ASX ANNOUNCEMENT

Wotif.com Holdings Limited ACN 093 000 456
Wednesday 22 August 2012

FY12 Results and ASIC Audited Accounts

Please find attached (in accordance with Listing Rules 3.17, 4.3A and 4.7) for release to the market, copies of Wotif.com Holdings Limited's:

- Appendix 4E - Preliminary Final Report for the year ending 30 June 2012; and
- 2012 Annual Report (including the Directors' Report, the Financial Report, the Directors' Declaration and the Audit Report).

In accordance with the Australian Securities and Investments Commission Practice Note No.61, the documents required by Section 319 of the Corporations Act will not be lodged separately with the Australian Securities and Investment Commission.

For further information or to arrange an interview with Robbie Cooke (Managing Director/Group CEO) or Gordon Timm (Chief Financial Officer):

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Wotif.com Holdings Limited
and controlled entities

Appendix 4E

Preliminary final report

For the year ending 30 June 2012

Appendix 4E
Preliminary Final Report

Wotif.com Holdings Limited ABN 41 093 000 456

Year ended 30 June 2012

Details of the Reporting Period and the Previous Corresponding Period

Current period:	**1 July 2011 to 30 June 2012**
Prior corresponding period:	**1 July 2010 to 30 June 2011**

Results for Announcement to the Market

Key information	Year ended 30 June 2012 $'000	Year ended 30 June 2011 $'000	Change %
Revenue from ordinary activities	145,309	138,349	Up 5.0%
Profit from ordinary activities after tax attributable to members	58,004	50,963	Up 13.8%
Profit for the period	58,004	50,963	Up 13.8%

Dividends	Amount per security	Franked amount per security
Final dividend (211,736,244 shares on issue)	13.5 cents	100%
Interim dividend paid 30 March 2012 (211,736,244 shares on issue)	11.5 cents	100%
Record date for determining entitlements to the dividends		
Record date for the final dividend is 14 September 2012		

Commentary
Commentary on the Company's trading results is included on pages 8 to 14 (inclusive) of the 2012 Annual Report attached

Income Statement
Please refer to the Audited Financial Statements for the year ended 30 June 2012.

Statement of Financial Position
Please refer to the Audited Financial Statements for the year ended 30 June 2012.

Statement of Cash Flows
Please refer to the Audited Financial Statements for the year ended 30 June 2012.

Statement of Changes in Equity
Please refer to the Audited Financial Statements for the year ended 30 June 2012.

Additional Dividend Information
Details of dividends determined or paid during or subsequent to the year ended 30 June 2012 are as follows:

Record date	Payment date	Type	Amount per security	Total dividend	Franked amount per security
16 September 2011	12 October 2011	Final	12.5 cents	$26,405,061	12.5 cents
9 March 2012	30 March 2012	Interim	11.5 cents	$24,349,674	11.5 cents
14 September 2012	10 October 2012	Final	13.5 cents	$28,584,393	13.5 cents

Dividend Reinvestment Plans

The dividend plans shown below are in operation.

NIL

Net Tangible Assets per Security

	Current period	Previous corresponding Period
Net tangible asset backing per ordinary security	4.10 cents	1.59 cents

Control gained over Entities having Material Effect

Name of entity (or group of entities)	N/A

Loss of Control of Entities having Material Effect

Name of entity (or group of entities)	N/A

Details of Aggregate Share of Profits (Losses) of Associates and Joint Venture Entities

Group's share of associates' and joint venture entities':	Current period $A'000	Previous corresponding period - $A'000
Profit (loss) from ordinary activities before tax	(151)	N/A
Income tax on ordinary activities	-	N/A
Profit (loss) from ordinary activities after tax	(151)	N/A
Extraordinary items net of tax	-	N/A
Net profit (loss)	(151)	N/A
Adjustments	-	N/A
Share of net profit (loss) of associates and joint venture entities	100%	N/A

Compliance Statement

This report should be read in conjunction with the attached 2012 Annual Report.

Sign here: (Group Chief Executive Officer and Managing Director) Date: 22 August 2012

Print name: Robert Michael Sean COOKE

Wotif.com Holdings Limited

Annual Report

2012

Wotif.com Holdings Limited

Wot happened in FY12

Maintaining our place as the best online travel brand in Australia and New Zealand means continually innovating to stay ahead of the competition. Our offices buzz with thousands of small conversations, which become big ideas leading to a strong foundation for future growth.

Key Achievements

- Record $1.161 billion in transactions processed in the year (FY11: $1.106 billion).
- NPAT up $7 million (14%) to $58 million (FY11: 51.0 million).
- Holiday rentals launched on Wotif.com, exclusively offering instantly bookable holiday homes – a first for the Australian market!
- Wotif.com app for iPhone launched – reached the number 1 ranking for free Travel apps in Australia – with more than 171,300 downloads and averaging 3% of the brand's daily bookings.
- Hotel reviews functionality introduced on Wotif.com providing genuine reviews from legitimate Wotif.com customers following their stay.
- New international flights booking engine released on lastminute.com.au and travel.com.au improving product range, site speed and functionality.
- Successful launch of international flights on Wotif.com including low-cost carriers from Australia to major Asia Pacific destinations.
- System changes to Wotif.com paved the way for site refresh initiatives, rapid release cycles and "A/B" (or split) testing.
- Vietnamese accommodation joint venture launched (iVIVU.com), purpose-built for the domestic Vietnamese market.
- Wotif.com brand awareness levels peaked at 66% (FY11: 60%) in Australia and 39% (FY11: 39%) in New Zealand during the year.

Group total transaction value up 5%

Wotif.com brand awareness topped 66% in Australia

Net profit after tax up $7 million to $58 million

Mobile site and app now delivering 14% of Wotif.com's traffic | 9% of room nights

1 in every 10 room nights sold in Australia were booked through the Group

Wotif.com ranked as the

#1

visited online travel agency in Australia (by Hitwise)

Total revenue up 5%

$1.043 billion in accommodation transactions

Authorised agent for 23,500+ properties worldwide, including the largest Australian range

Room nights sold in Asia accounted for 12% of Group sales

$110 million in flight transactions

Total dividend (interim and final) 25 cents up 14%

App for iPhone

Wotif has tackled the rapid transition to mobile devices in a measured but strategic way. Delivering mobile optimised sites as a first step ensured that the Group's sites were compatible for viewing on the new types of phones and tablets hitting the market. Answering the call for an app for Wotif.com was our next target.

Development of the app was undertaken within the company, meaning that the expertise and skills for delivering such technology stay in-house. Rather than pushing out an app that would just 'do the job', testing was carried out to ensure the interface was as robust and user friendly as possible before being released.

The Wotif.com app for iPhone was launched in late June 2012 and became the number one most downloaded free Travel app in Australia, a position it still retains. 3% of Wotif.com's daily bookings are currently generated from the app.

Developments are underway for the Wotif.com app for iPad and an app for Asia Web Direct is in the project pipeline.

Flights

Flights have become a strong contributor to Wotif's revenues. Strategic investments were made in FY10 to build a new booking engine to power the existing flights offering on lastminute.com.au and travel.com.au. The technology was also used to add flights to Wotif.com. A proprietary booking platform was subsequently developed and released on Wotif.com in 2010, diversifying the brand's product offering and providing customers with a more convenient way to plan their travels.

This year, the team at Wotif completed the development of the Group's international flights booking engine. This enabled international flights to be added to Wotif.com (including low cost carriers from Australia to major Asia Pacific destinations) while improving the product range, site speed and functionality on lastminute.com.au and travel.com.au. As at year's end the Group was selling product on behalf of eight domestic Australian carriers and more than 160 international airlines.

With flight transaction values lifting from $85 million in FY11 to $110 million in FY12 with only minimal promotion of the Group's offering, the value of this technology investment can clearly be seen.
The successful venture and expansion into the flights arena also positions the Company to develop new travel initiatives such as online holiday packages.

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Key Figures and Results

Key Investor Figures	FY12
Earnings per share	27.42 cents
Dividend per share (interim and final – fully franked)	25 cents
Return on shareholders' equity	58.9%
Number of shareholders (as at 30 June 2012)	7,721

Key Results	FY12	FY11
Total revenue	$145.3 million	$138.3 million
Profit before depreciation, amortisation and taxation	$86.3 million	$77.8 million
Profit before tax	$81.3 million	$71.6 million
Net profit after tax	$58.0 million	$51.0 million

Chairman's Letter

Dick McIlwain
Chairman

DEAR SHAREHOLDERS,

Revenue, operating profit[1], and profit after tax all grew in FY12. Importantly, these results have produced better profit margins from a cost structure which continues to support growth and innovation. Profit after tax increased by 14% to $58 million during the financial year. Operating profit was up 11% as was revenue at 5%. Operating profit[1] margins improved to be 59% of revenue.

As can be seen from these results, the Group's earnings profile from its accommodation operations is maturing. This reflects the fact that the online accommodation booking industry in Australia has reached a level where it is unlikely that we will see a return to the growth rates produced by Wotif.com in its formative years. Instead of growth produced by early adopters of online booking services, we are now seeing a broader user group gradually emerge as accommodation booked through hotel operated call centres and from walk-in trade are replaced by online reservations. The recent release of the Wotif.com app for iPhone responds to this trend by identifying accommodation options close to a traveller's current location. It also offers greater choice and is a far more convenient option than cold calling a hotel.

