assets that are acquired separately.

Intangible assets acquired in business combinations

Intangible assets acquired in a business combination and recognized separately from goodwill are initially recognized at their fair value at the acquisition date (which is regarded as their cost).

Subsequent to initial recognition, intangible assets acquired in a business combination are reported at cost less accumulated amortization and accumulated impairment losses, on the same basis as intangible assets that are acquired separately.

With regard to trademarks, the royalty-based approach has been adopted: this involves estimating the value of the trademark by reference to the levels of royalties demanded for the use of similar trademarks, based on revenue forecasts drawn up by the Group.

This approach is based on a qualitative analysis of the trademark in order to ensure that the assumptions selected are relevant. The discount rate used is based on the weighted average cost of capital (WACC) for the target acquired.

Derecognition of intangible assets

An intangible asset is derecognized on disposal, or when no future economic benefits are expected from use or disposal. Gains or losses arising from derecognition of an intangible asset, measured as the difference between the net disposal proceeds and the carrying amount of the asset, are recognized in profit or loss when the asset is derecognized.

Tangible assets

Property, plant and equipment are stated at cost less accumulated depreciation and accumulated impairment losses.

Depreciation is recognized so as to write off the cost or valuation of assets using the straight-line method. The estimated useful lives and depreciation method are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis.

	Useful life (Years)
General Installations/Technical Facilities	5-8
Furniture	5-10
Computer Hardware	3-10
Transport equipment	3-8
Other items of property, plant and equipment	3-8

Assets held under finance leases are depreciated over their expected useful lives on the same basis as owned assets or, where shorter, the term of the relevant lease.

Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognized in profit or loss.

Derecognition of tangible assets

Tangible assets are derecognized on disposal, or when no future economic benefits are expected from use or disposal. Gains or losses arising from derecognition of a tangible asset, measured as the difference between the net disposal proceeds and the carrying amount of the asset, are recognized in profit or loss when the asset is derecognized.

Impairment of tangible and intangible assets other than goodwill

At the end of each reporting period, the Group reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss (See methodology used in Note 17). If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

In calculating the discount rate, a specific risk premium has also been considered in certain cases in line with the specific characteristics of each country and the inherent risk profile of the projected flows of each of the countries.

If the recoverable amount of an asset is estimated to be less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount. An impairment loss is recognized immediately in profit or loss.

Where an impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognized for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognized immediately in profit or loss.

Provisions

Provisions are recognized when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that the Group will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

The amount recognized as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. When a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows (where the effect of the time value of money is material).

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, a receivable is recognized as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

When it is only possible that the Group will be required to settle the obligation, the contingency is disclosed in the note for Contingencies.

Contingent liabilities acquired in a business combination

Contingent liabilities acquired in a business combination are initially measured at fair value at the acquisition date. At the end of subsequent reporting periods, such contingent liabilities are measured at the higher of the amount that would be recognized in accordance with IAS 37 *Provisions, Contingent Liabilities and Contingent Assets* and the amount initially recognized less cumulative Amortization recognized in accordance with IAS 18 *Revenue*.

Financial instruments

Financial assets and financial liabilities are recognized when a group entity becomes a party to the contractual provisions of the instrument

Financial assets

Financial assets are initially recognised at the fair value of the consideration given, plus any directly attributable transaction costs.

Financial assets are classified into the following specified categories: financial assets ‘at fair value through profit or loss' (FVTPL), ‘held-to-maturity' investments, ‘available-for-sale' (AFS) financial assets and ‘loans and receivables'.

All the Group's financial assets are classified as "loan and receivables", reflecting the nature and purpose of the financial assets, determined at the time of initial recognition.

Loans and receivables
Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. Loans and receivables are measured at amortized cost using the effective interest method, less any impairment.

Interest income is recognized by applying the effective interest rate, except for short-term receivables when the recognition of interest would be immaterial.

Effective interest method
The effective interest method is a method of calculating the amortized cost of a debt instrument and of allocating interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the debt instrument, or, where appropriate, a shorter period, to the net carrying amount on initial recognition.

Impairment of financial assets

Financial assets are assessed for indicators of impairment at the end of each reporting period. Financial assets are considered to be impaired when there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows of the investment have been affected.

The carrying amount of the financial asset is reduced by the impairment loss directly for all financial assets with the exception of trade receivables, where the carrying amount is reduced through the use of an allowance account. When a trade receivable is considered uncollectible, it is written off against the allowance account. Subsequent recoveries of amounts previously written off are credited against the allowance account. Changes in the carrying amount of the allowance account are recognized in profit or loss.

Derecognition of financial assets

The Group derecognizes a financial asset only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity. If the Group neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Group recognizes its retained interest in the asset and an associated liability for amounts it may have to pay. If the Group retains substantially all the risks and rewards of ownership of a transferred financial asset, the Group continues to recognize the financial asset and also recognizes a collateralized borrowing for the proceeds received.

Restricted cash

Restricted cash deposits are in respect of cash guarantees given by the Company and its principal subsidiaries to IATA and a number of local governmental agencies to ensure compliance with the accreditation terms for each organisation. The restricted cash deposits are stated at cost which approximates to their fair value and are classified as "Other non-current assets".

Cash and cash equivalents

Cash and cash equivalents comprise cash in hand and short-term deposits and other short-term highly liquid investments that are readily convertible to cash and are subject to an insignificant risk of changes in value.

Financial liabilities and equity instruments

Classification as debt or equity

Debt and equity instruments issued by a Group entity are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the Group are recognized at the proceeds received, net of direct issue costs.

Compound instruments

The component parts of compound instruments (convertible notes/preferred shares) issued by the Company or its direct subsidiaries are classified separately as financial liabilities and equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

Conversion option that will be settled by the exchange of a fixed amount of cash or another financial asset for a fixed number of the own equity instruments is an equity instrument.

At the date of issue, the fair value of the liability component is estimated using the prevailing market interest rate for similar non-convertible instruments. This amount is recorded as a liability on an amortized cost basis using the effective interest method until extinguished upon conversion or at the instrument's maturity date.

The conversion option classified as equity is determined by deducting the amount of the liability component from the fair value of the compound instrument as a whole. This is recognized and included in equity, net of income tax effects, and is not subsequently remeasured. In addition, the conversion option classified as equity will remain in equity until the conversion option is exercised, in which case, the balance recognized in equity will be transferred to share premium. Where the conversion option remains unexercised at the maturity date of the convertible note, the balance recognized in equity will be transferred to retained profits. No gain or loss is recognized in profit or loss upon conversion or expiration of the conversion option.

Transaction costs that relate to the issue of the convertible notes are allocated to the liability and equity components in proportion to the allocation of the gross proceeds. Transaction costs relating to the equity component are recognized directly in equity. Transaction costs relating to the liability component are included in the carrying amount of the liability component and are amortized over the lives of the convertible notes using the effective interest method.

Other financial liabilities

Other financial liabilities are initially recognised at the fair value of the consideration received.

Other financial liabilities (including borrowings) are subsequently measured at amortized cost using the effective interest method.

The effective interest method is a method of calculating the amortized cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial liability, or (where appropriate) a shorter period, to the net carrying amount on initial recognition.

Derecognition of financial liabilities

The Group derecognizes financial liabilities when, and only when, the Group's obligations are discharged, cancelled or expired. The difference between the carrying amount of the financial liability derecognized and the consideration paid and payable is recognized in profit or loss.

Derivative financial instruments

The Group enters into a variety of derivative financial instruments to manage its exposure to interest rate and foreign exchange rate risks, including foreign exchange forward contracts, interest rate swaps and cross currency swaps.

Derivatives are initially recognized at fair value at the date the derivative contracts are entered into and are subsequently remeasured to their fair value at the end of each reporting period. The resulting gain or loss is recognized in profit or loss immediately unless the derivative is designated and effective as a hedging instrument, in which event the timing of the recognition in profit or loss depends on the nature of the hedge relationship.

Current/Non-current classification

Current assets are considered to be those related to the normal cycle of operations (which is usually considered to be one year); assets which are expected to expire, be disposed of or realised in the short term as from year-end; financial assets held for trading (except for financial derivatives to be settled later than one year); and cash and other equivalent liquid assets. Assets that do not meet these requirements are qualified as non-current.

Likewise, current liabilities are those related to the ordinary cycle of operations, financial liabilities held for trading, with the exception of financial derivatives to be settled later than one year, and in general all obligations that will expire or terminate in the short term. If this is not the case, they are classified as non-current.

Related party transactions

The Group performs all its transactions with related parties on an arm's length basis. Also, the transfer prices are adequately supported and, therefore, the Group Directors consider that there are no material risks in this connection that might give rise to significant liabilities in the future.

5. RISK MANAGEMENT

5.1 Financial Risks

- ***Credit risk:*** Our cash and cash equivalents are held with financial entities with strong credit ratings. Certain transactions of the Group are channeled through Catalunya Banc S.A., (recently acquired by BBVA which has a Moody's long term rating of Ba2). These transactions amount to an average of €2.87 million on a daily basis. We usually transfer these amounts on a daily basis to other financial institutions in order to mitigate this risk.

  Our credit risk is mainly attributable to business-to-business customer advertising receivables and, to a lesser extent, customer receivables on corporate travel and business-to-business customers, and advertising receivables. These amounts are recognized in the consolidated statement of financial position net of provision for doubtful receivables, which is estimated by our management on a case-by-case basis. There are no meaningful credit risks since none of our customers' transactions represent a proportion equal or higher than 10% of the revenue margin.

- ***Interest rate risk:*** Most of our financial debt is exposed to fixed interest rates. Of our debt, only the Revolving Credit Facility bears interest at a variable rate, although to date we have only drawn loans under the Revolving Credit Facility for intra-month working capital purposes. Therefore, we have no material exposure to interest rate risk.

- ***Liquidity risk:*** In order to meet our liquidity requirements, our principal sources of liquidity are: cash and cash equivalents from the statement of financial position, cash flow generated from operations and the revolving credit facilities under our Revolving Credit Facility Agreement to fund intra-month cash swings and supplier guarantees.

- ***Exchange rate risk:*** The exchange rate risk arising from our activities has basically two sources: the risk arising in respect of commercial transactions carried out in currencies other than the functional currency of each company of the eDreams ODIGEO Group and the risk arising on the consolidation of subsidiaries that have a functional currency other than the euro. In relation to commercial transactions, we are principally exposed to exchange rate risk as the Group operates with the Pound Sterling as well as the Swedish krona and other Nordic currencies (Norwegian Krone and Danish Krone). The exchange rate risk arises on future commercial transactions and on assets and liabilities denominated in a foreign currency.

  However, the volume of our sales and purchases in foreign currency (other than the local currency of each of the subsidiaries) is of little relevance compared to our total operations.

5.2 Travel Industry Risks

- General economic conditions. The revenue is directly related to the overall level of travel activity, which is, in turn, largely dependent on discretionary spending levels. Discretionary spending generally declines during recessions and other periods in which disposable income is adversely affected.

- The occurrence of events affecting travel safety, such as natural disasters, incidents of actual or threatened terrorism, potential outbreaks of epidemics or pandemics, airplane crashes and political and social instability.

- Deterioration in the financial condition or restructuring of operations of one or more of the major suppliers. As the Group is an intermediary in the travel industry, a substantial portion of the revenue is affected by the fares and tariffs charged by our suppliers, including airlines, GDSs, hotels and rental car suppliers, and the volume of products offered by the suppliers.

- Changes in current laws, rules and regulations and other legal uncertainties. The Group operates in a highly regulated industry. The business and financial performance could be adversely affected by unfavorable changes in, or interpretations of, existing laws, rules and regulations, or the promulgation of new laws, rules and regulations applicable to us and our businesses.

- Conditions required for obtaining and maintaining certain licenses or accreditations, especially IATA. Regulatory authorities could prevent or temporarily suspend the Group from carrying on some or all activities or otherwise penalize if the practices are found not to comply with the then-current regulatory or licensing requirements or any interpretation.

- Dependence on the level of Internet penetration. A slowing in the growth of Internet penetration, or a fall, could adversely affect the growth prospects and the business, financial condition and results of operations.

5.3 Business Risks

- Competitive landscape of the travel industry, such as other online travel agents, travel suppliers, metasearch companies, online portals and search engines and traditional travel agencies and tour operators.

- Rapidly changing market, evolving customer demand, and low barriers to entry.

- Innovation and ability to keep up with rapid technological changes, and success of execution of changes. The success depends on continued innovation and the ability to provide features that make the websites and mobile apps user-friendly for travelers. The competitors are constantly developing innovations in online travel-related products and features.

- Failures in technology systems: system interruption or cyberattack, and effectiveness of response plans, relaying on own and suppliers' computer systems to attract customers to websites and apps and to facilitate and process transactions.

- Dependence on significant third party supplier relationships for; content, commissions, incentive payments, advertising and metasearch revenue, and fees.

- Reliance on the value and strength of the brands, any failure to maintain or enhance customer awareness of the brands could have a material adverse effect on the business, financial condition and results of operations. In addition, the costs of maintaining and enhancing the brand awareness are increasing and the strength of the brands is directly related to the cost of customer acquisition.

- Changes in search engine algorithms and search engine relationships. Utilization of significant and increasing extent Internet search engines, principally through the purchase of travel-related keywords and inclusion in metasearch results, to generate traffic. Search engines, frequently update and change the logic that determines the placement and display of results of a consumer's search, such that the purchased or algorithmic placement of links to the websites can be affected.

- Exposure to risks associated with booking and payment fraud. Liability for accepting fraudulent credit or debit cards or checks and subject to other payment disputes with our customers for such sales.

- Human capital retention of highly skilled personnel and ability to attract and retain executives and other qualified employees is crucial to the results of operations and future growth.

- Processing, storage, use and disclosure of personal data and potential liabilities arising as a result of governmental and/or industry regulation.

- Adverse tax events. The estimated net result is based on tax rates which are currently applicable, as well as current legislation, jurisprudence, regulations and interpretations by local tax authorities.

5.4 Financial Profile Risks

- Impairments of goodwill and other intangible assets. The statement of financial position includes very significant amounts of goodwill and other intangible assets. The impairment of a significant portion of these assets would negatively affect the reported results of operations and financial position.

- Intellectual property. Success of the Group to protect effectively from copying and use by others, including current or potential competitors.

5.5 Capital risk management

The Group's objective in capital risk management is to safeguard its capacity to continue managing its recurring activities and the capacity to continue to grow through new projects, by optimising the debt-to-equity ratio to create shareholder value.

The Group's growth is financed mainly through internal cash flows generated by the Group's recurring businesses.

The Group's optimal leverage level is not determined on the basis of its overall debt-to-equity ratio but with the goal of maintaining moderate levels of debt. With the IPO completion, the Group used the proceeds from the issuance of new shares to reduce debt.

The Group does not consider the debt-to-equity ratio a suitable indicator for defining its equity policy as its consolidated equity may be affected by a range of factors which are not necessarily indicative of its capacity to satisfy its future financial obligations, including:

- The effect of fluctuations in functional currencies other than the euro through currency translation differences.

- The impairment losses on assets that will not recur and which do not involve a cash outflow when recognised.

The Group's capital policy does not set short-term quantitative targets for its indebtedness in relation to its net equity, but is adjusted to allow the Group to manage its recurring operations and take advantages of opportunities for growth while maintaining indebtedness at appropriate levels in the light of its expected future generation of cash flows and in compliance with any quantitative restrictions contained in its main debt contracts.

None of the Group's main debt contracts contain specific clauses restricting its debt-to-equity ratio.

The Revolving Credit Facility due 2018 includes a covenant requiring the Geo Travel Finance consolidation perimeter to maintain a net debt to EBITDA ratio for the rolling twelve months at each quarter end.

At March 31, 2016 the Group complied with all the restrictions imposed by its main debt contracts, and as its businesses may reasonably be expected to continue operating, the Group does not foresee any non-compliance in the future.

6. 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 years ended March 31, 2016 and 2015, is as follows:

March 2016			March 2015		
Profit attributable to the owners of the parent (€ thousand)	Average Number of shares	Basic Earnings per Share (Euro)	Loss attributable to the owners of the parent (€ thousand)	Average Number of shares	Basic Earnings per Share (Euro)
12,427	104,878,049	0.12	(181,306)	104,771,133	(1.73)

In the earning per share calculation as of March 31, 2016 dilutive instruments are considered, using a maximum dilution rate of 4.44%. As of March 31, 2015 no dilutive instruments were considered as the company has losses and therefore, any additional potential share issued would decrease the losses per share and in this case the calculation of dilutive earnings per share is not applicable, as stated in IAS 33 paragraph 41.

The calculation of fully diluted earnings per share for the years ended March 31, 2016 and 2015, is as follows:

Basic Earnings per Share - fully diluted basis					
March 2016			March 2015		
Profit attributable to the owners of the parent (€ thousand)	Average Number of shares	Basic Earnings per Share (Euro)	Loss attributable to the owners of the parent (€ thousand)	Average Number of shares	Basic Earnings per Share (Euro)
12,427	109,750,993	0.11	(181,306)	104,771,133	(1.73)

7. REVENUE

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.

	March 2016	March 2015
Total Gross bookings	**4,508,446**	**4,260,885**
Total Number of bookings	**10,674,911**	**9,723,900**

The following is an analysis of the Group’s revenue and revenue margin for the year:

	Revenue		Revenue Margin	
	March 2016	March 2015	March 2016	March 2015
From customers	333,712	326,150	312,317	296,380
From suppliers	119,309	116,440	119,309	116,440
From advertising and meta clicks-out	31,629	23,142	31,629	23,142
Total	**484,650**	**465,732**	**463,255**	**435,962**

8. SEGMENT INFORMATION

The Group has four reportable geographical segments based on how the Chief Operating Decision Maker (CODM) manages the business, makes operating decisions and evaluates operating performance. Reportable segments offer different products and services and are managed separately because the nature of products and methods used to distribute the services are different. For each reportable segment, the Group’s Leadership Team comprising of Chief Executive Officer and Chief Financial Officer, reviews internal management reports. Accordingly, the Leadership Team is construed to be the Chief Operating Decision Maker (CODM).

As it is stated in the IFRS 8, paragraph 23 an entity shall report a measure of total assets and liabilities for each reportable segment if such amounts are regularly provided to the chief operating decision maker. As this information is not regularly provided, information regarding assets and liabities by segments have not been disclosed in these financial statements.

The Group operates in 4 principal areas:

March 2016	France	Southern Europe (Spain + Italy)	Core	Germany + Austria	UK + Nordics + Other	Expansion	TOTAL
Gross Bookings	**1,453,837**	**754,049**	**2,207,886**	**674,569**	**1,625,991**	**2,300,560**	**4,508,446**
Revenue	**177,365**	**93,303**	**270,668**	**59,029**	**154,953**	**213,982**	**484,650**
Revenue Margin	**164,185**	**90,917**	**255,102**	**59,029**	**149,124**	**208,153**	**463,255**
Variable costs	(93,615)	(60,082)	(153,697)	(30,942)	(112,859)	(143,801)	(297,498)
Marginal Profit	**70,570**	**30,835**	**101,405**	**28,087**	**36,266**	**64,353**	**165,758**
Fixed costs							(69,908)
Depreciation and amortization							(17,628)
Impairment and results on disposal of non-current assets							(740)
Others							(10,502)
Operating profit/(loss)							**66,980**
Financial result							(46,117)
Profit before tax							**20,863**

March 2015	France	Southern Europe (Spain + Italy)	Core	Germany + Austria	UK + Nordics + Other	Expansion	TOTAL
Gross Bookings	**1,603,812**	**710,456**	**2,314,268**	**646,134**	**1,300,483**	**1,946,617**	**4,260,885**
Revenue	**192,078**	**88,193**	**280,271**	**54,777**	**130,684**	**185,461**	**465,732**
Revenue Margin	**167,698**	**88,180**	**255,878**	**54,776**	**125,308**	**180,084**	**435,962**
Variable costs	(103,880)	(64,301)	(168,181)	(29,264)	(91,142)	(120,406)	(288,587)
Marginal Profit	**63,818**	**23,879**	**87,697**	**25,512**	**34,166**	**59,678**	**147,375**
Impairment of Goodwill and Brand	(71,112)	(31,138)	(102,250)	(10,339)	(36,411)	(46,750)	(149,000)
Operating profit/(loss) before Fixed costs and other unallocatable costs	**(7,294)**	**(7,259)**	**(14,553)**	**15,173**	**(2,245)**	**12,928**	**(1,625)**
Fixed costs							(56,894)
Depreciation and amortization							(19,992)
Impairment and results on disposal of non-current assets							(30,535)
Others							(15,958)
Operating profit/(loss)	**63,818**	**23,879**	**87,697**	**25,512**	**34,166**	**59,678**	**(125,004)**
Financial result							(51,063)
Profit before tax							**(176,067)**

No single customer contributed 10% or more to the Group's revenue at March 31, 2016 and March 31, 2015.

9. PERSONNEL EXPENSES

9.1 Personnel expenses

This item breaks down as follows:

	March 2016	March 2015
Wages and salaries	47,027	41,490
Social security costs	14,441	15,139
Pensions costs (or employees welfare expenses)	1,229	1,528
Share-based compensation	3,528	1,100
Other personnel expenses	3,593	10,271
Total personnel expenses	**69,818**	**69,528**

Other personnel expenses include the accrued expenses related to the restructuring in France amounting to € 8.2 million in March 2015 and € 2.5 million in March 2016.

9.2 Number of employees

The average number of employees (including Executive Directors) by category of the Group during the year is as follows:

	March 2016	March 2015
Management	17	19
Administrative Staff	956	875
Operational Staff	685	667
Total average headcount	**1,658**	**1,561**

10. DEPRECIATION, AMORTIZATION AND IMPAIRMENT

This item breaks down as follows:

	March 2016	March 2015
Depreciation of tangible assets *(see Note 16)*	2,404	2,371
Amortization of intangible assets *(see Note 15)*	15,224	17,621
Total Depreciation and amortization	**17,628**	**19,992**
Impairment of tangible assets *(see Note 16)*	579	-
Impairment of intangible assets and goodwill *(see Notes 14 and 15)*	150	179,533
Impairment	**729**	**179,533**

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

As detailed in the Note 14, 15 and 17, the impairment of other intangible assets recognized in March 2015 mainly corresponded to the goodwill amounting to €149,000 thousand euros (see Note 14) and to the impairment of the Go Voyages brand amounting to €29,000 thousand euros (see Note 15).

11. OTHER OPERATING INCOME/ (EXPENSES)

This item breaks down as follows:

	March 2016	March 2015
Marketing and other operating expenses	281,660	271,122
Professional fees	9,120	7,516
IT expenses	6,737	5,007
Rent charges	3,904	3,984
Taxes	2,379	634
Foreign exchange gains/(losses)	908	(941)
Non-recurring expenses	3,381	4,589
Total other operating income and expenses	**308,089**	**291,911**

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.

12. FINANCIAL AND SIMILAR INCOME AND EXPENSE

This item breaks down as follows:

	March 2016	March 2015
Interest expense on 2019 Notes	(13,383)	(14,167)
Interest expense on 2018 Notes	(24,375)	(24,378)
Interest expense on Revolving Credit Facilities	(383)	(339)
Effective interest rate impact on debt	(3,298)	(5,281)
Interest expense on debt	**(41,439)**	**(44,165)**
Foreign exchange differences	(1,120)	411
Other financial expense	(3,650)	(7,571)
Other financial income	92	262
Other financial income / expense	**(4,678)**	**(6,898)**
TOTAL FINANCIAL RESULT	**(46,117)**	**(51,063)**

As detailed in the Note 2.2.3, Geo Travel Finance redeemed €46 million of its €175 million 10.375% Senior Notes Due 2019 on May 30, 2014. Consequently, one-off redemption expenses were registered amounting to €3.5 million classified in "Other financial expenses". Moreover the caption "Effective interest rate on debt" included €2.2 million of capitalized interest recognized directly into expenses in connection with the above mentioned redemption.

Moreover, as it is also detailed in the Note 2.2.5 during the period ended March2015, a Waiver of consent was requested to the 2018 Notes and 2019 Notes holders. Consequently, one-off consent fee expenses were registered amounting to €877 thousands classified in "Other financial expenses".

13. INCOME TAX

At March 31, 2016, the Group has encompassed consolidated tax groups for income tax in four countries:

1) The eDreams Inc. consolidated tax group for Spanish tax purposes
2) The eDreams Inc. consolidated tax group for US tax purposes
3) The Go Voyages SAS consolidated tax group for French tax purposes
4) The eDreams Odigeo consolidated tax group for Luxembourg tax purposes

The Spanish tax group headed by eDreams Inc. is formed by eDreams Inc. (controlling company) and the following Spanish subsidiaries:

- Vacaciones eDreams, S.L.U.
- eDreams International Network, S.L.
- Opodo, S.L.
- eDreams Business Travel. S.L.
- Geo Travel Ventures S.A.

The US tax group which is headed by eDreams Inc. (controlling company) includes the following subsidiaries:

- Vacaciones eDreams, S.L.U.
- eDreams International Network, S.L.
- Viagens eDreams Portugal LDA
- eDreams S.r.L.
- eDreams L.L.C. (until October 2015)

The French tax group which is headed by Go Voyages S.A.S. (controlling entity) includes the following French subsidiaries:

- Go Voyages Trade S.A.S.
- Liligo Metasearch Technologies S.A.

The Luxembourg tax group which is headed by eDreams ODIGEO (controlling entity) includes the following subsidiaries:

- Geo Travel Finance S.C.A.
- LuxGeo S.a.r.l.
- Geo Debt Finance S.C.A.

Being part of a tax group means that the individual income tax credits and debits are integrated at the level of the controlling company and therefore the companies have to settle their income tax with the controlling company.

The subsidiaries that are not included in a tax group pay income tax on a stand alone basis to the relevant tax authorities.

The Group companies may be subject to an audit by the tax authorities in respect of the taxes applicable to them for the years that are not statute-barred.

As a result of different interpretations of ruling tax legislation, additional liabilities may arise as a result of a tax audit by tax authorities. However, the Group considers that any such liabilities (if any) would not materially affect the consolidated financial statements (see also Note 32).

13.1 Income tax recognized in profit or loss

This item breaks down as follows:

	March 2016	March 2015
Deferred Tax	(3,688)	(236)
Current Tax	(4,748)	(5,003)
Income tax (expense)/income	**(8,436)**	**(5,239)**

13.2 Income tax recognized directly in other comprehensive income

This item breaks down as follows:

	March 2016	March 2015
Other deferred tax	(34)	-
Total Income tax recognised directly in OCI	**(34)**	**-**

13.3 Analysis of tax charge

The income tax charge may be analyzed as follows:

	March 2016	March 2015
Profit/(loss) for the year from continuing operations after tax	12,427	(181,306)
Income Tax - Expense / Income	(8,436)	(5,239)
Profit / (loss) before tax	**20,863**	**(176,067)**
Permanent differences:		
Dividends distributed between subsidiaries	950	693
Capital allowances	(7,856)	(9,634)
Disallowed expenses and others	13,480	170,498
Tax basis profit / (loss)	**27,437**	**(14,510)**
% Income rate Present Year	29.22%	29.22%
Expected tax charge income / (expense)	**(8,017)**	**4,240**
Corrections of tax expense:		
Impact of tax rate differences with Parent tax rate	1,640	3,637
Derecognition of tax losses carried forward	(5)	(5,156)
Utilisation of tax losses not recognised	81	2,708
Current year losses for which no deferred tax asset has been recognised	(3,892)	(10,631)
Recognition of tax losses carried forward	-	669
Change in deferred tax due to rate change	1,342	(196)
Others	415	(510)
Group tax charge income / (expense)	**(8,436)**	**(5,239)**

"Disallowed expenses" in the period ended on March 31, 2016 is primarily relating to the effect of non-deductible interest expenses due to specific applicable legislation in certain countries such as France. In the period ended on March 31, 2015, in addition to the effect of the non-deductible interest expenses, there is also the effect of non-deductibility of the impairment on the Goodwill (see Note 17).

13.4 Current tax assets and liabilities

This item breaks down as follows:

	March 2016	March 2015
Income tax receivable	5,120	2,300
Other tax receivables (other than income tax)	4,955	5,894
Current tax assets	**10,075**	**8,194**
Income tax payable	6,264	3,618
Other tax payable (Other than Income Tax)	6,004	6,015
Current tax liabilities	**12,268**	**9,633**

13.5 Deferred tax balances

This item breaks down as follows:

	March 2016	March 2015
Deferred tax assets	2,298	1,559
Deferred tax liabilities	(43,518)	(39,114)
Net	**(41,220)**	**(37,555)**

The following is the analysis of deferred tax assets/liabilities presented in the consolidated statement of financial position. Other deferred tax mainly includes the deferred tax liabilities related to the fair value adjustments of intangible assets made as a consequence of the business combination:

	Balance at March 2015	Amounts recorded in Profit and Loss Statement	Amounts recorded in Equity	Amounts recorded in OCI	Change in tax rate & others	Translation differences	Balance at March 2016
Tax losses carried forward	25,580	(724)	-	-	(658)	7	**24,205**
Other deferred tax	(63,135)	(4,159)	-	(34)	1,922	(19)	**(65,425)**
Total Deferred tax asset/(liability)	**(37,555)**	**(4,883)**	**-**	**(34)**	**1,264**	**(12)**	**(41,220)**

	Balance at March 2014	Amounts recorded in Profit and Loss Statement	Amounts recorded in Equity	Amounts recorded in OCI	Change in tax rate & others	Translation differences	Balance at March 2015
Tax losses carried forward	34,798	(9,180)	-	-	-	(38)	**25,580**
Financial instruments	(10,186)	-	10,186	-	-	-	**-**
Other deferred tax	(72,158)	8,944	-	-	-	79	**(63,135)**
Total Deferred tax asset/(liability)	**(47,546)**	**(236)**	**10,186**	**-**	**-**	**41**	**(37,555)**

The tax losses carried forward of the group which are specified in the below table can be offset against future taxable profits during an indefinite period of time except for the US tax losses for which the period is set in 20 years :

March 2016	Unused Tax Losses present Year Amount Tax Loss	Income tax rate (%)	Total DTA in Tax Losses	DTA recognised in the balance sheet	DTA non recognised in the balance sheet
eDreams ODIGEO S.A.(LUX)	4,186	29.22%	1,223	-	1,223
Lux Geo S.A.R.L. (LUX)	27,146	29.22%	7,932	-	7,932
Geo Debt Finance S.C.A.(LUX)	61	29.22%	18	-	18
Go Voyages SAS (FR)	109,966	34.43%	37,861	-	37,861
Geo Travel Ventures (ES)	182	30%-25%	54	-	54
Geo Travel Pacific (AU)	32	30%	10	10	0
Opodo Italia SRL (IT)	3,328	27.49%	915	-	915
Opodo Limited (UK)	105,312	19%-18%	20,009	20,009	-
Travellink AB (SWE)	12,017	22.00%	2,644	664	1,980
eDreams LTD (UK)	1,497	19%-18%	299	-	299
eDreams INC (USA)	10,062	35.00%	3,522	3,522	-
Total	**273,789**		**74,487**	**24,205**	**50,282**

March 2015	Unused Tax Losses last Year Amount Tax Loss	Income tax rate (%)	Total DTA in Tax Losses	DTA recognised in the balance sheet	DTA non recognised in the balance sheet
eDreams ODIGEO S.A.(LUX)	4,186	29.22%	1,223	-	1,223
Lux Geo S.A.R.L. (LUX)	27,216	29.22%	7,953	-	7,953
Geo Debt Finance S.C.A.(LUX)	61	29.22%	18	-	18
Go Voyages SAS (FR)	104,590	34.43%	36,010	-	36,010
Opodo Italia SRL (IT)	3,593	27.50%	-	-	-
Opodo Limited (UK)	124,590	21%-20%	24,918	24,918	-
Travellink AB (SWE)	15,554	22.00%	3,422	662	2,760
eDreams LTD (UK)	1,604	20.00%	321	-	321
eDreams GMBH (GER)	76	33.30%	25	-	25
eDreams LLC (USA)	80	35.00%	28	-	28
Total	**281,550**		**73,918**	**25,580**	**48,338**

In addition, at the balance sheet date Opodo Limited has unrecognized deferred tax assets of €6.5 million (€8.8 million at March 31, 2015) in respect of accelerated capital allowances and other timing differences arising in the United Kingdom that are available indefinitely for offset against future taxable profits. LuxGeo has a recapture obligation under Luxembourg rules which approximates the amount of its tax losses carried forward.

