

Interim report first quarter January 1 – March 31, 2015

CONDENSED FINANCIAL OVERVIEW

Financial information in the interim report refers, unless otherwise stated, to the Etraveli Group and figures in parentheses refer to the previous year.

FIRST QUARTER JANUARY–MARCH 2015

- Revenue amounted to SEK 196.3 million (158.1), an increase of 24 percent compared to the previous year
- Net revenue amounted to SEK 160.3 million (135.3), an increase of 18.5 percent compared to the previous year
- EBITDA amounted to SEK 45.5 million (28.1), with an EBITDA margin of 28 percent (21)
- Operating profit amounted to SEK 26.2 million (9.9)
- Net profit amounted to SEK 17.1 million (0.7)

SIGNIFICANT EVENTS DURING AND AFTER THE QUARTER

- The Board of Directors of Etraveli was expanded an extraordinary general meeting on January 26, 2015 through the addition of Sophia Bendz as a new member. For the last seven years Sophia Bendz has been Global Marketing Director at Spotify.

ABOUT ETRAVELI

Etraveli is the leading e-commerce group for online travel in the Nordics with a wide range of airline tickets, hotel accommodation and other travel related services. The company operates in 25 countries through brands such as Supersaver/Supersavertravel, Gotogate, Travelstart and the meta-search services Flygresor.se in Sweden. Etraveli is one of the five largest aircentric online travel agents in Europe and 2014 it intermediated air tickets and related services for about SEK 8.5 billion, with revenue of more than SEK 640 million. The company is headquartered in Uppsala, Sweden and is owned by the private equity fund Segulah IV, LP and senior management.

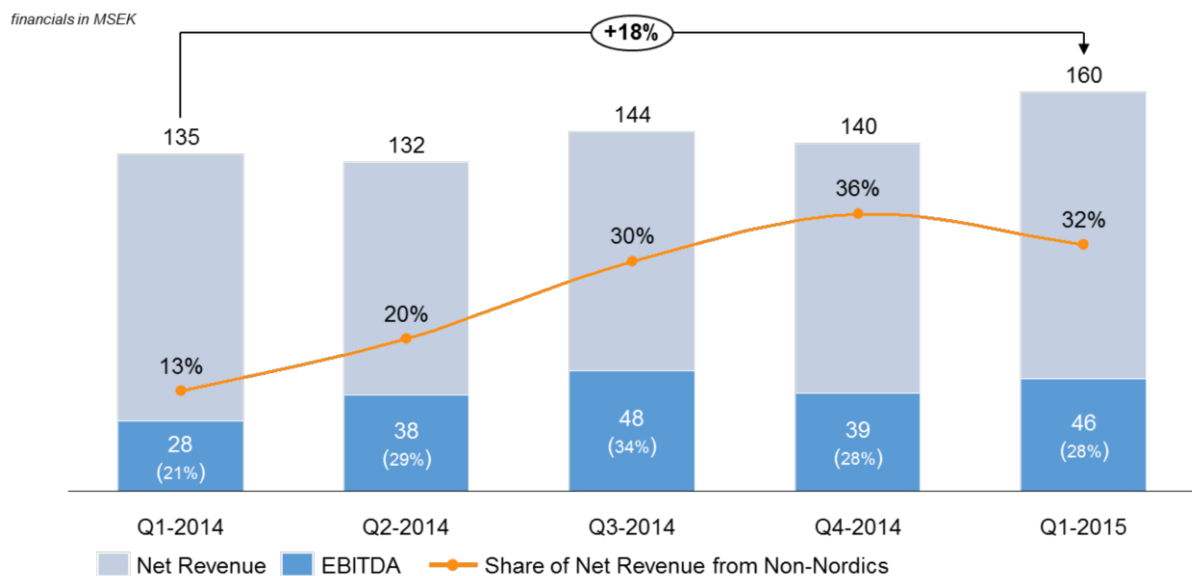
CEO COMMENT

2015 has begun well for Etraveli. Our positive finish to 2014 has continued and compared to the same period in 2014 net revenue increased by 18.5 percent. Our EBITDA also improved significantly during the quarter, by 62 percent to SEK 45.5 million. This strong performance is partly due to our international expansion, but also to our success in combining an analytical approach with rapid implementation of operational changes. We continue to strengthen our product portfolio, thanks to which the company can take on more orders in tight competition.