The Group has achieved strong results from its push into the domestic and international online airline booking business. The growth achieved resembles the performance of Wotif.com's accommodation service in its early days. This facility is an important addition to the Company's business. It offers the potential for our customers to develop their holiday itineraries around their travel and accommodation preferences rather than simply on others' tired and limited views of the world.

The Board is conscious of its responsibility to justify statements it has made in the past, particularly at the 2011 Annual General Meeting (**AGM**). The statements I made at the last AGM on the sustainability of our business model, and on the effort and commitment of the Group's employees, provide a useful starting point to demonstrate how the Company has responded to a changing business environment, and how it recognises the effort and commitment of its employees.

We continue to assert that the Group's business model has a strong future. The Company has continued to grow despite overworn excuses of consumer thrift and the Australian dollar's impact on domestic travel. As significant as these problems have been, they simply modify the business environment. We will not just sit around waiting for the economy to cycle back to where it was five years ago. The greater emphasis on airline bookings, changes to the Asian booking model and resourcing, the iVIVU.com joint venture in Vietnam, and a greater emphasis on the development of support systems for corporate travel arrangers to use Wotif Group inventory are all about adapting and broadening the reach of the Company's business model in response to these changes.

Adaptation and continual improvements to the way the Wotif Group delivers its accommodation and airline booking service rely heavily on a creative and empowered workforce. Gladly, we reached a stage last financial year where we were able to recognise their effort by resuming incentive payments to a team that has "put in" even though they didn't receive any incentive payments in FY11. The Board is grateful for their contribution in FY12.

One final reflection on the statements made at the 2011 AGM about improving and sharing the returns from the Company's existing business is warranted. The Board is pleased to be able to share the improved results from FY12 by increasing the final dividend to 13.5 cents (FY11: 12.5 cents). This will produce a full year dividend for FY12 of 25 cents (FY11: 22 cents). The dividend payout ratio this financial year is 91% (FY11: 91%).

Thank you for your ongoing support!

Dick McIlwain
CHAIRMAN
22 August 2012

1. Being profit before depreciation, amortisation and taxation – this is a non-IFRS measure and is unaudited.

Our brands

Wotif.com Holdings Limited operates leading online travel brands around the world, with emphasis on the Asia Pacific region.

As Australasia's leading accommodation website, Wotif.com has been at the forefront of the online accommodation revolution since 2000.

From humble beginnings in a small garage in Brisbane, Australia, the brand has expanded to include flights and holiday rentals.

Wotif.com's position in the market has been strengthened through its mobile optimised site and the release of the Wotif.com app for iPhone in June 2012, which is ranked as the number one most downloaded free Travel app in Australia.

Wotif.com's proprietary flight booking platform highlights the innovative framework behind Australia's number 1 online travel agency (as ranked by Hitwise). With the launch of holiday rentals on Wotif.com in FY12, the brand has been able to claim another "first" in the Australian market by exclusively offering instantly bookable holiday homes and vacation rentals online.

lastminute.com.au is Australia's leading travel and lifestyle website and pioneered the concept of Secret Hotels® in Australia. Offering a broad range of hotels, international and domestic flights, holiday packages, travel insurance, car hire, gifts and experiences, this distinctive brand communicates spontaneity and a sense of adventure. The site has a loyal database of registered subscribers as well as dedicated social media communities who thrive on living every lastminute.com.au.

Seizing the opportunity to further engage with their customers, lastminute.com.au now incorporates targeted marketing principles into its communication strategies. This means customers receive newsletters, updates and promotional information that targets their specific interests according to key data they've supplied (such as travel regions, holiday types or their location).

Providing travel information for Asian destinations since 1993, Asia Web Direct is positioning itself as the premier booking and information source for popular destinations in Asia, providing rich content, inspirational imagery and downloadable travel guides. It is also host to over 100 destination websites.

The Group developed an algorithm in FY12 to rank search results on AsiaWebDirect.com according to factors including popularity, customer review score, availability and commission levels. The high-graded results automatically appear across Asia Web Direct's travel guide sites to increase visibility and conversion for hotels that actively maximise their ranking.

LateStays.com promotes last-minute accommodation deals and is perfect for customers looking to make quick, simple, straightforward bookings with instant confirmation.

LateStays' multi-lingual capabilities were enhanced throughout the year to capture a bigger share of the brand's key Asian market. Customers can now view the site in Thai, Japanese, Chinese, Russian, Korean, Bahasa Indonesia and Bahasa Malaysia.

We work as partners with our travel suppliers, providing a cost-effective distribution platform for their products and sold more than 7 million room nights this year on their behalf. With each brand offering unique advantages and access to different target markets, our travel and accommodation supply partners can tailor their online marketing and distribution strategies to suit their needs.

Since launching in 2000, we have grown to be a truly international business, employing a diverse and skilled team in 19 countries on five continents. We listed on the Australian Securities Exchange in June 2006, trading under the ASX code "WTF".

In 2008 the Company's operations expanded with the takeover of travel.com.au Limited, which included the acquisition of Arnold Travel Technology Pty Ltd, and the purchase of the businesses conducted by Asia Web Direct (HK) Limited. The Group further consolidated its position in the travel market in December 2009 when we purchased the activity booking website GoDo.com.au. Wotif Group's operations today include the businesses shown below.

travel.com.au

ONE DESTINATION. ENDLESS POSSIBILITIES.

travel.com.au became part of the Wotif Group in 2008 and is one of Australia's most experienced online travel companies. The brand offers customers the best of both worlds when it comes to booking travel – the flexibility of booking online 24 hours a day or with a passionate and experienced Travel Expert over the phone. With great deals on international and domestic flights, holidays, hotels, tours, cruise, travel insurance and car hire, travel.com.au caters to a wide range of travellers.

Developments this year saw the release of a new international flights booking engine on travel.com.au, improving product range, site speed and functionality and strengthening the brand's objective to be "one destination with endless possibilities" for consumers.

Arnold™

Arnold Travel Technology Pty Limited

Since 2000, Arnold Travel Technology has developed a suite of products designed in Australia specifically to meet the needs of the Australasian corporate travel market. The platform is used by some of Australia and New Zealand's leading companies, travel agencies, business travellers, small-to-medium enterprises and government departments.

A project is currently in progress to enable Wotif.com inventory to be sold to Arnold's client base, capitalising on the Group's broad accommodation range to provide more choice and increase the opportunity for corporate sales within the Company.

GO DO

A leading provider in the "things to do" marketplace, GoDo offers more than 2,700 activities across Australia in 12 major categories. As well as selling activities through its website (godo.com.au), GoDo also powers a number of major online distribution channels throughout Australia.

A new gift voucher range was released on GoDo in FY12, giving customers the ability to purchase vouchers for a specific activity in advance or buy someone a GoDo experience as a gift. The project introduced a new revenue stream to the brand and resulted in a 50% uplift in voucher sales.

Managing Director's Report

Robbie Cooke
Group CEO & Managing Director

The 2012 financial year saw the Group return to form with record-breaking performances across the board.

FY12 snapshot

The 2012 financial year saw the Group return to form with record-breaking performances across the board. Total transaction values, revenue, operating profit[2] and after tax profit out- performed all prior years. Using FY05 as the base, your team at Wotif has more than quadrupled each of these metrics over the last seven years.

Our result for FY12 exceeded the expectations we flagged to the market early in May, at which time we anticipated our after tax profit would be within the range of $55.5–$57.5 million. A number of factors saw us close the year above this estimate. Our flights operations ended the year more strongly than we had forecast, accounting for $110 million or 9% of Group transaction values (30% up on FY11). Our accommodation business achieved sales very much in line with what we delivered in the first half of the year – somewhat unsurprisingly given the absence of any material change in the macro environment for our key Australian region. These trends were boosted by our continuing quest for operating efficiencies as evidenced by the lift in our operating profit[2] margins to 59% (up from 56% in FY11).

In combination, these factors saw total transaction values grow 5%, revenues increase 5%, operating profit[2] lift 11% and NPAT jump 14%.

Initiatives launched

We released significant new initiatives across our brands and platforms in the year, which not only contributed to our performance in FY12, but also positions our business well for growth into the future. Some of the more noteworthy items delivered in the year are highlighted below. The sheer volume of projects undertaken (noting that the list below is not comprehensive) – and, more importantly, the quality of the work and the fact that these projects were implemented without our business missing a beat – is due entirely to the calibre, dedication and professionalism of the teams involved.

Wotif.com refresh

We developed our system and its architecture to enable nimble and rapid changes to the user interface (**UI**) on Wotif.com. This initiative is a significant step forward and allows us to make frequent, incremental changes to the Wotif.com UI without major site or customer disruption. Many of the changes are not immediately obvious but are focused on lifting conversion rates. This project also means that site improvements can be trialled and tested in a live environment with a subset of our customer base before being rolled out to the broader audience.

International flights booking engine

We completed the development of the Group's international flights booking engine, which now powers the international flight sales on Wotif.com, lastminute.com.au and travel.com.au. This engine provides a fast and scalable Group solution for supplying our international air content (including low cost carriers) and is powering our sales from more than 160 international airline partners.

Display advertising on Wotif.com

We implemented the capability to host display advertising on the Wotif.com home page and in other positions throughout the site. This not only provides opportunities to generate additional revenue streams from third party advertisers but also, significantly, presents our hotel partners with an option to acquire additional exposure on Wotif.com to feature their offering.