14. GOODWILL

A detail of the goodwill movement by markets for the year ended March 31, 2016 is set out below:

	March 2015	Exchange rate Diferences	Impairment	March 2016
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	50,069	557	-	50,626
Metasearch	8,608	-	-	8,608
Other	54,710	-	-	54,710
	727,820	**557**	**-**	**728,377**

As at March 31, 2016, the amount of the goodwill corresponding to the Nordic markets has increased by €0.6 million due to the evolution of the euro compared to the functional currency of these countries, with a balancing entry under “Cumulative translation adjustment”.

A detail of the goodwill movement by markets for the year ended March 31, 2015 is set out below:

	March 2014	Impairment	Exchange rate Diferences	March 2015
Markets				
France	397,634	(71,112)	-	326,522
Spain	49,073	-	-	49,073
UK	53,545	(14,512)	-	39,033
Italy	75,225	(31,138)	-	44,087
Germany	166,057	(10,339)	-	155,718
Nordics	74,967	(21,899)	(2,999)	50,069
Metasearch	8,608	-	-	8,608
Other	54,710	-	-	54,710
	879,819	**(149,000)**	**(2,999)**	**727,820**

As at March 31, 2015, the amount of the goodwill corresponding to the Nordic markets has decreased by €3 million due to the evolution of the euro compared to the functional currency of these countries, with a balancing entry under “Cumulative translation adjustment”.

During the fiscal period ended March 31, 2015 the goodwill was impaired by €149 million. The details of the assumptions used in the recoverability analysis are disclosed in the Note 17.

15. OTHER INTANGIBLE ASSETS

The other intangible assets at March 31, 2016 break down as follows:

	March 2015	Acquisitions / Amortization	Disposals / Reversals	Reclassification	Exchange rate Diferences	March 2016
Licenses	10,102	1,027	(3,060)	64	12	**8,145**
Brands	288,130	-	-	-	87	**288,217**
Trademarks and domains	267	13	-	-	-	**280**
Software	113,780	72	(1,738)	27,834	79	**140,027**
Software internally developed in progress	18,422	24,785	-	(24,398)	13	**18,822**
Other intangible assets	19,311	3	-	(3,081)	-	**16,233**
Other intangible assets in progres	1,395	3,106	-	(419)	4	**4,086**
Total gross value	**451,407**	**29,006**	**(4,798)**	**-**	**195**	**475,810**
Licenses	(4,531)	(1,765)	1,360	(34)	(10)	**(4,980)**
Trademarks and domains	(253)	(1)	-	-	3	**(251)**
Software	(80,037)	(13,289)	1,459	34	(45)	**(91,878)**
Other intangible assets	(13,703)	(169)	-	-	-	**(13,872)**
Total accumulated amortization	**(98,524)**	**(15,224)**	**2,819**	**-**	**(52)**	**(110,981)**
Brands	(61,740)	-	-	-	-	**(61,740)**
Software	(6,562)	(150)	239	-	-	**(6,473)**
Other intangible assets	(2,000)	-	-	-	-	**(2,000)**
Total accumulated Impairment	**(70,302)**	**(150)**	**239**	**-**	**-**	**(70,213)**
TOTAL INTANGIBLE ASSETS	**282,581**	**13,632**	**(1,740)**	**-**	**143**	**294,616**

The disposals in Licenses correspond to the Last Minute license. The Group collected €1,7 million on the transaction, with no impact in the profit and loss.

The brand breakdown is as follows at March 31, 2016:

	March 2015	Impairment	Exchange rate Diferences	March 2016
Go Voyages	33,690	-	-	33,690
eDreams	80,800	-	-	80,800
Opodo	100,000	-	-	100,000
Travellink	7,868	-	87	7,955
Liligo	4,032	-	-	4,032
Total	**226,390**	**-**	**87**	**226,477**

Certain brands mentioned above have been pledged to secure the obligations in respect of the Group financial indebtedness.

Software includes an intangible asset relating to the technology used by the Group in its operations which, due to its functional benefits, contributes towards attracting new customers and retaining existing ones.

The other intangible assets at March 31, 2015 break down as follows:

	March 2014	Acquisitions / Amortization	Disposals / Reversals	Reclassification	Exchange rate Diferences	March 2015
Licenses	6,079	3,097	-	970	(44)	**10,102**
Brands	288,475	-	-	-	(345)	**288,130**
Trademarks and domains	268	-	-	-	(1)	**267**
Software	105,020	141	(2,861)	11,647	(167)	**113,780**
Software internally developed in progress	6,547	24,654	(100)	(12,659)	(20)	**18,422**
Other intangible assets	19,326	4	(19)	-	-	**19,311**
Other intangible assets in progres	-	1,395	-	-	-	**1,395**
Total gross value	**425,715**	**29,291**	**(2,980)**	**(42)**	**(577)**	**451,407**
Licenses	(1,739)	(1,997)	-	(828)	33	**(4,531)**
Trademarks and domains	(253)	(1)	-	-	1	**(253)**
Software	(68,179)	(14,152)	1,347	870	77	**(80,037)**
Other intangible assets	(12,232)	(1,471)	-	-	-	**(13,703)**
Total accumulated amortization	**(82,403)**	**(17,621)**	**1,347**	**42**	**111**	**(98,524)**
Brands	(32,740)	(29,000)	-	-	-	**(61,740)**
Software	(6,662)	(1,533)	1,633	-	-	**(6,562)**
Other intangible assets	(2,000)	-	-	-	-	**(2,000)**
Total accumulated Impairment	**(41,402)**	**(30,533)**	**1,633**	**-**	**-**	**(70,302)**
TOTAL INTANGIBLE ASSETS	**301,910**	**(18,863)**	**-**	**-**	**(466)**	**282,581**

The increase in depreciation of brands, trademarks and domains corresponded mainly to the impairment of the Go Voyages brand, amounting to €29 million (see Note 17.3). Consequently, the brand breakdown was as follows at March 31, 2015:

	March 2014	Impairment	Exchange rate Diferences	March 2015
Go Voyages	62,690	(29,000)	-	33,690
eDreams	80,800	-	-	80,800
Opodo	100,000	-	-	100,000
Travellink	8,213	-	(345)	7,868
Liligo	4,032	-	-	4,032
Total	**255,735**	**(29,000)**	**(345)**	**226,390**

16. TANGIBLE ASSETS

The tangible assets break down for the current year is as follows:

	March 2015	Acquisitions / Amortization	Disposals / Reversals	Reclassification	Exchange rate Diferences	March 2016
General installations/Technical facilities	1,354	591	(690)	1,050	(2)	**2,303**
Furniture	2,124	544	(664)	272	2	**2,278**
Transports	6	0	(5)	-	-	**1**
Computer hardw are	14,139	2,186	(319)	-	6	**16,012**
Other tangible assets	45	0	(9)	-	-	**36**
Fixed assets under construction	0	1,322	-	(1,322)	-	**-**
Total gross value	**17,668**	**4,643**	**(1,687)**	**-**	**6**	**20,630**
General installations/Technical facilities	(639)	(269)	374	-	1	**(533)**
Furniture	(1,333)	(173)	386	-	(3)	**(1,123)**
Transports equipment	(7)	-	7	-	-	**-**
Computer hardw are	(9,669)	(1,957)	333	-	(3)	**(11,296)**
Other tangible assets	(39)	(5)	8	-	-	**(36)**
Total accumulated amortization	**(11,687)**	**(2,404)**	**1,108**	**-**	**(5)**	**(12,988)**
Total accumulated Impairment	**-**	**(579)**	**579**	**-**	**-**	**0**
TOTAL TANGIBLE ASSETS	**5,981**	**1,660**	**-**	**-**	**1**	**7,642**

The tangible assets break down for the previous year is as follows:

	March 2014	Acquisitions / Amortization	Disposals / Reversals	Reclassification	Exchange rate Diferences	March 2015
General installations/Technical facilities	1,330	144	(121)	-	1	**1,354**
Furniture	2,207	189	(257)	-	(15)	**2,124**
Transports	6	-	-	-	-	**6**
Computer hardware	12,317	2,398	(541)	-	(35)	**14,139**
Other tangible assets	73	1	(29)	-	-	**45**
Total gross value	**15,934**	**2,732**	**(948)**	**-**	**(49)**	**17,668**
General installations/Technical facilities	(513)	(247)	122	-	(1)	**(639)**
Furniture	(1,426)	(174)	256	-	11	**(1,333)**
Transports equipment	(7)	-	-	-	-	**(7)**
Computer hardware	(8,292)	(1,949)	542	-	30	**(9,669)**
Other tangible assets	(67)	(1)	29	-	-	**(39)**
Total accumulated amortization	**(10,305)**	**(2,371)**	**949**	**-**	**40**	**(11,687)**
TOTAL TANGIBLE ASSETS	**5,629**	**361**	**1**	**-**	**(9)**	**5,981**

17. IMPAIRMENT OF ASSETS

17.1 Measuring methodology

The assets are tested at the country level, which is used by management to make decisions about operating matters and is based on segment information.

The Group has implemented an annual procedure in order to identify the possible existence of unrecorded impairment losses. The procedure for carrying out the impairment test is as follows:

a) A business plan is drawn up for each country for the next 5 years in which the main components are the projected financial statements and the projected investments and working capital. These projections include Management's best estimates, which are consistent with external information, past experience and future expectations.

b) A valuation analysis is carried out, which consists in applying the discounted free cash flow method, carrying out all the procedures necessary to determine the recoverable value of the assets in each country. This calculation establishes a valuation range which varies mainly according to the discount rate for each of the countries.

This analysis is used by Group Management to analyze both the recoverability of the goodwill and other intangible assets belonging to each of the countries.

17.2 Main assumptions used in the financial projections

For each country, the discount rate after taxes has been defined on the basis of the weighted average cost of capital (WACC).

In calculating the discount rate, a specific risk premium has also been considered in certain cases in line with the specific characteristics of each country and the inherent risk profile of the projected flows of each of the countries.

In calculating the value of the assets in each different country, the following parameters have been considered:

- In the first year, Adjusted EBITDA was projected using the 2016/2017 budget assumptions approved by the Board of Directors. Adjusted EBITDA is a non GAAP measure and means profit/(loss) attributable to the Group before financial and similar income and expenses, income tax, depreciation and amortization and profit/loss on disposals of non-current assets, certain share-based compensation, expenses related to restructuring projects and other income and expense items which are considered by management to not be reflective of our ongoing operations.

- In the four following years, a scenario of profitability and needs for investment in intangible assets and working capital that is consistent and sustainable in the long term for each country.

- The perpetual growth rate has been estimated at 1.5% for all countries.

- Capital expenditure level in line with the fact that the business model is not capex intensive. The future level takes into account the end of on-going implementation of the middle-back office and the development of our platform.

The main assumptions used by the Group to measure present cash flows, which determine the recoverable value of the assets in each country where impairment of assets has been estimated, are as follows (average of 5 projected years):

Growth/Value in %	March 2016	March 2015
Revenue Margin	8.0%	8.2%
EBITDA	8.1%	7.9%
Perpetuity Growth rate	1.5%	1.5%

WACC by market %	March 2016	March 2015
France	8.8%	9.5%
Germany	8.3%	9.2%
Spain	10.5%	11.2%
Italy	10.3%	10.9%
UK	9.8%	11.0%
Nordics	9.3%	10.1%
Other	10.0%	10.7%
Metasearch	8.8%	9.5%

The main assumptions have been prepared based on both expected volume and revenue margin per booking growths for the different market considering the historical trends and the budgeted assumptions for 2016 / 2017.

17.3 Conclusions on the analysis

As a result of the testing performed by the Group using the methodology and the assumptions described in the Notes 17.1 and 17.2 above the carrying amount of the operating assets has not to be impaired.

The table below shows the net value of operating assets for every cash generating units (net of impairment) as well as the amounts to be impaired:

	March 2016		March 2015	
	Net value of operating assets	Impairment	Net value of operating assets	Impairment
Markets				
France	331,814	-	287,917	(71,112)
Spain	47,979	-	48,232	-
UK	33,910	-	46,055	(14,512)
Italy	54,142	-	56,151	(31,138)
Germany	160,675	-	158,714	(10,339)
Nordics	41,910	-	41,403	(21,899)
Metasearch	12,736	-	17,337	-
Other	31,847	-	46,041	-
	715,015	**-**	**701,850**	**(149,000)**

As it is stated in the IAS 36 paragraph 104, the impairment as of March 2015 was fully allocated to reduce the carrying amount of the goodwill. Additionally an amount of €29 million was allocated to reduce the carrying amount of the Go Voyage brand (see Note 15).

The impairment resulted from revised assumptions on our future projections taking into account the recent past trends on our core markets.

17.4 Sensitivity analysis on key assumptions

The table below shows, for each cash generating unit the discount rate after taxes and, separately, the perpetual growth rate used to calculate the terminal value which, had they been applied, would have resulted in the value in use equaling the carrying amount of its net operating assets:

	Increase in WACC	Decrease in Perpetual Growth
Markets		
France	1.3%	-1.7%
Spain	6.4%	-10.6%
UK	9.9%	-18.5%
Italy	2.3%	-3.1%
Germany	1.5%	-1.9%
Nordics	3.8%	-5.4%
Metasearch	49.4%	(**)
Other	19.5%	-70.5%

(*) No impairment is possible as a consequence of any variation of the Perpetual Growth Rate

18. NON-CURRENT FINANCIAL ASSETS

Non-current financial assets break down as follows:

	March 2016	March 2015
Investments	13	13
Non-current loans and receivables	1,690	2,306
Non-current deposits and guarantees	3,259	2,758
Non-current financial assets	**4,962**	**5,077**

During the periods ended at March 31, 2016 and 2015 there have been proceeds from disposal of financial assets for an amount of €3 thousand and €650 thousand due mainly to the cancellation of deposits and guarantees.

During the period ended at March 31, 2016 there have been acquisitions of financial assets for an amount of €1.042 thousand mainly due to the deposit given on the new buildings for the Barcelona Headquarter and Call Center.

19. OTHER NON-CURRENT ASSETS

The other non-current assets basically includes an amount of €3.6 million (€3.5 million at March 2015) that is expected to be collected from Amadeus as a result of the adjustment of the acquisition price of Opodo Limited shares done in 2012 (see Note 26).

20. INVENTORY

The Group has inventory corresponding to the charter flights that have been agreed and contracted with a supplier, but that have not been sold yet to the customers for an amount of € 800 thousand at March 31, 2016.

The Group modified its accounting policy for charters from its 2016 consolidated financial statements. The amount of inventories on March 31, 2015 was €1.1 million, and the corresponding counterpart was trade payables also for €1.1 million, with no impact in the Profit and Loss Statement of the period ended on March 31, 2015. The accounting figures for March 31, 2015 have not been restated as the amounts are considered as not material.

21. TRADE AND OTHER RECEIVABLES

21.1 Trade and other receivables

The trade receivables break down as follows:

	March 2016	March 2015
Trade receivables	36,743	38,137
Impairment loss on trade receivables *(see note 21.2)*	(4,883)	(2,269)
Accrued income	29,303	34,076
Provision for booking cancellation	(721)	(552)
Trade related deferred expenses	565	1,435
Advances given - trade related	1,804	3,370
Other receivables	1,177	1,146
Prepaid expenses / Prepayments	2,249	2,843
Trade and other receivables	**66,237**	**78,186**

The Group assess whether there is objective evidence that impairment exists for a trade receivable on a case by case basis.

The main indicators that a trade receivable may be impaired include:

- Significant financial difficulty of the debtor;
- Payment defaults;
- Renegotiation of the terms of an asset due to financial difficulty of the debtor;
- Significant restructuring due to financial difficulty or expected bankruptcy; and
- Aged balance.

Our main receivables result from transactions with travel agencies and are impaired according to actual evidence of impairment. Such principle is also applied to airlines incentives receivables as well as any other type of incentive.

21.2 Valuation allowance

Movements in the valuation allowance are as follows:

	March 2016	March 2015
Valuation allowance opening balance	(2,269)	(3,279)
Increase / Decrease in impairment losses	(3,424)	846
Amount written off as uncollectible	810	164
Valuation allowance closing balance	**(4,883)**	**(2,269)**

22. CASH AND CASH EQUIVALENT

Shown below is a breakdown of cash and cash equivalent:

	March 2016	March 2015
Marketable securities	8	8
Cash and other cash equivalent	132,069	121,832
Cash and cash equivalent	**132,077**	**121,840**

The majority of the bank accounts and marketable securities have been pledged to secure the obligations in respect of the Group financial indebtedness.

23. EQUITY

A breakdown at March 31, 2016 and 2015 is as follows:

	March 2016	March 2015
Share capital	10,488	10,488
Share premium	974,512	974,512
Equity-settled share based payments	4,628	1,100
Retained earnings & others	(627,171)	(445,893)
Profit & Loss atributable to the parent company	12,427	(181,306)
Foreign currency translation reserve	(738)	(1,530)
Equity	**374,146**	**357,371**

23.1 Share capital

As at March 31, 2014, the share capital of eDreams ODIGEO was set at €234,862 thousand represented by 23,120,302,596 ordinary shares, 56,394,776 Class A preferred shares, 123,014,093 Class B preferred shares, 150,000,000 Class C preferred shares, 6,083,335 Class D1 shares, 6,083,333 Class D2 shares, 6,083,333 Class D3 shares, 6,083,333 Class D4 shares, 6,083,333 Class D5 shares and 6,083,333 Class D6 shares all having a par value of €0.01 each. The share premium was set at €238,849 thousand.

As a part of the admission to trading process for the eDreams ODIGEO shares on the Spanish Stock Exchanges (see Note 2.2.1), on April 1, 2014 eDreams ODIGEO approved to acquire all assets and liabilities of its direct parent companies through a down-stream legal merger. Once the Merger was completed, its outstanding shares were immediately cancelled and replaced by the issue of 100,000,000 new ordinary shares of a nominal value of €1. The value of the contributions which exceeded the total share capital of €100 million, totaling €925 million, has been allocated to the Share Premium of the eDreams ODIGEO.

At the same date, the Shareholders approved the reduction, immediately after the Merger, of the nominal value of each share from €1 per share to €0.10 per share without cancellation of any shares or any payment to the shareholders. The €90,000,000 share capital reduction has been allocated to the reserve of eDreams ODIGEO.

In connection with the IPO, 4,878,049 new shares have been issued by eDreams ODIGEO with effective date April 8, 2014. The nominal value of the new shares issued is €0.10 per share, with a total allocation of €49.5 million to share premium.

The subscribed share capital of eDreams ODIGEO at March 2015 and March 2016, after the above mentioned transactions is €10.488 thousand divided into 104,878,049 shares with a par value of ten euros cents (€0.10) each, all of which are fully paid.

23.2 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 realised losses, to make distributions to the shareholders in the form of a dividend or to allocate funds to the legal reserve.

The variation of the amount recognized under "Share Premium" in the consolidated balance sheet at March 31, 2015 arose as a result of the various capital increases performed (see Note 23.1).

23.3 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.

23.4 Equity-settled share-based payments

The amount recognized under "Equity-settled share-based payments" in the consolidated balance sheet at March 31, 2016 and 2015 arose as a result of the Long Term Incentive plan given to the employees during the current year (see Note 24.1).

23.5 Own shares

Neither at March 31, 2016 nor at March 31, 2015 did any of the Group companies hold any shares of the Company.

23.6 Significant Shareholders

As at March 31, 2016, the detail of the direct and indirect holders of significant stakes of the Company with 5% voting rights or more of the company are:

Name or corporate name of shareholder	Number of direct voting rights	% of total voting rights
LuxGoal	32,011,388	30.52%
Ardian	18,720,320	17.85%
HG Vora Special Opportunities Master Fund, Ltd	5,235,000	5.08%

24. SHARE-BASED COMPENSATION

24.1 Share purchase plans

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 acquire a certain number of shares in the Company (called Incentive Shares) to the Participants for a price equal to the local nominal value of the Incentive Shares (€0.10 per share), 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. The Incentive Plan is divided in two "cycles", each having with two testing periods. The **first** cycle refers to 50% of the total Incentive Shares and has a specific share revaluation target for a period of two, respectively three years as detailed below:

1) First Cycle - First Tranche (2 years period): 40% of the Incentive Shares will be granted to the Participants, provided that there is a certain level of increase of the quoted price of the eDreams ODIGEO shares during a period of two years. This 2 year period starts on the First Cycle Initial Date (i.e. the IPO date being April 8, 2014) and finishes on April 9, 2016.

2) First Cycle - Second Tranche (3 years period): 10% of the Incentive Shares will be granted to the Participants, provided that there is a certain level of increase of the quoted price of the shares during a period of three years. This 3 year period starts the First Cycle Initial Date (i.e. the IPO date being April 8, 2014) and finishes on April 9, 2017.

The second cycle refers to the remaining 50% of the Incentive Shares and has also specific share valuation targets for a period of two, respectively three years as detailed below:

- Second Cycle - First Tranche (2 years period): 30% of the Incentive Shares will be granted to the Participants, provided that there is a certain level of increase in the quoted price of the shares in the 2 years period starting one year after the start of the Incentive Plan (April 9, 2015) and finishes on April 9, 2017. If there is a partial achievement of the target share price increase, the Participant receives a pro-rata part of the total shares re this Cycle/tranche.

- Second Cycle - Second Tranche (3 years period): 20% of the Incentive shares will be granted to the Participants, provided that there is a certain level of increase in the quoted price of the shares in the 3 years period starting one year after the start of the Incentive Plan (April 9, 2015) finishes on April 9, 2018. If there is a partial achievement of the target share price increase, the Participant employee receives a pro-rata part of the total shares re this Cycle/tranche.

As at March 31, 2015, 2,266,827 Incentive Shares were granted under the Incentive Plan.

The Fair value of the Incentive Plan was calculated, using the Black - Scholes pricing model and based on the following assumptions:

	First Cycle Tranche 1	First Cycle Tranche 2	Second Cycle Tranche 1	Second Cycle Tranche 2
Spot price	3.04	3.04	2.90	2.90
Exercise price	2.85	2.85	3.94	4.25
Expected volatility	55.60%	55.60%	44.08%	44.08%
Interest rate	0.10%	0.10%	0.23%	0.30%
Maturity	09/04/2016	09/04/2017	09/04/2017	09/04/2018
Contractual purchase price	0.1	0.1	0.1	0.1

Expected volatility was estimated based on an average of eDreams ODIGEO volatility together with the historical volatility of companies operating in the same industry.

During the second semester of the fiscal year ended at March 31, 2016, additional rights were granted under the same Plan, and as at March 31, 2016 4,525,591 Incentives Shares are granted under the Incentive Plan. The fair value of the Incentive Plan for the additional shares was calculated, using the Black - Scholes pricing model and based on the following assumptions:

	First Cycle Tranche 1	First Cycle Tranche 2	Second Cycle Tranche 1	Second Cycle Tranche 2
Spot price	2.75	2.75	2.75	2.75
Exercise price	2.85	2.85	4.14	4.19
Expected volatility	50.99%	50.99%	50.99%	50.99%
Interest rate	0.06%	0.11%	0.11%	0.19%
Maturity	09/04/2016	09/04/2017	09/04/2017	09/04/2018
Contractual purchase price	0.1	0.1	0.1	0.1

Expected volatility was estimated based on an average of eDreams ODIGEO volatility together with the historical volatility of companies operating in the same industry.

The cost regarding this new plan has been recorded in the Income Statement (Personnel expenses) (see Note 9) and against Equity (see Note 23), amounting € 3.5M and € 1.1M in March 31, 2016 and 2015 respectively.

24.2 Summary of the accounting effects of the Share purchase plans

The share purchase plans referred to herein are incentive plans granted to certain employees of the Group. During the periods ended March 31, 2016 and March 31, 2015, the plans had the following impacts:

	March 31, 2014	Additions	Plan termination	March 31, 2015	Additions	March 31, 2016
Plan 1 & 2	10,743	-	(10,743)	-	-	-
Plan 3	1,360	-	(1,360)	-	-	-
Plan 4	2,161	-	(2,161)	-	-	-
New Plan	-	1,100	-	1,100	3,528	4,628
Total amounts recognised in equity	**14,264**	**1,100**	**(14,264)**	**1,100**	**3,528**	**4,628**
Payments		(4,888)			-	
Total adjustment included in the Cash Flow Statement		**(3,788)**			**3,528**	

The amounts recognised in equity have been or will be settled with shares, having no cash impact. However, for Plan 1&2, there was a payment to settle the financial cost of each employee, that was born by the Group.

25. BORROWING AND DEBT

25.1 Debt by type

The Group borrowings and debts at March 31, 2016 and 2015 are as follows:

	March 2016			March 2015		
	Current	Non Current	Total	Current	Non Current	Total
Principal						
2019 Notes	-	124,733	**124,733**	-	123,616	**123,616**
2018 Notes	-	320,799	**320,799**	-	319,234	**319,234**
Total Principal	**-**	**445,532**	**445,532**	**-**	**442,850**	**442,850**
Accrued interest - 2019 Notes	5,575	-	**5,575**	5,578	-	**5,578**
Accrued interest - 2018 Notes	4,063	-	**4,063**	4,063	-	**4,063**
Total Interests	**9,638**	**-**	**9,638**	**9,641**	**-**	**9,641**
Total Borrowing	**9,638**	**445,532**	**455,170**	**9,641**	**442,850**	**452,491**
Other Financial Liabilities						
Bank facilities and bank overdrafts	39	-	**39**	73	-	**73**
Finance Lease Liabilities	623	931	**1,554**	50	1	**51**
Other Financial Liabilities	6,125	-	**6,125**	4,916	-	**4,916**
Total other Financial liabilities	**6,787**	**931**	**7,718**	**5,039**	**1**	**5,040**
Total financial liabilities	**16,425**	**446,463**	**462,888**	**14,680**	**442,851**	**457,531**

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 is payable semi-annually in arrears each May 1st and November 1st. As it is explained in Note 2.2.3, Geo Travel Finance redeemed €46 million of 2019 Senior Notes on May 30, 2014.

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 is payable semi-annually in arrears each February 1st and August 1st.

On April 14th 2016, the Group has repurchased 30M€ of the 2018 Notes (see Note 34.1).

25.2 Credit lines

At March 31, 2016, the Group had a €130 million 4 year Revolving Credit Facility to provide for working capital requirements and IATA Guarantees divided into a €105 million tranche that can be used to finance working capital or guarantees, and a €25 million tranche that can be used only for guarantees. At the end of March 2016 and March 2015, the Group had not drawn any significant credit line.

25.3 Debt by maturity date

The maturity date of the debt at March 31, 2016 and 2015 is as follows:

March 31, 2016	< 1 year	1 to 5 years	> 5 years	Total
Principal				
2019 Notes	-	124,733	-	124,733
2018 Notes	-	320,799	-	320,799
Total Principal	-	445,532	-	**445,532**
Accrued interest - 2019 Notes	5,575	-	-	5,575
Accrued interest - 2018 Notes	4,063	-	-	4,063
Total Interests	**9,638**	**-**	**-**	**9,638**
Other financial liabilities				
Bank facilities and bank overdrafts	39	-	-	39
Finance Lease Liabilities	623	931	-	1,554
Other financial liabilities	6,125	-	-	6,125
Total Other Financial Liabilities	**6,787**	**931**	**-**	**7,718**
Total financial liabilities	**16,425**	**446,463**	**-**	**462,888**

March 31, 2015	< 1 year	1 to 5 years	> 5 years	Total
Principal				
2019 Notes	-	123,616	-	123,616
2018 Notes	-	319,234	-	319,234
Total Principal	-	442,850	**-**	**442,850**
Accrued interest - 2019 Notes	5,578	-	-	5,578
Accrued interest - 2018 Notes	4,063	-	-	4,063
Total Interests	**9,641**	**-**	**-**	**9,641**
Other financial liabilities				
Bank facilities and bank overdrafts	73	-	-	73
Finance Lease Liabilities	50	1	-	51
Other financial liabilities	4,916	-	-	4,916
Total Other Financial Liabilities	**5,039**	**1**	**-**	**5,040**
Total financial liabilities	**14,680**	**442,851**	**-**	**457,531**

25.4 Fair value measurement of borrowings and debt

March 2016	Total net book value of the class	Level 1 : Quoted prices and cash	Level 2 : Internal model using observable factors	Level 3 : Internal model using non-observable factors	Fair value
Balance Sheet headings and classes of instruments					
Cash and cash equivalents	**132,077**	**x**			**132,077**
Senior Notes Due 2019	**130,308**		**x**		**134,460**
Principal and Interest	134,575		x		138,727
Financing costs capitalized on Senior Notes due 2019	(11,909)		x		(11,909)
Amortization of Financing costs capitalized on Senior Notes due 2019	7,642		x		7,642
Senior Notes Due 2018	**324,862**		**x**		**331,074**
Principal and Interest	329,064		x		335,276
Financing costs capitalized on Senior Notes due 2018	(8,722)		x		(8,722)
Amortization of Financing costs capitalized on Senior Notes due 2018	4,520		x		4,520
Bank facilities and bank overdrafts	**39**	**x**			**39**

The book value of current loans and receivables, trade and other receivables and trade and other payables is approximately their fair value.