In our home markets in the Nordic region, Sweden is performing especially well with substantial growth through our online travel agencies at the same time that the metasearch service flygresor.se continues to report growth. Countries outside the Nordics currently account for a third of volume, and the company continues to increase sales through better local understanding of these markets. While this is very gratifying, there are further improvements to make in a number of markets in order to be even more competitive. Measures have been defined and launched with the goal of raising our market share in Europe outside the Nordic region with continued revenue and earnings growth as a result.

Our efforts to develop the company from a Nordic online travel agency into an international search and transaction company continue at a rapid pace.

Mathias Hedlund, CEO



KEY FIGURES

SEK million	First quarter		Full-year	R12
	2015	2014	2014	2015
Gross sales	2,958.3	2,105.3	8,491.9	9,344.9
Revenue	196.3	158.1	639.0	677.2
Net revenue	160.3	135.3	551.1	576.1
Net revenue per segment				
- Nordics	109.7	117.6	414.5	406.6
- New Markets	50.6	17.7	136.6	169.5
EBITDA	45.5	28.1	154.1	171.5
EBITDA margin, %	28	21	28	30
Net debt	603.6	657.6	636.8	603.6
Net profit/loss	17.1	0.7	-19.5	-3.1
Cash flow from operating activities after changes in working capital	51.0	7.3	70.6	114.3
Cash and cash equivalents	198.3	94.5	154.3	198.3
– Of which client funds	64.2	54.4	44.4	64.2

BUSINESS DEVELOPMENT
Revenue
FIRST QUARTER JANUARY–MARCH 2015

Revenue for the quarter amounted to SEK 196.3 million (158.1). Net revenue, after deducting direct purchases of goods and services, amounted to SEK 160.3 million (135.3), an increase of 18.5 percent. The increase is mainly due to growth in the New Markets segment. The decrease in net revenue for the Nordics segment is mainly due to a conscious strategy to reduce the number of unprofitable orders and optimize earnings.

Earnings
FIRST QUARTER JANUARY–MARCH 2015

EBITDA amounted to SEK 45.5 million (28.1) in the quarter. The improvement is mainly due to the geographical expansion, although EBITDA improved in the Nordics segment as well. Within the Nordics segment, OTA operations and Flygresor.se developed positively at the same time that the same quarter in 2014 was adversely impacted by extraordinary marketing expenses. The first quarter was also impacted by positive effects from exchange rate gains of an operating nature within the Nordics segment.

Purchases of goods and services rose by SEK 13.1 million, or 58 percent, compared to the previous year. The increase is mainly due to higher sales and an increased share of sales from the New Markets segment, where the underlying expenses for credit card payments were slightly higher.

Other external expenses mainly consist of direct selling expenses to Google and meta services (price-comparison channels) as well as indirect selling expenses for marketing. Direct selling expenses are variable and affected to a large degree by order volumes.

In total, other external expenses increased by SEK 7.5 million or 9 percent. The rate of increase is lower than the increase in net revenue (18.5 percent), mainly due to lower expenses for purchased traffic for the Nordic OTA operations and an extraordinary marketing campaign during the first quarter 2014.

The Group's personnel expenses increased by SEK 5.3 million year-on-year due to organizational reinforcements mainly in sales and customer support. During the first quarter SEK 2.0 million (4.1) was capitalized for internal development work.

Other operating expenses relate to net exchange rate gains of an operating nature and amounted to SEK 1.9 million (-5.3). The gains are attributable to both segments, Nordics and New Markets.

Depreciation/amortization of tangible and intangible non-current assets amounted to SEK -19.2 million (-18.2) and mainly relates to the depreciation of the IT platform and customer database.