Vietnam joint venture

In partnership with a highly credentialed Vietnamese travel group, we launched a new accommodation-booking site, iVIVU.com, purpose-built for the Vietnamese consumer. The work undertaken to enable our platform to power this site positions the Group well to replicate similar initiatives in other markets where appropriate opportunities arise.

2. Being profit before depreciation, amortisation and taxation – this is a non-IFRS measure and is unaudited.

Significant new initiatives contributed to our performance in FY12, and also position our business well for growth into the future.

Customer reviews

The team released the first phase of our customer review project in the financial year, giving customers who have booked and stayed at a property on Wotif.com the opportunity to submit comprehensive feedback about their accommodation experience. The fact that all reviews are (and can only be) made by persons who have actually stayed at the property is a point of differentiation from some other publicly available review content. We have seen positive engagement from our customers to submit reviews, with more than 14% of Wotif.com bookers participating.

More languages on more sites

We continue to add to our multilingual capabilities with Russian, Korean and Malaysian languages supplementing the range available on LateStays.com. We also rolled out multilingual content on AsiaWebDirect.com at the end of FY12, and customers now have the ability to view the site in Thai, Japanese, Chinese, Russian, Korean, Bahasa Indonesia and Bahasa Malaysia.

Hotel ranking algorithm for AsiaWebDirect.com and LateStays.com

We now prioritise search results for our Asian brands according to numerous factors, including popularity, customer review score, availability and commission levels. The high-graded results automatically appear across our 100+ Asia travel guide sites to increase visibility and conversion for hotels that actively maximise their ranking.

Holiday rentals

Wotif.com now has an even more comprehensive range of accommodation on offer after introducing a new "holiday rental" category to the site. By offering our customers the opportunity to book holiday homes (or vacation rentals) we complete the spectrum of accommodation options. These properties are particularly attractive to families and for longer stays. Our model is different from others in the market in that availability is disclosed upfront; all rentals are instantly bookable and confirmed; and we only require an initial deposit to lock-in your booking.

Mobile

We continued to invest in our mobile offering for Wotif.com by improving our mobile optimised site's usability, features and speed. The best evidence of the success of our approach to mobile is the fact that 14% of our visits and 9% of our room nights are delivered on our mobile site and app.

App for iPhone

Wotif.com launched its app for iPhone in late June 2012, achieved strong customer acceptance and still retains its position as the number one most downloaded free Travel app in Australia. We currently generate 3% of our daily bookings from our app.

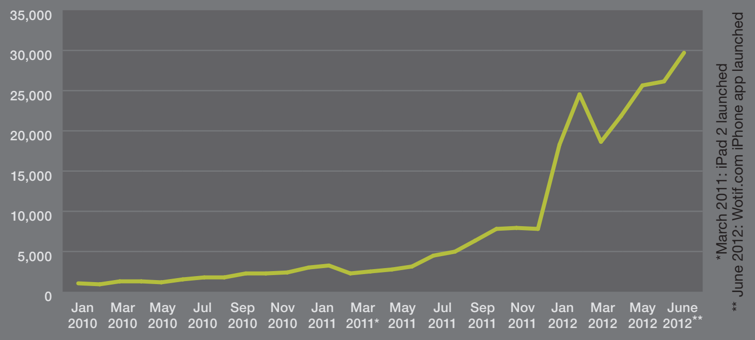
Investing for the future

It is critical that we reinvest in initiatives such as those undertaken in the last year if we are to maintain and lift our market leading position and grow revenue streams. As such, the coming year sees the Group planning to again ramp-up its investment in our platforms and products.

The Wotif management team continues to recognise the need for a disciplined and accountable approach in undertaking these actions. We understand that it is vitally important to keep a tight focus and avoid getting caught up in fads and mantras and will not move prematurely into new travel-related business streams and technologies where doing so will unnecessarily distract or place a drag on our core businesses. We also recognise that as an online retailer we have a unique opportunity to test and trial different concepts in a rapid and low-cost way – a retailing advantage not as obviously available to those tied to traditional "old world" retail channels. The ability to experiment with initiatives that pinpoint small improvements in our conversion of "lookers" to "bookers" offers a path to not inconsequential gains in margins and profitability.

The approach we took when investing in our flights engine and the way we tackled the mobile space are good examples of this discipline in action and are both worthy of specific mention:

FIGURE 1 Bookings on mobile devices



3. Australian Bureau of Statistics *3401.0 Overseas Arrivals and Departures, Australia June 2012*, Short-Term Resident Departures.
4. Australian Bureau of Statistics *8635.0 Tourist Accommodation, Australia March 2012*.
5. The average value of rooms sold is calculated by dividing TTV for the relevant year (which includes booking, card and administration fees) by the number of room nights sold with a check-in date in the relevant year.

Flights

We invested in building a new flights booking engine to power not only the businesses we acquired in 2008 (lastminute.com.au and travel.com.au), but also to extend Wotif.com's accommodation offering to include flights. The investment made in FY10 is now delivering on the promise we saw, with the Group processing $110 million worth of flights in the year accounting for 9% of Group transaction values. This strong revenue contributor is driven by a strategy of leveraging off our leading brands to pursue incremental revenues in a sustainable and profitable way. Our step into the flights arena, and the technology investment we made, favourably positions the Group to move into online holiday packages, a coming strategic initiative I discuss later, on page 12.

Mobile

Our approach to mobile has been a little different to others in the market. Our initial focus was to deliver mobile optimised sites rather than pursuing the launch of mobile apps as our first action. This strategy recognised the rapid transition to mobile devices but anticipated that, for the majority of users, their initial response would be to continue to access their favourite travel site through browser-based searching/activity. This view directed us, as a first step, to ensure that our sites were optimised for the new wave of devices hitting the market. Accordingly, we launched our first mobile optimised version of Wotif.com in FY10, and we have successively iterated and updated the offering since that time. As can be seen from Figure 1, this approach was the correct one for Wotif.com with the uplift in traffic and bookings via mobile devices being nothing short of remarkable.

Our mobile optimised sites have been followed by the recent launch of our app for iPhone. The success of this initiative can be seen in Figure 1 above and is demonstrated by 3% of Wotif.com's booking activity being generated by our app. In undertaking our app development we have built up expertise in-house for delivering these services. We view the warehousing of these skills internally as essential for an online business such as ours where it will be core to our offering going forward. Outsourcing this development in a way that would result in a dependency on others was (and is not) an acceptable option.

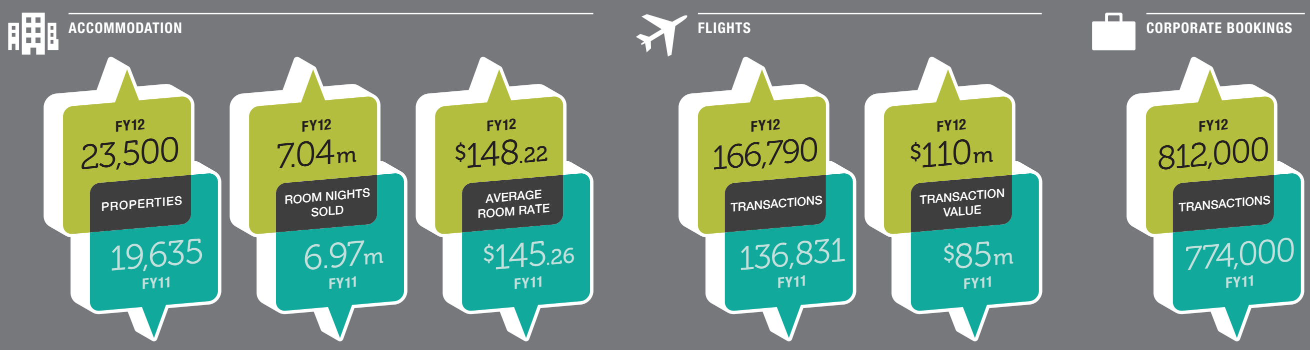
In the coming year we have a number of significant infrastructure related projects scheduled to commence development. These projects (similar in many respects to our flights booking engine project) will deliver benefits for the business for years to come. Some, like our planned holiday package engine, will directly deliver new product offerings (dynamic holiday packages on Wotif.com) whereas others will consolidate or refresh back-end systems to achieve operating efficiencies, facilitate new features for existing product offerings, and replace technology in some legacy systems.

In our Half Year Report released in February 2012, we indicated that we would be taking a slightly different approach with respect to the treatment of our IT Development Costs associated with certain projects. The approach adopted was entirely consistent with our stated accounting policy (which has been in place since before our listing with the ASX in 2006) that requires IT Development Costs to be "capitalised and amortised within the period of expected benefit, generally up to three years. The period of expected benefit is reviewed at least on an annual basis, in the reporting period." In prior years, all IT Development Costs have been capitalised and amortised within the reporting year that such costs were incurred. With the project mix now in the pipeline, following our policy and in appropriate instances adopting a longer term will ensure that some larger projects (that may require scaling up of our teams) do not unduly impact the years when works are conducted, as opposed to when the projects will commence contributing to revenue. In these circumstances and based upon the period of expected benefits, amortisation periods between 1 and 5 years have been adopted.

These projects will deliver benefits for the business for years to come.

Results and operations

Profit after tax increased by $7.0 million (14%) in the year reaching $58.0 million (FY11: $51.0 million). This result was achieved notwithstanding challenges posed by the high Australian dollar and the continuing tide of Australian holidaymakers heading offshore. This trend has not abated, in fact, Australian Bureau of Statistics data for the 12 months to June 2012 shows Australians took a record eight million trips overseas. This is an 8% increase compared to the prior year and more than double the level of overseas visits eight years ago[3].