Valuation techniques and assumptions applied for the purposes of measuring fair value

The fair values of financial assets and financial liabilities are determined as follows:

- The fair values of financial assets and financial liabilities with standard terms and conditions and traded on active liquid markets are determined with reference to quoted market prices (includes listed redeemable notes, bills of exchange, debentures and perpetual notes).

- The fair values of other financial assets and financial liabilities (excluding those described above) are determined in accordance with generally accepted pricing models based on discounted cash flow analysis.

The market value of financial assets and liabilities measured at fair value in the statement of financial position shown in the table above has been ranked based on the three hierarchy levels defined by IFRS 13:

- level 1: quoted price in active markets;
- level 2: inputs observable directly or indirectly;
- level 3: inputs not based on observable market data.

25.5 Covenants

Pursuant to the Senior Facility Agreement, Geo Travel Finance S.C.A. has to respect its Consolidated Total Net Debt Cover ratio every quarter. The requested covenant is calculated as follows:

Total Net Debt Cover ratio = Total Net Debt / Last Twelve Month recurrent Adjusted EBITDA.
For the year ended March 31, 2016, the covenant is accomplished.

25.6 Capital lease

The detail of financial leases at the closing of March 31, 2016 and March 31, 2015 is as follows:

March 2016 Leased Element	Element Net Book Value	Acquisition Cost (includes residual value)	Financial Charges (as of the original leasing contract)	TOTAL	Unexpired Financial Charges	Current Debt (unexpired)	Non - Current Debt (unexpired)	Option to purchase the asset
IT Equipment	1,561	3,525	72	**3,597**	51	623	931	7
	1,561	**3,525**	**72**	**3,597**	**51**	**623**	**931**	**7**

March 2015 Leased Element	Element Net Book Value	Acquisition Cost (includes residual value)	Financial Charges (as of the original leasing contract)	TOTAL	Unexpired Financial Charges	Current Debt (unexpired)	Non - Current Debt (unexpired)	Option to purchase the asset
IT Equipment	14	1,620	(3)	**1,617**	-	50	1	-
	14	**1,620**	**(3)**	**1,617**	**-**	**50**	**1**	**-**

The gross obligation in respect of financial lease (minimum lease payments) is as detailed below:

Detail of minimum Finance lease payments							
March 2016	< 1 year	1 to 2 years	2 to 3 years	3 to 4 years	4 to 5 years	> 5 years	Total
IT equipment	(674)	(654)	(277)	-	-	-	(1,605)
	(674)	**(654)**	**(277)**	**-**	**-**	**-**	**(1,605)**

Detail of minimum Finance lease payments							
March 2015	< 1 year	1 to 2 years	2 to 3 years	3 to 4 years	4 to 5 years	> 5 years	Total
IT equipment	(50)	(1)	-	-	-	-	(51)
	(50)	**(1)**	**-**	**-**	**-**	**-**	**(51)**

The reconciliation between total future minimum lease payments and their present value is as follows:

	March 2016	March 2015
Present value of the leasing	(1,554)	(51)
Unexpired Financial Charges	(51)	(0)
Option to purchase the asset	(7)	-
Total minimum lease payments at the end of the period	**(1,612)**	**(51)**

26. PROVISIONS

The amounts of provisions break down as follows:

	March 2016	March 2015
Non-current provisions		
Provisions for tax risk prior to the acquisition by the Group	5,349	4,163
Provision for pensions and other post employment benefits	1,310	1,449
Total Non-current provisions	**6,659**	**5,612**
Current provisions		
Provisions for litigation risks	3,515	704
Provision for pensions and other post employment benefits	78	66
Provision for other employee benefits	3,161	8,087
Provisions for operating risks and others	3,107	1,351
Total Current provisions	**9,861**	**10,208**

As at March 31, 2016 and 2015, the caption Provisions for other employee benefits mainly includes the provision for the restructuring in France and related litigation (see note 32.7).

The provision for tax contingencies concerns 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 (see note 19).

27. RETIREMENT PLANS

A breakdown of "Provisions for pensions" by company at March 31, 2016 compared to March 31, 2015 is set out below:

	March 2016	March 2015
Net liability (asset)		
ODIGEO France	323	670
Travellink Norway	30	26
Opodo Italy TFR	67	72
eDreams Italy TFR	944	739
eDreams Corporate Travel Italy TFR	24	8
	1,388	**1,515**

Note that the Net Liability (Asset) – long term and short term of retirement plans are included in the caption "Provision for pensions and other post-employment benefits" (Note 26).

27.1 Provisions for pensions

The Group has pension commitments, both for defined benefit and defined contribution plans, with the employees of the different companies that make up the Group.

Defined contribution plan

Opodo Limited has a commitment with the employees for contribution plan. Therefore contributions are recognized in the income statement when they accrue.

Defined benefit commitments

A breakdown of the different defined benefit commitments at 31st March 2016, which have not changed significantly compared to the previous year, with the exception of Odigeo France, which has restructured its staff, is set out below:

At March 31st 2016	Zone	Participants and beneficiaries	Plan Financing	Plan Description
ODIGEO France	Eurozone	132	Not externally funded	Retirement award due to legal obligation (IFC)
Travellink Norway	Norway	8	Externally funded	Retirement pension
Opodo Italy TFR	Eurozone	9	Not externally funded	Redundancy award due to a legal obligation (TFR)
eDreams Italy TFR	Eurozone	85	Not externally funded	Redundancy award due to a legal obligation (TFR)
eDreams Corporate Travel Italy TFR	Eurozone	3	Not externally funded	Redundancy award due to a legal obligation (TFR)
		237		

ODIGEO France includes the results for 3 companies in France: Go Voyages, which represents most of the liabilities, Go Voyages Trade and Liligo Metasearch Technologies SAS.

Actuarial assumptions and methodology used

The main actuarial assumptions used were as follows:

	France		Norway		Italy	
	March 2016	March 2015	March 2016	March 2015	March 2016	March 2015
Discount rate	1.75%	3.25%	2.50%	3.75%	1.75%	3.25%
Rate of salary increase	2.00%	3.00%	2.50%	3.50%	2.00%	2.00%
Rate of price inflation	1.50%	2.00%			1.50%	2.00%
Rate of pension increases	N/A	N/A	0.00%	0.20%	N/A	N/A
Mortality Tables	Women TF04/06 Men TH04/06	Women TF04/06 Men TH04/06	K2013	K2013	RG48	RG48
Disability Tables	N/A	N/A	KU	KU	INPS rates	INPS rates
Turnover Tables	Table based on age: 8% to 40 years on average	Table based on age: 8% to 40 years on average	Table based on age: 4% to 30 years old, 3% to 35, 2% to 40, 1% to 45 and 0,5% to 50.	Table based on age: 4% to 30 years old, 3% to 35, 2% to 40, 1% to 45 and 0,5% to 50.	30% for all ages (Edreams=5%)	30% for all ages (Edreams=5%)

The only plan assets of the group are from the Travellink Norway defined benefit plan, and they are fully invested in assets held by an insurance company.

None of the assets are invested in the Company's own financial instruments.

The amounts recognized in the balance sheet, income statement and in equity are detailed below:

	March 2016	March 2015
Amounts recognized in the statement of financial position:		
Defined benefit obligation	1,826	1,959
Fair value of plan assets	(438)	(444)
Funded status	**1,388**	**1,515**
Effect of asset ceiling/onerous liability	-	-
Net liability (asset)	**1,388**	**1,515**

The movement in the obligation for defined benefits is as follows:

	March 2016	March 2015
Components of defined benefit cost		
Service cost		
Current service cost	233	242
Past service cost	(143)	-
Total service cost	90	242
Net interest cost		
Interest expense on defined benefit cost	60	53
Interest (income) on plan assets	(16)	(16)
Total net interest cost	44	37
Defined benefit cost included in the P&L account	**134**	**279**

	March 2016	March 2015
Amounts recognized in statement of other comprehensive income		
Effect of changes in financial assumptions	268	-
Effect of experience adjustments	(306)	-
(Return) on plan assets (excluding interest income)	(20)	-
Total remeasurements included in OCI	**(58)**	**-**

The movement in the obligation for defined benefits is as follows:

	March 2016	March 2015
Change in benefit obligation		
Benefit obligation at beginning of year	1,959	1,734
Current service cost	233	242
Past service cost	(143)	-
Interest cost	60	53
Benefits paid from plan/company	(191)	(66)
Taxes paid	(3)	(4)
Effect of changes in financial assumptions	268	-
Effect of experience adjustments	(306)	-
Exchange rate changes	(51)	-
Benefit obligation at end of year	**1,826**	**1,959**

The movement in the fair value of the plan assets is as follows:

Change in plan assets	March 2016	March 2015
Fair value of plan assets at beginning of year	444	418
Interest income	16	16
Cash flows		
a. Total employer contributions		
(i) Employer contributions	24	31
(ii) Employer direct benefit payments	176	49
c. Benefit payments from plan	(15)	(17)
d. Benefit payments from employer	(176)	(49)
g. Taxes paid from plan assets	(3)	(4)
a. Return on plan assets (excluding interest income)	20	-
Effect of changes in foreign exchange rates	(48)	-
Fair value of plan assets at end of year	**438**	**444**

The breakdown of Defined benefit obligation by participant status is as follows:

Defined benefit obligation	March 2016	March 2015
Defined benefit obligation by participant status		
a. Actives	1,513	1,601
b. Vested deferreds	-	-
c. Retirees	313	357
Total	**1,826**	**1,958**

The expected cash flows for the following year are as follows:

Expected cash flows for following year	March 2016
Expected employer contributions	87
Year 1	78
Year 2	71
Year 3	67
Year 4	86
Year 5	59
Next 5 years	421

The sensitivity of the defined benefit obligation to changes in assumptions is set out below. The effects of a change in an assumption are weighted proportionately to the total obligations to determine the total impact for each assumption presented.

Sensitivity analysis: increase/(decrease) of DBO	March 2016
Discount rate	
a. Discount rate - 25 basis points	4%
b. Discount rate + 25 basis points	-4%
Salary increase rate	
a. Salary increase rate - 25 basis points	-1%
b. Salary increase rate + 25 basis points	1%
Pension increase rate	
a. Pension increase rate - 25 basis points	-1%
b. Pension increase rate + 25 basis points	1%

28. TRADE AND OTHER PAYABLES

Below is a breakdown of trade and other payables:

	March 2016	March 2015
Trade payables	300,921	309,291
Deferred Income *(see Note 29)*	6,535	10,236
Employee-related payables	7,508	3,765
Other payables	247	306
Total Trade and other payables	**315,211**	**323,598**

29. DEFERRED INCOME

Below is a breakdown of deferred income:

	March 2016	March 2015
GDS agreement	26,206	31,750
Others	-	-
Total Deferred income - non current	**26,206**	**31,750**
Deferred revenue related to revenue recognition	2,092	6,031
GDS agreement	4,372	3,992
Others	71	213
TOTAL Deferred income - current	**6,535**	**10,236**

As mentioned in Note 4, the revenue recognition for the mediation regarding the supply of certain travel services such as certain packaged products or charter flights, net revenue is recognized when the customer uses the reservation (on the date of departure). Until such time, deferred revenue related to revenue recognition is booked in the balance sheet.

The deferred income on the GDS agreement relates to the signing bonus with Amadeus received on June 30, 2011.

Note that the total of deferred income – current is included in the caption “Trade and other payables” (Note 28).

30. OFF-BALANCE SHEET COMMITMENTS

30.1 Operating lease commitments

The Group leases mainly buildings under non-cancellable operating lease contracts. These contracts have a long term, most of them being renewable upon expiry at market conditions. The minimum total future payments in respect of non-cancellable operating leases are as follows:

Operating Lease commitments- detail of future minimum lease payments (under non cancellable

	< 1 year	1 to 5 years	> 5 years	TOTAL
Minimum lease payments at March 2016	**2,901**	**6,460**	**5,221**	**14,582**

	< 1 year	1 to 5 years	> 5 years	TOTAL
Minimum lease payments at March 2015	**2,747**	**4,449**	**-**	**7,196**

The consolidated income statement for March 31, 2016 and March 31, 2015 includes operating lease expenses totaling €3,9 and €4,0 million respectively.

30.2 Other off-balance sheet commitments

	March 2016	March 2015
Guarantees To IATA	42,415	45,057
Guarantees To Package Travel	6,352	16,150
Guarantees Linked To Public Entities	1,863	1,845
Guarantees linked to Private Entities	224	1,413
Others	-	196
Total	**50,854**	**64,661**

Additionally, the Company is a party to an intercreditor agreement entered into between, amongst others, the Company as Investor Creditor and several credit institutions, which provided financing to the Company’s affiliated undertakings in the context of the refinancing of LuxGEO, Geo Travel Finance S.C.A.’ subsidiary which has been completed on January 31, 2013.

All the shares held by the Company in Geo Travel Finance S.C.A. are pledged in favor of the holders of certain of the Notes issued by Geo Travel Finance.

31. RELATED PARTIES

31.1 Transactions and balances with related parties

There have been no transactions or balances with related parties during the periods ended on March 31, 2016 and 2015, other than those detailed in note 31.2.

31.2 Directors and key management compensation

- **Key management**

The compensation accrued by the key management of the Group and during the years ended March 31, 2016 and 2015 amounted to €5.4 million and €3.8 million, respectively. Moreover there were one-off supplementary retribution amounting to €0.4 million in the year ended March 2016 and €1.3 million in the year ended March 2015 for severance indemnities.

The key management has been also granted with 2,613,225 rights at March 31, 2016 (2,033,938 rights at March 31, 2015) to acquire a certain number of shares of the parent company eDreams ODIGEO at its nominal value. The valuation of this rights amounted €3.7 million of which €2.7 million have been accrued at March 31, 2016 since the beginning of the plan (€0.3 million during the period ended at March 31, 2015) (See Note 24.1).

As of March 2016, the key management owns a total of 1,213,421 shares of the parent company eDreams ODIGEO, which represents a 1.16% of the total share capital of the Group.

- **Board of Directors**

During the period ended March 31, 2016 certain members of the Board received a total remuneration for their mandate of € 198 thousand (€ 192 thousand during the period ended March 31, 2015).

Some members of the Board are also members of the key management of the Group and, consequently, they have accrued remuneration in concept of their executive services, not for their mandate as members of the Board and, therefore part of this information is included in key management retribution section above:

- Remuneration for management services during the year ending March 2016 and March 2015 amounting to €1.5 million and €1 million respectively.

- One-off supplementary retribution amounting to €0.4 million in the year ended March 2016 and €1.3 million in the year ended March 2015 for severance indemnities.

- Some Directors have been also granted with 1,240,353 rights at March 31, 2016 (725,651 rights at March 31, 2015) to acquire a certain number of shares of the parent company eDreams ODIGEO at its nominal value. The valuation of these rights amounted €1.8 million of which €1.3 million have been accrued at March 31, 2016 since the beginning of the plan (€0.1 million during the period ended at March 31, 2015).

- As of March 2016, the Board of Directors owns a total of 441,248 shares of the parent company eDreams ODIGEO, which represents a 0.42% of the total share capital of the Group.

No other significant transactions have been carried out with any member of senior management or as shareholder with a significant influence on the Group.

32. CONTINGENCIES

32.1 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.

32.2 Contingency with French tax authorities

Following a tax audit with the French entities, the Group received notice from the French tax authorities to pay a fine, amounting to €26 million, as a result of the failure to have submitted a specific declaration as part of its annual income tax returns during two consecutive financial years. This declaration concerned the disclosure of the movement of so-called ´mali-technique´ (tax exempt merger gain) in respect of a French merger which took place in the past.

This contingency no longer exists as the special committee which is responsible for taking a final decision in hardship cases has accepted our arguments and reduced the penalty to a nominal amount of €200 thousand which has been paid by the French entity in January 2016.

32.3 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, where it is currently pending, and takes the view that it has sufficient arguments to successfully defend its case. As the risk is considered only possible, no liability has been recognised in the balance sheet.

32.4 Contingency with German tax authorities

The Group´s UK entity has changed the VAT treatment of its mediation services to German customers, following the change of the VAT rules regarding the supply of so-called ´electronic services´ in combination with the interpretation of the scope of ´electronic services´ as from 1 January 2015. The UK entity has informed the German tax authorities about this change. Since the German tax authorities in the past have expressly accepted the previous VAT treatment, whereas the new VAT treatment is based on the German tax authorities´ own interpretation of ´electronic services´, the group considers that a contingency no longer exists.

32.5 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.

32.6 Spanish Data Protection Agency

The Spanish Data Protection Agency has contacted us to investigate nine separate breaches where individual customers of Vacaciones eDreams have opted out from marketing, but still received marketing information. This was due to a technical problem with our customer systems, which did not recognize certain customers and rejected the ability to opt out. This has now been corrected. We originally estimated that these should be non-serious infringements with a maximum fine of €30,000 each. We consider this to be an unexpected decision as any fine should be proportional to the damage that the breach caused and the damage was limited to one marketing email a week.
At March 2016, all cases have been settled with a total fine of 145.000€, and no liability related to this remains on the balance sheet.

32.7 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 March 2016, the Group has booked a provision related to this for €2.0 million at March 31, 2016.

32.8 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.

33. AUDITOR'S REMUNERATION

The fees paid to the Group's auditors are as follows:

	March 2016	March 2015
Audit Services	903	947
Others	57	168
	960	**1,115**

34. SUBSEQUENT EVENTS

34.1 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.

34.2 Approval of New Long Term Incentive Plan

On May 10, 2016, the Group has approved a new Long Term Incentive Plan for Managers, that will be offered to currently employed managers as an alternative to the existing plan. The new 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.

The settlement of the Performance Stock Rights ("PSRs") would represent 4.4% of the total issued share capital of the company on a fully diluted basis. The vesting of the rights is pushed out in time a maximum of one year vs currently scheduled vestings. The estimated accounting value of the new plan is €13.1 million, €6.8 million more than before the change. As of March 31, 2016 €4.6 million have been registered (see note 24) and the remaining €8.5 million will be accrued in the following 2 years.

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

34.3 Senior Management appointments

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

Carsten Bernhard joins eDreams from TUI Germany where he was Chief Information Officer. Previously he worked as Chief Technology Officer of Autoscout24, Europe's largest online car marketplace, from 2006 to 2013 where he put in place agile development and supporting processes.

Gerrit Goedkoop, who currently serves as Chief Customer Officer for eDreams Odigeo will now take up position as Chief Operating Officer. Gerrit has been with eDreams since 2014 and previously served as Vice President Customer Care for cable company Liberty Global.

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

These management changes will be effective from August 1st 2016.

35. CONSOLIDATION SCOPE

As at March 31, 2016 and 2015, the companies included in the consolidation are as follows:

Consolidated entities at 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	Waterfront Hammersmith embankment, Chancellors Road, w6 9RU (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	Waterfront Hammersmith embankment, Chancellors Road, w6 9RU (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)	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 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 applicati	25%	25%

Consolidated entities at March 31, 2015

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	Waterfront Hammersmith embankment, Chancellors Road, w6 9RU (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	Waterfront Hammersmith embankment, Chancellors Road, w6 9RU (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	World Trade Center 601 N (Barcelona)	On-line Travel agency	100%	100%
eDreams International Network, S.L.U	World Trade Center 601 N (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 France, SAS	9, Rue Rougemont, 75009 (Paris)	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, Ltd.	Mortimer Street 73-75 (London)	Administration services	100%	100%
eDreams LLC	160 Greentree Drive Suite 101 (City of Dover)	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.	World Trade Center 601 N (Barcelona)	On-line Travel agency	100%	100%
Geo Travel Ventures S.A.	World Trade Center 601 N (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%
ODIGEO Paris Meta SA	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 March 31, 2015

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

Annual Accounts and Report of the Réviseur d'entrepise agréé as at March 31, 2016

eDreams ODIGEO

Société Anonyme

Registered office:

1, Boulevard de la Foire

L-1528 Luxembourg

R.C.S. Luxembourg B N° 159 036

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To the Shareholders of
eDreams ODIGEO, S.A.
1, Boulevard de la Foire,
L-1528 Luxembourg

REPORT OF THE REVISEUR D'ENTREPRISES AGREE

Report on the annual accounts

We have audited the accompanying annual accounts of eDreams ODIGEO, S.A., which comprise the balance sheet as at March 31, 2016 and the profit and loss account for the year then ended, and a summary of significant accounting policies and other explanatory information.

Responsibility of the Board of Directors for the annual accounts

The Board of Directors is responsible for the preparation and fair presentation of these annual accounts in accordance with Luxembourg legal and regulatory requirements relating to the preparation of the annual accounts, and for such internal control as the Board of Directors determines is necessary to enable the preparation of annual accounts that are free from material misstatement, whether due to fraud or error.

Responsibility of the réviseur d'entreprises agréé

Our responsibility is to express an opinion on these annual accounts based on our audit. We conducted our audit in accordance with International Standards on Auditing as adopted for Luxembourg by the *Commission de Surveillance du Secteur Financier*. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the annual accounts are free from material misstatement.

Société à responsabilité limitée au capital de 35.000 €
RCS Luxembourg B 67.895
VAT LU25101535
Autorisation d'établissement : 10022179

Deloitte.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the annual accounts. The procedures selected depend on the *réviseur d'entreprises agréé's* judgement, including the assessment of the risks of material misstatement of the annual accounts, whether due to fraud or error. In making those risk assessments, the *réviseur d'entreprises agréé* considers internal control relevant to the entity's preparation and fair presentation of the annual accounts in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Board of Directors, as well as evaluating the overall presentation of the annual accounts.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the annual accounts give a true and fair view of, the financial position of eDreams ODIGEO, S.A. as of March 31, 2016 and of the results of its operations for the year then ended in accordance with Luxembourg legal and regulatory requirements relating to the preparation of the annual accounts.

Report on other legal and regulatory requirements

The management report, which is the responsibility of the Board of Directors, is consistent with the annual accounts.

For Deloitte Audit, *Cabinet de révision agréé*

Marco Crosetto, *Réviseur d'entreprises agréé*
Partner

June 16, 2016

Annual Accounts Helpdesk :

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SNESVGP20160428T16083801_001 Page 1/6

RCSL Nr. : B159036	Matricule : 2014 2202 981
	eCDF entry date :

BALANCE SHEET

Financial year from 01 01/04/2015 **to** 02 31/03/2016 (in 03 EUR)

eDreams ODIGEO

1, boulevard de la Foire
L-1528 Luxembourg

ASSETS

	Reference(s)	Current year	Previous year
A. Subscribed capital unpaid	1101	101	102
I. Subscribed capital not called	1103	103	104
II. Subscribed capital called but unpaid	1105	105	106
B. Formation expenses	1107 3	107 15.931,00	108 29.926,00
C. Fixed assets	1109	109 571.762.206,00	110 497.762.206,00
I. Intangible fixed assets	1111	111	112
1. Research and development costs	1113	113	114
2. Concessions, patents, licences, trade marks and similar rights and assets, if they were	1115	115	116
a) acquired for valuable consideration and need not be shown under C.I.3	1117	117	118
b) created by the undertaking itself	1119	119	120
3. Goodwill, to the extent that it was acquired for valuable consideration	1121	121	122
4. Payments on account and intangible fixed assets under development	1123	123	124
II. Tangible fixed assets	1125	125	126
1. Land and buildings	1127	127	128
2. Plant and machinery	1129	129	130

The notes in the annex form an integral part of the annual accounts

SNESVGP20160428T16083801_001 Page 2/6

RCSL Nr.: B159036	Matricule: 2014 2202 981

		Reference(s)		Current year		Previous year
3. Other fixtures and fittings, tools and equipment	1131		131		132	
4. Payments on account and tangible fixed assets under development	1133		133		134	
III. Financial fixed assets	1135		135	571.762.206,00	136	497.762.206,00
1. Shares in affiliated undertakings	1137	4.1, 4.2	137	571.762.206,00	138	497.762.206,00
2. Amounts owed by affiliated undertakings	1139		139		140	
3. Shares in undertakings with which the undertaking is linked by virtue of participating interests	1141		141		142	
4. Amounts owed by undertakings with which the undertaking is linked by virtue of participating interests	1143		143		144	
5. Securities and other financial instruments held as fixed assets	1145		145		146	
6. Loans and claims held as fixed assets	1147		147		148	
7. Own shares or own corporate units	1149		149		150	
D. Current assets	1151		151	1.759.191,00	152	489.961,00
I. Inventories	1153		153		154	
1. Raw materials and consumables	1155		155		156	
2. Work and contracts in progress	1157		157		158	
3. Finished goods and merchandise	1159		159		160	
4. Payments on account	1161		161		162	
II. Debtors	1163		163	1.714.764,00	164	269.498,00
1. Trade receivables	1165		165		166	190.000,00
a) becoming due and payable within one year	1167		167		168	190.000,00
b) becoming due and payable after more than one year	1169		169		170	
2. Amounts owed by affiliated undertakings	1171		171	1.664.390,00	172	9.630,00
a) becoming due and payable within one year	1173		173		174	
b) becoming due and payable after more than one year	1175	5	175	1.664.390,00	176	9.630,00
3. Amounts owed by undertakings with which the undertaking is linked by virtue of participating interests	1177		177		178	
a) becoming due and payable within one year	1179		179		180	
b) becoming due and payable after more than one year	1181		181		182	

The notes in the annex form an integral part of the annual accounts

SNESVGP20160428T16083801_001 Page 3/6

RCSL Nr. : B159036	Matricule : 2014 2202 981

		Reference(s)		Current year		Previous year
4. Other receivables	1183		183	50.374,00	184	69.868,00
a) becoming due and payable within one year	1185		185	50.374,00	186	69.868,00
b) becoming due and payable after more than one year	1187		187		188	
III. Transferable securities and other financial instruments	1189		189		190	
1. Shares in affiliated undertakings and in undertakings with which the undertaking is linked by virtue of participating interests	1191		191		192	
2. Own shares or own corporate units	1193		193		194	
3. Other transferable securities and other financial instruments	1195		195		196	
IV. Cash at bank, cash in postal cheque accounts, cheques and cash in hand	1197		197	44.427,00	198	220.463,00
E. Prepayments	1199		199	12.742,00	200	13.884,00
TOTAL (ASSETS)			201	573.550.070,00	202	498.295.977,00

The notes in the annex form an integral part of the annual accounts

SNESVGP20160428T16083801_001 Page 4/6

RCSL Nr. : B159036	Matricule : 2014 2202 981

LIABILITIES

		Reference(s)		Current year		Previous year
A. Capital and reserves	1301		301	557.399.139,00	302	487.183.337,00
I. Subscribed capital	1303	6	303	10.487.805,00	304	10.487.805,00
II. Share premium and similar premiums	1305	6	305	974.512.197,00	306	974.512.197,00
III. Revaluation reserves	1307		307		308	
IV. Reserves	1309		309	-302.952.912,00	310	-302.952.912,00
1. Legal reserve	1311		311		312	
2. Reserve for own shares or own corporate units	1313		313		314	
3. Reserves provided for by the articles of association	1315		315		316	
4. Other reserves	1317	6	317	-302.952.912,00	318	-302.952.912,00
V. Profit or loss brought forward	1319	7	319	-194.863.753,00	320	-15.916.213,00
VI. Profit or loss for the financial year	1321		321	70.215.802,00	322	-178.947.540,00
VII. Interim dividends	1323		323		324	
VIII. Capital investment subsidies	1325		325		326	
IX. Temporarily not taxable capital gains	1327		327		328	
B. Subordinated debts	1329		329		330	
1. Convertible loans	1413		413		414	
a) becoming due and payable within one year	1415		415		416	
b) becoming due and payable after more than one year	1417		417		418	
2. Non convertible loans	1419		419		420	
a) becoming due and payable within one year	1421		421		422	
b) becoming due and payable after more than one year	1423		423		424	
C. Provisions	1331		331		332	
1. Provisions for pensions and similar obligations	1333		333		334	
2. Provisions for taxation	1335		335		336	
3. Other provisions	1337		337		338	
D. Non subordinated debts	1339		339	16.150.931,00	340	11.112.640,00
1. Debenture loans	1341		341		342	
a) Convertible loans	1343		343		344	
i) becoming due and payable within one year	1345		345		346	
ii) becoming due and payable after more than one year	1347		347		348	

The notes in the annex form an integral part of the annual accounts

5NESVGP20160428T16083801_001 Page 5/6

RCSL Nr. : B159036	Matricule : 2014 2202 981

		Reference(s)		Current year		Previous year
b) Non convertible loans	1349		349		350	
i) becoming due and payable within one year	1351		351		352	
ii) becoming due and payable after more than one year	1353		353		354	
2. Amounts owed to credit institutions	1355		355		356	
a) becoming due and payable within one year	1357		357		358	
b) becoming due and payable after more than one year	1359		359		360	
3. Payments received on account of orders as far as they are not deducted distinctly from inventories	1361		361		362	
a) becoming due and payable within one year	1363		363		364	
b) becoming due and payable after more than one year	1365		365		366	
4. Trade creditors	1367		367	480.429,00	368	649.585,00
a) becoming due and payable within one year	1369		369	480.429,00	370	649.585,00
b) becoming due and payable after more than one year	1371		371		372	
5. Bills of exchange payable	1373		373		374	
a) becoming due and payable within one year	1375		375		376	
b) becoming due and payable after more than one year	1377		377		378	
6. Amounts owed to affiliated undertakings	1379		379	15.374.140,00	380	10.345.131,00
a) becoming due and payable within one year	1381	8	381	8.843.666,00	382	4.675.639,00
b) becoming due and payable after more than one year	1383	8	383	6.530.474,00	384	5.669.492,00
7. Amounts owed to undertakings with which the undertaking is linked by virtue of participating interests	1385		385		386	
a) becoming due and payable within one year	1387		387		388	
b) becoming due and payable after more than one year	1389		389		390	
8. Tax and social security debts	1391		391	217.031,00	392	49.924,00
a) Tax debts	1393		393	216.369,00	394	49.266,00
b) Social security debts	1395		395	662,00	396	658,00

The notes in the annex form an integral part of the annual accounts

SNESVGP20160428T16083801_001 Page 6/6

RCSL Nr. : B159036	Matricule : 2014 2202 981

	Reference(s)	Current year	Previous year
9. Other creditors	1397	397 79.331,00	398 68.000,00
a) becoming due and payable within one year	1399 9	399 79.331,00	400 68.000,00
b) becoming due and payable after more than one year	1401	401	402
E. Deferred income	1403	403	404
TOTAL (LIABILITIES)		405 573.550.070,00	406 498.295.977,00

The notes in the annex form an integral part of the annual accounts

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SNESVGP20160429T08253501_001 Page 1/3

RCSL Nr. : B159036	Matricule : 2014 2202 981
	eCDF entry date :

PROFIT AND LOSS ACCOUNT

Financial year from 01 01/04/2015 to 02 31/03/2016 (in 03 EUR)

eDreams ODIGEO

1, boulevard de la Foire
L-1528 Luxembourg

A. CHARGES

		Reference(s)		Current year		Previous year
1. Use of merchandise, raw materials and consumable materials	1601		601		602	
2. Other external charges	1603	10	603	1.972.246,00	604	1.287.353,00
3. Staff costs	1605		605	32.404,00	606	24.523,00
a) Salaries and wages	1607		607	28.500,00	608	21.600,00
b) Social security on salaries and wages	1609		609	3.904,00	610	2.923,00
c) Supplementary pension costs	1611		611		612	
d) Other social costs	1613		613		614	
4. Value adjustments	1615		615	13.995,00	616	16.105,00
a) on formation expenses and on tangible and intangible fixed assets	1617	3	617	13.995,00	618	16.105,00
b) on current assets	1619		619		620	
5. Other operating charges	1621	11	621	405.894,00	622	271.581,00
6. Value adjustments and fair value adjustments on financial fixed assets	1623		623		624	191.751.315,00
7. Value adjustments and fair value adjustments on financial current assets. Loss on disposal of transferable securities	1625		625		626	
8. Interest and other financial charges	1627		627	355.090,00	628	375.600,00
a) concerning affiliated undertakings	1629	12	629	230.799,00	630	215.073,00
b) other interest and similar financial charges	1631	12	631	124.291,00	632	160.527,00

The notes in the annex form an integral part of the annual accounts

SNESVGP20160429T08253501_001 Page 2/3

RCSL Nr. : B159036	Matricule : 2014 2202 981

	Reference(s)		Current year		Previous year
9. Share of losses of undertakings accounted for under the equity method	1649	649		650	
10. Extraordinary charges	1633 13	633	19,00	634	1.642,00
11. Income tax	1635 15	635	1.229.096,00	636	3.210,00
12. Other taxes not included in the previous caption	1637	637	3.798,00	638	1.300,00
13. Profit for the financial year	1639	639	70.215.802,00	640	0,00
TOTAL CHARGES		641	74.228.344,00	642	193.732.629,00

The notes in the annex form an integral part of the annual accounts

SNESVGP20160429T08253501_001 Page 3/3

RCSL Nr. : B159036	Matricule : 2014 2202 981

B. INCOME

	Reference(s)	Current year	Previous year
1. Net turnover	1701	701	702
2. Change in inventories of finished goods and of work and contracts in progress	1703	703	704
3. Fixed assets under development	1705	705	706
4. Reversal of value adjustments	1707	707	708
a) on formation expenses and on tangible and intangible fixed assets	1709	709	710
b) on current assets	1711	711	712
5. Other operating income	1713	713	714
6. Income from financial fixed assets	1715	715 74.000.000,00	716
a) derived from affiliated undertakings	1717	717	718
b) other income from participating interests	1719 4.1, 4.2	719 74.000.000,00	720
7. Income from financial current assets	1721	721	722
a) derived from affiliated undertakings	1723	723	724
b) other income from financial current assets	1725	725	726
8. Other interest and other financial income	1727	727 228.344,00	728 14.778.550,00
a) derived from affiliated undertakings	1729	729	730 14.747.676,00
b) other interest and similar financial income	1731 14	731 228.344,00	732 30.874,00
9. Share of profits of undertakings accounted for under the equity method	1745	745	746
10. Extraordinary income	1733	733	734 6.539,00
13. Loss for the financial year	1735	735 0,00	736 178.947.540,00
TOTAL INCOME		737 74.228.344,00	738 193.732.629,00

The notes in the annex form an integral part of the annual accounts

1. GENERAL

eDreams ODIGEO (the "Company") was set up as a limited liability company (*société à responsabilité limitée*) on February 14, 2011 for an unlimited period, under the laws of Luxembourg on commercial companies.