Net financial expenses amounted to SEK -3.7 million (-14.5). The financial net was positively impacted during the quarter by unrealized exchange rate gains of SEK 10.9 million (-0.4) attributable to long-term liabilities in EUR. Profit before tax amounted to SEK 22.6 million (-4.5).

Tax

Tax amounted to SEK -5.4 million (5.3) for the first quarter 2015.

CASH FLOW AND FINANCIAL POSITION

Cash flow from operating activities after the change in working capital amounted to SEK 51.0 million (7.3) during the first quarter. The improvement is due to higher operating profit (EBIT) and less capital tied up in operations.

Cash flow from investing activities amounted to SEK -2.9 million (-93.7) during the quarter. Investments during the quarter mainly consisted of the capitalization of the development work. Investments during the first quarter 2014 primarily consisted of the acquisition of Svenska Resenätker AB and to a lesser extent the capitalization of development work.

Cash flow from financing activities during the quarter amounted to SEK -0.5 million (28.4). During the first quarter 2014 the Group received a shareholders' contribution of SEK 27 million.

The quarterly change in cash and cash equivalents amounted to SEK 47.6 million (-58.0). Cash and cash equivalents amounted to SEK 198.3 million (94.5) at the end of the period, of which client funds accounted for SEK 64.2 million (54.4). Interest-bearing debt, according to the IFRS definition, including accrued interest expenses, amounted to SEK 737.7 million (697.7). Net debt excluding client funds therefore amounted to SEK 603.6 million (657.6).

The Group's total assets amounted to SEK 1,887.7 million, of which intangible non-current assets accounted for SEK 1,514.4 million, mainly in the form of goodwill attributable to the Parent Company's acquisition of European Travel Interactive Group Holding AB on September 23, 2013 and the acquisition of Svenska Resenätker AB (Flygresor.se) on January 1, 2014. The Group's equity amounted to SEK 834.2 million. The Group's bond loan amounted to SEK 736.8 million.

OTHER DISCLOSURES

Events during the first quarter

The Board of Directors of Etraveli was expanded at an extraordinary general meeting on January 26 through the addition of Sophia Bendz as a new member. For the last seven years Sophia Bendz has been Global Marketing Director at Spotify.

Employees

On March 31, 2015 the Group had 176 (156) full-time employees. The increase of 20 is mainly attributable to customer support and sales.

Parent Company

The Parent Company owns and manages shares in subsidiaries and provides management services for other Group companies. Revenue amounted to SEK 2.5 million (1.4) and cash and cash equivalents amounted to SEK 1.9 million (0.6).

Accounting policies

The Group applies the International Financial Reporting Standards (IFRS) as adopted by the EU. This interim report has been prepared in accordance with IAS 34 Interim Financial Reporting, the Swedish Annual Accounts Act and RFR 1 Supplementary Accounting Rules for Groups. The accounting policies as described in the annual report for 2013 are unchanged compared to the previous year.

The Parent Company's accounts are prepared according to the Swedish Annual Accounts Act and RFR 2 Accounting for Legal Entities. The same accounting policies are applied as those for the Group except as indicated in the section on the Parent Company's accounting policies in the annual report for 2014, note 2.20. The book value of financial assets and liabilities is considered equivalent to fair value.

Significant risks and uncertainties

Etraveli is continuously exposed to various risks that can be of significance to the Company's future operations, results and financial position. For more information on significant risks and uncertainties, please see the Company's annual report for 2014, page 14 and note 3. No significant risks are considered to have arisen beyond those described in the annual report.

Signatures

Uppsala, May 12, 2015
Etraveli AB (publ)
(corp. ID no. 556821-9694)

We certify that the interim report for January-March 2015 provides a true and fair overview of the operations, financial position and results of the Parent Company and the Group and describes the material risks and uncertainties faced by the Parent Company and the companies in the Group.