In overview, the year saw the Group achieve:

- a record in the value of accommodation transactions processed with $1.043 billion of accommodation sales, up 3% (FY11: $1.012 billion);
- a 2% increase in accommodation bookings across all brands;
- room night sales volume (by check-in) across all brands up 1% on last year;
- record accommodation revenue up 3% to $126.1 million (FY11: $122.0 million);
- record flight transactions up 30% to $110 million (FY11: $85 million);
- record flights and other revenue, up 12% to $13.6 million (FY11: $12.1 million).

Looking at each of our key areas of operation:

ACCOMMODATION

The Group's sites collectively processed 3.73 million accommodation bookings in the 12 month reporting period, up 2% (FY11: 3.67 million). This translated into a total of 7.04 million room nights (FY11: 6.97 million) representing a 1% increase on FY11. We processed one in ten of all hotel/accommodation room nights sold in Australia[4] indicating that there is still substantial distribution not captured by online channels, or indeed by the Group. Our sales of accommodation within Asia remained significant to the Group, with 12% of room nights sold generated from properties located in our Asian markets.

Room rates on average across the Group increased 2.0% in the year (average rate per room night net of GST/VAT FY12: $148.22; FY11: $145.26)[5]. Core Wotif.com room rates increased 1.2% in the reporting period (FY12: $152.59; FY11: $150.73).

These factors converged to produce a record in the value of accommodation transactions processed by the Group with $1.043 billion of accommodation sales being made, up 3% (FY11: $1.012 billion).

Our direct-sourced accommodation offering in the Oceania region continued to be the most extensive and diverse available, with our coverage encompassing:

- 8,029 properties in Australia, Fiji, Vanuatu and Papua New Guinea up 14% on FY11 (FY11: 7,071); and
- 2,176 properties in New Zealand and the Cook Islands up 11% on last year (FY11: 1,965).

Our direct-sourced inventory within our Asian markets reached 7,484 properties by the end of FY12 (FY11: 5,947). For all other markets outside Oceania and Asia we directly represented 5,850 properties at year's end (FY11: 4,652). The Group is the authorised agent for a total of more than 23,500 hotels and other properties worldwide. In addition to this, we offer inventory for sale at 6,897 other accommodation venues, which are accessed through a supply arrangement with Tourico Holidays Inc. (a business-to-business provider of hotel inventory).

FLIGHTS

The Group achieved 166,790 flight transactions (FY11: 136,831) from both domestic and international travellers in the year across Wotif.com, lastminute.com.au and travel.com.au. Our efforts in the year have been rewarded with transaction values lifting from $85 million in FY11 to $110 million in FY12 – now representing 9% of the Group's total transaction value.

Our flights business was a strong contributor to our revenues in the reporting period and work undertaken in the year to build our brands' positions has been effective. As at year's end we were selling product on behalf of eight domestic Australian carriers and more than 160 international airlines.

CORPORATE

812,000 corporate transactions were processed by our ARNOLD corporate booking platform in FY12 (FY11: 774,000). Sales achieved on the ARNOLD platform are driven by:

- licensed clients of the ARNOLD platform successfully winning new corporate business (which typically involves fiercely competitive bid processes) and retaining our existing client base; and
- the overall health of the corporate travel segment.

Throughout the year we have worked closely with our client base to prioritise development of features and functionality that will assist in winning new business and maintain existing client relationships. We have increased our development resources dedicated to ARNOLD to 22 personnel (up from 12 in the prior 12 months). Another key focus in the year has been to introduce the ability for ARNOLD clients to access the Wotif.com inventory suite; this work will be completed in the current calendar year.

The continued strong growth it has achieved supports our decision to invest further in this multi-GDS platform, delivering enhancements and improvements for the ARNOLD client base.

REVENUE

Operating revenue for the Group for the 12 months to 30 June 2012 was $145,309,000 (FY11: $138,349,000).

This result reflects a 1% increase in the number of room nights sold (by check-in) throughout the Group (FY12: 7.04 million room nights sold; FY11: 6.97 million room nights sold) and a 22% lift in flight transactions, assisting in delivering a 12% increase in flights and other revenues.

Accommodation revenue was boosted by a 2% increase in the average value of rooms sold across the Group's suite of sites (FY12: $148.22; FY11: $145.26)[5]. Average room rates achieved on Wotif.com increased in the reporting period by 1.2% (FY12: $152.59; FY11: $150.73). The rate environment experienced by Asia Web Direct was on par with the prior year (FY12: $85.25; FY11: $85.26).

FIGURE 2 Short-term resident departures, Australia

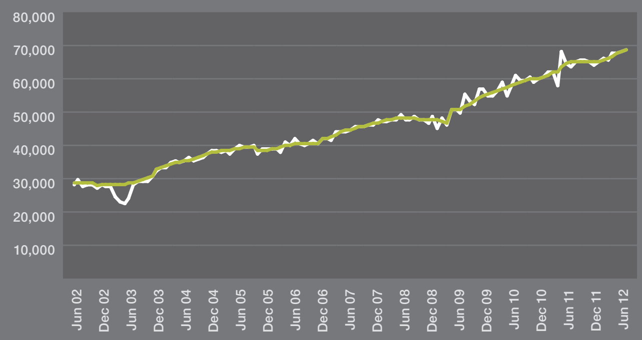
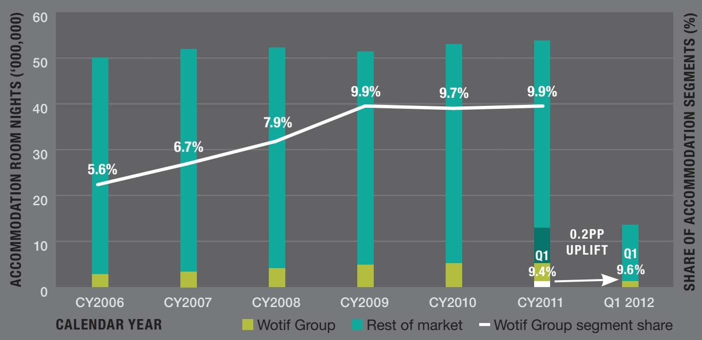


FIGURE 3 Wotif Group room night sales versus total Australian room night sales



NET PROFIT

Consolidated net profit after tax for the Group in the reporting period was $58,004,000 (FY11: $50,963,000). This represents an increase of 14% compared to the previous year.

Operating expenses (excluding amortisation of IT Development Costs, other amortisation and depreciation) were $59,028,000 (FY11: $60,615,000), down 3%, principally reflecting:

- a 3% reduction in credit card commission costs, due to a lowering in the average merchant service fee level from 1.32% of accommodation TTV in FY11 to 1.24% in FY12 (FY12: $12,973,000; FY11: $13,379,000);
- a 15% reduction in web maintenance costs thanks to efficiencies experienced from moving the Group's infrastructure to a self-managed environment (FY12: $9,592,000; FY11: $11,269,000); and
- a $1,354,000 movement (downwards) in share-based payment expenses, reflecting the calculated reduction (per AASB 2 *Share-based Payment*) in option expenses having regard to vesting failures of options due to non-market factors (FY12: $(332,000); FY11: $1,022,000).

IT Development Costs decreased in the reporting period to $1,670,000 (FY11: $2,756,000) as noted previously (see page 10). This resulted from the Group consistently applying its stated accounting policy for IT Development Costs, and thus capitalising a number of more significant infrastructure type projects and amortising these costs over the useful life of the relevant projects. This approach accords with the method disclosed in the Group's Half Year Directors' Report and applied in the Half Year Financial Report for the period ended 31 December 2011 (further disclosure on this approach is found in Note 2 on page 46).

DIVIDEND

The Board has determined a final fully franked dividend of 13.5 cents per share, taking full year dividends to 25 cents (FY11: 22 cents).

Market position and outlook

As I have mentioned, the strength of the Australian dollar has been a recurring feature influencing the behaviour of the Australian leisure travel consumer. We are factoring this into our business planning as "situation normal" and we do not assume the appetite for offshore travel will diminish in the course of the current year. Figure 2 above shows the growth in outbound travel by Australians in the last ten years.

Against this backdrop, it would be reasonable to assume that our international flights business will continue to be a beneficiary of the cycle. The corollary though is the very strong likelihood that leisure sales of Australian accommodation will remain unremarkable. Any significant softness will have the potential to produce some exceptional "deals", which in turn should improve the relative value proposition for domestic travel in some key destinations. Wotif.com is perfectly positioned at such times to do what it does best, namely get the most compelling deals in front of the largest pool of Australian and New Zealand consumers, at the world's lowest distribution cost for hoteliers.

The other side of the ledger is the corporate market where currency shifts will not impact the demand for Australian accommodation from business bookers. This sector represents a significant piece of the Group's accommodation booking volumes.

Figure 3 best demonstrates the ongoing robustness of our accommodation franchise, illustrating that the Group continues to transact approximately one in ten of every accommodation bookings made in Australia from any channel. Our performance against the most recent quarter's data published by the Australian Bureau of Statistics is consistent with our market position in the corresponding quarter in 2011. What this data also indicates is that there is still a vast share of the accommodation market left untapped by the Group.