On January 16, 2014 the name of the Company changed from LuxGEO Parent S.à r.l. into eDreams ODIGEO.

On January 27, 2014 the legal form of the Company changed from a limited liability company (*société à responsabilité limitée*) into a public limited company (*société anonyme*).

The registered office is established at 1, Boulevard de la Foire, L-1528 Luxembourg.

The objects of the Company are to act as an investment holding company and to co-ordinate the business of any corporate bodies in which the Company is for the time being directly or indirectly interested, and to acquire (whether by original subscription, tender, purchase, exchange or otherwise) the whole of or any part of the stock, shares, debentures, debentures stocks, bonds and other securities issued or guaranteed by any person and any other asset of any kind and to hold the same as investments, and to sell, exchange and dispose of the same.

The Company can borrow, incur, raise and secure the payment of money in any way the Board of Directors thinks fit, including by way of public offer. It may issue by way of private or public placement (to the extent permitted by Luxembourg Law) securities or instruments, perpetual or otherwise, convertible or not, whether or not charged on all or any of the Company's property (present and future) or its uncalled capital, and to purchase, redeem, convert and pay off those securities. Provided always that the Company will not enter into any transaction which would constitute a regulated activity of the financial sector or require a business license under Luxembourg Law without due authorisation under Luxembourg Law.

The financial year runs from April 1 to March 31 each year.

The Company prepared IFRS consolidated financial statements for the year ended March 31, 2016 which can be obtained at its registered office.

On April 1, 2014 the Extraordinary General Meetings of Shareholders of eDreams ODIGEO and of its shareholders approved the merger by absorption between eDreams ODIGEO as the absorbing company, its shareholders AXEUROPE S.A, Luxgoal S.à r.l., G Co-Investment GP S.à. r.l., G Co-Investment I S.C.A., G Co-Investment II S.C.A., G Co-Investment III S.C.A., G Co-Investment IV S.C.A. and its indirect shareholder GO Partenaires 3, as absorbed companies (the "Merger"). The Merger was effective on April 3, 2014 (April 1, 2014 for accounting purposes).

As a result of the Merger, the absorbed companies contributed all of their assets and liabilities to eDreams ODIGEO. The assets of the absorbed companies mainly consisted of shares in eDreams ODIGEO and convertible bonds issued by a subsidiary of eDreams ODIGEO.

On April 8, 2014 eDreams ODIGEO completed its IPO on the Spanish Stock Exchange.

2. ACCOUNTING PRINCIPLES, RULES AND METHODS

The annual accounts have been prepared in accordance with Luxembourg legal and regulatory requirements. Accounting policies and valuation principles are, apart from those enforced by the law, determined and implemented by the Board of Directors.

- *Formation expenses*

The formation expenses are amortised over a maximum of period of five years on a straight-line basis.

- *Financial assets*

Shares in affiliated undertakings, loans to affiliated undertakings and bonds held in affiliated undertakings are stated at cost / at nominal value less any permanent impairment in value. In case of a durable depreciation in value, according to the opinion of the Board of Directors, value adjustments are made in respect of financial assets, so that they are valued at the lower figure to be attributed to them at the balance sheet dates. These value adjustments are not continued if the reasons, for which the value adjustments were made, have ceased to apply.

- *Loans*

Loans are stated at their principal amount. A value adjustment is made when their reimbursement is partly or completely in doubt. These value adjustments are not continued if the reasons for which the value adjustments were made have ceased to apply.

- *Debtors*

Debtors are recorded at their nominal value. A value adjustment is made when their reimbursement is partly or completely in doubt. These value adjustments are not continued if the reasons for which the value adjustments were made have ceased to apply.

- *Conversion of foreign currencies*

The Company carries out its accounting in Euro (EUR) and the annual accounts are expressed in that currency. Transactions in a currency other than EUR are converted into EUR at the exchange rate applicable at the date of the transaction. Conversion at the balance sheet date is effected according to the following principles:

a) items shown under the heading of financial assets expressed in a currency other than EUR are maintained at the historical rate;

b) all other asset items expressed in a currency other than EUR are converted at the exchange rate applicable at the balance sheet date. All liability items expressed in a currency other than EUR are converted individually at the exchange rate applicable at the balance sheet date. The profit and loss account only shows realised exchange gains and losses and unrealised exchange losses.

c) where there is an economic link between an asset and a liability, these are converted at the exchange rate applicable at the balance sheet date and the net unrealised exchange loss is recorded in the profit and loss account.

- *Provisions*

The provisions are intended to cover losses or debts the nature of which is clearly defined and which at the balance sheet date are either likely to be incurred or certain to be incurred but uncertain as to their amount or as to the date on which they will arise.

- *Deferred charges*

This item includes charges recorded before the closing date and attributable to a subsequent accounting year.

- *Deferred income*

This item includes income received before the closing date and attributable to a subsequent accounting year.

- *Creditors*

Creditors payable are stated at repayment value.

3. FORMATION EXPENSES

The movements of the year are as follows:

	Rate	Gross book value-opening balance	Amortisation opening balance	Increase during the year	Amortisation for the year	Net book value as of March 31, 2016
		EUR	EUR	EUR	EUR	EUR
Incorporation fees	20%	10,866	(6,881)	-	(1,899)	2,086
Capital increase fees	20%	70,477	(44,536)	-	(12,096)	13,845
Total		**81,343**	**(51,417)**	**-**	**(13,995)**	**15,931**

4. FINANCIAL FIXED ASSETS

4.1 The movements of the financial fixed assets are as follows:

	Shares in affiliated undertakings EUR
Gross book value-opening balance	**571,762,206**
Additions for the year	-
Disposals for the year	-
Gross book value-closing balance	**571,762,206**
Accumulated value adjustments – opening balance	**(74,000,000)**
Additions for the year	-
Reversals for the year (*)	74,000,000
Transfers for the year	-
Accumulated value-adjustments – closing balance	**-**
Net book value-closing balance	**571,762,206**
Net book value-opening balance	**497,762,206**

* Reversals for the year relate to Geo Travel Finance S.C.A. for EUR 74,000,000.

4.2 The shares in affiliated undertakings consist of:

Description	Registered office	Ownership (%)	Closing date of the last financial year	Book Value EUR	Shareholders equity EUR (*)	Results of the last financial year EUR (*)
Geo Travel Finance S.C.A.	1, Boulevard de la Foire, L-1528 Luxembourg	99.99%	31.03.2016	571,609,706	561,084,855	3,059,685
Geo Debt GP S.àr.l.	1, Boulevard de la Foire, L-1528 Luxembourg	100%	31.03.2016	50,000	(5,694)	(12,221)
LuxGEO GP S.àr.l.	1, Boulevard de la Foire, L-1528 Luxembourg	100%	31.03.2016	102,500	3,761	(39,550)

* including the results of the last financial year

As at March 31, 2016 the Company holds 31,140,386,313 ordinary shares (*actions de commanditaire*) in Geo Travel Finance S.C.A. having a par value of EUR 0.01 each, together with a share premium of EUR 260,206,843, i.e. total investment of EUR 571,609,706.

As at March 31, 2015 the value adjustment incurred for an amount of 74,000,000 was due the lower performance than expected of the underlying operating entities of the Company during the year. As at March 31, 2016 due to the good performance during the year of the underlying operating entities and the amended future projections resulting from new business assumptions the value adjustment has been reversed.

All the shares are pledged in favour of the credit institutions which provided credit facilities to the Company' subsidiary and indirect subsidiaries.

As at March 31, 2016 the Company holds 5,250,000 ordinary shares in LuxGEO GP S.à r.l. having a par value of EUR 0.01 each, together with a contribution to the equity reserve of EUR 50,000, i.e. total investment of EUR 102,500.

As at March 31, 2016 the Company holds 5,000,000 ordinary shares in Geo Debt GP S.à r.l. having a par value of EUR 0.01 each, i.e. total investment of EUR 50,000.

5. AMOUNTS OWED BY AFFILIATED UNDERTAKINGS

The amount owed by affiliated undertakings consists of a receivable due to tax group consolidation for an amount of EUR 1,664,390.

6. SUBSCRIBED CAPITAL

As at March 31, 2016 the subscribed share capital of eDreams ODIGEO is set at EUR 10,487,804.09 divided into 104,878,049 shares with a par value of ten euro cents (€0.10) each, all of which fully paid up, together with a share premium of EUR 974,512,197.

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 realised losses, to make distributions to the shareholders in the form of a dividend or to allocate funds to the legal reserve.

7. LEGAL RESERVE

In accordance with Luxembourg Commercial Law, the Company is required to transfer a minimum of 5% of its net profit for each financial year to a legal reserve. This requirement ceases to be necessary once the balance on the legal reserve reaches 10% of the issued share capital. The legal reserve is not available for distribution to the shareholders.

As at March 31, 2016 the Company registered a profit for the year but it is in a loss position after netting the losses carried forward with the profit for the year. Therefore, no transfer to the legal reserve will be required.

8. AMOUNTS OWED TO AFFILIATED UNDERTAKINGS

Becoming due and payable within one year:

	2016	2015
	EUR	EUR
Payable to affiliated undertakings	5,579,856	4,460,566
Interest on LuxGEO Loan	278,121	170,993
Interest on Geo Travel Finance Loan	167,751	44,080
Payable to affiliated undertakings – group		
tax consolidation	2,817,938	-
Total	**8,843,666**	**4,675,639**

Becoming due and payable after more than one year:

	2016	2015
	EUR	EUR
LuxGEO Loan	3,008,474	3,029,492
Geo Travel Finance Loan	3,522,000	2,640,000
Total	**6,530,474**	**5,669,492**

On April 2, 2014, the Company borrowed an amount of EUR 4,300,000 from LuxGEO which is documented by a loan agreement executed on April 1, 2014 for an amount up to EUR 15,000,000 (the "**LuxGEO Loan**"). The LuxGEO Loan carries a yield of EURIBOR 1 MONTH + 400 bps per annum, payable each March 31. The LuxGEO Loan will mature on March 31, 2018. On June 10, 2014 the luxGEO Loan was increased by an amount of EUR 1,800,000 as a new drawdown.

On July 28, 2014 the Company repaid an amount of EUR 2,350,000 as part of the principal of the LuxGEO Loan. On January 31, 2015 the Company repaid an amount of EUR 816,508 as part of the principal of the LuxGEO Loan. On February 26, 2015 the LuxGEO Loan was increased by an amount of EUR 96,000 as a new drawdown.

During the period from April, 2015 to March 2016 the loan was increased by an amount of EUR 445,500 made available in several drawdowns. On July 28, 2015 the Company repaid an amount of EUR 466,518 as part of the principal of the LuxGEO Loan.

As at March 31, 2016 the total amount owed by the Company under the LuxGEO Loan is EUR 3,008,474.

On October 30, 2014 the Company borrowed an amount of EUR 2,640,000 from Geo Travel Finance which is documented by a loan agreement executed on October 1, 2014 for an amount up to EUR 2,800,000 (the "**Geo Travel Finance Loan**"). The Geo Travel Finance Loan carries a yield of EURIBOR 1 MONTH + 400 bps per annum, payable each March 31. The Geo travel Finance Loan will mature on March 31, 2018.

During the period from April, 2015 to March 2016 the loan was increased by an amount of EUR 882,000 made available in several drawdowns which is documented by the amendment executed on April 1, 2015 for an amount up to EUR 5,000,000.

As at March 31, 2016 the total amount owed by the Company under the Geo Travel Finance Loan is EUR 3,522,000.

9. OTHER CREDITORS

The item consists of an accruals for management fees to be paid.

10. OTHER EXTERNAL CHARGES

	2016	2015
	EUR	EUR
Office rental	31,196	24,232
Bank charges and other bank commissions	9,996	14,141
Consulting fees	380,911	455,071
Audit, accounting and administration fees	220,814	248,911
IPO expenses	-	(161,017)
Other fees invoiced from affiliated company	1,219,537	643,982
Miscellaneous fees	109,792	62,033
Total	**1,972,246**	**1,287,353**

11. OTHER OPERATING CHARGES

	2016	2015
	EUR	EUR
Board Remuneration	197,620	191,697
Others	208,274	79,884
Total	**405,894**	**271,581**

12. INTEREST AND OTHER FINANCIAL CHARGES

	2016 EUR	2015 EUR
Interest on loans from affiliated undertakings	230,800	215,073
Exchange loss	124,290	160,527
Total	**355,090**	**375,600**

13. EXTRAORDINARY CHARGES

	2016 EUR	2015 EUR
Tax fines for late payment	19	1,642
Total	**19**	**1,642**

14. OTHER INTEREST AND OTHER FINANCIAL INCOME

	2016 EUR	2015 EUR
Interest on Convertibles Bonds	-	14,747,676
Interest on loans	-	67
Exchange gain	228,343	17,650
Other interest and similar financial income	1	13,157
Total	**228,344**	**14,778,550**

The interests on loans are calculated as described in note 5.

15. TAXES

The Company is subject to the general tax regulations applicable to all companies in Luxembourg. As at April 1, 2014 the Company has taken part of a Luxembourg tax integration with its indirect and direct subsidiaries Geo Travel Finance, LuxGEO and Geo Debt Finance. In this context, the item “income tax” consists of:

	2016 EUR	2015 EUR
Luxembourg tax integration	1,163,178	-
Corporate income tax	65 918	3 210
Total	**1,229,096**	**3 210**

16. STAFF

During the year, the Company employed a half-time person and has been assisted by staff providing contracted services in order for the Company to perform its corporate purpose.

17. OFF BALANCE SHEET COMMITMENTS AND CONTINGENCIES

The Company is a party to an intercreditor agreement entered into between, amongst others, the Company as Investor Creditor and several credit institutions, which provided financing to the Company's affiliated undertakings in the context of the refinancing of LuxGEO S.àr.l., Geo Travel Finance S.C.A.' subsidiary which completed on January 31, 2013.

All the shares held by the Company in Geo Travel Finance SCA are pledged in favour of the credit institutions, which provided credit facilities to the Company' subsidiary and indirect subsidiaries.

During April 2014 the Board of Directors approved a new "Long Term Incentive Plan" to be given to the Management of the Company or any subsidiaries. The purpose of this incentive will be to enable the Managers to participate in the increase in value of the Company for the benefit of both the Company and its shareholders.

The total maximum number of shares that would be acquired by the Holders under this new Incentive Plan will represent 4.4% of the total issued share capital of the Company on a fully diluted basis.

Some of the characteristics of the Plan (for example, the target increase in value of the Company's shares) were modified on February 2015.

18. SUBSEQUENT EVENT

Repurchase of Senior Notes Due 2018

On April 14th, 2016, the Company, through its indirect subsidiary Geo Debt Finance S.C.A., has repurchased EUR 30,000,000 of the Senior Notes issued by the latter and due for 2018 at a clearing price of 97% EUR 29,100,000. 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 of the group headed by the Company and was financed out of the underlying operating group's cash flows.

New Long Term Incentive Plan

On May 10, 2016, the Company has approved a new Long Term Incentive Plan for Managers that will be offered to currently employed managers as an alternative to the existing plan (note 17). The new 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.

The settlement of the Performance Stock Rights ("PSRs") would represent 4.4% of the total issued share capital of the company on a fully diluted basis. The vesting of the rights is pushed out in time a maximum of one year vs currently scheduled vestings. The estimated accounting value of the plan is €13.1 million, €6.8 million more than before the change.

eDreams ODIGEO

eDreams GOVOYAGES opodo travellink liligo

Luxembourg, June 15th 2016

eDreams ODIGEO Societé Anonyme
1, Boulevard de la Foire
L – 1528 Luxembourg
Grand Duchy of Luxembourg

RESPONSIBILITY STATEMENT

We confirm that to the best of our knowledge that:

1. The Consolidated Financial Statements of eDreams ODIGEO as of March 31, 2016 presented in this Annual report and established in conformity with International Financial Reporting Standards as adopted in the European Union give a true and fair view of the assets, liabilities, financial position and results of eDreams ODIGEO and the undertakings included within the consolidation taken as a whole; and

2. The annual accounts of eDreams ODIGEO as of March 31, 2016 presented in this Annual Report and established in conformity with the Luxembourg legal and regulatory requirements relating to the preparation of annual accounts give a true and fair view of the assets, liabilities, financial position and results of eDreams ODIGEO; and

3. The management report as of March 31, 2016 includes a fair view of the development and performance of the business and position of eDreams ODIGEO and the undertakings included within the consolidation taken as a whole, together with a description of the principal risk and uncertainties they face.

The Board of Directors

Philip Wolf	Chairman	....
Dana Dunne	CEO	....
David Elizaga	CFO	....

June 15th 2016

eDreams ODIGEO
Societé Anonyme
Registered office: 1, boulevard de la Foire, L-1528 Luxembourg
Grand Duchy of Luxembourg
R.C.S. Luxembourg: B 159.036

ANNEX I

ANNUAL REPORT ON CORPORATE GOVERNANCE OF LISTED STOCK

IDENTIFICATION DETAILS OF ISSUER

FISCAL YEAR ENDING 31/03/2016

TAX ID NUMBER N0183514I

CORPORATE NAME

eDreams ODIGEO S.A.

REGISTERED OFFICES:

1, Boulevard de la Foire, L-1528 Luxembourg Grand Duchy of Luxembourg, R.C.S. Luxembourg: B 159.036

A STRUCTURE OF OWNERSHIP

A.1 Please complete the following chart on the company's share capital:

Date last modification	Share Capital (€)	Number of shares	Number of voting rights
April 8, 2014	10,487,805	104,878,049 shares	104,878,049 shares

Please indicate whether there are different classes of shares with different associated rights:

YES ☐ NO ☑

A.2 Please detail the direct and indirect holders of significant stakes of your company as of the fiscal year closing date, excluding directors:

Name or corporate name of shareholder	Number of direct voting rights	Number of indirect voting rights	% of total voting rights
LuxGoal Sàrl	32.011.388		30,52%
AXA LBO Fund IV	18.720.320		17,85%
Total HG Vora Special Opportunities Master Fund, Ltd	5.325.000		5,08%

Please indicate the most significant movements in the shareholder structure occurring during the fiscal year:

Name or corporate name of shareholder	Date of transaction	Description of transaction
HG Vora Special Opportunities Master Fund, Ltd	12nd June 2015	Acquisition of voting rights holding above the 5% threshold

A.3 Please complete the following charts on the members of the company's board of directors who hold voting rights on the company's shares:

Name or corporate name of director	Number of direct voting rights	Number of indirect voting rights	% of total voting rights
Dana Philip Dunne	234.652		0,22%
David Elizaga	206.596		0,20%

% of voting rights in the possession of the board of directors	0,42%

Please complete the following charts on the members of the company's board of directors who hold rights to the company's shares:

Name or corporate name of director	Number of direct voting rights	Number of indirect voting rights	Number of equivalent Shares	% of total voting rights
Dana Philip Dunne	234.652	0	0	0,22%
David Elizaga	206.596	0	0	0,20%

A.4 Please indicate, as the case may be, relations of a family, commercial, contractual or corporate nature that exist between the holders of significant stakes, to the extent known by the company, unless they are hardly relevant or derive from the ordinary course of business:

Name or corporate name relationships	Type of relationship	Brief description
N/a	N/a	N/a

A.5 Please indicate, as the case may be, relations of a commercial, contractual or corporate nature that exist between holders of significant stakes and the company and/or its group, unless they are hardly relevant or derive from the ordinary course of business:

Name or corporate name relationships	Type of relationship	Brief description
N/a	N/a	N/a

A.6 Please indicate whether the company has been notified of shareholders agreements that affect it according to the provisions of articles 530 and 531 of the Capital Corporations Act (Ley de Societies de Capital). As appropriate, please describe them briefly and list the shareholders bound by the agreement:

YES ☑ NO ☐

Parties involved	% of share capital affected	Brief Description
- AXA LBO Fund IV FCPR - AXA LBO Fund IV Supplementary FCPR - AXA Co-investment Fund III LP - LuxGOAL 3, SÀRL - Javier Pérez-Tenessa de Block	**53,40%**	There were no significant shareholder agreements during the fiscal year ended 31st March 2016. The only shareholder agreement there has been was the original Agreement dating back to 3rd April 2014. The % figure reported represents the amount of capital held at that time by the shareholders involved.

		Major Shareholders entered into this relationship agreement to take account of the change in the capital structure and governance of the Company as a result of the IPO and to incorporate certain provisions as necessary in light of the change in status of the Company from a privately owned to a publicly traded company.

Please indicate whether the company is aware of the existence of actions arranged between its shareholders. As appropriate, please describe them briefly:

YES ☐ NO ☑

Please expressly identify any amendments or interruptions to the above covenants, agreements or arranged actions during the fiscal year:

A.7 Please indicate whether there is a natural person or legal entity who exercises or can exercise control over the company in accordance with article 4 of the Securities Market Act (Ley del Mercado de Valores). As appropriate, please identify such natural person or legal entity:

YES ☐ NO ☑

A.8 Please completes the following charts on the company's treasury stock: As of the fiscal year closing date:

Number of direct shares	Number of indirect shares (*)	total % of share capital
None	None	None

(*} through:

Name or corporate name of the direct holder of the stake	Number of direct shares
N/a	None
Total:	None

Please detail the significant variations, in accordance with the provisions of Royal Decree 1362/2007, made during the fiscal year:

Date of notice	Total direct shares acquired	Total indirect shares acquired	total % of share capital
N/a	N/a	N/a	N/a

A.9 Describe the terms and conditions and the duration of the powers currently in force given by the shareholders to the board of directors in order to issue, repurchase, or transfer own shares of the company:

[Art. 5 Articles of Association]

AUTHORISED CAPITAL

The authorized but unissued and unsubscribed share capital is 20.512.195, 10€ and the Board of Directors is authorized to increase it up to 31.000.000€.

BOARD ISSUED SHARES

The Board of Directors is authorized to issue shares in one or more or several tranches up to the limit of the authorized capital from time to time subject to the following conditions:

a) Such authorization will expire on 3 April, 2019;

b) It is permitted to limit or cancel the shareholders' preferential rights to subscribe for the Board Issued Shares and issue the Board Issued Shares to such persons and at such price, with or without a premium, and paid up by contribution in kind or for cash or by incorporation of claims or capitalization of reserves or in any other way allowed by the Law;

c) Issuances of Board Issued Shares may not in total exceed 50% of the total subscribed share capital, in accordance with the following limits:

i. They may in total represent up to 50% of the total subscribed share capital if the Board of Directors does not limit or cancel the shareholders' preferential rights;

ii. They may not in total exceed 20% of the total subscribed share capital if the Board of Directors limits or cancels the shareholders' preferential rights.

TRANSFER OF SHARES

All shares are issued in dematerialized form and are freely transferable by account-to-account transfers.

A.9.bis Estimated floating capital:

	%
Estimated floating capital	46

A. 10 Please indicate whether there is any restriction on the transferability of securities and/or any restriction to voting rights. In particular, please report the existence of any type of restrictions that may make difficult the taking of control of the company through the acquisition of its shares on the Market.

YES ☐ NO ☑

Description of the restrictions

A.11 Please indicate whether the general meeting has resolved to adopt neutralization measures against a public tender offer by virtue of the provisions of Law 6/2007. YES ☐ NO ☑

As appropriate, please explain the measures approved and the terms in which the ineffectiveness of the restrictions will occur:

A.12 Please indicate whether the company has issued securities not traded on a regulated Community market.

YES ☐ NO ☑

As appropriate, please indicate the different classes of shares and, for each class of shares, the rights and obligations it grants.

B GENERAL MEETING

B.1 Please indicate and, as appropriate, detail, whether there are differences with the scheme of minimums provided by the Capital Corporations Act (Ley de Sociedades de Capital; LSC) with respect to the quorum for assembling the general meeting.

YES ☑ NO ☐

	% quorum other than as established by article 193 LSC for general cases	% quorum other than as established by article 194 LSC for special cases of article 194 LSC
Quorum required in 1st call	0%	50%
Quorum required in 2nd call	0%	0%

Description of the differences

For general cases:

Art. 193 LSC requires a minimum quorum of 25% of the share capital to validly constitute a Shareholders meeting in 1st call, and below that for 2^{nd} call, while the Company requires just representation of one Shareholder in both cases.

For special cases:

Art. 194 LSC requires a minimum quorum of 50% of the share capital to validly constitute a Shareholders meeting in 2nd call, while the Company does not require any minimum quorum, provided that (i) the 1st call was properly convened and (ii) the agenda for the reconvened meeting does not include any new item.

B.2 Please indicates and, as appropriate, detail, whether there are differences with the scheme provided by the Capital Corporations Act (Ley de Sociedades de Capital; LSC) for the adoption of corporate resolutions:

YES ☑ NO ☐

Please describe how it is different from the scheme provided by the LSC.

	Reinforced majority other than as established by article 201.2 LSC for cases of article 194.1 LSC	Other cases of reinforced majority
% established by the company for the adoption of resolutions	66%	N/A
Please describe the differences		
Art. 201.2 LSC requires absolute majority to adopt a resolution affecting special cases in 1st call and, at least, the positive vote from 2/3 of the votes cast in 2nd call, while the Company requires the positive vote of 2/3 in both 1st and 2nd meetings.		

B.3 Please indicate the rules applicable to the amendment of the company's bylaws. In particular, please report the majorities provided for the amendment of the bylaws, as well as, if appropriate, the rules provided for the protection of the shareholders' rights in the amendment of the bylaws.

As per the Articles of Association, article 14.8.2, a Shareholders' Meeting convened to amend any provisions of the Articles of Association shall not validly deliberate unless at least one half of the capital is represented and the agenda indicates the proposed amendments to the Articles of Association. If the first of these conditions is not satisfied, a second meeting may be duly convened, provided that (i) the first Shareholders' Meeting was properly convened; and (ii) the agenda for the reconvened meeting does not include any new item. The second meeting shall validly deliberate regardless of the proportion of the capital represented. At both meetings, resolutions, in order to be adopted, must be carried by at least two-thirds of the votes cast.

