

Media Release

WOTIF.COM HOLDINGS LIMITED ABN 41 093 000 456



wotif group

DATE: TUESDAY 12 AUGUST 2014

WOTIF GROUP ANNOUNCES FY14 RESULTS

Full year after tax profit of \$43.2 million with revenue of \$149.6m, and Total Transaction Value (TTV*) of \$1.14 billion

Results summary (\$m) (more details see Appendix A)

	FY14	FY13	% Change
Total Transaction Value	1,140.3	1,166.1	(2.2)
Total Revenue	149.6	146.6	2.1
Profit Before Tax (PBT)	64.0	73.6	(13.0)
Net Profit After Tax (NPAT)	43.2	51.0	(15.4)

Results commentary

- Revenue of \$149.6 million, up 2.1% YoY, offset by increased costs related to investment in core technology and marketing
- Flights transaction value of \$178.3 million, up 37.6% YoY
- Flights and Other revenue of \$17.6 million, up 16.3% YoY
- Total Group Accommodation revenue of \$129.3 million, up 1.9% YoY
- Group Accommodation revenue margins of 13.7% (FY13: 12.3%)
- 3.3 million accommodation bookings processed, down 9.4% YoY

* Total Transaction Value (TTV) represents the price at which Accommodation and Flights and Other travel services have been sold across the Group's operations. TTV is stated net of any GST/VAT payable. TTV does not represent revenue in accordance with Australian Accounting Standards.

Major Year-on-Year Variances

Major YoY Variances	\$m
Revenue increase from accommodation margin uplift	13.0
Accommodation revenue decline from reduced room nights	(10.6)
Flights and Other revenue increase	2.5
Interest income decline	(1.8)
Credit card merchant fee decline from reduced hotel volumes	1.0
Wages increase	(3.1)
Increased marketing spend	(10.0)
IT Amortisation increase	(1.9)
Sub-total	(10.9)

One-off Items	\$m
Gain on sale of property	0.8
Variance impact of domain names written off in FY13	1.8
TOTAL MAJOR YoY VARIANCES	(8.3)

These major variances represent 86% of the decrease in Net Profit Before Tax (FY14: \$64.0m : FY13: \$73.6m)

Wotif Group Managing Director and Group Chief Executive Officer, Scott Blume, commented:

"The competitive landscape for our business continued to evolve and rapidly change during the financial year. The Group achieved revenue of \$149.6 million and we delivered a more diversified business, featuring accommodation sales as well as fast-growing flights and packaging businesses with a focus on international travel.

Revenue gains were predominantly driven by a commission increase (from 11% to 12%, from January 2014) and an average room rate increase (to \$156.13 per night) but overall results were negatively impacted by a 10.8% decrease in room night sales year on year.

In discussing future directions, Mr Blume said:

"On 7 July 2014 it was announced that the Wotif Group had entered into a Scheme Implementation Arrangement with the Expedia group whereby it is proposed that the Expedia group will acquire 100% of the fully-diluted share capital in the Wotif Group.*

* Fully-diluted shares on issue expected to be approximately 213.1 million upon implementation of the Scheme.



If implemented, Wotif shareholders will receive a total cash consideration of A\$3.30 per share comprising: A\$3.06 cash per share; plus a A\$0.24 special dividend paid by Wotif Group on or before the Scheme Implementation Date (Special Dividend), which is expected to be fully franked.

Those shareholders who can capture the full benefit of the franking credits associated with the Special Dividend will receive an additional benefit valued at A\$0.10 per share.

The total cash consideration of A\$3.30 per share, excluding the potential benefit of franking credits associated with the Special Dividend, values Wotif Group's fully diluted equity at approximately A\$703.1m.

The Scheme is subject to an independent expert concluding that the Scheme is in the best interests of Wotif Group shareholders; that Wotif Group shareholders approve the Scheme by the requisite majorities; FIRB approval; and clearance by the ACCC and the NZCC.

We are progressing through the Scheme process and currently expect it to conclude in late October 2014. More information for shareholders will be available in Scheme Implementation documents, which will be dispatched to shareholders in the near future."

- ends -

About Wotif Group

Wotif Group operates leading online travel brands in the Asia Pacific region: Wotif.com, lastminute.com.au, travel.com.au, Asia Web Direct, LateStays.com, GoDo.com.au and Arnold Travel Technology, and a network of other travel content and destination websites, such as Phuket.com and Bangkok.com. Wotif.com launched in 2000 and listed on the Australian Securities Exchange in June 2006 as Wotif.com Holdings Limited, trading under the ASX code "WTF". The Company has offices in Australia, including its head office in Brisbane, with additional offices in China, Indonesia, Malaysia, New Zealand, Singapore, Thailand, the United Kingdom and Vietnam. For more information, visit www.wotifgroup.com

Further information

Media enquiries please contact:

Kim Stockham

Head of Public Relations, Wotif Group

Ph: (+61) 7 3310 9726

Mob: (+61) (0) 409 580 644

Email: kim.stockham@wotifgroup.com

Analysts and institutions please contact:

Cath McMurchy

Executive Assistant

Ph: (+61) 7 3512 9965

Mob: (+61) (0) 409 240 144

Email: cath.mcmurchy@wotifgroup.com



Appendix A

	FY14 \$ Million	FY13 \$ Million	% Change from Prior Corresponding Period *
Total transaction Value			
- Accommodation TTV	\$943.4	\$1,029.3	(8.2%)
- Flights & Other TTV	\$196.9	\$136.8	42.0%
Total	\$1,140.3	\$1,166.1	(2.2%)
Revenue:			
- Accommodation	\$129.3	\$126.9	1.9%
- Flights and Other	\$17.6	\$15.1	16.3%
- Interest	\$2.8	\$4.6	(38.9%)
Total	\$149.6	\$146.6	2.1%
Other Income	\$0.8	-	100%
Profit before Depreciation, Amortisation and Taxation	\$71.8	\$79.9	(10.1%)
Depreciation	(\$3.5)	(\$3.9)	(10.0%)
Amortisation of IT Development Costs	(\$4.2)	(\$2.4)	75.0%
Other amortisation	(\$0.1)	-	100%
Profit Before Tax	\$64.0	\$73.6	(13.0%)
Income Tax	(\$20.8)	(\$22.6)	(7.6%)
Net Profit After Tax	\$43.2	\$51.0	(15.4%)

EPS (cents)	20.40 cents	24.10 cents	(15.4%)
Final Dividend (fully franked)	Not Applicable**	11.5 cents	Not Applicable
Interim Dividend (fully franked)	10.0 cents	11.5 cents	(13.0%)

* Percentages based on full reported numbers (i.e. non-rounded source data).

** A special dividend of 0.24 cents will be paid under the Scheme Implementation Agreement with the Expedia group. In the event the Scheme did not proceed, the Board will consider a final dividend in relation to the year ended 30 June 2014.