Our brand awareness in Australia continues to be at all time highs, as shown in Figure 4 on page 14, further reinforcing our market position.

Given the macro environment, we are focused on seeking opportunities to increase awareness of our international flights and accommodation offering, particularly in the key Asia Pacific destinations so popular with Australians and New Zealanders. We will continue to build all our brands' positions in flights and will extend the functionality on offer to our customers through our proprietary flight-booking platform. As has been the case in prior years we will remain focused on building up our flights business in a rational way. This will be done with an overriding business focus of providing the most competitively priced flights to our customers in the same way that our accommodation offering is known and trusted to provide the best value. Promoting our flights offering to our existing and sizable Wotif.com audience remains a priority.

We are also focused on finding channels to push our extensive and unique Australian and New Zealand accommodation supply base more aggressively, whether via leisure or corporate channels. Consistent with this is our move towards offering dynamic holiday packages for sale on Wotif.com. This product extension will provide an opportunity to link into our global hotel supply chain to obtain wholesale product to package up with flight content so as to provide compelling offers to our customer base – this is but one advantage of having direct inventory sourcing arrangements with our suppliers.

6. 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. From FY08 this includes TTV contributions from acquired businesses, namely travel.com.au Limited from 1 January 2008 and Asia Web Direct (HK) Limited from 1 March 2008.
7. Being profit before depreciation, amortisation and taxation – this is a non-IFRS measure and is unaudited.
8. IT development costs that relate to the acquisition of an asset are capitalised, to the extent that they represent probable future economic benefits, are controlled by the Group and can be reliably measured (referred to as **IT Development Costs**). The capitalised cost is amortised over the period of expected benefit, generally between 1 and 5 years. IT costs incurred in the management, maintenance and day-to-day enhancements of all IT applications are charged as an expense in the period in which they are incurred.
9. Capex is comprised of property, plant and equipment, and IT Development Costs. In FY07, this included the purchase of the Group's former head office ($2.4 million). In FY10 this included the purchase of a new head office building for the Group ($8.3 million).

Our track record

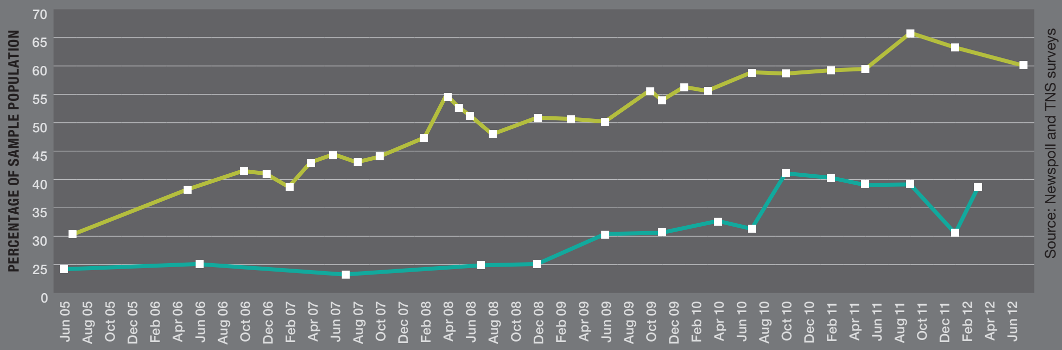
for the year ended 30 June

AMOUNTS IN $'000,000

	FY12	FY11	FY10	FY09	FY08	FY07	FY06
Accommodation TTV	1,043.4	1,012.1	1,000.2	904.2	695.2	529.2	362.9
Flights and other TTV	117.8	93.7	93.8	88.3	48.5	–	–
Total TTV[6]	**1,161.2**	**1,105.8**	**1,094.0**	**992.5**	**743.7**	**529.2**	**362.9**
Accommodation revenue	126.1	122.0	120.9	109.3	83.5	62.3	42.9
Flights and other revenue	13.6	12.1	12.2	9.5	5.5	–	–
Interest revenue	5.6	4.2	2.8	2.5	5.0	5.0	2.6
Total revenue	**145.3**	**138.3**	**136.0**	**121.3**	**94.0**	**67.3**	**45.5**
Total operating expenses	(59.0)	(60.5)	(56.7)	(52.7)	(40.2)	(25.8)	(19.5)
Operating profit[7] (before depreciation, amortisation and taxation)	**86.3**	**77.8**	**79.3**	**68.6**	**53.8**	**41.5**	**26.0**
Depreciation	(3.3)	(3.1)	(2.3)	(2.0)	(0.9)	(0.2)	(0.4)
Amortisation of IT Development Costs[8]	(1.7)	(2.8)	(3.1)	(4.2)	(3.9)	(3.4)	(2.4)
Other amortisation	–	(0.3)	(0.3)	(0.2)	–	–	–
Profit before income tax	**81.3**	**71.6**	**73.6**	**62.2**	**49.0**	**37.9**	**23.2**
Income tax	(23.3)	(20.6)	(20.6)	(18.7)	(14.5)	(11.5)	(6.7)
Net profit	**58.0**	**51.0**	**53.0**	**43.5**	**34.5**	**26.4**	**16.5**

KEY OPERATING DATA	FY12	FY11	FY10	FY09	FY08	FY07	FY06
Accommodation TTV growth	3%	1%	11%	30%	31%	46%	44%
Flights and other TTV growth	26%	–	6%	82%	–	–	–
Total TTV growth	**5%**	**1%**	**10%**	**33%**	**31%**	**46%**	**44%**
Accommodation revenue growth	3%	1%	11%	31%	34%	45%	43%
Flights and other revenue growth	12%	(1%)	28%	73%	–	–	–
Total revenue growth	**5%**	**2%**	**12%**	**29%**	**40%**	**48%**	**42%**
Operating expenses growth	(2%)	7%	8%	31%	56%	33%	47%
Profit before income tax growth	14%	(3%)	18%	27%	29%	64%	36%
Net profit growth	14%	(4%)	22%	26%	31%	60%	37%
Accommodation revenue % of accommodation TTV	12%	12%	12%	12%	12%	12%	12%
Total revenue % of TTV	**13%**	**13%**	**12%**	**12%**	**13%**	**13%**	**13%**
Operating profit margin (profit before depreciation, amortisation and taxation as % of revenue)	**59%**	**56%**	**58%**	**57%**	**57%**	**62%**	**57%**
Net profit % of total revenue	**40%**	**37%**	**39%**	**36%**	**37%**	**39%**	**36%**
Capex ($ million)[9]	9.1	6.7	17.3	7.8	6.1	6.8	3.1

FIGURE 4 Wotif.com brand recognition among Australian and New Zealand consumers



We are also convinced that there is a good opportunity for us to make a difference in the holiday rental markets in Australia and New Zealand. While we have factored in a slow build-up into this market (similar to our approach to flights), our aspiration is for this category to be making a meaningful contribution to revenues in two years' time.

As a management team we are proud of the growth we have delivered since our ASX listing in 2006. We are also acutely aware of the need to replicate this performance and drive our business to new levels over the next five years. While the organic growth opportunities we have identified (such as flights, holiday rentals, dynamic packages and mobile initiatives) will provide some of this momentum, it is fair to say that we will not get to where we need to be by remaining the same. In light of this we are prepared to contemplate extensions to our travel business by acquisition, similar to the way we expanded by takeover of travel.com.au Limited and Asia Web Direct. Accordingly, we will continue to examine opportunities that arise that may provide the ability to extend our network of brands, leverage our systems and supplier reach, expand our geographic footprint, and/or tap into other parts of the travel distribution chain.

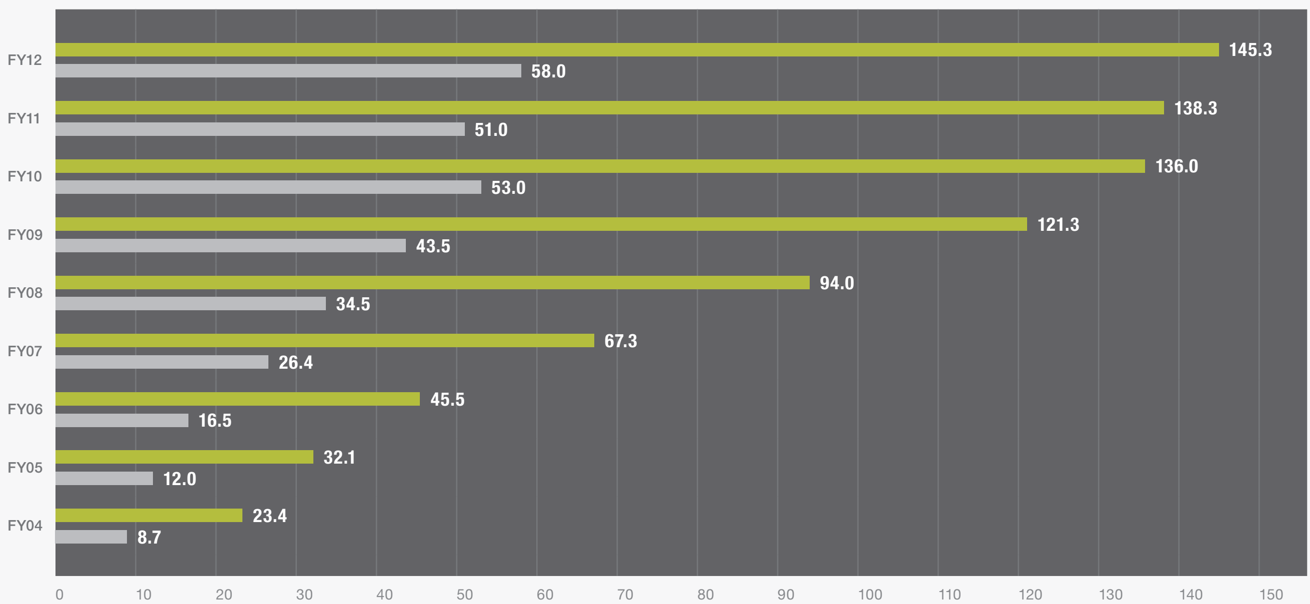
In closing, I would like to take a moment to thank the entire cohort here at Wotif for driving the FY12 result. Each of my Executive General Managers and their teams has risen to the challenges thrown their way in the year. I have had the privilege of leading the team for close to seven years now, and you could not ask for a group that is more engaged, enthused and passionate about our business. I am very confident that we have the depth of talent to drive our businesses further this year and to deliver on the very full project pipeline we are embarking on for FY13 and beyond. As a team we remain determined to provide our accommodation suppliers with the world's lowest cost distribution channel and, in return, we remain 100% focused on delivering on our brand promise of providing our loyal customers with the best value travel options available anywhere!