B.4 Please indicate the attendance details at general meetings held in the fiscal year to which this report refers and those of the previous fiscal year:

	Attendance details				
Date of general meeting	% of physical presence	% by proxy	% distance voting		Total
			Electronic voting	Others	
July 23, 2014	50,62%	0,33%	0%	0%	50,95%
22 July 2015	30,96%	28,03%	0%	0%	58,99%

B.5 Please indicate whether there is any statutory restriction that establishes a minimum number of shares necessary to attend the general meeting:

YES ☐ NO ☑

Number of shares necessary to attend the general meeting

There is no statutory restriction establishing a minimum number of shares.

B.6 Paragraph revoked

B.7 Please indicate the address of the company's website and form of access to information on corporate governance and other information on general meetings, which must be made available to shareholders through the Company's website.

Web address: http://www.edreamsodigeo.com/

Under the section "Investors/Corporate Governance" to access corporate information, including that referring to the Company's Corporate Governance and General Shareholders' Meeting.

C STRUCTURE OF THE COMPANY'S MANAGEMENT

C.1 Board of Directors

C.1.1 Maximum and minimum number of directors contemplated in the Articles of Incorporation:

Maximum number of directors	15
Minimum number of directors	5

C.1.2 Please complete the following chart with the board members:

Name or corporate name of director	Director Category	Position on the board	Date first appointment	Date last appointment	Election procedure
Philip Clay Wolf	Independent	Chairman	18th of March, 2014	23th January 2015	Voting at Shareholders' Meeting
Robert Apsey Gray	Independent	Vice Chairman	18th of March, 2014	18th of March 2014	Voting at Shareholders' Meeting
Dana Philip Dunne	Executive	CEO	23rd of January, 2015	22nd of July, 2015	Voting at Shareholders' Meeting
David Elizaga Corrales	Executive	Director	22nd of July, 2015	22nd of July, 2015	Voting at Board of Directors
Philippe Michel Poletti	Proprietary	Director	18th of March, 2014	18th of March, 2014	Voting at Shareholders' Meeting
Lise Fauconnier	Proprietary	Director	18th of March, 2014	18th of March, 2014	Voting at Shareholders'

					Meeting
Benoit Vauchy	Proprietary	Director	18th of March, 2014	18th of March, 2014	Voting at Shareholders' Meeting
Carlos Mallo Alvarez	Proprietary	Director	18th of March, 2014	18th of March, 2014	Voting at Shareholders' Meeting
Amanda Wills	Independent	Director	22nd of July, 2015	22nd of July, 2015	Voting at Board of Directors

Number of directors	9

Please indicate removals taking place on the board of directors during the period subject to information:

Name or corporate name of director	Status of director at the time of removal	Date of removal
Mauricio Luis Prieto Prieto	Executive Director	18th June 2015

C.1.3 Please complete the following charts on the board members and their status:

EXECUTIVE DIRECTORS

Name or corporate name of director	Position on the company's organization chart
Dana Philip Dunne	CEO
David Elizaga Corrales	CFO
Total number of executive directors	2
% of total board	22,2%

EXTERNAL PROPRIETARY DIRECTORS

Name or corporate name of director	Name or corporate name of significant shareholder the director represents or who proposed the director's appointment
Philippe Poletti	AXA LBO FUND IV
Lise Fauconnier	AXA LBO FUND IV

Benoit Vauchy	LUXGOAL 3 SARL
Carlos Mallo	LUXGOAL 3 SARL

Total number of proprietary directors	4
% of total board	44,4%

EXTERNAL INDEPENDENT DIRECTORS

Name of member: Philip Clay Wolf

Profile:

Mr. Wolf, globally renowned travel guru, is the retired Chairman of PhoCusWright Inc., an independent travel, tourism and hospitality research firm specializing in the impact of technology and innovation on the world's third largest industry. The pioneer of Travel 2.0, he founded PhoCusWright in 1994 and grew the firm into the research authority on how travelers, suppliers and intermediaries connect. He is the architect of the annually acclaimed PhoCusWright Conference; the event's provocative Center Stage themes are relied upon as industry bellwethers, quickly becoming accepted wisdom each year. He is a magna cum laude graduate of Duke University and holds an MBA from Vanderbilt University. In addition to eDreams ODIGEO, he serves as board director for companies on different continents:

- India: MakeMyTrip (NASDAQ: MMYT), (makemytrip.com)
- Canada: Busbud (busbud.com)
- Russia: Travel.ru (oktogo.ru, travel.ru)
- USA: Hopper (hopper.com)
- Germany: TrustYou (trustyou.com) and Blacklane (blacklane.com)

Mr. Wolf was appointed as Independent Director for a period of three years by the Shareholders Meeting held on 18th of March 2014, with effect 8th of April, 2014.

Name of member: Robert Apsey Gray

Profile:

Mr. Gray is Chief Executive Officer of PR Newswire, the global leader in innovative communications and marketing services that enable organizations to connect and engage with their target audiences worldwide. As CEO, Mr. Gray oversees PR Newswire's business operations worldwide. Mr. Gray joined PR Newswire in August 2015 from UBM plc, where he was Executive Director and CFO. Before joining UBM's Board in 2009, he was CFO of Codere S.A. Previously he served in a number of investment banking roles with J.P. Morgan & Co. and Deutsche Bank. Mr. Gray is a graduate of Dartmouth College (BA, Magna Cum Laude) and Harvard Business School (MBA).
Mr. Gray was appointed as Independent Director for a period of three years by the Shareholders Meeting held 18th of March 2014, with effect 8th of April, 2014.

Name of member: Amanda Wills

Profile:

Ms. Wills is an award winning and highly respected UK travel industry executive. Starting her tourism career at Airtours PLC, where she became the first woman appointed to the Board of the United Kingdom Leisure group, she subsequently spent over 13 years as Managing Director of the Virgin Holidays Group joining in September 2001. During this time under her leadership the company experienced exponential growth in both revenues and profit and became the market leader in long haul holidays. Her guidance lead to an introduction of industry firsts in both products and services with an acquisition led strategy that penetrated new markets both in the UK and USA. During her tenure as Managing Director Virgin Holidays won many industry accolades.
Ms. Wills was recognized and honored in the UK for her commitment to charity work and was awarded as Commander of the Order of the British Empire (CBE) by the Queen in 2014.
Ms. Wills is also a director of:

- Urbanologie Global Limited, a UK travel lifestyle website
- talkholiday Limited, a UK social media travel site.

Ms. Wills was appointed as Independent Director on a provisional basis by the Board of Directors and Remco on the 22nd July 2015. Her appointment will be ratified by the shareholders of the Company in the Shareholders' General Meeting due to be held on 20th July 2016.

Total number of independent directors	3
% of total board	33,3

Please indicate whether any director classified as independent receives from the company, or from its group, any sum or benefit for a concept other than the director's remuneration, or maintains or has maintained, during the last fiscal year, a business relationship with the company or with any company belonging to its group, whether in the director's own name or as a significant shareholder, director or senior executive of an entity that maintains or has maintained said relationship.

As appropriate, please include a motivated declaration of the board on the reasons why it considers that said director can perform his or her duties as an independent director.

Name or corporate name of director	Description of the relationship	Motivated declaration
-	-	-

OTHER EXTERNAL DIRECTORS

Please identify the other external directors and detail the reasons why they cannot be considered as proprietary or independent directors and their relationships, whether with the company or its executives, or its shareholders:

Name or corporate name of director	Committee reporting or proposing the director's nomination
	-
	-

Total number of other external directors	-
% of total board	-

Please indicate the variations which as the case may be, have occurred during the period in the typology of each director:

None

C.1.4 Please complete the following chart with the information relating to the number of female directors during the last four fiscal years, as well as the status of such female directors:

	Number of female directors		% of all directors of each type	
	Fiscal year 2016	Fiscal year 2015	Fiscal year 2016	Fiscal year 2015
Executive	0	0	0	0
Proprietary	1	1	25,00 %	25,00%
Independent	1	0	33,33%	0
Other external female directors	0	0	0	0
Total	2	1	22,22 %	12,50%

C.1.5 Please explain the measures which, as appropriate, have been adopted to procure including on the board of directors a number of women which allows achieving a balanced presence of women and men.

Explanation of measures

The Company's Director Selection Policy, entrusts the Remuneration and Nomination Committee with the duty to ensure that when new director vacancies arise, the selection procedures are free from bias and discrimination and do not in any way hinder the selection of female directors. The Director Selection Policy shall endeavor to ensure that whenever a vacancy occurs in the Board of Directors, and the selection process begins, at least one woman candidate will take part, without prejudice to the principles of merit and ability. In this regard, the Director Selection Policy shall promote the objective of having female directors for at least 30% of the total number of Board members by 2020.
The profile of the current Board members, men and women, responds to the needs of the Company, without any explicit or implicit obstacles having been placed on the selection of female directors.
The Board proactively supports increasing the number of females on the Board, in the case of male and female candidates with the same skill and professional quality in order to achieve a more balanced representation in the Board. This was reflected in the appointment of Ms. Amanda Wills CBE on 22nd July 2015 to fill the independent Director vacancy arising from the departure of James O. Hare at the end of the previous fiscal year.

C.1.6 Please explain the measures to which, as the case may be, the appointments committee has agreed in order for the selection procedures not to suffer implicit impairments, which place an obstacle on the selection of female directors and on the company deliberately searching for and including among potential candidates, women who meet the professional profile sought:

Explanation of measures

eDreams ODIGEO has approved a new Director Selection Policy to ensure that proposals for appointment or re-election of Directors are based on a prior analysis of the needs of the Company's Board of Directors, that they foster a diversity of knowledge, experience and gender, and are free from any implicit bias entailing any kind of discrimination. In particular, the candidates must be respectable and qualified persons, widely recognized for their expertise, competence, experience, qualifications, training, availability, and commitment to their duties. They must be irreproachable professionals with a personal and professional track record of respect for the laws and good business practices, and whose professional conduct and background are aligned with the principles set forth in the Business Code of Conduct and with the mission, vision, and values of the Group.

Efforts should also be made to ensure that there is an appropriate balance on the Board of Directors that enriches decision-making and encourages plural viewpoints on the discussion of matters within its purview.

The Board has entrusted to the Remuneration and Nomination Committee the responsibility of ensuring that the aforementioned criteria are applied in the selection of new directors.

When despite the measures which, as the case may be, have been adopted, the number of female directors is scarce or nil, please explain the reasons that justify this:

Explanation of measures

Not applicable

C.1.6bis Please explain the conclusions of the Nominations Committee regarding verification of compliance with the director appointment policy and, in particular, describe how this policy promotes the objective of having a female representation of at least 30% of the Board of Directors by 2020.

The Policy seeks diversity of knowledge, experience, origin, nationality, and gender within the Board of Directors. The selection process shall promote a search for candidates with knowledge and experience in the main countries and sectors in which the Group does or will do business.

The Board, and Remuneration and Nomination Committee proactively support increasing the number of females on the Board, in the case of male and female candidates with the same skill and professional qualities, in order to achieve a more balanced representation in the Board. This was reflected in the appointment of Ms. Amanda Wills CBE on 22nd July 2015 to fill the independent Director vacancy arising from the departure of James O. Hare at the end of the previous fiscal year.

C.1.7 Please explain the form of representation on the board of shareholders holding significant stakes.

The Company has two significant Shareholders; Ardian Group (AXA Funds) and Permira Group (LuxGoal 3).

Article 10.8.1 of the Articles details how these significant Shareholders' shall be represented on the Board:

As long as Luxgoal 3 or the Ardian Funds, in each case, together with their respective affiliates (each group, a ‘‘Principal Shareholder Group’’), directly or indirectly hold 17.5% or more of the issued and outstanding Shares of the Company, two (2) Directors shall be elected by the Shareholders from among candidates put forward by each such Principal Shareholder Group. If a Principal Shareholder Group's direct or indirect percentage ownership of the issued and outstanding Shares of the Company is less than 17.5% but equal to or greater than 7.5%, one Director shall be elected by the Shareholders from among candidates put forward by such Principal Shareholder Group. If a Principal Shareholder Group's direct or indirect percentage ownership of the issued and outstanding Shares is below 17.5%, such Principal Shareholder Group will ensure that one of the two Directors who were nominated by such Principal Shareholder Group will resign with immediate effect, provided that such resignation requirement in respect of the Ardian Funds will apply only following the offering and as a result of the disposal of any Shares other than in the offering (including the over-allotment option Shares). If a Principal Shareholder Group's direct or indirect percentage ownership of the issued and outstanding ordinary shares is below 7.5%, such Principal Shareholder Group shall ensure that the other Director appointed from a list of candidates put forward by it shall immediately resign. The Board of Directors shall appoint a new independent Director as a replacement for such resigning Director. Such replacement Director shall be selected and appointed by the Board of Directors as soon as possible following the resignation of the relevant Director and in accordance with Article 10.12 of the Articles of Association.

C.1.8 Please explain, as the case may be, the reasons why proprietary directors have been appointed at the request of shareholders whose shareholder stake is less than 3% of the capital:

No

Please indicate whether formal requests for presence on the board coming from shareholders whose shareholder stake is greater than or equal to that of others who have been appointed as proprietary directors at their request have not been filled. As appropriate, please explain the reasons why they were not filled:

Name or corporate name of	Explanation
NA	NA

C.1.9 Please indicate whether any director has left his or her position prior to completing the director's mandate, whether he or she has explained the reasons to the board and through what means and, in the event he or she has done so in writing to the entire board, please explain below at least the reasons he or she has given:

Name or Corporate name of Shareholder:

Mauricio Luis Prieto Prieto (Executive Director)

Reason for departure

Mauricio Luis Prieto Prieto was terminated from his functions as Chief Corporate Development Officer, daily manager and executive member of the Board of Directors on the Remuneration and Nomination Committee and the Board of Directors Meetings held on the 18th of June 2015.

The reason given by the Company for the termination of his employment contract was due to organizational changes; this was communicated as a relevant fact to the market on the 22nd June, 2015.

C.1.10 Please indicate, if any, the powers delegated to the chief executive officer(s):

Name	Brief description
Dana Philip Dunne	The Board of Directors delegated to the CEO, in the Board of Directors Meeting held on 2nd April 2014, the following powers as permitted by the law and the bylaw: 1. The sale or purchase of a business in cash either through an asset or share transaction, with a value, per transaction, not greater than EUR 2,500,000 and with a maximum total amount of EUR 5,000,000 per year 2. Entering into any partnership or joint venture transactions (i) not included in the Group's annual budget but not likely to generate net costs in excess of EUR 6,000,000; or (ii) not included in the Group's annual budget but expected to generate more revenue than cost, the difference not surpassing EUR 6,000,000, and in the case of (i) and (ii) such amounts not exceeding 2.5% of Group revenue for the immediately preceding financial year. 3. Concluding agreements for or amendment of agreements in the ordinary course of business relating to ad hoc borrowings in an amount not greater than EUR 5,000,000 per financial year. 4. The granting of any charge, pledge, guarantee or any other security of any type if (i)(a) carried out in the ordinary course of business and (b) the value of assets so encumbered or charged is not greater than EUR 5,000,000 per financial year and (ii) that are permitted by the financing agreements entered into by any Group Company. 5. The drawing down by one or more Group companies of loans under any existing Group or standalone credit facilities granted by external lenders. 6. The conclusion, amendment or termination of any agreement in the ordinary course of business, that will or is reasonably likely to generate total expenditure by the Group companies of an amount not greater than 5% of the yearly revenue target for the Group. 7. The commencement of any judicial, regulatory or arbitration proceedings of any kind or the conclusion of any settlement agreement as defendant or plaintiff, and in which the amount at stake does not exceed EUR 2,000,000. 8. The recruitment, hiring and the removal or termination of individual employees

C.1.11 Please identify, as the case may be, the board members who assume positions of directors or officers at other companies that form part of the group of the listed company:

Name or corporate name of the Director	Corporate name of the entity of the group	Position	Executive Duties
Dana Philip Dunne	eDreams ODIGEO SA	Director, CEO, Daily Manager	Yes
Dana Philip Dunne	Opodo Ltd	Director	Yes
Dana Philip Dunne	Opodo SL	Director	Yes
Dana Philip Dunne	Opodo GmbH	Sole Director	Yes
Dana Philip Dunne	Online Travel Portal Ltd	Director	Yes

Dana Philip Dunne	eDreams Business Travel SLU	Director	Yes
Dana Philip Dunne	eDreams Corporate Travel Srl	Director	Yes
Dana Philip Dunne	GEO Travel Ventures SA	Director	Yes
Dana Philip Dunne	GEO Travel Pacific Pty Ltd	Director	Yes
Dana Philip Dunne	Go Voyages SAS	President	Yes
Dana Philip Dunne	Go Voyages Trade SAS	President	Yes
Dana Philip Dunne	Travellink AB	Director	Yes
Dana Philip Dunne	Liligo Metasearch Technologies SAS	President	Yes
Dana Philip Dunne	Opodo Italia Srl	Director	Yes
Dana Philip Dunne	eDreams Inc	Director	Yes
Dana Philip Dunne	eDreams Ltd	Director	Yes
Dana Philip Dunne	Vacaciones eDreams, SL	Legal Representative of the Sole Director	Yes
Dana Philip Dunne	eDreams International Network, SL	Sole Director	Yes
Dana Philip Dunne	eDreams LLC	Director, President	Yes
Dana Philip Dunne	Viagens eDreams Portugal - Agência de Viagens LDA	Sole Director	Yes
David Elizaga Corrales	eDreams ODIGEO SA	Director	Yes
David Elizaga Corrales	Opodo Ltd	Director	Yes
David Elizaga Corrales	Opodo SL	Director	Yes
David Elizaga Corrales	Online Travel Portal Ltd	Director	Yes
David Elizaga Corrales	eDreams Business Travel SL	Director	Yes
David Elizaga Corrales	GEO Travel Ventures SA	Director	Yes
David Elizaga Corrales	GEO Travel Pacific Pty Ltd	Director	Yes
David Elizaga Corrales	Travellink AB	Director	Yes
David Elizaga Corrales	eDreams Inc	Director	Yes
David Elizaga Corrales	eDreams Ltd	Director	Yes

David Elizaga Corrales	eDreams LLC	Director, Secretary	Yes

C.1.12 Please detail, as the case may be, the directors of your company who are members of the board of directors of other companies listed on official securities markets different from your group, which have been reported to the company:

Name or corporate name of the Director	Corporate name of the listed company	Position
Lise Fauconnier	Linedata Services	Board member
Philip Clay Wolf	MakeMyTrip Limited	Board member

C.1.13 Please indicate and, as appropriate, explain, whether the company has established rules on the number of boards of which its directors may form part:

The Internal Rules of Procedure of the Board of Directors, articles 6.3 and 6.6 required that each Director shall inform the Board of Directors of any other boards on which such Director holds a position, and such Director shall ensure that he/she devotes sufficient time and effort to perform his/her duties in respect of the Company efficiently.

Sideline activities, such as Board of Directors mandates outside the Company and Group, require the approval of the Board of Directors.

The Board will take into consideration best practice recommendations of 2 outside mandates for Executive Directors, and 3 to 4 outside mandates for Non-Executive Directors.

The Chief Executive Officer has a clause that restricts his participation as a Non-Executive Director to one Board of Directors.

C.1.14 Paragraph revoked

C.1.15 Please indicate the global remuneration of the board of directors:

Remuneration of the board of directors (thousands of euros)	1.964
Amount of global remuneration referring to rights accumulated by the directors for pensions (thousands of euros)	0
Global remuneration of the board of directors (thousands of euros)	1.964

C.1.16 Please identify the members of senior management who are not, in turn, executive directors, and indicate the total remuneration accruing in their favor during the fiscal year:

Name or corporate name	Position(s)
Philippe Vimard	Current Chief Technology Officer & Chief Operating Officer
David Elizaga	Chief Financial Officer (Salary for the period prior to becoming an Executive Director on the 22nd July 2015)

Juan Uribe	Former Chief Vacation Products Officer (From 1st April 2015 to 29th January 2016)
Sophie Bernard	Chief Pricing, BI and Vacation Products Officer
Gerrit Goedkoop	Chief Customer Services Officer
Blandine Kouyaté	Chief People Officer
Javier Bellido	Head of Corporate Travel & Spain Country Director
Marcos Guerrero	Chief Retail & Product Officer
Jerome Laurent	Chief Marketing Officer
Mario Gavira	Head of MetaSearch Revenue
Pablo Caspers	Chief Air Suppliers Officer (From 2nd June 2015)
Andreas Schräder	Former Group Senior Director International (From 1st April 2015 to 9th May 2015)
Andreas Adrian	Markets Director
Peter Carlsson	Country Director of the Nordics
Angelo Ghigliano	Country Director Italy
Olaf Rose	Country Director Germany
Quentin Bacholle	Country Director France
Stephanie Uhlig	Former Country Director UK (From 1st April 2015 to 13th January 2016)
Richard Hastings	Former General Counsel (From 1st April to 20th October 2015)
Daniel Francis	Head of Internal Audit

Total remuneration of senior management (in thousands of euros): 3.985

C.1.17 Please indicate, as the case may be, the identity of the board members who are, in turn, members of the board of directors of companies of significant shareholders and/or at entities of their group:

Name or corporate name of Director	Corporate name of significant shareholder	Position
Philippe Michel Poletti	Ardian France	Member of the Board of Directors

Please detail, as the case may be, the relevant relationships other than those contemplated in the above heading, of the members of the board of directors that link them to the significant shareholders and/or entities of your group:

Name or corporate name of the related director	Corporate name of the significant shareholder	Description of relationship
N/a	N/a	N/a
N/a	N/a	N/a

C.1.18 Please indicate whether any amendment to the board regulation has occurred during the fiscal year:

YES ☐ NO ☑

C.1.19 Please indicate the selection, appointment, re-election, evaluation and removal procedures for directors. Please detail the competent bodies, the formalities to be followed and the criteria to be employed in each one of the procedures.

In accordance with the provisions of the Articles of Association , the Internal Rules of Procedure of the Board of Directors and the Luxembourg Law, the members of the Board of Directors shall be appointed by the Shareholders' Meeting:

Selection:
The Remuneration and Nomination Committee, applying the Director Selection Policy, is responsible for (i) evaluating the skills, expertise and experience necessary in the Board of Directors to define, consequently, the functions and abilities needed in candidates who are to fill each vacancy, and to evaluate the time and dedication necessary in order for them to perform their duties; and of (ii) to safeguard that, when filling new vacancies, the selection procedure does not suffer from implicit biases that might hinder the selection of female Directors, and takes into account the company´s strategic and operational objectives.
Appointment
Each Director shall be appointed by a Shareholders' Meeting for a term of three (3) Financial Years of the Company, subject to possible renewal, by simple majority of the Shareholders' present or represented at such General Meeting.

The type of Director shall be explained by the Board of Directors before the Shareholders' Meeting deciding on, finalising or ratifying the appointment of such Director. Similarly, on an annual basis and upon verification by the Remuneration and Nomination Committee, the Board of Directors will confirm or, if applicable, review the nature of each position.

The nomination and appointment procedure shall be as follows:

- Executive Directors are appointed by Shareholders' Meeting. Considered as Executive Directors are the CEO and other Directors who, under any title, carry out management roles as officers within the Company or in companies under the control thereof.

- Proprietary Directors are those who have been appointed by Shareholders' Meeting upon the nomination of a specific Shareholder, or as otherwise defined in the Spanish Corporate Governance regulations, as may be amended from time to time. Those directors shall be appointed from among candidates put forward by AXA LBO and LuxGoal 3. Proprietary Directors who lose such status as a consequence of the sale of its stake holding by the shareholder they represented shall immediately resign. The Board of Directors shall appoint a new Independent Director as a replacement for such resigning Director. Such replacement Director shall be selected and appointed by the Board of Directors.

- Independent Directors shall be appointed by Shareholders' Meeting, after approval by the Board of Directors, upon proposal of the Remuneration and Nomination Committee. The Chairman of the Board of Directors shall be entitled to propose to the Remuneration and Nomination Committee candidates for independent directorships provided that the Remuneration and Nomination Committee may concurrently, independently search for and consider alternative candidates for such position, in addition to those proposed by the Chairman of the Board of Directors. To evaluate the aforementioned status of independence, the Board of Directors will follow applicable law and current corporate governance recommendations and practices, as well as any other relevant criteria.

- Other external Directors are non-executive Directors who, in conformity with the provisions of this article, cannot be considered as being either proprietary or independent Directors.

Re-election
A Director may be re-elected.

Independent Directors shall only be re-elected to the extent that the aggregated time served by such independent Director (i.e., taking into account, for the avoidance of doubt, the sum of the time served by such independent Director for each of his/her terms as independent Director) does not exceed a period of twelve (12) consecutive Financial Years.

Removal

A director may be removed from office at any time by Shareholders' Meeting. However, the Board of Directors shall not propose the removal of any independent Director prior to the expiration of the term for which such Director was appointed, except where good cause is found by the Board and, if any, upon a prior recommendation of the Remuneration and Nomination Committee.

Any Director shall report and, if applicable, also resign in those instances where the credit and reputation of the Company might be damaged due to his or her behavior.

Directors who voluntarily give up their place before their tenure expires shall explain the reasons to the Board of Directors.

In the event that a Director appointed in the Shareholders' Meeting ceases to be a Director for any reason, the remaining Directors may fill the vacancy; a Director so appointed will hold office only until the conclusion of the next Shareholder´s Meeting, unless his appointment is confirmed by the Shareholders at the Shareholders' Meeting. Directors so appointed will have the same powers as other Directors appointed by the Shareholders' Meeting.

Evaluation

The Board of Directors must undertake an annual evaluation to assess the overall and individual performance and effectiveness of the Board and its Committees, including consideration of the balance of skills, experience, independence and knowledge of the Company, its diversity, including gender, how the Board works together as a unit, and other factors relevant to the Board's effectiveness and shall adopt appropriate measures for the improvement thereof. The evaluation process will also take into consideration the Board Succession Plans.

The results of the evaluation shall be recorded in the minutes of the meeting or included therein as an attachment. Any recommendations for improvement arising from the evaluation exercise will be formalized in an action plan.

Every three years, the Board of Directors shall be assisted in performing the evaluation by an external consultant, the independence of which shall be verified by the Remuneration and Nomination Committee.

C.1.20 Please indicate whether the board of directors has performed an evaluation of its activity during the fiscal year:

YES ☑ NO ◻

Please explain to what extent the annual evaluation of the Board has led to significant changes in its internal organization and on the procedures applicable to its activities:

The self-evaluation of the Board of Directors and its Committees was performed for the first time during the fiscal year ended March 2016. The results of this evaluation are due to be reviewed by the Board in the July 2016 Board meeting, where action plans will be defined in order to improve its quality and efficiency.

C.1.20.bis Please describe the evaluation process undergone by the Board of Directors and the areas assessed, with the assistance of an external consultant, as regards the diversity of its composition and competencies, operation and composition of its committees, performance of the Chairman of the Board of Directors and of the chief executive of the company and the performance and contribution of each director.

The annual self-evaluation of the Board and its Committees was performed for the first time during the fiscal year ended March 2016. It was performed internally via questionnaire. External advisors were not engaged. The process is designed to assess the overall and individual performance and effectiveness of the Board and its Committees. It takes into consideration the balance of skills, experience, independence and knowledge of the Company, its diversity, including gender, how the Board works together as a unit, and other factors relevant to the Board's effectiveness.

The areas of evaluation included:

a) Board's Overall Role and Responsibilities:
   - Consider whether the Board of Directors have addressed the appropriate issues to duly fulfil its aims, and in particular: (i) have clear responsibilities and authority ; (ii) understand the organization's mission and its products / programs; (iii) strategy; (iv) Board Plans (v) significant transactions and fundraising.

b) Board’s Relationship with Executive Directors
   - Consider whether the Board of Directors in relation with its Executive Directors: (i) have good two-way communication; (ii) policies providing good directions on business and (iii) and are evaluated primarily on the accomplishment of the organization’s strategic goals

c) Board's Formal Structures and Operating Processes
   - Consider whether the Board Committees (i) are those that should reasonably exist taking into account the characteristics of the group; (ii) have clear responsibilities and authority

d) Composition of the Board and Development of Board Members
   - Consider whether Board Structure is: (i) sufficient taking into account the number of members of each category; (ii) Board members have necessary skills, stakeholders and diversity; (iii) the Company has clear recruitment strategy, selection policy and procedures and (iv) Board Members receives training on key trade related subjects

e) Board Meetings
   - Consider whether the Board of Directors and Board Committees have met with the appropriate frequency, information has been received sufficiently in advance and matters have been debated with reasonable dedication.

f) Performance of Individual Board Members
   - Consider whether the Board Members are fully capable to perform their roles and responsibilities.

g) Feedback to the Chair of the Board
   - Consider whether the Chairman of the Board has performed his functions adequately

The results of this evaluation are due to be reviewed by the Board in the July 2016 Board meeting, where action plans will be defined.

Every three years, the Board of Directors shall be assisted in performing the evaluation by an external consultant, the independence of which shall be verified by the Remuneration and Nomination Committee.

C.1.20.ter Provide a breakdown, as applicable, of the business relationships between the consultant or any company of its group and the company or any other group company.

N/A

C.1.21 State the circumstances under which the resignation of directors is mandatory:

According to the Article of Association, article 10.9 and 10.10, a Director may be removed from office at any time by Shareholders' Meeting. However, the Board of Directors shall not propose the removal of any independent Director prior to the expiration of the term for which such Director was appointed, except where good cause is found by the Board and, if any, upon a prior recommendation of the Remuneration and Nomination Committee.

Any Director shall report and, if applicable, also resign in those instances where the credit and reputation of the Company might be damaged due to his behaviour.

C.1.22 Paragraph revoked

C.1.23 Are reinforced majorities, other than those provided by law, required in any type of decision?

YES ☐ NO ☑

As appropriate, please describe the differences. Explanation of differences

C.1.24 Please explain whether specific requisites exist, other than those relating to directors, to be appointed chairman of the board of directors.

YES ☐ NO ☑

Explanation of requisites

C.1.25 Please indicate whether the chairman has a tie-breaking vote:

YES ☑ NO ☐

Matters in which a tie-breaking vote exists

As set forth in article 13.4 of the Articles of Association, "all resolutions of the Board of Directors shall require the approval of a simple majority of the Directors present or duly represented at the Board of Directors meeting. In the case of an equality of votes, the Chairman shall cast the deciding vote".

C.1.26 Please indicate whether the bylaws or the board regulation establish any limit to the age of directors:

YES ☐ NO ☑

C.1.27 Please indicate whether the bylaws or board regulation establish a limited mandate for independent directors, other than as established by the regulations:

YES ☐ NO ☑

C.1.28 Please indicate whether the bylaws or the board of directors regulation establish specific rules for delegating voting to the board of directors, the way of doing so and, in particular, the maximum number of delegations a director may have, as well as whether the obligation to delegate to a director of the same type has been established. As appropriate, please detail such rules briefly.