Erik Strand	Marcus Jansson	Percival Calissendorff
Chairman	Board member	Board member
Jarl Söderman	Ralph Axelson	Per Setterberg
Board member	Board member	Board member
Sophia Bendz	Mathias Hedlund	
Board member	CEO	

This interim report has not been reviewed by the Company's auditors.

Reporting dates

Interim report Q2	August 28, 2015
Interim report Q3	November 20, 2015
Interim report Q4	February 19, 2016

For further information, please contact

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Etraveli AB (publ) is required to make public the information in this report in accordance with the Securities Market Act and/or the Financial Instruments Trading Act. The information was made public at 12 pm (CET) on Tuesday, May 12, 2015.

Financial reports, Group (condensed)

Income statement

(SEK thousands)	Quarter (Jan-Mar)		Full-year
	2015	2014	2014
Revenue	196,322	158,094	638,986
Capitalized development work	1,985	4,109	12,616
Other income	1,945	-	-
Total	200,252	162,202	651,602
Purchases of goods and services	-35,973	-22,823	-87,894
Other external expenses	-89,896	-82,392	-300,026
Personnel expenses	-28,894	-23,565	-98,006
Other operating expenses	-	-5,303	-11,525
Depreciation/amortization of tangible and intangible non-current assets	-19,240	-18,178	-74,486
Operating profit	26,249	9,942	79,665
Financial income	10,875	99	273
Financial expenses	-14,565	-14,570	-104,180
Profit/loss after financial items	22,559	-4,529	-24,243
Income tax	-5,437	5,268	4,756
Net profit/loss	17,122	739	-19,487
Other comprehensive income Items that can later be reversed to profit or loss			
Exchange rate differences	-1,377	1,015	3,855
Total comprehensive income for the period	15,745	1,754	-15,632

Full comprehensive income is attributable to the Parent Company's owners.

Balance sheet

(SEK thousands)	March 31 2015	March 31 2014	Dec 31 2014
Non-current assets			
Goodwill	1,013,365	1,053,957	1,013,365
Other intangible assets	501,055	502,594	517,855
Tangible non-current assets	3,062	2,083	2,559
Financial non-current assets	3,045	3,046	3,043
Deferred tax liabilities	3,662	7,964	3,662
Current assets			
Other current assets	165,194	131,631	139,674
Cash and cash equivalents	198,322	94,549	154,287
TOTAL ASSETS	1,887,656	1,805,824	1,834,445
Equity attributable to Parent Company's shareholders	834,168	835,809	818,423
Long-term liabilities			
Bond loan	736,837	697,508	746,345
Other long-term liabilities	2,834	173	3,317
Deferred tax liabilities	117,263	119,970	120,921
Current liabilities			
Other current liabilities	196,554	152,363	145,439
TOTAL EQUITY AND LIABILITIES	1,887,656	1,805,824	1,834,445

Group statement of changes in equity

(SEK thousands)	March 31, 2015	March 31, 2014	Dec 31, 2014
Opening balance as of January 1	818,423	807,055	807,055
Net profit/loss	17,122	739	-19,487
Other comprehensive income	835,545	807,794	787,568
Exchange rate differences	-1,377	1,015	3,855
Total comprehensive income	834,168	808,809	791,423
Shareholders' contribution		27,000	27,000
Closing balance	834,168	835,809	818,423

Cash flow statement

(SEK thousands)	Quarter (Jan-Mar)		Full-year
	2015	2014	2014
Operating profit (EBIT) for the period	26,249	9,942	79,665
Depreciation/amortization	19,240	18,178	74,486
Interest received/paid	-16,753	-12,528	-52,024
Other non-cash items		-1,652	-1,095
Income tax paid	-12,779	-16,789	-19,218
Cash flow from operating activities before change in working capital	15,957	-2,849	81,814
Change in working capital	35,010	10,101	-11,259
Cash flow from operating activities	50,967	7,252	70,555
Cash flow from investing activities	-2,894	-93,706	-103,622
Cash flow from financing activities	-498	28,422	27,817
Increase/decrease in cash and cash equivalents	47,575	-58,032	-5,250
Cash and cash equivalents, opening balance	154,287	148,944	148,944
Exchange rate differences in cash and cash equivalents	-3,539	3,638	10,593
Cash and cash equivalents, closing balance	198,322	94,549	154,287