Robbie Cooke

GROUP CHIEF EXECUTIVE OFFICER
AND MANAGING DIRECTOR

22 August 2012

FIGURE 5 Total revenue and NPAT (million AUD)



Wotif has more than quadrupled TTV, revenue, operating profit and after tax profit over the last seven years.

Dick McIlwain (65)

Chairman

Dick joined the Board as Non-executive Chairman on 3 April 2006. He is Chairman of the Company's Nomination and Remuneration Committee.

Dick is the Managing Director and Chief Executive of Tatts Group Limited (since October 2006).

He was previously the Non-executive Chairman of Super Cheap Auto Group Limited (May 2004 to October 2009) and is a Fellow of the Australian Institute of Company Directors. He holds a Bachelor of Arts from the University of Queensland.

The Board has determined that Dick is an Independent Director

Robbie Cooke (46)

Group Chief Executive Officer and Managing Director

Robbie joined the Company in January 2006, initially as the Chief Operating Officer, before taking the reins as Group Chief Executive Officer and Managing Director in October 2007. Prior to joining the Company, Robbie was the Strategist and General Counsel at UNiTAB Limited, a position he held for six years. Prior to UNiTAB, he held commercial, corporate finance and legal roles at Santos, HSBC James Capel and MIM Holdings Limited.

He has a Bachelor of Commerce and a Bachelor of Laws (Hons), both from the University of Queensland, a Graduate Diploma in Company Secretarial Practice, and is a member of Chartered Secretaries Australia and of the Australian Institute of Company Directors.

Graeme Wood (65)

Non-executive Director

Graeme created the concept of Wotif.com in 2000. He has been a Director since its inception (24 May 2000), and was Managing Director until October 2007. He is a member of the Company's Nomination and Remuneration Committee.

Graeme's background is in information systems and software development, beginning with NCR and later with IBM. His career as an entrepreneur began in the early 1980s with the first of several technology company start-ups. Graeme is also founder and Executive Director of Wild Mob, and is on the Boards of Hunted Media Pty Ltd (the operator of online music service wearehunted.com), the University of Queensland Endowment Fund and The Global Change Institute.

Graeme holds a Bachelor of Economics, a Master of Information Systems and an honorary Doctorate of Economics, all from the University of Queensland.

Board of

Ben Smith (47)

Non-executive Director

Ben is a Managing Director in the corporate advisory department of Investec Bank (Australia) Limited, and was appointed to the Wotif Group Board as a Non-executive Director on 3 April 2006. He is the Chairman of the Company's Audit and Risk Committee and a member of the Nomination and Remuneration Committee.

Ben has more than 20 years' experience in corporate finance and corporate advisory across the gaming, media, telecommunications, technology, property and hospitality sectors, advising companies in relation to mergers, acquisitions, equity capital markets and private raisings, and corporate strategy. He has worked as a Director in the corporate advisory group of Macquarie Bank and, prior to that, in London with Hill Samuel Bank's corporate finance and mergers and acquisitions groups.

Ben has a Bachelor of Science in Economics (Hons) majoring in Accounting and Finance from the London School of Economics and has various industry qualifications, including the Securities Institute Diploma.

The Board has determined that Ben is an Independent Director.

Andrew Brice (69)

Non-executive Director

Andrew was appointed to the Board on 24 May 2000 as a Non-executive Director.

He is a member of the Company's Audit and Risk Committee.

Andrew has had a successful career as a chartered accountant. During this time he worked as an auditor at the accounting firm Arthur Andersen and went on to build his own accounting practice, AH Jackson & Co, from a sole trader to an established four-partner firm. He graduated from the University of Queensland with a Bachelor of Commerce, and is a fellow of the Institute of Chartered Accountants.

Kaylene Gaffney (42)

Non-executive Director

Kaylene was appointed to the Board on 22 November 2010 as a Non-executive Director. She is a member of the Company's Audit and Risk Committee and Nomination and Remuneration Committee.

Kaylene is a chartered accountant and has worked in a variety of senior finance roles across the information technology, telecommunications and aviation industries. Kaylene is currently the General Manager, Financial Accounting for Virgin Australia. She holds a Bachelor of Business (Accountancy), Graduate Diploma of Business (Professional Accounting) and a Master of Business Administration (International), all from the Queensland University of Technology.

The Board has determined that Kaylene is an Independent Director.

Directors

Corporate Governance

The Wotif Group is committed to best practice in the area of corporate governance…

The Wotif Group is committed to best practice in the area of corporate governance and considers its governance framework to be consistent with the ASX Corporate Governance Council's *Corporate Governance Principles and Recommendations* (second edition with 2010 Amendments)[10]. Our corporate governance statements relate to those principles and any exceptions to those principles are identified below.

The corporate governance principles and practices adopted by the Group are summarised below and are centred on the Board, Board committees and the principles that govern their oversight of management. Additional information with respect to the Group's corporate governance approach can be found in the following documents available in the Corporate Governance section on the Group's website (www.wotifgroup.com):

- Wotif Group Board Charter;
- Wotif Group Audit and Risk Committee Charter;
- Wotif Group Nomination and Remuneration Committee Charter;
- Wotif Group Communication and Disclosure Policy;
- Wotif Group Share Dealing Policy;
- Wotif Group Code of Conduct;
- Wotif Group Risk Management Policy; and
- Wotif Group Diversity Policy.

Board of Directors – Role of the Board

The Board is responsible for the overall corporate governance of the Wotif Group. The Board recognises the need for the highest standards of behaviour and accountability. The Board has final responsibility for the management of the Group's business and affairs.

The Board is responsible for:

- overseeing the Group including:
  a) the Group's systems of internal control and accountability and the systems for monitoring compliance; and
  b) the identification and management of significant business risks;
- monitoring the Group's financial performance, including adopting annual budgets and approving the Group's financial statements;
- approving and monitoring the progress of major capital expenditure, capital management, and acquisitions and divestments;
- input into and approving the Group's goals and strategic direction;
- reviewing and ratifying the Group's risk management system, internal compliance and control systems, codes of conduct and legal compliance;
- selecting and (where appropriate) removing the Managing Director and reviewing the performance of senior management; and
- ratifying the appointment and (where appropriate) removal of the Chief Financial Officer and the Company Secretary.

The Board has adopted a written charter that identifies the functions reserved to the Board. Day-to-day management of the operations of the Group vests in the Managing Director, who, together with the executive team, is accountable to the Board.

Composition and review of the Board

The Board is currently comprised of six Directors, of whom:

- three (Dick McIlwain (Chairman), Ben Smith and Kaylene Gaffney) are Non-executive, Independent Directors (see Independence section);
- two (Graeme Wood and Andrew Brice) are Non-executive Directors, however are not considered to be Independent as a result of their shareholdings in the Company; and
- one (Robbie Cooke, Managing Director) holds his position in an Executive capacity and consequently is not considered to be Independent.

The term of office held by each Director is set out in the section titled Board of Directors on pages 16 and 17 together with their applicable skills, experience and expertise.

The Board's composition is subject to review in the following ways:

10. Subject to the Board not being comprised of a majority of Independent Directors – see explanation in section titled Independence.

The Board recognises the need for the highest standards of behaviour and accountability.

- The Company's Constitution provides that each Director must retire from office no later than the longer of the third Annual General Meeting or three years following the Director's last election or reappointment. Each retiring Director under the Constitution is eligible for re-election.
- Each retiring Director's performance is reviewed by the Nomination and Remuneration Committee and, following this review, that Committee makes a recommendation to the Board as to whether the Board should support the renomination of that Director.
- The composition of the Board is reviewed annually by the Nomination and Remuneration Committee or the full Board to ensure that it has available an appropriate mix of skills and experience to ensure the interests of shareholders are served.