Voting by proxy is regulated in the Articles of Association and the Internal Rules of Procedure of the Board of Directors.

A Director may, pursuant to article 13.3 of the Articles of Association, appoint any other Director (but not any other person) to act as his representative (a "Director's Representative") at a Board Meeting to attend, deliberate, vote and perform all his functions on his behalf at that Board Meeting. A Director can act as representative for more than one other Director at a Board Meeting provided that (without prejudice to any quorum requirements) at least a simple majority of the total number of Directors of the Company at such time are physically present at a Board Meeting held in person or participate in person in a Board Meeting. In any case, Directors' absences shall be limited to unavoidable cases and when there is no choice but to grant a proxy to a Director's Representative, it shall be granted with instructions.

Pursuant to article 7.10 of the Internal Rules of Procedure of the Board of Directors, a Director or his Director's Representative may validly participate in a Board Meeting through the medium of video-conferencing equipment or telecommunication means, except for those meetings where the Board of Directors must resolve on either the convening of the General Shareholders Meeting, the approval of the annual accounts or approval of the annual budget, in which case Directors must attend the meeting in person.

C.1.29 Please indicate the number meetings the Board of Directors has held during the fiscal year. Furthermore, please point out, as appropriate, the times the board has met without the attendance of its chairman. Please consider in the computation of attendances proxies given with specific instructions.

Number of board meetings	7
Number of board meetings not attended by the chairman	0

In case the chairman is an executive director, please detail the number of meetings held where any executive director was present nor represented and chaired by the lead independent director.

N/A

Please indicate the number of meetings the various board committees have held during the fiscal year:

Number of meetings of the audit committee	7
Number of meetings of the nominations and remuneration committee	5

C.1.30 Please indicate the number of meetings held by the Board of Directors during the fiscal year attended by all of its members. In the computation, please consider attendance by proxies given with specific instructions:

Attendance by directors	6
% of attendance vs. total votes during the fiscal year	98%

C.1.31 Please indicate whether the individual and consolidated annual financial statements presented to the board for approval are previously certified:

YES ☑ NO ☐

Please identify, as appropriate, the person(s) certifying the individual and consolidated annual financial statements of the company, for drawing up by the board:

Name	Position
Dana Philip Dunne	CEO
David Elizaga	Chief Financial Officer

C.1.32 Please explain, if any, the mechanisms established by the Board of Directors to avoid that the individual and consolidated financial statements drawn up by the board are presented at the general meeting with exceptions in the auditors' report.

The Audit Committee is the body entrusted with addressing these matters, in such a manner that prior to forwarding the financial statements to the Board of Directors for drawing up and subsequent submission to the General Shareholders' Meeting, the prior resolution of said Committee is required.

According to the Audit Committee Terms of Reference, Article 6 and 7, the Committee shall have the following responsibilities in relation to the preparation of economic and financial information:

a) Evaluate the results of each external audit as well as the management team's responses to the recommendations made therein.
b) Oversee the integrity of the financial information that the ODIGEO Group must make public due to its status as a listed company.
c) Review significant accounting and reporting issues, including complex or unusual transactions and highly judgmental areas, and recent professional and regulatory pronouncements, and understand their impact on the financial statements.

Last year was the first that eDreams ODIGEO presented audited financial statements as a listed company and no exceptions were raised by the external auditors Deloitte.

C.1.33.Does the secretary of the board holds the status of director?

YES ☐ NO ☑

If the secretary is not a member of the Board, please complete the following table.

Name or corporate name of the secretary	Representative
Guillaume Teissonniere	

C.1.34 **Paragraph revoked**

C.1.35 Please indicate, if any, the mechanisms established by the company to preserve the independence of the external auditors, the financial analysts, investment banks and rating agencies.

It is the task of the Audit Committee to liaise with the external auditors in order to receive information on matters which may place the independence of the latter at risk and any other matters related to the auditing process, as well as such other communications provided by auditing laws and the technical rules of auditing.

According to the Internal Rules of Procedure of the Board of Directors, article 10.3.2, one of the key responsibilities of the Audit Committee is:

a) To receive regular information from the external auditor on the audit plan and the results of the implementation thereof, and check that senior management takes its recommendations into account.

b) To monitor the independence of the external auditor, to which end:

- The Company reports a change of auditor to the CNMV as a significant event, accompanied by a statement of any disagreements with the outgoing auditor and the reasons for the same.

- The Audit Committee ensures that the company and the auditor adhere to current regulations on the provision of non-audit services, the limits on the concentration of the auditor's business and, in general, all other regulations established to safeguard the independence of the auditors.

- In the event of resignation of the external auditor, the Audit Committee investigates the circumstances that may have given rise thereto.

The Audit Committee is responsible for making a proposal to the Board of Directors, for submission to the General Shareholders' Meeting, in relation to the appointment of the external auditors, and as the case may be, their revocation or non-renewal.

eDreams ODIGEO´s external auditors Deloitte have been in place for four years (included fiscal year ended 31st March 2016), which is within the Audit Law requirement of a total maximum period of ten years duration of the contract of auditors, and rotation of the lead audit partner every five years.

The Audit Committee receives a written confirmation of independence from the external auditor vis-à-vis any directly or indirectly related entity or entities, as well as information on the additional services of any kind provided to these entities by the aforesaid auditors.

During the fiscal year ended 31st March 2016, the Company has run a professional and detailed evaluation process to select the external audit firm for the engagement of next year´s audit and will have a proposal in place to submit to the Audit Committee, Board, and AGM in July 2016.

There are no special conditions relating to relationships with financial analysts, investment banks and rating agencies and these entities operate fully independently of the Company. The information disclosed by the Company complies with the principles of transparency and fairness; the information is true, clear, quantified and complete and contains no subjective assessments that are or may be misleading.

C.1.36 Please indicate whether during the fiscal year the Company has changed external auditor. As appropriate, please identify the incoming and outgoing auditor:

YES ☐ NO ☑

In the event of disagreements with the outgoing auditor, please explain the contents thereof:

C.1.37 Please indicate whether the audit firm performs other works for the company and/or its group other than auditing and, in such case, please declare the amount of fees received for said works and the percentage it entails of the fees billed to the company and/or its group:

YES ☑ NO ☐

	Company	Group	Total
Amount of other works other than auditing (thousands of euros)	0	57	57
Amount of works other than auditing / Total amount billed by the audit firm (in %)	0%	7%	6%

C.1.38 Please indicate whether the auditors' report on the annual financial statements of the previous fiscal year presents reservations or exceptions. As appropriate, please indicate the reasons given by the chairman of the audit committee to explain the contents and scope of such reservations or exceptions.

YES ☐ NO ☑

Explanation of reasons

C.1.39 Please indicate the number of fiscal years the present audit firm has been performing the audit of the annual financial statements of the company and/or its group uninterruptedly. Furthermore, please indicate the percentage representing the number of fiscal years audited by the present audit firm of the total number of fiscal years in which the annual financial statements have been audited:

	Company	Group
Number of uninterrupted fiscal years	4	4
	Company	Group
Number of fiscal years audited by the present audit firm / Number of fiscal years the company has been audited (in %)	100%	100%

C.1.40 Please indicate and, as the case may be, detail, whether a procedure exists for the directors to have external advice:

YES ☑ NO ☐

According to the Internal Rules of Procedure of the Board of Directors, article 7.2, Directors, in order to perform their duties shall be entitled to call on the Company for the advice they may need and the Company shall provide suitable channels for the exercise of this right, which, in special circumstances, may include external advice at the Company's expense provided such expense is reasonable and subject to Board of Directors' approval. Directors shall make an effort to limit their additional requests of information to those requests which are material. The guideline for materiality (the "**Materiality Threshold**") is set at one million euros (EUR 1,000,000) and shall be reviewed periodically by the Board of Directors.

During the fiscal year ended 31st March, 2016, external advice was requested in relation to the long term share incentive plan and with regards to the strategic positioning of the Company.

C.1.41 Please indicate and, as appropriate, detail, whether a procedure exists for directors to be able to have the necessary information to prepare meetings of the management bodies with sufficient time:

YES ☑ NO ☐

According to the Internal Rules of Procedure of the Board of Directors, article 7.2, 7.4 and 7.5, any Director shall have access to the corporate files and any other information of the Company. Each member of the Board of Directors shall as a rule receive ten (10) Business Days (with "**Business Days**" being, as defined in Article 14.12.1 of the Articles of Association, days on which banks are generally open for business in Luxembourg, Madrid, Barcelona, Bilbao and Valencia) prior to any meeting of the Board of Directors all documents and transaction papers (if available) to be discussed during the meeting of the Board of Directors.

The Directors shall be convened to each meeting of the Board of Directors by notice. Except in cases of urgency which shall be specified in the convening notice or with the prior consent of the directors, at least a (10) ten Business Days prior written notice of Board of Directors meetings shall be given, unless applicable law provides otherwise.

A meeting may be duly held without prior notice, if (in accordance with article 13.2 of the Articles of Association) all the Directors have waived the relevant convening requirements and formalities either in writing or, at the relevant Board Meeting, in person or by a Director's Representative.

The annual Board Evaluation performed via questionnaire for this fiscal year had a dedicated section referring to the Directors rating of the quality of information received and timeliness of receipt of this information in order to prepare for meetings.

C.1.42 Please indicate and, as appropriate detail, whether the company has established rules that require directors to report and, as the case may be, resign, in those cases that may damage the credit and reputation of the company:

YES ☑ NO ☐

As stated in the Article of Association 10.10, a Director shall report and, if applicable, also resign in those instances where the credit and reputation of the Company might be damaged due to his behaviour.

C.1.43 Please indicate whether any member of the board of directors has informed the company that it has been indicted or a ruling opening an oral trial has been handed down against it, for any of the criminal offenses indicated in article 213 of the Capital Corporations Act (Ley de Sociedades de Capital):

YES ☐ NO ☑

Name of director	Criminal Cause	Observations
-	-	-

Please indicate whether the board of directors has analyzed the case. If the response is affirmative please explain in a reasoned manner the decision made on whether or not it is appropriate for the director to continue in his or her position or, as the case may be, state the actions performed by the board of directors until the date of this report or which it is planning on carrying out.

YES ☐ NO ☑

Decision made/action performed	Reasoned explanation
-	-

C.1.44 Please detail the significant agreements entered into by the company and which enter into force, whether amended or terminated in case of change of control of the company as a consequence of a public tender offer, and its effects.

NONE

C.1.45 Please identify in an aggregate manner and indicate in detail the agreements between the company and its administrative and management positions or employees that have indemnities, guarantee clauses or golden parachutes, when they resign or are dismissed wrongfully or if the contractual relationship terminates on the occasion of a public tender offer or other type of transaction.

Number of beneficiaries: 21

Type of beneficiary: Executive Directors and members of the Senior Management.

Senior Management (including Executive Directors) has the following significant standard clauses:

- **Indefinite Duration:** The contracts with Senior Management of the Company are of indefinite duration. For Chief Executive Officer a financial compensation is contemplated therein in the event of termination of the contractual relationship with the Company, provided that such termination does not occur exclusively due to the decision of the Executive Director to withdraw or as a result of a breach of their duties.

- **Exclusivity:** Senior Management may not hold any direct or indirect interest in any other business or activity which may represent a conflict of interests in relation to the Company's obligations and liabilities or in relation to its activity and that of eDreams ODIGEO.

  The Board will take into consideration best practice recommendations of 2 outside mandates for Executive Directors, and 3 to 4 outside mandates for Non-Executive Directors.

  The Chief Executive Officer has a clause that restricts his participation as a Non-Executive Director to one Board of Directors.

- **Confidentiality and Return of Documents:** There is a rigorous duty of confidentiality both during the term of the contracts and after the relationship has terminated. In addition, upon termination of their relationship with the Company, Senior Management must return to the Company any documents and items in their possession relating to the activities carried out thereby

- **Non-competition:** The contracts with Senior Management in all cases establish a duty not to compete with respect to companies and activities that are similar in nature during the term of their relationship with the Company.

- **Industrial Property:** The contracts with Senior Management contain a clause to prevent the Management from using any work produced by him or any of the Company´s copyright, experiences, confidential information, design right, registered trademark, patents, applications for any of the intellectual property rights. For the CEO, this obligation remains effective after the termination of the contract and will not be affected should the contract end for any reason.

- **Non-hiring:** for a specific period after the termination date of the employment contract Senior Management will not recruit or participate in the recruitment (for him/her or for the entity which he/she represents or in which he/she performs his activities) of employees who, at the date of termination of their contract or in the preceding six to twelve months, form part or have formed part of the Company's workforce or that of any eDreams ODIGEO Group.

- **Non-solicitation:** The contracts with Senior Management in all cases establish a duty to prevent them engaging in activities with existing customer/suppliers of the Company for a determined period of time.

- **Applicable Legal Provisions:** The contracts with Senior Management are governed by the legal provisions applicable in each case.

- **Compliance with the Company's Corporate Governance System:** Senior Management have the duty to strictly observe the rules and provisions contained in the Company's Corporate Governance System, to the extent applicable thereto.

The majority of Senior Managers have a three month notice period clause in their contracts.

In addition, Dana Philip Dunne, CEO of the Company, is eligible for an indemnity (in case of unfair dismissal) severance equivalent to 30 days' fixed remuneration per year of service (with a minimum amount of Eur500.000 rising up to the equivalent amount of a maximum of 24 monthly salary payments)

Specific clauses are defined for:

- Javier Bellido, Chief Supplier Officer, Head of Corporate Travel & Spain Country Director, has specific indemnity clauses in case of unfair dismissal, unilateral termination by the company, collective dismissal/objective dismissal or a dismissal due to a change of control of the company or change in company ownership

- Jerome Laurent, Chief Marketing Officer, Mario Gavira, Head of Metasearch Revenue, Blandine Kouyate, Chief People Officer have an “elastic” clause that obliges the company to hire them in a French entity for a period of 3 months in case of termination for reasons other than gross negligence or serious misconduct.

Please indicate whether these contracts have been reported and/or approved by the bodies of the company or its group:

	Board	General Meeting
Body authorizing the clauses	Yes	No

	YES	NO
Is the general meeting informed of the clauses?	X	

C.2 Board of Directors Committees

C.2.1 Please detail all committees of the board of directors, their members and the proportion of proprietary and independent directors forming them:

AUDIT COMMITTEE

Name	Position	Type
Robert Apsey Gray	Chairman	Independent Director
Benoît Vauchy	Member	Proprietary Director
Philip Clay Wolf	Member	Independent Director

% of executive director	-
% of proprietary directors	33,33%
% of independent directors	66,67%
% of other external directors	-

Explain the functions of the committee; describe the procedures and organization rules and its functioning, as well as the main performance of the year.

According to the Articles of Association 12.6 and 12.7 and the Internal Rules of Procedure of the Board of Directors, article 10.2 to 10.6, the Audit Committee and the Remuneration and Nomination Committee should:

Name of the Committee

AUDIT COMMITTEE

Brief Description:

COMPOSITION:

The Audit Committee shall be composed of at least three (3) members initially comprised of (i) one (1) Director nominated for appointment to the Board of Directors by the Luxgoal 3 Group or Ardian Group, as the case may be and (ii) two (2) independent Directors. The members of the Audit Committee shall be non-executive Directors. A chairman of the Audit Committee shall be selected from among its members and shall be an independent Director. The members of the Audit Committee and, particularly, its chairman shall be appointed taking into account their background knowledge and experience in accounting, auditing and risk management matters.

DUTIES

The role of the Audit Committee is:

- **With respect to the internal control and reporting systems:**

(a) To manage and report the main risks identified as consequence of the monitoring of the efficiency of the company internal control and internal auditor, if applicable.

(b) To ensure the independence and efficacy of the internal audit function; propose the selection, appointment, reappointment, and removal of the Group Internal Audit Director; propose the department's budget; receive regular reports on its activities; and verify that senior management takes into account the findings and recommendations of its reports

(c) To establish and supervise a mechanism whereby staff can report, confidentially and, if appropriate, anonymously, potentially significant irregularities within the company that they detect, in particular financial or accounting irregularities

For these purposes, the Audit Committee may cause any Company employee or officer to appear before it for matters which surpass the Materiality Threshold, and even order their appearance without the presence of any other officer. Such requests by the Audit Committee shall be limited by certain procedural requirements determined by the Audit Committee.

- **With respect to the external auditor:**

(a) To receive regular information from the external auditor on the audit plan and the results of the implementation thereof, and check that senior management takes its recommendations into account.

(b) To monitor the independence of the external auditor, to which end:

i. The Company reports a change of auditor to the CNMV as a significant event, accompanied by a statement of any disagreements with the outgoing auditor and the reasons for the same.

ii. The Audit Committee ensures that the company and the auditor adhere to current regulations on the provision of non-audit services, the limits on the concentration of the auditor's business and, in general, all other regulations established to safeguard the independence of the auditors.

iii. In the event of resignation of the external auditor, the Audit Committee investigates the circumstances that may have given rise thereto.

- **To report to the Board, prior to the adoption thereby of the relevant resolutions, on the following matters:**

i. The financial information that the Company must periodically make public due to its status as a listed company.

ii. The creation or acquisition of interests in special-purpose entities or entities registered in countries or territories regarded as tax havens, and any other transactions or operations of a comparable nature whose complexity might impair the transparency of the Group.

iii. Related-party transactions, unless such prior reporting duty has been assigned to another supervision and control committee or they meet the conditions referred to in clause above.

- **With respect to Compliance:**

To examine compliance with: the internal regulations for conduct in the securities market, with Internal Rules of Procedure and, in general, with the rules are of good corporate governance of the company and make any appropriate proposals for improvement.

Identify any director forming part of the Audit Committee having been appointed based on his/her knowledge or experience in the areas of accounting or auditing, or both; and indicate the number of years the Chairman of this committee has been in office:

- Name of directors with experience: Robert Apsey Gray
- No. of years Chairman has been in office: 2

NOMINATIONS AND REMUNERATION COMMITTEE

Name	Position	Type
Philip Clay Wolf	Chairman	Independent Director
Lise Fauconnier	Member	Proprietary Director
Amanda Wills	Member	Independent Director

% of executive directors	0%
% of proprietary directors	33,3%
% of independent directors	66,6%
% of other external directors	0%

Explain the functions of the committee; describe the procedures and organization rules and its functioning, as well as the main performance of the year.

Name of the Committee

Remuneration and Nomination Committee

Brief Description:

COMPOSITION:

The Remuneration and Nomination Committee shall be composed of at least three (3) members initially comprised of (i) one (1) Director nominated for appointment to the Board of Directors by the Luxgoal 3 Group or Ardian Group and (ii) two (2) independent Directors. The members of the Remuneration and Nomination Committee shall all be non-executive Directors, the majority of who shall be independent Directors. A chairman of the Remuneration and Nomination Committee shall be selected from among its members and shall be an independent Director.

DUTIES:

The Remuneration and Nomination Committee has the following duties:

- To assess the qualifications, background knowledge and experience necessary to sit on the Board of Directors, defining, accordingly, the duties and qualifications required of the candidates to fill each vacancy, and decide the time and dedication necessary for them to properly perform their duties. The Chairman may request the Remuneration and Nomination Committee to consider possible candidates to fill vacancies for the position of Director, provided that the Remuneration and Nomination Committee may as well independently search for and consider alternative candidates for such position. Such Directors are, for the avoidance of doubt, to be appointed upon a decision of the Shareholders.

- To examine or organize, in the manner it deems appropriate, the succession of the Chairman and CEO and, if appropriate, make proposals to the Board of Directors for such succession to take place in an orderly and well-planned manner.

- To propose to the Board of Directors:

  (c) The remuneration policy for Directors and Senior Management;

  (d) The individual remuneration of Executive Directors and other terms of their contracts.

  (e) The basic terms and conditions of the contracts with senior management on a group basis.

- To carry out their duties, the Remuneration and Nomination Committee shall consult the Company's CEO, where appropriate, especially on matters relating to executive Directors and, in particular, the individual remuneration of such executive Directors in their capacity as Directors.

C.2.2 Please complete the following chart with the information relating to the number of female directors forming the committees of the board of directors during the last four fiscal years:

	Fiscal Year 2016		Fiscal year 2015	
	Number	%	Number	%
Audit Committee	0	0	0	0
Nominations and Remuneration Committee	2	66,60%	1	33,30%

C.2.3 Paragraph revoked

C.2.4 Paragraph revoked

C.2.5 Please indicate, as the case may be, the existence of regulations of the board committees, the place where they are available for consultation, and any amendments made during the fiscal year. In turn, please indicate whether any annual report on the activities of each committee has been prepared voluntarily.

- The Regulations of the Audit Committee are contained in (i) the Articles of Association of the Company, (ii) the Internal Rules of Procedure of the Board of Directors, and (iii) the Audit Committee Terms of Reference, none of which have undergone any amendments during the financial year closed at 31st March 2016.

- The Remuneration and Nomination Committee is regulated by (i) the Articles of Association of the Company, and; (ii) the Internal Rules of Procedure of the Board of Directors, and (iii) the Remuneration & Nomination Committee Terms of Reference, none of which have undergone any amendments during the financial year closed at 31st March 2016.

  Documents are available for consultation on the Company´s website: (http://www.edreamsodigeo.com/investors/corporate-governance/rules-of-organization/)

C.2.6 Paragraph revoked

D RELATED PARTY TRANSACTIONS AND INTER-GROUP TRANSACTIONS

D.1. Explain the procedure for approval of related party and inter-group transactions.

Procedure for approval of related party transactions

According to the Internal Rules of Procedure of the Board of Directors, article 6.4, all transactions between the Company or a Group company on one side, and Directors or persons, companies or organizations closely related to Directors on the other side, must be at arm's length and any such transaction with a value exceeding EUR 50,000 requires the prior consent of the Board of Directors, upon a prior favourable report of the Audit Committee.

However, so as not to overwork the Board with less relevant issues, the Board of Directors authorization is not required for those related-party transactions that simultaneously meet the following three conditions: (i) they are governed by standard-form agreements applied on an across-the-board basis to a large number of clients; (ii) they are conducted at prices or rates generally set by the party acting as supplier of the goods or services in question; and (iii) the amount thereof is no more than 1% of the Company's annual revenue.

This process is executed via analysis of the responses provided by the Directors in the annual certification questions sent to them by the General Counsel.

D.2 Please detail those significant transactions by their amount or considered relevant due to their subject matter carried out between the company or entities of its group and the company's significant shareholders:

Name or corporate name of significant shareholder	Name or corporate name of the company or entity of its group	Nature of the relationship	Type of transaction	Amount (thousands of euros)
N/a	N/a	N/a	N/a	N/a

D.3 please detail significant transactions by their amount or considered relevant due to their subject matter carried out between the company and entities of its group, and the directors or officers of the company:

N/A

D.4 Please report on the significant transactions carried out by the company with other entities belonging to the same group, provided that they are not eliminated in the preparation process of consolidated financial statements and do not form part of the company's ordinary course of business with regard to purpose and conditions. In any case, please report on any inter-group transaction carried out with entities established in countries or territories considered to be tax havens:

Corporate name of group entity	Brief description of the transaction	Amount (thousands
NONE		

D.5 Please indicate the amount of transactions carried out with other related parties.

Non applicable

D.6 Please detail the mechanisms established to detect, determine and resolve potential conflicts of interest between the company and/or its group, and its directors, officers or significant shareholders.

According to the Internal Rules of Procedure of the Board of Directors, article 6.1, 6.2 and 6.3, when making their decisions, Directors must not be guided by personal interests or exploit business opportunities offered to the Company for their own advantage.

The Directors shall be subject to a comprehensive prohibition on competitive activity for the term of their membership of the Board of Directors and the term of their contract of employment, if any.

If a Director or a person, company or organization closely related to the Director, has an interest contrary to that of the Company in a matter submitted to the approval of the Board of Directors, the Director shall be obliged to inform the Board of Directors thereof and to have his declaration recorded in the minutes of the meeting. Such interested Director shall not deliberate or vote on the matter. At the next following Shareholders' Meeting, in accordance with article 57 of the 1915 Law, before any other resolution is put to vote, a special report shall be made on any transactions in which any of the Directors may have had an interest conflicting with that of the Company.

D.7 Is more than one Group company listed in Spain?

YES ☐ NO ☑

Please indicate whether the respective areas of activity and eventual business relations between them have been publicly defined with precision, as well as those of the listed dependent company with the other group companies;

Non applicable

Please define the eventual business relations between the parent company and the listed subsidiary company, and between the latter and the other group companies.

Non applicable

Please identify the mechanisms provided to resolve eventual conflicts of interest between the listed subsidiary and the other group companies:

Non applicable

E. SYSTEMS OF CONTROL AND RISK MANAGEMENT

E.1 Please explain the scope of the company’s Risk Management System, including tax risks.

The Company Risk Management process involves the identification, measurement, and prioritization of risks. It is an exercise that enables the Company to assess how significant each risk is in relation to the achievement of overall goals, and anticipate, control, and manages the most relevant risks via adequate procedures, and contingency plans to mitigate the impact of risk materialization. Risks are assigned owners responsible for valuation, mitigation, and action plans.

The Corporate Risk Map aggregates all critical strategic, compliance (legal, regulatory, and tax), financial reporting, and market risks with a potential impact on Group Strategic Objectives. It takes into consideration all brands across all geographies and markets, and is a fundamental element in the Group’s decision-making processes.

The Corporate Risk Map prioritizes risks according to impact (financial, operational, regulatory and reputational) and likelihood of occurrence (based on the quality of the following factors: Internal Controls and Processes, People, Technology and Audit &Fraud History).

Tax risks are incorporated within the umbrella of the Corporate Risk Map in the same way as any other risk, and scored and prioritized according to probability and impact.

E.2 Please identify the company's bodies responsible for preparing and executing the Risk Management System, including the tax area.

The Board of Directors of the Company has ultimate responsibility for establishing the basic principles and the general framework of action for the main risks to be identified, evaluated, managed and controlled appropriately. Risk Management is the responsibility of Senior Management.

In accordance with the Articles of Association, the Audit Committee of the Company is responsible for "periodically reviewing the adequacy and effectiveness of internal controls and the Risk Management System.

The Audit Committee is assisted by the Internal Audit Department in these functions. Specifically, the activities inherent to Internal Audit in relation to the Risk Management System of the Company are to provide a guarantee in relation to adequacy and the effectiveness of the Internal Control Systems, the Risk Management System and the internal audit system.

The Risk Assessment exercise is prepared with the input of all key stakeholders in the business, and where necessary with advice from external experts (legal, regulatory, and tax specialists).

E.3 Please indicate the main risks, including tax risks, which could affect the achievement of business objectives.

The main risks that may adversely affect our business, financial condition and results of operations are:

Risks Related to the Travel Industry (Outside Company control):

- General economic conditions
- The occurrence of events affecting travel safety, such as natural disasters and political and social instability.
- Deterioration in the financial condition or restructuring of operations of one or more of our major suppliers.
- Changes in current laws, rules and regulations and other legal uncertainties,
- Conditions required for obtaining and maintaining certain licenses or accreditations, especially IATA.
- Competitive landscape of the travel industry, rapidly changing market, evolving customer demand, and low barriers to entry
- Dependence on the level of Internet penetration

Risks Related to Our Business:

- Innovation and ability to keep up with rapid technological changes, and success of execution of changes.
- Failures in technology due to system interruption or cyberattack, and effectiveness of response plans.
- Dependence on significant third party supplier relationships for; content, commissions, incentive payments, advertising and metasearch revenue, systems, processing, and fees.
- Reliance on the value and strength of our brands, and increased costs of maintaining and enhancing brand awareness.
- Changes in search engine algorithms and search engine relationships.
- Exposure to risks associated with booking and payment fraud.
- Human capital retention of highly skilled personnel and ability to attract and retain executives and other qualified employees.

- Processing, storage, use and disclosure of personal data and potential liabilities arising as a result of governmental and/or industry regulation.
- Adverse tax events.

Risks Related to Our Financial Profile:

- Impairments of goodwill and other intangible assets.
- Significant leverage and financial products subject to restrictive debt covenants.
- Risks associated with currency fluctuations.
- Quality of financial information risk.

E.4 Please identify whether the entity has a risk tolerance level, including for tax risks.

Risks are evaluated on the basis of quantitative and qualitative factors based on the impact and the likelihood of occurrence. The results of the Corporate Risk Assessment exercise are consolidated into a heat map, scaling impact and probability. Senior Management proactively aims to ensure that adequate risk management measures are in place to address all key risks. These are defined as all those above the "tolerance curve" in the heat map (falling into the "medium to high impact" – "medium to high probability" quartile).

The exercise is performed periodically so that Management can evaluate and react to other risks that may have subsequently changed in profile and increased in significance.

Furthermore with regards to tax risks the Company does not apply aggressive tax planning and strives to be compliant with all tax compliance rules.

E.5 Please indicate what risks have materialized during the fiscal year, including tax risks.

Risks that have materialized during the fiscal year include:

- The various terrorist events (Paris, Brussels, Tunisia…), that occurred during the year, had a particularly negative impact in our French market.
- Significant increases in regulatory environment and consumer regulation in some of the geographical locations such as France, UK, and Ireland.
- Commercial and intellectual property disputes with Ryan Air.
- In September 2015, the German airline Lufthansa decided to introduce a surcharge of €16 for customers who buy their flights on a third-party website such as OTA websites. This resulted in a decrease in our sales volume of Lufthansa products. However, the net impact on our volumes was not significant, as our customers generally chose competing airlines in order to fulfill their needs.

E.6 Please explain the response and supervision plans for the entity's principal risks, including tax risks.

Each of the risks is assigned to a Senior Management owner in the business responsible for reporting back; key risk indicators used to measure the level of risk, business initiatives currently in place, and where necessary, business action plans for the future to further mitigate the risk. These responses are consolidated into a Consolidated Risk Assessment presentation which is shared with the Executive Committee, Audit Committee and Board of Directors who will review, and provide further input where relevant.

For risk areas that require specialist knowledge (such as tax and local legal or regulatory matters) external advisors may be used to provide expert assessment.

A periodic exercise is performed by Internal Controls & Compliance to obtain updates of the status and continued relevance of the key risks and of mitigating measures implemented to address them.

F. INTERNAL SYSTEMS OF CONTROL AND RISK MANAGEMENT IN RELATION TO THE PROCESS OF ISSUING FINANCIAL INFORMATION (SCIIF)

Please describe the mechanisms that form the control and risk management systems in relation to the process of issuing financial information (ICFR) of your entity.