Financial statements, Parent Company (condensed)

Income statement

(SEK thousands)	Quarter (Jan-Mar)		Full-year
	2015	2014	2014
Revenue	2,486	1,438	12,176
Other income	1	81	281
Net revenue	2,487	1,520	12,457
Other external expenses	-983	-870	-4,637
Personnel expenses	-1,649	-1,040	-7,551
Operating profit/loss	-145	-390	269
Financial income	19,799	8,746	35,075
Financial expenses	-14,082	-13,478	-103,926
Loss after financial items	5,572	-5,123	-68,582
Group contributions	-	-	101,213
Income tax	-1,226	1,127	-7,864
Net profit/loss	4,346	-3,966	24,767

The Parent Company has no items recognized as other comprehensive income, because of which total comprehensive income corresponds to net profit/loss.

Balance sheet

(SEK thousands)	March 31 2015	March 31 2014	Dec 31 2014
Non-current assets			
Shares in Group companies	1,254,053	1,254,053	1,254,053
Receivables from Group companies	275,195	273,305	275,195
Deferred tax liabilities	-	7,864	
Current assets			
Other current receivables	78,133	-	76,882
Cash and cash equivalents	1,868	595	7,101
TOTAL ASSETS	1,609,249	1,535,817	1,613,230
Equity	865,770	832,662	861,424
Long-term liabilities			
Bond loan	736,837	697,508	746,345
Other long-term liabilities	2,544	-	2,897
Current liabilities			
Other current liabilities	4,098	5,647	2,564
TOTAL EQUITY AND LIABILITIES	1,609,249	1,535,817	1,613,230

Pledged assets and contingent liabilities

(SEK thousands)	March 31 2015	March 31 2014	Dec 31 2014
Pledged assets	1,529,248	1,527,358	1,529,248
Contingent liabilities	none	none	none

Notes

Note 1 Segment reporting

The CEO evaluates operations from a geographic perspective in two segments: Nordics and New Markets. The distribution of revenue per segment is based on revenue less selling expenses. No assets or liabilities are distributed by segment.

REVENUE BY SEGMENT – QUARTER

Segment	Quarter (Jan-Mar 2015)		Quarter (Jan-Mar 2014)		Period (Jan-Dec 2014)	
	Revenue	Net revenue	Revenue	Net revenue	Revenue	Net revenue
Nordic	128,817	109,728	133,495	117,571	467,142	414,550
New Markets	67,505	50,622	24,598	17,700	171,845	136,542
TOTAL	196,322	160,350	158,094	135,271	638,986	551,091
Capitalized internal work		1,985		4,109		12,616
Other income		1,945		-		-
Personnel expenses		-28,894		-23,565		-98,006
Depreciation of tangible non-current assets		-445		-271		-1,727
Amortization of intangible non-current assets		-18,795		-17,907		-72,759
Other		-89,896		-87,695		-311,550
Profit before financial items and tax		26,249		9,942		79,664
Net financial items		-3,690		-14,470		-103,907
Profit/loss before tax		22,559		-4,529		-24,244

Definitions

Gross sales – Gross value of products sold and other travel-related services charged to customers through Etraveli's platform

Revenue – The Company's revenue in the form of commissions, margins and booking fees on gross revenue

Net revenue (revenue - goods and services) comprises the Company's revenue less direct purchases of goods and services.

EBITDA – Earnings Before Interest, Tax, Depreciation and Amortization

EBITDA margin, – EBITDA as a ratio of net revenue

EBIT – Earnings Before Interest and Tax

Net debt – Interest-bearing liabilities according to IFRS definition including accrued interest and liabilities IATA/BSP less cash and cash equivalents

IATA/BSP – International Air Transport Association/Billing Settlement Plan

OTA – Online Travel Agency