In the reporting period, the Nomination and Remuneration Committee (with participation from Andrew Brice) undertook a review of the Board's composition and overall effectiveness (including its Committees and individual Directors). This review process was facilitated by the Chairman and review findings were discussed with all Board members. In undertaking this review, the Committee considered:

- the mix of skills, experience, qualifications and expertise residing with Board members collectively and within the Board's Committees. The Committee considered that the mix was appropriate for the Board and its Committees to currently discharge their duties;
- adequacy of access to Group information, the CEO, senior management and the opportunity to participate in Board and Committee meetings. The Committee was satisfied in relation to each of these matters;
- the independence (or non-independence) of all Directors. The Committee considered that no change in status of individual members had occurred during the year and was satisfied that, notwithstanding the Board is not currently comprised of a majority of Independent Directors, its present composition still allows for critical, quality, expedient and independent decision-making in the best interests of the Group on all relevant issues;
- its ability to add value to the Company through its focus on and understanding of the business and its strategy.

The Chairmen of the Audit and Risk Committee and the Nomination and Remuneration Committee also reported to the full Board that the respective Committees:

- function well and apply an appropriate level of scrutiny in oversight of matters that come within their Charters; and
- are comprised by a mix of skills and experience appropriate for the Company.

The Nomination and Remuneration Committee qualitatively reviewed the contribution Dick McIlwain (who will resign as a Director and offer himself for re-election at the 2012 Annual General Meeting) had made to the Board during his tenure. The Committee considered that Dick McIlwain's skills, experience, expertise and contributions to the Board as its leader continued to meet the requirements of the Group. The Board determined that it would support the re-nomination of Dick McIlwain as a Director and Chairman. Dick McIlwain did not participate in his individual review process.

Independence

The Board has adopted the independence definition suggested by the ASX Corporate Governance Council in its publication, *Corporate Governance Principles and Recommendations* (second edition with 2010 Amendments). Under the terms of that definition, three of the Directors (namely Dick McIlwain, Ben Smith and Kaylene Gaffney) are considered by the Board to be Independent. Directors are required to provide all relevant information to enable a regular assessment of the independence of each Director to be made. If a Director ceases to qualify as an Independent Director, this will be disclosed immediately to the market.

The Board recognises that it is not currently comprised of a majority of Independent Directors. The Board considers that its present composition still allows for critical, quality, expedient and independent decision-making in the best interests of the Group on all relevant issues.

Each of the teams has risen to the challenges thrown their way in the year.

The Board (and each individual Director) is entitled to seek independent professional advice at the Company's expense (subject to the reasonableness of the costs and Board consent) in the conduct of their duties for the Wotif.com Holdings Limited Board.

Meetings of the Board

The Board met on 11 occasions in the reporting period. Details of individual attendance at Board meetings, and of Board committees, can be found on page 28 of this Report.

Non-executive Directors' remuneration

Non-executive Directors are remunerated by way of fees (which may be in the form of cash, non-cash benefits, superannuation contributions or equity). They do not:

- participate in schemes designed for the remuneration of executives; or
- receive options or bonus payments. Non-executive Directors of the Company are not provided with retirement benefits other than statutory superannuation.

Board committees

The Board has established two committees (both of which operate pursuant to written charters available at www.wotifgroup.com), namely:

- the Nomination and Remuneration Committee; and
- the Audit and Risk Committee.

These Board committees support the full Board and essentially act in a review and advisory capacity in matters that require a more intensive review. This section gives an overview of the Company's committees.

NOMINATION AND REMUNERATION COMMITTEE

This Committee met twice during the reporting period. Each Committee member's attendance at meetings is set out on page 28. Under its Charter, this Committee must have at least three members, a majority of whom must be Independent Directors. Currently the members of this Committee are Dick McIlwain (Committee Chairman), Ben Smith, Graeme Wood and Kaylene Gaffney. All are Non-executive Directors and the majority are Independent. The main functions of the Committee are:

- to establish procedures for the selection and recommendation of candidates suitable for appointment to the Board;
- to assist in ensuring that an appropriate mix of skills, experience and expertise is held by Board members;
- to assist in ensuring that the Board is comprised of individuals who are best able to discharge the responsibilities of a Director; and
- to establish and oversee the management of remuneration policies designed to meet the needs of the Group and to enhance corporate and individual performance.

By using merit-based criteria, the Committee will ensure an appropriate balance of skills, experience, expertise and diversity is maintained on the Board. The Committee will also refer to the Group's Diversity Policy (see page 22) to assess the performance, composition and future development of the Board.

AUDIT AND RISK COMMITTEE

This Committee met six times during the reporting period. Each Committee member's attendance at meetings is set out on page 28. Under its Charter, this Committee must have at least three members, a majority of whom must be Independent Directors and all of whom must be Non-executive Directors. Currently the members of this Committee are Ben Smith (Committee Chairman), Andrew Brice and Kaylene Gaffney. The qualifications and experience of the members of this Committee are set out in the section titled Board of Directors on pages 16 and 17. The main functions of the Committee are to provide ongoing assurance in the areas of:

- financial administration and reporting;
- audit control and independence; and
- risk overseeing and management, and internal controls.

The primary role of this Committee is to assist the Board in the review and overseeing of:

- the integrity of the Company's financial reporting;
- the Group's risk management and internal controls; and
- the Group's system of compliance with laws and regulations, internal compliance guidelines, policies, procedures and control systems, and prescribed internal standards of behaviour.

This Committee is charged with making recommendations on the appointment of the Company's external auditor and for reviewing their effectiveness. In carrying out this activity the Committee is guided by the following principles:

- the audit partner must be a registered company auditor and be a member of an accredited professional body;
- the audit partner and any audit team member must not be a Director or officer charged with the governance of the Company, or have a business relationship with the Company or any officer of the Company;
- the audit team shall not include a person who has been a former officer of the Company during that year;
- the external auditor must have actual and perceived independence from the Company and shall confirm their independence to the Board;
- the work is to be undertaken by people with an appropriate level of seniority, skill and knowledge; and

- the external auditor is not to provide non-audit services under which they assume the role of management, become an advocate for the Company or audit their own work.

The Board requires that the audit partner and the independent review partner rotate at least every five years with a minimum three-year period before being reappointed to the Company's audit team.

Risk management

The Board is responsible for overseeing the Group's systems of internal control and risk management.

The Board has established a Risk Management Policy (available at www.wotifgroup.com), which addresses the overseeing by the Board and management of material business risks relevant to the Wotif Group. As stated in the Policy, the Company's philosophy is to manage risks in a balanced way, recognising that an element of risk is inevitable when operating a diverse and innovative business, and that an appetite for risk should, in appropriate cases, be encouraged. Our overriding risk management approach is to seek to maintain an acceptable balance between risk and return to maximise long-term shareholder value.

The Board has delegated the direct review of risk management to the Audit and Risk Committee, which comprises only Non-executive Directors and a majority of two Independent Directors. As part of its role, that Committee reviews the effectiveness of the Group's risk management system annually. The Group's risk management system includes maintaining a documented business continuity and risk management framework that the Group uses to identify, rate, monitor and report on material business risks.

Material business risk categories that are addressed by the Group's risk management system include operations, human resources, information technology and intellectual property, product management and growth, marketing and brand, finance, strategic, reputational, legal, and market-related risks.

The Risk Management Policy and the Wotif Group's risk management framework have been reviewed by the executive management team, the Audit and Risk Committee and the Board to maintain their effectiveness and to ensure their continued application and relevance.

The executive management team has responsibility for implementing the risk management systems and internal controls within the Group. The management team is also integral to identifying the risks in the Group's operations and activities. Monitoring of risks, risk management and compliance is undertaken by management and overseen by the Audit and Risk Committee.

In addition, the Wotif Group has in place a control environment to manage material risks to its operations, comprising the following elements:

- defined management responsibilities and organisational structure;
- written delegations of authority with respect to authority limits for approvals for expenditure;
- the Group operating within an annual budget approved by the Board and management provides the Board with monthly reporting of performance against budget;
- internal management questionnaire system for legal and regulatory compliance;
- the Group's various production systems being hosted in specialised facilities that provide leading-edge security services to minimise the risk of intrusion; and
- Wotif.com's operations being supported by an off-site disaster recovery site (which has been tested under simulated load, but has not been placed into a live environment).

Management has reported to the Board that the Group's management of its material business risks was effective during the reporting period.

Financial reporting

The Group's financial report preparation and approval process for the 2012 financial year involved the Managing Director and Chief Financial Officer providing a declaration to the Board on 22 August 2012 that, in their opinion:

- the financial records of the Company have been properly maintained in accordance with the *Corporations Act 2001*; the financial statements and notes thereto for the financial year comply with the accounting standards, are in accordance with the *Corporations Act 2001* and provide a true and fair view in all material respects of the Company's financial condition and operational results; and
- there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

In making this statement, the Managing Director and Chief Financial Officer indicated to the Board that:

- in their opinion, the Company's risk management and internal compliance and control systems are operating efficiently and effectively in all material respects in relation to financial reporting risks based on the risk management framework adopted by the Company;
- in their opinion, the statement is founded on a sound system of risk management and internal compliance and control systems which implement the policies adopted by the Board; and
- nothing has come to their attention since the end of the reporting period that would indicate any material change to the statements above.

Ethical standards – Code of conduct

The Board recognises the need to observe the highest standards of corporate practice and business conduct. Accordingly, the Board has adopted a formal Code of Conduct to be followed by all Group employees and officers. The key aspects of this Code are:

- to provide the best experience for our customers;
- to act with honesty, integrity and fairness;
- to act in accordance with the law; and
- to use the Group's resources and property appropriately.