F.1 Control environment of the entity

Please report on, indicating the principal characteristics, at least:

F.1.1. The bodies and/or functions responsible for: (i) the existence and regular updating of a suitable, effective ICFR; (ii) its implementation; and (iii) its monitoring.

The following bodies are responsible for maintaining and supervising the eDreams ODIGEO ICFR framework:

Board of Directors

The Board of Directors of eDreams ODIGEO (hereinafter referred to as the Company), is the organizational body upon which rests the final responsibility for ensuring there is an adequate internal controls framework and risk management process in place to manage financially reported information.

The Board of Directors is responsible for approving the risk control and management policy, as well as the periodical monitoring of the internal information and control systems.

Audit Committee

The Articles of Association and Internal Rules of Procedure of the Board of Directors state that the primary duty of the Audit Committee shall be to support the Board of Directors in its supervisory duties.

The Audit Committee is responsible for supervising the Internal Control System. Among its functions with respect to the internal control and reporting systems, as Delegated Committee of the Board of Directors, are the following:

- To manage and report the main risks identified as consequence of the monitoring of the efficiency of the company internal controls by Internal Audit.
- To ensure the independence and efficacy of the Internal Audit function; propose the selection, appointment, reappointment, and removal of the Group Internal Audit Director; propose the department’s budget; receive regular reports on its activities; and verify that senior management takes into account the findings and recommendations of its reports
- To establish and supervise a mechanism whereby staff can report, confidentially and, if appropriate, anonymously, potentially significant irregularities within the company that they detect, in particular financial or accounting irregularities

Group Internal Audit Department

The Group Internal Audit department reports to the Audit Committee, and assists it in its mandate of monitoring the effectiveness of the company´s internal control and risk management systems. This is achieved via the performance of internal controls, financial and operational reviews, which result in periodic reports on deficiencies detected and the actions plan proposed to remediate them.

Governance Risk Compliance Department

The main responsibilities of the Governance Risk Compliance department, as part of the Finance Function, are:

- Maintenance and update of the internal controls framework over financial reported information with input from control owners
- Advice and assessment of the relevance, and degree of compliance with Group Policies and Procedures
- Monitoring compliance with internal controls over Financial Statements
- Training of Finance personnel on internal controls and best practice
- Supporting the Group Internal Audit Department with testing procedures
- Follow up on corrective actions proposed by the Group Internal Audit

Other bodies – Finance & Controlling Function

The functional teams within eDreams ODIGEO, primarily Finance & Controlling headed by the Chief Financial Officer (a member of the Executive Committee), also play a critical role in ICFR as they are responsible for the documentation, maintenance, and update of the various procedures that govern their operations, and for identification of the tasks to be carried out, as well as assigning ownership for them.

F.1.2. The existence of, especially in connection with the financial reporting process, the following components:

- The departments and/or mechanisms are in charge of: (i) the design and review of the organizational structure; (ii) defining clear lines of responsibility and authority, with an appropriate distribution of tasks and functions; and (iii) deploying procedures so this structure is communicated effectively throughout the company, with particular regard to the financial reporting process.
- Code of conduct, approving body, dissemination and instruction, principles and values covered (stating whether it makes specific reference to record keeping and financial reporting), body in charge of investigating breaches and proposing corrective or disciplinary action.
- 'Whistle-blowing' channel, for the reporting to the audit committee of any irregularities of a financial or accounting nature, as well as breaches of the code of conduct and malpractice within the organization, stating whether reports made through this channel are confidential.
- Training and refresher courses for personnel involved in preparing and reviewing financial information or evaluating ICFR, which address, at least, accounting rules, auditing, internal control and risk management.

Organizational Structure

At an Executive level the Board of Directors as advised by the Remuneration and Nomination Committee is responsible for the appointment and removal of senior personnel. The design and review of the organizational structure as a whole is a responsibility that rests with the Company CEO, who ensures that all departments are adequately resourced and fully aligned with the overall Company goals.

On a Finance departmental level, the Chief Financial Officer and the Group Financial Controller, together with the HR function, are responsible for ensuring that; the team is adequately staffed, that all personnel involved in the preparation of the financial statements of the Group are appropriately qualified, and that they have received the necessary training and updates on International Financial Reporting Standards, local GAAP, and in principles of internal control of financial information.

The Group Human Resource function is responsible for the maintenance and continuous update of the detailed Group organizational chart, which is available to all employees for consultation on the corporate intranet.

Code of Conduct

The Company has two main codes of conduct issued to employees on joining the Company, and available for further consultation on the Corporate intranet as well as the Corporate website. Employees are required to read them and sign as acknowledgement.

Internal Regulations for Conduct in the Securities Markets:

This Internal Regulations (approved by the Board on March 18th, 2014), forms part of the Company´s corporate governance system and sets out the standards of performance that Company employees must observe and respect with regards to Securities Markets. As a publicly-traded company, it is the duty and intention of the Company and the eDreams ODIGEO Group to behave at all times with the utmost diligence and transparency, reducing to a minimum any risk of conflict of interest, and ultimately ensuring that investors receive proper and timely information, for the benefit of the integrity of the market.

Business Code of Conduct

The Business Code of Conduct is applicable to all employees anywhere in the world employed or otherwise engaged by the eDreams ODIGEO Group, and also includes seconded and temporary employees, third party contractors, and any other person or organization representing or acting on behalf of the Company. The code is designed to provide a frame of reference for the integrity of conduct with respect to; confidentiality of data and information, the treatment of intellectual property, privacy and data protection, transparency, communication with the media, relationships with competitors and fellow employees, social corporate responsibilities, conflicts of interest, and the reporting of any infringements.

“Whistle-blowing” channels

Per the Internal Rules of Procedure of the Board of Directors, article 10.3 c, the role of the Audit Committee is to establish and supervise a mechanism whereby staff can report, confidentially and, if appropriate, anonymously, potentially significant irregularities within the company that they detect, in particular financial or accounting irregularities

The Business Code of Conduct expressly states that any employee who has knowledge of any questionable or possibly illegal actions affecting the Company is required to report such actions promptly to the employee's line manager or a member of the Human Resources Department. Breaches of this Code should be reported immediately to the Corporate Code Committee, consisting of the General Counsel and the Chief People Officer. The Corporate Code Committee is responsible for maintaining the Business Code of Conduct. A generic email address is available to report to the Corporate Code Committee and where appropriate, complaints can be made on a confidential basis. All complaints are investigated. The Company prohibits retaliation against any employee for such reports made in good faith, while it also protects the rights of the incriminated person.

To date this process has been managed internally by the Chief People Officer & Legal Counsel, however for the coming fiscal year the Company is working towards the formalization of; quarterly Corporate Code Committee meetings, reporting of significant issues to the Audit Committee as part of the quarterly internal controls reporting process, and the design of a repository (accessible by the Audit Committee) logging all reported issues/concerns.

Training

The Company is firmly committed to and proactively encourages continuous refresher training on key accounting policy and legislation changes for all employees directly involved with the preparation of financially reported data.

Training requirements are determined internally by Finance Line Managers and Human Resources on the basis of performance reviews. Training agendas are set in coordination with advice on regulatory and accounting policy changes from external advisors (external auditors, consultants, and other relevant accounting and compliance subject matter experts).

During the fiscal year key Company Finance Controlling and Compliance personnel have attended monographic seminars and webinars on key regulatory, governance, risk, and compliance, and IFRS subject matter, provided by external consultants.

The Company subscribes to various publications which offer up-to-date information on the evolution of the business and regulatory environment of the activities performed by the Group and on International Financial Information Standards and internal control.

F.2 Risk assessment in financial reporting

Please report, at least, on:

F.2.1. the main characteristics of the risk identification process, including risks of error or fraud, stating whether:

- The process exists and is documented:

As explained above in Section E, eDreams ODIGEO has a Corporate Risk Assessment Procedure which is executed on a periodic basis. This risk mapping procedure details the risks identified by the organization, which are classified into the following categories; compliance, market, operational, and quality of financial information. Each risk is assigned probability of occurrence score, and an impact (monetary and operational) score, and the results analyzed by Senior Management, who will provide feedback regarding mitigating business actions in place, actions to be implemented and accepted levels of tolerance.

A mapping exercise is performed of the risks identified in the ICFR business process (Revenue, Procurement, HR & Payroll, Treasury, IT General Computer Controls) controls matrices to the Corporate Risk Map to ensure all control risks are included.

- The process covers all financial reporting objectives, (existence and occurrence; completeness; valuation; presentation, disclosure and comparability; and rights and obligations), is updated and with what frequency.

The risk identification procedure and ICFR controls process covers all the financial reporting objectives; of existence and occurrence, completeness, valuation, presentation, disclosure and fraud. The formal Corporate Risk Map is produced on an annual basis, and an informal update exercise to risk scores and continued relevance is performed every 6 months.

- A specific process is in place to define the scope of Consolidation, with reference to the possible existence of complex corporate structures, special purpose vehicles, holding companies. etc.

The Consolidation perimeter of eDreams ODIGEO is subject to revisions during each quarterly closing. The Consolidation department is responsible for analyzing companies that enter and exit the perimeter. Both the formation and acquisition of companies, as well as their sale or dissolution, are subject to internal authorization processes that permit the clear identification of all entries and exits to and from the consolidation perimeter.

- The process addresses other types of risk (operational, technological, financial, legal, reputational, environmental, etc.) insofar as they may affect the financial statements.

The Company Risk Management Model covers four key areas of risk:

- Operational Risk (technological, reputational, etc.)
- Quality of Financial Information which includes risks associated with the accuracy, completeness and publication of reporting information.
- Compliance (legal, industry related, financial, fiscal, and corporate governance)
- Market (Sector related, strategic)

- Finally, which of the company's governing bodies is responsible for overseeing the process

The Board of Directors, through the Audit Committee, is the body in the entity which oversees the process, as defined in Article 10.3 of the Internal Rules of Procedure of the Board of Directors. "The role of the Audit Committee with respect to the internal control and reporting systems is to manage and report the main risks identified as consequence of the monitoring of the efficiency of the company internal controls and internal auditor, if applicable"

F.3 Control activities

Please report, indicating their principal characteristics, on whether you have at least:

F.3.1. Procedures for reviewing and authorizing the financial information and description of ICFR to be disclosed to the markets, stating who is responsible in each case, together with the documentation and flow charts of activities and controls (including those addressing the risk of fraud) for each type of transaction that may materially affect the financial statements, including procedures for the closing of accounts and for the separate review of critical judgments, estimates, evaluations and projections.

Review & Authorization of Financial Information:

The Group reports consolidated financial information to the Spanish National Securities Market Comissions (CNMV) on a quarterly basis. This information is prepared by the Group Accounting and Consolidation department who report directly to the Chief Financial Officer. The department performs a series of period end control activities to ensure the accuracy and completeness of the financial information reported, giving particular attention to areas that involve judgment, estimation, and projections. The consolidated financial information is reviewed and approved by the CEO, Audit Committee, and the Board prior to release to the stock market.

ICFR Framework

The Company ICFR model consists of Financial Risk and Control Matrix that includes the six main business cycles considered relevant for the preparation of the Financial Statements plus Entity Level Controls (ELC):

- Financial Close Reporting and Group Consolidation
- Procurement and accounts payable management;
- Revenue and accounts receivable management;
- Treasury;
- Human Resources;
- IT General Controls (ITGC)
- Entity Level Controls (ELC): These controls work transversally, and are designed to supervise the effectiveness of the internal control framework as a whole. The Company classifies ELC´s in accordance with the COSO control framework, which considers the following components:
    - Environment of control;
    - Evaluation of the risk;
    - Control activities;
    - Information and communication;
    - Supervision;

The six main business cycles are divided into sub-processes, adapted to the particularities of the business operations of each country or region. The Financial Risk and Control Matrices are structured in the following way:

- **Control objectives:** Control requirements which must be fulfilled in each activity of the process. They are intended to ensure the reliability of the financial information, covering the premises of; integrity, existence and occurrence, valuation and measurement, presentation and disclosure, and rights and obligation.
- **Risks**: The resulting impact of the control objective not being in place on the capacity of the Group to achieve its financial information goals, including the risk of fraud.
- **Control**: Policies, procedures, and other actions generally incorporated within the business process, designed to ensure achievement of the control objective over the financial statements and/or to prevent fraudulent activities. The controls are sub-categorized as; preventive or detective depending on the stage of the business process at which they are executed, and manual, semi-automated or automated, as defined by the means by which they are executed. Control owners have been defined for each control activity.
- **Control Evidence:** The documentation kept by the control owner (company personnel), to ensure that the controls framework can be monitored and audited on a periodical basis.

Ownership & Responsibility:

- Business control owners are responsible for the timely execution of the controls defined within the framework.
- Governance, risk, and compliance are responsible for the supervision, maintenance and update of the internal controls framework.
- Internal Audit is responsible for the review and testing of the framework of internal controls over financial information to validate whether they are effective in design and operation. All issues identified are validated with the control/process owner, and the necessary remediation action plans and timings agreed with them.

- The results of the periodic ICFR review are shared with Company Management, the Audit Committee, and the Board, who are committed to providing the resources required to assist with remediation.

The Group uses an automated tool, Archer GRC (Governance Risk and Compliance), to manage the controls framework, evaluation of design and operating effectiveness, and control issues identified.

F.3.2. Internal control policies and procedures for IT systems (including secure access, control of changes, system operation, continuity and segregation of duties) giving support to key company processes regarding the preparation and publication of financial information.

The Group has implemented an internal controls framework over IT systems that support the relevant processes impacting the financial statements. This model is based on COSO and COBIT (ISACA recommendations) and includes an IT General Controls (hereinafter ITGC), risk matrix as well as policies and procedures in order to mitigate risks related to IT and security.

Internal Audit works closely with the IT Security Office, IT Development and IT Operations, identifying critical systems impacting the financial statements reporting process, and evaluating the design and operating effectiveness of the key controls in the ITGC matrix with respect to these systems. This contributes to ensure the quality and reliability of the information reported to the markets.

The ITGC matrix is comprised of the following main areas:

- Physical & Logical Security of Systems, Programs, and Data
- Program Changes and Program Development
- Computer Operations

Physical & Logical Security of Systems, Programs, and Data

This area contains the controls required to ensure the following:

i) Computing facilities are appropriately managed in order to ensure that physical access is appropriately restricted to authorized personnel and the necessary environmental conditions are maintained to operate Information Systems.
ii) Systems are adequately configured and monitored to ensure sufficient levels of information system security to safeguard against unauthorized access to systems or modifications to programs and data that could result in incomplete, inaccurate, invalid processing or recording of financial information.

Program Changes and Program Development

i) Changes to eDreams ODIGEO applications and software are properly authorized, tested, approved, implemented and documented.
ii) Programs and systems changes are appropriately managed to minimize the likelihood of disruption, unauthorized alterations and errors which impact the accurate, complete, and valid processing and recording of financial information.

Computer Operations

i) Information systems are adequately operated and monitored in order to ensure system availability and data integrity.

ii) Incidents arising during the course of normal business operations are adequately resolved in a timely manner.
iii) Business Continuity and Disaster Recovery Plan is in place in order to ensure business operations in case of a contingency.

During FY16 the Company began the roll-out project of new middle and back office systems across the Group in order to standardize processes, gain efficiency, and improve the quality of controls. Management also continued to strongly focus and reinforce compliance with PCI Standards (Payment Card Industry Data Security Standards) of all key systems across the Group.

The Vacaciones eDreams, S.L. subsidiary has successfully obtained the PCI DSS v3.1 certification during FY16 ensuring that the Company has implemented appropriate security measures to store, process and transmit cardholder data in the ecommerce operations.

F.3.3. Internal control policies and procedures for overseeing the management of outsourced activities, and of the appraisal, calculation or valuation services commissioned from independent experts, when these may materially affect the financial statements.

The Company outsources a number of activities.

When the Company outsources an activity or uses the services of an independent expert, measures are taken to verify the competence, technical capacity, and level of internal controls. This can take the variety of forms: Service Level Agreement conditions, Certifications such as ISAE3402 and SSAE16, etc…depending on the outsourced activity.

The Company is continuously working on improving the Internal Control policies and procedures for overseeing the management of outsourced activities. During FY16 the Company updated the Group Third Party Outsourced Policy and Procedure in order to ensure controls in this area were more robust. The Policy provides clear guidance on the criteria that must be used in selection of an outsourced supplier, key clauses that need to be included in the agreement, and ongoing monitoring procedures that should be followed. An inventory of suppliers was performed to ensure that all relevant suppliers were captured within the umbrella of this updated policy.

Outsourced activity risk and mitigating controls are included in the ICFR model and the Company´s Risk Management Model.

F.4 Information and communication

Please report, indicating their principal characteristics, on whether you have at least:

F.4.1. The entity has a specific function in charge of defining and maintaining accounting policies (accounting policies area or department) and settling doubts or disputes over their interpretation, which is in regular communication with the team in charge of operations. A manual of accounting policies regularly updated and communicated to all the company's operating units.

The Group Accounting and Consolidation department, reporting directly to the Chief Financial Officer, is responsible for the definition, update and dissemination of accounting policies, and resolution of interpretation doubts or conflicts. There is a constant flow of communication flow of information between this Group function and the different Finance and Operations teams, who are proactively encouraged to escalate all doubts they have in application of accounting and financial reporting policies.

Group Accounting and Consolidation maintain a library of key accounting policies which are updated when necessary to reflect changes in local or international accounting rules. This library is available on a Group shared folder, accessible to all stakeholders involved in the drafting and review of financial information.

Training sessions are provided periodically (by Group Controlling personnel and by external subject matter experts) to Finance Managers and Controllers in order to keep them up to date with the interpretation and application of any changes in accounting legislation and rules. These Finance managers and Controllers are then responsible for cascading this knowledge down to their teams.

The Group's external auditor, for consolidated statements and subsidiary statutory accounts, request and review that the financial information reported follows the principles stated in the Group's Accounting Policies.

F.4.2. Mechanisms in standard format for the capture and preparation of financial information, which are applied and used in all units within the entity or group, and support its main financial statements and accompanying notes as well as disclosures concerning ICFR.

All Group companies report their individual financial statements and the notes and account breakdowns for the preparation of the consolidated annual accounts to the Group Accounting and Consolidation Department, integrated within the Finance Department

At month end, in order to report all financial information, the local entities upload their local trial balances to the HFM (Hyperion consolidation system) using the FDM module of HFM. Several checks are performed in the FDM module to validate the accuracy and completeness of the local trial balance, before it is transferred to the consolidation system "HFM". The HFM system is managed centrally and uses one single accounting plan. The loading of the information is an automatic process directly from the local Finance back office systems of the different subsidiaries.

The ICFR internal control system evaluates control activities for the local subsidiary month end closing process as well as the consolidation closing process conducted by the Group Controlling and Consolidation Department.

The Company is in the process of implementing single middle office and back office systems throughout the entire Group to replace all local legacy middle and back office systems, which will standardize financial operations and reporting at a local subsidiary level throughout the Group.

F.5 Supervision of the functioning of the system

Please report, indicating their principal characteristics, on at least:

F.5.1. Describe the ICFR monitoring activities undertaken by the audit committee together with a description of the internal audit function whose competencies shall include supporting the audit committee in its role of monitoring the internal control system, including ICFR. Also, describe the scope of the ICFR assessment conducted in the year and the procedure for the person in charge to communicate its findings. State also whether the company has an action plan specifying corrective measures for any flaws detected, and whether it has taken stock of their potential impact on its financial information.

a) ICFR monitoring activities undertaken by the audit committee.

The Audit Committee is the advisory body through which the Board of Directors executes the maintenance and supervision of the ICFR. As part of this function, and to achieve the objectives of the Board, the Committee:

- Receives and reviews the financial information that the Company must periodically make public to markets and to regulatory bodies
- Receives regular information from the external auditor on the audit plan and the results of the implementation thereof, and checks that senior management takes its recommendations into account.
- Guides and supervises the activities of the Internal Audit Area, including; approval of the annual plan and monitoring of senior management actions on recommendations raised as a result of reviews.
- To examine compliance with: the internal regulations for conduct in the securities market, with Internal Rules of Procedure and, in general, with the rules are of good corporate governance of the company and make any appropriate proposals for improvement.

The Audit Committee, via the Internal Audit Department, supervises and monitors the effectiveness of the Company´s internal control system, and ICFR. The Audit Committee is regularly informed by the Group Internal Audit Director on the design and operating assessment of the effectiveness of the ICFR, any weaknesses detected during the course of the Internal Audit work, and on remediation plans or actions already undertaken to address the weaknesses detected.

The Internal Audit Plan for the assessment of the ICFR is presented to the Audit Committee for final validation and approval before execution, in order to ensure that it addresses and covers all the Committee's concerns.

The Committee's procedures are documented in the minutes of each meeting held.

b) Internal Audit Function.

Internal Audit activity is carried out by the Group Internal Audit Department. The Group Internal Audit Director reports directly to the Audit Committee Chairman, and will report any issues raised as a result of the execution of its annual work plan and shall submit a presentation at the end of each financial quarter summarizing activity undertaken, issues arising, and planned activity for the following quarter.

With regards to the ICFR monitoring activities, the Group Internal Audit Department is responsible for:

- Performing Independent assessments of the internal control model for financial reporting (ICFR).
- Performing tests of management's basis for assertions.
- Perform design and operating effectiveness testing on internal controls for the Group companies in scope
- Supporting in the identification of control gaps and reviewing management plans for correcting control gaps.
- Performing follow-up reviews to ascertain whether control gaps have been adequately addressed.
- Acting as coordinator between management and the external auditor as to discussions of scope and testing plans.

c) Scope of evaluation of the Internal Control System with regard to Financial Reporting

During FY16 Internal Audit completed a review of the ICFR controls design and operating effectiveness in the critical business processes at all in scope Group entities (including information systems).

The determination of scope entities depended on factors such as; contribution to Group Revenue Margin, EBITDA, and whether the entity was newly acquired or had a prior history of control issues.

All key ICFR controls were scoped in; some non-key controls rated as effective last year were rotated out of scope.

A validation exercise was carried out of the status of all issues identified in the prior year, performing retest and validation of all control issues reported by Management as remediated.

The results of this review serve as the basis for the supervision of the Internal controls over financially reported data.

d) Communication of results and corrective measure action plans.

Internal Audit Management informs Financial Management and the Audit Committee of all significant internal controls weaknesses detected during the ICFR reviews carried out over the year, as well as the degree of execution of action plans and any mitigating measures implemented during the months subsequent to the review. Weaknesses in internal controls identified in Internal Audit reviews are categorized as; high, medium or low; depending on the significance they may have if an error materializes in the financial statements. Management are required to set out action plans for remediation, business owners, and estimated due dates for remediation.

Internal Audit performs quarterly update reviews with Management on the status of all open issues. This updated information is included in the Quarterly Internal Controls status update presentation shared by Internal Audit with Senior Management, the Audit Committee, and the Board.

F.5.2. A discussion procedure whereby the auditor (pursuant to TAS), the internal audit function and other experts can report any significant internal control weaknesses encountered during their review of the financial statements or other assignments, to the company's senior management and its audit committee or board of directors. State also whether the entity has an action plan to correct or mitigate the weaknesses found.

The Audit Committee meets as many times as its Chairman deems necessary for the fulfillment of its obligations, at least four (4) times per year to obtain and analyze the information necessary to discharge the duties entrusted to it. Any member of the Board of Directors, company officer or employee of the eDreams ODIGEO Group, may be requested to attend meetings of the Committee on requirement of its Chairman. The Committee may require the presence of the external auditor in its meetings.

The external auditor of the Group may request direct access with the Management, for meetings both to obtain the necessary information to carry out its task and to communicate any control weaknesses identified as a result of its auditing work. For the first time this year, the external auditor will report to the Audit Committee on “gaps” and/or improvements detected relating to the Internal Control System.

As explained in section F.5.1. Internal Audit provides the Audit Committee with a quarterly report detailing all significant internal control weaknesses and Management´s action plan to remediate.

F.6 Other relevant information

There is no other significant information regarding the Internal Control System applicable to the Company's financial information.

F.7 External audit report

Please report on:

F.7.1. State whether the ICFR information supplied to the market has been reviewed by the external auditor, in which case the corresponding report should be attached. Otherwise, explain the reasons for the absence of this review.

The ICFR information included has not been subject to review by the external auditor given that the Group continues to introduce the improvements and recommendations arising from the Financial Reporting Internal Control System revision process, formally implemented for the first time in fiscal year 31st March, 2015.

DEGREE OF MONITORING OF RECOMMENDATIONS OF CORPORATE GOVERNANCE

Please indicate the degree of monitoring of the company with respect to the recommendations of the Unified Code of Good Governance.

In the event that a recommendation is not followed or is followed partially, please include a detailed explanation of its reasons in such a manner that the shareholders, the investors and the market in general have sufficient information to evaluate the company's procedures. Explanations of a general nature will not be acceptable.

1. That the Bylaws of the listed companies not limit the maximum number of votes the same shareholder may cast, or contain other restrictions that make difficult the taking of control of the company through the acquisition of its shares on the Market.

Complies ☑ Explain □

2. When a dominant and subsidiary company are both listed, they should provide detailed disclosure on:

a) The activity they engage in and any business dealings between them, as well as between the listed subsidiary and other group companies.

b) The mechanisms in place to resolve possible conflicts of interest.

Complies □ Partially complies □ Explain □ Not applicable ☑

3. During the annual general meeting the Chairman of the Board should verbally inform shareholders in sufficient detail of the most relevant aspects of the company's corporate governance, supplementing the written information circulated in the annual corporate governance report. In particular:

a. Changes taking place since the previous annual general meeting.
b. The specific reasons for the company not following a given Good Governance Code recommendation, and any alternative procedures followed in its stead.

Complies ☑ Partially complies □ Explain □

4. The company should draw up and implement a policy of communication and contacts with shareholders, institutional investors and proxy advisors that complies in full with market abuse regulations and accords equitable treatment to shareholders in the same position.

This policy should be disclosed on the company's website, complete with details of how it has been put into practice and the identities of the relevant interlocutors or those charged with its implementation

Complies ☐ Partially complies ☑ Explain ☐

The Corporate Website of eDreams ODIGEO, Investors Section, contains detailed information relating to investors roadshows held, results presentations and Investor Relations Contact details.

http://www.edreamsodigeo.com/investors/investors-agenda/2016/01/2016/

There is a specific Section under Corporate Governance where investors can refer to the rules of Organisation including: Internal Regulation for Conduct in the Security Market and Regulations for the General Shareholder´s Meeting

http://www.edreamsodigeo.com/investors/corporate-governance/rules-of-organization/

5. The Board of Directors should not make a proposal to the general meeting for the delegation of powers to issue shares or convertible securities without pre-emptive subscription rights for an amount exceeding 20% of capital at the time of such delegation.

When a Board approves the issuance of shares or convertible securities without pre-emptive subscription rights, the company should immediately post a report on its website explaining the exclusion as envisaged in company legislation.

Complies ☑ Partially complies ☐ Explain ☐

6. Listed companies drawing up the following reports on a voluntary or compulsory basis should publish them on their website well in advance of the annual general meeting, even if their distribution is not obligatory:

a) Report on auditor independence.

b) Reviews of the operation of the Audit Committee and the nomination and remuneration committee.

c) Audit Committee report on third-party transactions.

d) Report on corporate social responsibility policy.

Complies ☐ Partially complies ☐ Explain ☑

As per 31st March, 2016, the Company did not publish any of these reports on its website.

eDreams ODIGEO was listed for the first time in April 2014, and this year represents the close of the second full year as a member of the Spanish Stock Exchange; as a Group it is continually striving to expand its policies, procedures, and reporting to ensure compliance with recommended best corporate governance practice. On its agenda for the upcoming fiscal year is formalization of a number of policies and reports among which are included; the report on auditor independence, and the area of corporate social responsibility.

An evaluation exercise has been performed for fiscal year 2016 in relation to the effectiveness of the Board and its Committees (Audit, and Remuneration & Nomination). However, these have not been published on the Corporate website this year. (See relevant section C.1.20, C.1.20bis, C.1.20ter in this report)

No report has been prepared by the Audit Committee in relation to third party transactions with directors and significant shareholders as none occurred during the fiscal year. (See relevant section D in this report).

7. The company should broadcast its general meetings live on the corporate website.

Complies ☐ Explain ☑

The Company broadcasts all the quarterly results but not the Annual General Meeting

8. The Audit Committee should strive to ensure that the Board of Directors can present the company's accounts to the general meeting without limitations or qualifications in the auditor's report. In the exceptional case that qualifications exist, both the Chairman of the Audit Committee and the auditors should give a clear account to shareholders of their scope and content.

Complies ☑ Partially complies ☐ Explain ☐

9. The company should disclose its conditions and procedures for admitting share ownership, the right to attend general meetings and the exercise or delegation of voting rights, and display them permanently on its website.

Such conditions and procedures should encourage shareholders to attend and exercise their rights and be applied in a non-discriminatory manner.

Complies ☑ Partially complies ☐ Explain ☐

10. When an accredited shareholder exercises the right to supplement the agenda or submit new proposals prior to the general meeting, the company should:

a) Immediately circulate the supplementary items and new proposals.

b) Disclose the model of attendance card or proxy appointment or remote voting form duly modified so that new agenda items and alternative proposals can be voted on in the same terms as those submitted by the Board of Directors.

c) Put all these items or alternative proposals to the vote applying the same voting rules as for those submitted by the Board of Directors, with particular regard to presumptions or deductions about the direction of votes.

d) After the general meeting, disclose the breakdown of votes on such supplementary items or alternative proposals.

Complies ☑ Partially complies ☐ Explain ☐ Not applicable ☐

11. In the event that a company plans to pay for attendance at the general meeting, it should first establish a general, long-term policy in this respect.

Complies ☐ Partially complies ☐ Explain ☐ Not applicable ☑

12. The Board of Directors should perform its duties with unity of purpose and independent judgement, according the same treatment to all shareholders in the same position. It should be guided at all times by the company's best interest, understood as the creation of a profitable business that promotes its sustainable success over time, while maximising its economic value.

In pursuing the corporate interest, it should not only abide by laws and regulations and conduct itself according to principles of good faith, ethics and respect for commonly accepted customs and good practices, but also strive to reconcile its own interests with the legitimate interests of its employees, suppliers, clients and other stakeholders, as well as with the impact of its activities on the broader community and the natural environment.

