



Helloworld Travel Limited to acquire Magellan Travel Group

19 December 2017

Helloworld Travel Limited (ASX: HLO), Australia's largest retail franchise travel business has, through a wholly-owned subsidiary, entered into a Heads of Agreement to acquire the Magellan Travel Group for \$32.5 million.

The transaction, subject to the execution of formal transaction documentation, will be funded by a mixture of 65% cash and 35% in HLO shares, with the cash component to be funded from existing facilities.

Helloworld Travel Limited CEO, Andrew Burnes, said the company was consolidating its position in the retail and corporate travel agency business in Australia and seeking to leverage its on-going technology developments and supplier relationships.

Mr Burnes said, "We are delighted to welcome the 130 agents who are part of the Magellan network around Australia to the Helloworld Travel group. Magellan has been established for nearly ten years and has a great network of members in both the leisure and corporate agency businesses. Adding the Magellan network to the Helloworld Travel group will improve the scale of our operations throughout Australia and give Magellan members the opportunities to take advantage of that scale and at the same time benefit from our significant investment in technology and distribution strategies".

Following completion of the transaction, which is expected to occur in January 2018, Helloworld Travel will have over 2,300 members in Australia and New Zealand, comprising over 1,800 retail and corporate agencies and over 470 travel brokers.

This deal is expected to be earnings accretive and to materially increase the volume of TTV that Helloworld Travel members transact with travel suppliers in Australia and globally by approximately \$900 million.

Mr Burnes said he was delighted that Magellan Managing Director, Andrew Macfarlane, and the Magellan management team will all be joining Helloworld Travel.

"I congratulate Andrew Macfarlane and the founding shareholders of Magellan for building what is a great network of agents across Australia and we are delighted to welcome them to the Helloworld Travel family. Many of these agents were originally with Helloworld and its predecessors in years gone by and with the significant changes we have made in the Helloworld business over the last two years we are looking forward to welcoming them back" said Mr Burnes.

The Magellan network will continue to operate in its current format and will be the sixth retail network of Helloworld Travel in Australia with the others being the Helloworld Travel branded network, the Helloworld Travel Associate network, the Helloworld Business Travel network, the My Travel Group network and the MTA network.



Andrew Jones, Chairman of Magellan Travel Group said he was delighted to be securing the long-term future of the Magellan Group. "Success in travel retailing moving forward is a challenge of growth and scale. This deal delivers on both fronts with the additional benefit of delivering to our members the technology opportunities that Helloworld Travel is developing to drive productivity and yield to all of its members."

-ENDS-

About Helloworld Travel Limited

- Helloworld Travel Limited (ASX: HLO) is a leading Australian & New Zealand travel distribution company, comprising retail travel franchise operations, destination management services (inbound), air ticket consolidation, wholesale, corporate and online operations. This includes "*Helloworld Travel*", Australia's largest network of franchised travel agents, as well as our Corporate, Associate, Affiliate and Travel Broker networks, Qantas Holidays, Go Holidays in New Zealand, AOT Inbound, ATS Pacific, ETA, QBT, Sunlover Holidays and Insider Journeys
- HLO has over 2000 staff located in Australia, New Zealand, Fiji, the USA, South East Asia, India and UK/Europe
- Helloworld Travel is the proud naming rights partner of Volleyball Australia and the *Helloworld Travel Volleyroos* men's and women's national teams

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