Complies ☑ Partially complies □ Explain □

13. The Board of Directors should have an optimal size to promote its efficient functioning and maximise participation. The recommended range is accordingly between five and fifteen members. Complies ☑ Explain □

14. The Board of Directors should approve a director selection policy that:

a) Is concrete and verifiable;

b) Ensures that appointment or re-election proposals are based on a prior analysis of the Board's needs; and

c) Favours a diversity of knowledge, experience and gender.

The results of the prior analysis of Board needs should be written up in the nomination committee's explanatory report, to be published when the general meeting is convened that will ratify the appointment and re-election of each director.

The director selection policy should pursue the goal of having at least 30% of total board places occupied by women directors before the year 2020.

The nomination committee should run an annual check on compliance with the director selection policy and set out its findings in the annual corporate governance report.

Complies ☑ Partially complies □ Explain □

15. Proprietary and independent directors should constitute an ample majority on the Board of Directors, while the number of executive directors should be the minimum practical bearing in mind the complexity of the corporate group and the ownership interests they control.

Complies ☑ Partially complies □ Explain □

16. The percentage of proprietary directors out of all non-executive directors should be no greater than the proportion between the ownership stake of the shareholders they represent and the remainder of the company's capital.

This criterion can be relaxed:

a) In large cap companies where few or no equity stakes attain the legal threshold for significant shareholdings.

b) In companies with a plurality of shareholders represented on the Board but not otherwise related.

Complies ☑ Explain □

17. Independent directors should be at least half of all Board members.

However, when the company does not have a large market capitalisation, or when a large cap company has shareholders individually or concertedly controlling over 30 percent of capital, independent directors should occupy, at least, a third of Board places.

Complies ☑ Explain □

18. Companies should disclose the following director particulars on their websites and keep them regularly updated:

a) Background and professional experience.

b) Directorships held in other companies, listed or otherwise, and other paid activities they engage in, of whatever nature.

c) Statement of the director class to which they belong, in the case of proprietary directors indicating the shareholder they represent or have links with.

d) Dates of their first appointment as a Board member and subsequent reelections.

e) Shares held in the company, and any options on the same.

Complies ☑ Partially complies ☐ Explain ☐

19. Following verification by the nomination committee, the annual corporate governance report should disclose the reasons for the appointment of proprietary directors at the urging of shareholders controlling less than 3 percent of capital; and explain any rejection of a formal request for a Board place from shareholders whose equity stake is equal to or greater than that of others applying successfully for a proprietary directorship.

Complies ☑ Partially complies ☐ Explain ☐ Not applicable ☐

20. Proprietary directors should resign when the shareholders they represent dispose of their ownership interest in its entirety. If such shareholders reduce their stakes, thereby losing some of their entitlement to proprietary directors, the latters' number should be reduced accordingly.

Complies ☑ Partially complies ☐ Explain ☐ Not applicable ☐

21. The Board of Directors should not propose the removal of independent directors before the expiry of their tenure as mandated by the bylaws, except where they find just cause, based on a proposal from the nomination committee. In particular, just cause will be presumed when directors take up new posts or responsibilities that prevent them allocating sufficient time to the work of a Board member, or are in breach of their fiduciary duties or come under one of the disqualifying grounds for classification as independent enumerated in the applicable legislation.

The removal of independent directors may also be proposed when a takeover bid, merger or similar corporate transaction alters the company's capital structure, provided the changes in Board membership ensue from the proportionality criterion set out in recommendation 16.

Complies ☑ Explain ☐

22. Companies should establish rules obliging directors to disclose any circumstance that might harm the organisation's name or reputation, tendering their resignation as the case may be, and, in particular, to inform the Board of any criminal charges brought against them and the progress of any subsequent trial.

The moment a director is indicted or tried for any of the offences stated in company legislation, the Board of Directors should open an investigation and, in light of the particular circumstances, decide whether or not he or she should be called on to resign. The Board should give a reasoned account of all such determinations in the annual corporate governance report.

Complies ☑ Partially complies ☐ Explain ☐

23. Directors should express their clear opposition when they feel a proposal submitted for the Board's approval might damage the corporate interest. In particular, independents and other directors not subject to potential conflicts of interest should strenuously challenge any decision that could harm the interests of shareholders lacking Board representation.

When the Board makes material or reiterated decisions about which a director has expressed serious reservations, then he or she must draw the pertinent conclusions. Directors resigning for such causes should set out their reasons in the letter referred to in the next recommendation.

The terms of this recommendation also apply to the secretary of the Board, even if he or she is not a director.

Complies ☑ Partially complies □ Explain □ Not applicable □

24. Directors who give up their place before their tenure expires, through resignation or otherwise, should state their reasons in a letter to be sent to all members of the Board. Whether or not such resignation is disclosed as a material event, the motivating factors should be explained in the annual corporate governance report.

Complies ☑ Partially complies □ Explain □ Not applicable □

25. The Nominations Committee should ensure that non-executive directors have sufficient time available to discharge their responsibilities effectively. The Board of Directors regulations should lay down the maximum number of company Boards on which directors can serve.

Complies □ Partially complies ☑ Explain □

The Internal Rules of Procedure of the Board of Directors, articles 6.3 and 6.6 required that each Director shall inform the Board of Directors of any other boards on which such Director holds a position, and such Director shall ensure that he/she devotes sufficient time and effort to perform his/her duties in respect of the Company efficiently.

Sideline activities, such as Board of Directors mandates outside the Company and Group, require the approval of the Board of Directors.

The Director Selection Policy states that the Board will take into consideration best practice recommendations of 2 outside mandates for Executive Directors, and 3 to 4 outside mandates for Non-Executive Directors.

26. The Board should meet with the necessary frequency to properly perform its functions, eight times a year at least, in accordance with a calendar and agendas set at the start of the year, to which each director may propose the addition of initially unscheduled items.

Complies □ Partially complies ☑ Explain □

During the fiscal year ended, 31st March 2016, the Board of Directors met formally seven times.

27. Director absences should be kept to a strict minimum and quantified in the annual corporate governance report. In the event of absence, directors should delegate their powers of representation with the appropriate instructions.

Complies ☑ Partially complies □ Explain □

28. When directors or the secretary express concerns about some proposal or, in the case of directors, about the company's performance, and such concerns are not resolved at the meeting, they should be recorded in the minute book if the person expressing them so requests.

Complies ☑ Partially complies □ Explain □ Not applicable □

29. The company should provide suitable channels for directors to obtain the advice they need to carry out their duties, extending if necessary to external assistance at the company's expense.

Complies ☑ Partially complies □ Explain □

30. Regardless of the knowledge directors must possess to carry out their duties, they should also be offered refresher programmes when circumstances so advise.

Complies ☑ Partially complies □ Explain □

31. The agendas of Board meetings should clearly indicate on which points directors must arrive at a decision, so they can study the matter beforehand or gather together the material they need.

For reasons of urgency, the Chairman may wish to present decisions or resolutions for Board approval that were not on the meeting agenda. In such exceptional circumstances, their inclusion will require the express prior consent, duly recorded, of the majority of directors present.

Complies ☑ Partially complies □ Explain □

32. Directors should be regularly informed of movements in share ownership and of the views of major shareholders, investors and rating agencies on the company and its group.

Complies ☑ Partially complies □ Explain □

33. The Chairman, as the person charged with the efficient functioning of the Board of Directors, in addition to the functions assigned by law and the company's bylaws, should prepare and submit to the Board a schedule of meeting dates and agendas; organise and coordinate regular evaluations of the Board and, where appropriate, the company's Chief Executive Officer;

exercise leadership of the Board and be accountable for its proper functioning; ensure that sufficient time is given to the discussion of strategic issues, and approve and review refresher courses for each director, when circumstances so advise.

Complies ☑ Partially complies □ Explain □

34. When a lead independent director has been appointed, the bylaws or Board of Directors regulations should grant him or her the following powers over and above those conferred by law: chair the Board of Directors in the absence of the Chairman or Vice-Chairmen give voice to the concerns of non-executive directors; maintain contacts with investors and shareholders to hear their views and develop a balanced understanding of their concerns, especially those to do with the company's corporate governance; and coordinate the Chairman's succession plan.

Complies □ Partially complies □ Explain □ Not applicable ☑

35. The Board Secretary should strive to ensure that the Board's actions and decisions are informed by the governance recommendations of the Good Governance Code of relevance to the company.

Complies ☑ Explain □

36. The Board in full should conduct an annual evaluation, adopting, where necessary, an action plan to correct weakness detected in:

a) The quality and efficiency of the Board's operation.

b) The performance and membership of its committees.

c) The diversity of Board membership and competences.

d) The performance of the Chairman of the Board of Directors and the company's Chief Executive.

e) The performance and contribution of individual directors, with particular attention to the chairmen of Board committees.

The evaluation of Board committees should start from the reports they send the Board of Directors, while that of the Board itself should start from the report of the nomination committee.

Every three years, the Board of Directors should engage an external facilitator to aid in the evaluation process. This facilitator's independence should be verified by the nomination committee.

Any business dealings that the facilitator or members of its corporate group maintain with the company or members of its corporate group should be detailed in the annual corporate governance report.

The process followed and areas evaluated should be detailed in the annual corporate governance report.

Complies ☑ Partially complies □ Explain □

37. When an Executive Committee exists, its membership mix by director class should resemble that of the Board. The secretary of the Board should also act as secretary to the Executive Committee.

Complies □ Partially complies □ Explain □ Not applicable ☑

38. The Board should be kept fully informed of the business transacted and decisions made by the Executive Committee. To this end, all Board members should receive a copy of the committee's minutes.

Complies □ Partially complies □ Explain □ Not applicable ☑

39. All members of the Audit Committee, particularly its Chairman, should be appointed with regard to their knowledge and experience in accounting, auditing and risk management matters. A majority of committee places should be held by independent directors.

Complies ☑ Partially complies □ Explain □

40. Listed companies should have a unit in charge of the internal audit function, under the supervision of the Audit Committee, to monitor the effectiveness of reporting and control systems. This unit should report functionally to the Board's non-executive Chairman or the Chairman of the Audit Committee.

Complies ☑ Partially complies □ Explain □

41. The head of the unit handling the internal audit function should present an annual work programme to the Audit Committee, inform it directly of any incidents arising during its implementation and submit an activities report at the end of each year.

Complies ☑ Partially complies □ Explain □ Not applicable □

42. The Audit Committee should have the following functions over and above those legally assigned:

1. With respect to internal control and reporting systems:

a) Monitor the preparation and the integrity of the financial information prepared on the company and, where appropriate, the group, checking for compliance with legal provisions, the accurate demarcation of the consolidation perimeter, and the correct application of accounting principles.

b) Monitor the independence of the unit handling the internal audit function; propose the selection, appointment, re-election and removal of the head of the internal audit service; propose the service's budget; approve its priorities and work programmes, ensuring that it focuses primarily on the main risks the company is exposed to; receive regular report-backs on its activities; and verify that senior management are acting on the findings and recommendations of its reports.

c) Establish and supervise a mechanism whereby staff can report, confidentially and, if appropriate and feasible, anonymously, any significant irregularities that they detect in the course of their duties, in particular financial or accounting irregularities.

2. With regard to the external auditor:

a) Investigate the issues giving rise to the resignation of the external auditor, should this come about.

b) Ensure that the remuneration of the external auditor does not compromise its quality or independence.

c) Ensure that the company notifies any change of external auditor to the CNMV as a material event, accompanied by a statement of any disagreements arising with the outgoing auditor and the reasons for the same.

d) Ensure that the external auditor has a yearly meeting with the Board in full to inform it of the work undertaken and developments in the company's risk and accounting positions.

e) Ensure that the company and the external auditor adhere to current regulations on the provision of non-audit services, limits on the concentration of the auditor's business and other requirements concerning auditor independence.

Complies ☑ Explain □

43. The Audit Committee should be empowered to meet with any company employee or manager, even ordering their appearance without the presence of another senior officer.

Complies ☑ Explain □

44. The Audit Committee should be informed of any fundamental changes or corporate transactions the company is planning, so the committee can analyse the operation and report

to the Board beforehand on its economic conditions and accounting impact and, when applicable, the exchange ratio proposed.

Complies ☑ Partially complies □ Explain □ Not applicable □

45. Risk control and management policy should identify at least:

a) The different types of financial and non-financial risk the company is exposed to (including operational, technological, financial, legal, social, environmental, political and reputational risks), with the inclusion under financial or economic risks of contingent liabilities and other off-balance-sheet risks.

b) The determination of the risk level the company sees as acceptable.

c) The measures in place to mitigate the impact of identified risk events should they occur.

d) The internal control and reporting systems to be used to control and manage the above risks, including contingent liabilities and off-balance-sheet risks.

Complies ☑ Partially complies □ Explain □

46. Companies should establish a risk control and management function in the charge of one of the company's internal department or units and under the direct supervision of the Audit Committee or some other dedicated Board committee. This function should be expressly charged with the following responsibilities:

a) Ensure that risk control and management systems are functioning correctly and, specifically, that major risks the company is exposed to are correctly identified, managed and quantified.

b) Participate actively in the preparation of risk strategies and in key decisions about their management.

c) Ensure that risk control and management systems are mitigating risks effectively in the frame of the policy drawn up by the Board of Directors.

Complies ☑ Partially complies □ Explain □

47. Appointees to the nomination and remuneration committee or of the nomination committee and remuneration committee, if separately constituted – should have the right balance of knowledge, skills and experience for the functions they are called on to discharge. The majority of their members should be independent directors.

Complies ☑ Partially complies □ Explain □

48. Large cap companies should operate separately constituted nomination and remuneration committees.

Complies □ Explain □ Not applicable ☑

49. The nomination committee should consult with the company's Chairman and Chief Executive, especially on matters relating to executive directors. When there are vacancies on the Board, any director may approach the nomination committee to propose candidates that it might consider suitable.

Complies ☑ Partially complies □ Explain □

50. The remuneration committee should operate independently and have the following functions in addition to those assigned by law:

a) Propose to the Board the standard conditions for senior officer contracts.

b) Monitor compliance with the remuneration policy set by the company.

c) Periodically review the remuneration policy for directors and senior officers, including share-based remuneration systems and their application, and ensure that their individual compensation is proportionate to the amounts paid to other directors and senior officers in the company.

d) Ensure that conflicts of interest do not undermine the independence of any external advice the committee engages.

e) Verify the information on director and senior officers' pay contained in corporate documents, including the annual directors' remuneration statement.

Complies ☑ Partially complies □ Explain

51. The remuneration committee should consult with the company's Chairman and chief executive, especially on matters relating to executive directors and senior officers.

Complies ☑ Partially complies □ Explain

52. The terms of reference of supervision and control committees should be set out in the Board of Directors regulations and aligned with those governing legally mandatory Board committees as specified in the preceding sets of recommendations. They should include at least the following terms:

a) Committees should be formed exclusively by non-executive directors, with a majority of independents.

b) They should be chaired by independent directors.

c) The Board should appoint the members of such committees with regard

to the knowledge, skills and experience of its directors and each committee's terms of reference; discuss their proposals and reports; and provide report-backs on their activities and work at the first Board plenary following each committee meeting.

d) They may engage external advice, when they feel it necessary for the discharge of their functions.

e) Meeting proceedings should be recorded and a copy made available to all Board members.

Complies ☑ Partially complies □ Explain □ Not applicable □

53. The task of supervising compliance with corporate governance rules, internal codes of conduct and corporate social responsibility policy should be assigned to one Board committee or split between several, which could be the Audit Committee, the nomination committee, the corporate social responsibility committee, where one exists, or a dedicated committee established ad hoc by the Board under its powers of self-organisation, with at the least the following functions:

a) Monitor compliance with the company's internal codes of conduct and corporate governance rules.

b) Oversee the communication and relations strategy with shareholders and investors, including small and medium-sized shareholders.

c) Periodically evaluate the effectiveness of the company's corporate governance system, to confirm that it is fulfilling its mission to promote the corporate interest and catering, as appropriate, to the legitimate interests of remaining stakeholders.

d) Review the company's corporate social responsibility policy, ensuring that it is geared to value creation.

e) Monitor corporate social responsibility strategy and practices and assess compliance in their respect.

f) Monitor and evaluate the company's interaction with its stakeholder groups.

g) Evaluate all aspects of the non-financial risks the company is exposed to, including operational, technological, legal, social, environmental, political and reputational risks.

h) Coordinate non-financial and diversity reporting processes in accordance with applicable legislation and international benchmarks.

Complies ☐ Partially complies ☑ Explain ☐

The Audit and the Remuneration and Nomination Committees are the bodies responsible for monitoring of compliance with; the company's internal codes of conduct and corporate governance rules, and evaluating the effectiveness of the company's corporate governance system.

As part of the Group risk assessment process the Audit Committee and Board evaluate all aspects of the non-financial risks the company is exposed to, including operational, technological, legal, social, environmental, political and reputational risks.

An evaluation exercise has been performed for fiscal year 2016 in relation to the effectiveness of the Board and its Committees (Audit, and Remuneration & Nomination). As a result of this action plans will be implemented to further improve the effectiveness of the Company´s Corporate Governance system.

eDreams ODIGEO was listed for the first time in April 2014, and this year represents the close of the second full year as a member of the Spanish Stock Exchange; as a Group it is continually striving to expand its policies, procedures, and reporting to ensure compliance with recommended best corporate governance practice.

54. The corporate social responsibility policy should state the principles or commitments the company will voluntarily adhere to in its dealings with stakeholder groups, specifying at least:

a) The goals of its corporate social responsibility policy and the support instruments to be deployed.

b) The corporate strategy with regard to sustainability, the environment and social issues.

c) Concrete practices in matters relative to: shareholders, employees, clients, suppliers, social welfare issues, the environment, diversity, fiscal responsibility, respect for human rights and the prevention of illegal conducts.

d) The methods or systems for monitoring the results of the practices referred to above, and identifying and managing related risks.

e) The mechanisms for supervising non-financial risk, ethics and business conduct.

f) Channels for stakeholder communication, participation and dialogue.

g) Responsible communication practices that prevent the manipulation of information and protect the company's honour and integrity.

Complies ☐ Partially complies ☐ Explain ☑

eDreams ODIGEO was listed for the first time in April 2014, and this year represents the close of the second full year as a member of the Spanish Stock Exchange; as a Group it is continually striving to expand its policies, procedures, and reporting to ensure compliance with recommended best corporate governance practice.

While no formal CSR Policy has yet been drafted the company is fully aware of its stakeholders, their expectations and any risks and impacts related to the company's activities, implementing the necessary measures to monitor, control and/or mitigate these.

One of the items on its agenda for the upcoming fiscal year will be the area of corporate social responsibility.

55. The company should report on corporate social responsibility developments in its directors' report or in a separate document, using an internationally accepted methodology.

Complies ☐ Partially complies ☐ Explain ☑

eDreams ODIGEO was listed for the first time in April 2014, and this year represents the close of the second full year as a member of the Spanish Stock Exchange; as a Group it is continually striving to expand its policies, procedures, and reporting to ensure compliance with recommended best corporate governance practice.

While no formal CSR Policy has yet been drafted the company is fully aware of its stakeholders, their expectations and any risks and impacts related to the company's activities, implementing the necessary measures to monitor, control and/or mitigate these.

One of the items on its agenda for the upcoming fiscal year will be the area of corporate social responsibility.

56. Director remuneration should be sufficient to attract individuals with the desired profile and compensate the commitment, abilities and responsibility that the post demands, but not so high as to compromise the independent judgement of non-executive directors.

Complies ☑ Explain ☐

57. Variable remuneration linked to the company and the director's performance, the award of shares, options or any other right to acquire shares or to be remunerated on the basis of share price movements, and membership of long-term savings schemes such as pension plans should be confined to executive directors.

The company may consider the share-based remuneration of non-executive directors provided they retain such shares until the end of their mandate.

This condition, however, will not apply to shares that the director must dispose of to defray costs related to their acquisition.

Complies ☑ Partially complies ☐ Explain ☐

58. In the case of variable awards, remuneration policies should include limits and technical safeguards to ensure they reflect the professional performance of the beneficiaries and not simply the general progress of the markets or the company's sector, or circumstances of that kind.

In particular, variable remuneration items should meet the following conditions:

a) Be subject to predetermined and measurable performance criteria that factor the risk assumed to obtain a given outcome.

b) Promote the long-term sustainability of the company and include non-financial criteria that are relevant for the company's long-term value, such as compliance with its internal rules and procedures and its risk control and management policies.

c) Be focused on achieving a balance between the delivery of short, medium and long-term objectives, such that performance-related pay rewards ongoing achievement, maintained over sufficient time to appreciate its contribution to long-term value creation. This will ensure that performance measurement is not based solely on one-off, occasional or extraordinary events.

Complies ☑ Partially complies □ Explain □ Not applicable □

59. A major part of variable remuneration components should be deferred for a long enough period to ensure that predetermined performance criteria have effectively been met.

Complies ☑ Partially complies □ Explain □ Not applicable □

60. Remuneration linked to company earnings should bear in mind any qualifications stated in the external auditor's report that reduces their amount.

Complies ☑ Partially complies □ Explain □ Not applicable □

61. A major part of executive directors' variable remuneration should be linked to the award of shares or financial instruments whose value is linked to the share price.

Complies ☑ Partially complies □ Explain □ Not applicable □

62. Following the award of shares, share options or other rights on shares derived from the remuneration system, directors should not be allowed to transfer a number of shares equivalent to twice their annual fixed remuneration, or to exercise the share options or other rights on shares for at least three years after their award.

The above condition will not apply to any shares that the director must dispose of to defray costs related to their acquisition.

Complies □ Partially complies □ Explain ☑ Not applicable □

Executive Directors can be awarded shares as part of the company's Performance Share Plan. No holding period has been established, however, there is a period defined from the date of vesting to the date of delivery of the shares. Should the beneficiary leave the company during that period the shares may be lost according to the Terms and Conditions of the Plan.

63. Contractual arrangements should include provisions that permit the company to reclaim variable components of remuneration when payment was out of step with the director's actual performance or based on data subsequently found to be misstated.

Complies □ Partially complies □ Explain ☑ Not applicable □

In line with the company's Remuneration Policy the company will consider including "Clawback" or "Malus" clauses in any new contracts or schemes signed with Executive Directors.

64. Termination payments should not exceed a fixed amount equivalent to two years of the director's total annual remuneration and should not be paid until the company confirms that he or she has met the predetermined performance criteria.

Complies ☑ Partially complies ☐ Explain ☐ Not applicable ☐

H OTHER INFORMATION OF INTEREST

1. If any relevant aspect exists on the subject of corporate governance at the company or at entities of the group that has not been reflected in the rest of the sections of this report, but is necessary to include in order to reflect a more complete and reasoned information on the structure and governing practices at the entity or its group, please detail them briefly.

2. Within this section, any other information, clarification or embellishment related to the above sections of the report may also be included to the extent they are relevant and non-repetitive.
Specifically, please indicate whether the company is subject to laws other than Spanish law on the subject of corporate governance and, as appropriate, include such information that it is required to furnish and which is different from that required in this report.

3. The company may also indicate whether it has voluntarily adhered to other codes of ethical principles or good practices, whether international, sectorial or of another scope. As appropriate, identify the code in question and the date of adherence. In particular, indicate whether the company has adhered to the Code of Best Tax Practices of July, 20 2010.

Point 1.

SECTION A.2

- LuxGoal Group is composed by: Luxgoal 2 S.à.r.l holding 0,8% of voting rights and Luxgoal 3 S.à.r.l holding 29,7% of voting right
- AXA Group is composed by: Axa LBO Fund IV FCPR holding 16,1% of voting rights and AXA LBO Fund IV Supplementary FCPR holding 1,8% of voting rights
- HG Vora Special Opportunities Master Fund, Ltd hold the number of direct voting rights reported; HG Vora Capital Management, LLC is entitled to exercise the voting rights attached to those shares.

Note that the number of Shares reported by each Significant Shareholder corresponds to the information publicly reported by as required under the Luxembourg regulation thresholds for reporting significant holdings.

SECTION A.3

Data at the end of the fiscal year ended 31st March 2016.

SECTION A.9.bis

The free float % amount has been calculated by taking the total number of shares issues (stated in A.1) less the Significant Shareholders Shares (stated in A.2) and the shares held by Directors (stated in A.3).

SECTION B.5

According to the Article of Association, article 5.10, all shares have equal rights.
According to the Regulations for the General Shareholders' Meeting, article 12.7, all shares have equal rights.
The right of a Shareholder to participate in a Shareholders' Meeting and exercise voting rights attached to its Shares are determined by reference to the number of Shares held by such Shareholder at midnight (00:00) on the day falling fourteen (14) days before the date of the Shareholders' Meeting.

SECTION C1.2

The two independent Directors, Philip Clay Wolf and Robert Apsey Gray, were appointed as Independent Director for a period of three years by the Shareholders' Meeting held on 18th of March, 2014, with effect 8th of April 2014.

Dana Philip Dunne was appointed as CEO and Board Member on a provisional basis by the Board of Directors and Remco on the 23rd January 2015. His appointment was ratified by the shareholders of the Company on the Shareholders' General Meeting that was held on 22th July 2015.

David Elizaga was appointed as Executive Director on a provisional basis by the Board of Directors and Remco on the 22nd July 2015. His appointment will be ratified by the shareholders of the Company in the Shareholders' General Meeting due to be held on 20th July 2016.

Amanda Wills was appointed as Independent Director on a provisional basis by the Board of Directors and Remco on the 22nd July 2015. Her appointment will be ratified by the shareholders of the Company in the Shareholders' General Meeting due to be held on 20th July 2016.

SECTION C.1.3

Committee reporting director's appointment:

Philippe Poletti, Lise Fauconnier, Benoit Vauchy and Carlos Mallo were appointed by the General Shareholders Meeting as a consequence of the IPO, by that time, the Remuneration and Nomination Committee was not yet constituted.

SECTION C.1.15

The remuneration of the Board includes the salary corresponding to the CFO, David Elizaga, as from the date of his appointment as Executive Director (From 22nd July 2015 to 31st of March 2016) and also includes the remuneration of the previous Executive Member, Mauricio Prieto Prieto up to the date of his departure (From 1st April 2015 to 18th June 2015).

The amount of the total remuneration includes one-off payment (€388 thousands of euros) to Mauricio Prieto Prieto as severance compensation.

SECTION C.1.16

Senior Management's remuneration includes the current Chief Financial Officer compensation before his appointment as Executive Director (From 1st April 2015 to 22nd July 2015).

SECTION C1.27

Article 10.9, establishes that "Independent Directors shall only be re-elected to the extent that the aggregated time served by such independent Director (i.e, taking into account, for the avoidance of doubt, the sum of the time served by such independent Director for each of his/her terms as independent Director) does not exceed a period of twelve (12) consecutive Financial Years (equivalent to four (4) mandates)"

SECTION C.1.30

Below is the data on attendance of each and every one of the directors at the meetings of the Board of Directors and its committees during financial year (From 1st April 2015 to 31st March 2016):

	Board	Remuneration and Nomination Committee	Audit Committee
Philip Clay Wolf (Independent Director during all Fiscal Year)	7/7	5/5	7/7
Robert Apsey Gray (Independent Director during all Fiscal Year)	7/7	3/3	7/7
Amanda Wills (Independent Director from 22nd July 2015)	5/5	2/2	
Dana Philip Dunne (Executive Director during all Fiscal Year)	7/7		
David Elizaga Corrales (Executive Director from 22nd July 2015)	5/5		
Lise Fauconnier (Proprietary Director during all Fiscal Year)	7/7	5/5	
Carlos Mallo Alvarez (Proprietary Director during all Fiscal Year)	7/7		
Benoit Vauchy (Proprietary Director during all Fiscal Year)	7/7		6/7
Philippe Michel Poletti (Proprietary Director during all Fiscal Year)	7/7		
Mauricio Prieto Prieto (Executive Director since 18th June 2015)	0/1		

Notes: The denominator indicates the number of meetings held during the period of the year in which the director served as such or as a member of the respective Committee.

SECTION C.1.33

The position of Company Secretary is currently held by Guillaume Teissonniere (Non-Director) who is in turn General Counsel of the eDreams ODIGEO Group. His appointment dates from 15th December 2015. The Secretary of the Board position was previously covered by Richard Hastings.

SECTION C.1.39

Considered only the number of years that eDreams ODIGEO has been audited. Subsidiaries have been audited for 8 years.

SECTION C.2.1

Robert Apsey Gray served as a temporary member of the Remuneration & Nominations Committee from the beginning of the fiscal year, until the appointment of Ms Amanda Wills to the Committee on the 15th of December 2015.

Point 2 and 3.

Without prejudice of compliance with Spanish Corporate Governance rules, the Company is at time subject to the Luxembourg Transparency Laws, i.e. pursuant to the Directive 2004/109/EC of 15 December 2004 on the harmonization of transparency requirements in relation to information about issuers whose securities are admitted to trading on a regulated market (the "Transparency Directive"), which has been implemented in Spain, listed companies are entitled to choose to be subject to the relevant transparency provisions of the Member State in which the issuer has its registered office (Luxembourg) or in which it has its securities admitted to trading (Spain). The Company has chosen to be subject to Luxembourg regulations.

As consequence the "Commission de Surveillance du Secteur Financier" (CSSF) is the supervisory body on transparency for eDreams ODIGEO and the company is subject to limited transparency obligations provided in the Spanish implementing regulations of the Transparency Directive. Please find below a summary of these obligations:

Transparency obligations

Financial information (annual, Half-yearly and quarterly)	• Subject to Luxembourg regulations. • To be submitted as a relevant event (hecho relevante) to the CNMV.
Qualifying shareholdings and net short positions	• Subject to Luxembourg regulations. • There is no obligation to submit any information to the CNMV, provided that it does not constitute a relevant event (hecho relevante).
Treasury stock	• The disclosure and limits of the treasury stock is subject to Luxembourg regulations. There is no obligation to submit any information to the CNMV. • However, the company follows the guidelines of the CNMV on treasury stock, which is currently included in the internal Regulations for Conduct in the Security Markets of eDreams ODIGEO.

The Code of Best Tax Practices of July, 20 2010 is a Spanish based document which has been developed for Spanish Tax Payers. The Company has adopted the eDreams ODIGEO Group Tax Principles which contain elements which the company considers relevant for the Organization of the Management of its tax affairs, the way it determines the tax position in its Financial Statements, as well as the level of transparency in the communication with Tax Authorities. These Group Tax Principles contain overlap with other codes of Best Tax Practices which have been published in various countries (including Spain).

Please indicate whether there have been directors who have voted against or abstained in relation to the approval of this Report.

YES ☐ NO ☑

Name or corporate name of the director that did not vote in favor of the approval of this Report	Reasons (against, abstention, non-attendance)	Explain the reasons
N/a	N/a	N/a