Remuneration policies and practices

The Group's remuneration policy is to ensure that remuneration packages are reflective of employee duties, responsibilities and performance and that they are effective in attracting, retaining and motivating people of the highest quality. It is the responsibility of the Nomination and Remuneration to ensure that these policies are appropriately designed to meet these criteria and to enhance corporate and individual performance.

Bonuses may be available to some employees, including the Managing Director and specified executives, on the achievement of specific goals. Such bonuses are not limited to cash and may include options over ordinary shares. More detail on the Group's remuneration practices can be found on pages 28 to 36.

To assist in the attraction, retention and motivation of employees and senior management the Company has established equity plans in accordance with shareholder approval. These plans include the Executive Share Option Plan and the Employee Share Plan. More detail regarding these plans is provided on pages 29 to 36.

Performance-related remuneration and retirement benefits (other than statutory superannuation) are not provided to Non-executive Directors.

The performance of the Managing Director and each member of the Executive Management Team is reviewed through a formalised process that has been adopted by the Group. During the reporting period the performance of the Managing Director and each executive manager was reviewed against defined performance measures relating to the prior reporting period. This review was completed by the Nomination and Remuneration Committee in the case of the Managing Director and by the Managing Director for each of the executive managers.

Diversity

The Group's longstanding commitment to embracing diversity is detailed in the Diversity Policy which is available in the Corporate Governance section on the Group's website (www.wotifgroup.com). This policy and commitment applies throughout the entire workplace, senior management and Board.

As at 30 June 2012 the number and proportion of female employees in the Group, in senior executive positions and on the Board was:

Female employees (all personnel whether full time, part time or casual)	321
% of workforce	62%
Female senior executives	23
% of executive group	59%
Female Directors	1
% of board	17%

Pursuant to its Diversity Policy, the Group is committed to a recruitment process that ensures that multi-based criteria are used when appointing new staff, awarding promotions and considering remuneration. Our goal throughout this process is to attract and retain the most highly skilled, motivated and engaged workforce to drive the Group's performance. This approach has resulted in a workforce that has a balance of male and female employees across the whole organisation and, in particular, in senior executive ranks.

The following measurable objectives relating to gender diversity were adopted by the Board for FY12:

- the Board will include (subject to any temporary vacancies) each gender;
- candidates interviewed for any new Board appointment will include each gender, subject to all eligible candidates meeting the other specific skills, experience and diversity criteria being looked for by the Board;

- candidates interviewed for any new key management personnel positions will include each gender, subject to all eligible candidates meeting the other skills, experience and diversity criteria being looked for by the Group; and
- the Group's workforce will comprise a significant representation of genders.

The Board has assessed these objectives and is pleased to report that all applicable objectives have been achieved. During the reporting period it was not necessary to interview any candidates for a new Board appointment, or a new key management personnel appointment.

These objectives have again been adopted for FY13 and the objective relating to candidates interviewed for any new key management personnel positions has been extended to apply to candidates interviewed for any executive management team position.

The Board considers its performance and value to the Group's stakeholders is optimised by seeking the following mix of skills and diversity to be present in the Board's membership:

- travel or online sales and marketing industry experience;
- information technology experience;
- financial, legal and corporate governance expertise;
- backgrounds from within Asia Pacific;
- each gender; and
- multiple age generations.

Dealing in shares

The Group has adopted a written policy with respect to the dealing in shares by Directors and employees of the Group, which is available in the Corporate Governance section on the Group's website (www.wotifgroup.com).

The policy reinforces the *Corporations Act 2001* prohibitions on insider trading and use of non-public, price-sensitive information. The Policy was updated and provided to the ASX in accordance with its current *Listing Rules* in October 2011. Under this Policy, Directors and employees must not buy or sell shares, options or derivatives in Wotif.com Holdings Limited during the following "black-out" periods:

- 1 January up to and including the day on which the half year results are released; and
- 1 July up to and including the day on which the full year results are released.

In addition, a Director or employee of the Group:

- must not enter into transactions in products associated with shares or options in Wotif.com Holdings Limited that operate to limit the economic risk to such security holdings; and
- must not trade in shares, options or derivatives of Wotif.com Holdings Limited for short-term gain and, accordingly, trading in these same shares, options or derivatives within a 12-month period is prohibited.

In all instances, a Director or employee of the Group must not deal (or procure another to deal) in shares, options or derivatives of Wotif.com Holdings Limited at any time that he or she has non-public, price-sensitive information.

Information disclosure and shareholder communication

The Group has in place a written policy with respect to its continuous disclosure obligations and procedures, and its communication with shareholders (available at www.wotifgroup.com). The Board seeks to ensure that the Company's shareholders are provided with sufficient information to assess the performance of the Group. In addition to the Annual Report, the Group uses its website to communicate with its shareholders. The Group's website provides electronic access to the latest and past annual reports, all ASX releases, share price information, presentation material and notification of upcoming events.

Shareholders may direct questions to the Board and its external auditor at the Annual General Meeting. The Company requires its external auditor to attend its Annual General Meeting.

Sustainability

The Group's approach to sustainability is set out on page 91, which is incorporated into and forms part of this Report.

Wot are we talking about?

There's a lot going on every day in Wotif's offices. Small conversations turn into big discussions, which evolve into big ideas and then real world innovation and progress. This allows us to actively engage in and dynamically respond to our constantly changing market.

Mobile Accessible

58% of Australians access the internet via mobile phone

Source: Sensis

The first mobile optimised version of Wotif.com was released in FY10 and the offering has been successively iterated and updated since that time. Visits peaked at over 4.58 million in the second half of FY12.

Holiday Rentals

Source: J. Lindeman, *Your Investment Property*

There are around 1 million holiday homes in Australia.

Wotif.com launched its holiday rentals category in May 2012 exclusively offering instantly bookable holiday homes and vacation rentals (an Australian first).

Particularly attractive to families and for longer stays, the introduction of holiday rentals means the brand can capitalise on this growing niche market while completing the spectrum of accommodation options available to consumers.

1 million holiday homes in Australia

Cross Promotion

1+1

Having such a diverse portfolio of brands means they can leverage off each other for marketing campaigns and competitions. GoDo and travel.com.au teamed up to offer a number of cross-promotions throughout the year and links were added to Wotif.com and travel.com.au booking confirmations to alert customers to GoDo's "things to do".

1 experience brand
+
1 accommodation brand

= an amazing marketing opportunity

Social Media

955 million active Facebook users
+
140 million active Twitter users

Source: newsroom.fb.com and blog.twitter.com

There are 955 million active users on Facebook and 140 million active Twitter users worldwide.

All of our leisure brands are tapping into this audience by having profiles set up on these sites. Our Australian accommodation brands and GoDo are also working to increase the Group's presence on emerging platforms like Google+ and Pinterest.

Asia has **65%** of the world's population

Source: Population Reference Bureau and United Nations Economic and Social Commission for Asia and the Pacific

Multi-lingual

There are over 4 billion people in Asia (65% of the world's population) and it is the world's fastest growing economic region.

Multilingual content on Asia Web Direct and LateStays.com caters directly to this booming market with customers able to view the sites in Thai, Japanese, Chinese, Russian, Korean, Bahasa Indonesia and Bahasa Malaysia.

Experiences and Activities

The Department of Resources, Energy and Tourism quotes that over $2 billion was spent on activities, tours and entertainment in the 12 months to 31 March 2012.

GoDo offers 2,700+ activities ranging from massages and wine tours to sky diving and circus workshops. GoDo is not only a direct provider of activities; over 50 companies in Australia also use the experiences platform as a white label booking engine on their sites.

In addition, Asia Web Direct offers tours, transfers and activities in our key Asian destinations.

$2 billion spent on activities, tours and entertainment

Flights

240+ airlines

There are 240+ airlines registered with the International Air Transport Association (IATA).

The Group offers flights from a broad selection of those airlines, with 160 international carriers and 8 domestic airlines represented on our sites.

Customer Reviews

88% of consumers find reviews important

Source: Revoo

88% of consumers find reviews important, with travellers in particular relying heavily on reviews in their decision-making process.

Reviews were introduced to Wotif.com in FY12, facilitating the booking process and providing a reliable travel resource with feedback obtained from actual Wotif.com customers after their stay.

Corporate Booking

Approximately $4 billion was spent on corporate accommodation in Australia in the 12 months to March 2012.

With 812,000 transactions made through ARNOLD in FY12, the Group is working to gain more of this corporate market expenditure by enhancing the features and functionality of the ARNOLD booking platform and making Wotif.com inventory available to its clients.

$4 billion spent on corporate accommodation

Source: Department of Resources, Energy and Tourism

Source: Canstar Blue Pty Ltd

44% of all Australians make all their accommodation bookings online

Targeted Marketing

Wotif.com, lastminute.com.au and travel.com.au collectively have over 2.5 million subscribers. Using targeted marketing, the opportunity to convert customers from "lookers" to "bookers" is strengthened by newsletters, updates and promotions we know they will be interested in. The concept behind such strategies is to produce sales from a greater proportion of subscribers by personalising communications, as opposed to traditional "one size fits all" advertising.

Display Advertising

$853 million was spent on display advertising in FY12

Source: Interactive Advertising Bureau Australia

With display advertising already appearing on lastminute.com.au and travel.com.au, interactive advertising was trialled on Wotif.com's home page in early 2012 followed by a soft launch in August 2012. This not only provides opportunities to generate additional revenue streams from third party advertisers but also presents our hotel partners with an option to acquire additional exposure on Wotif.com.

Directors' Report

Your Directors present their report on the Company consisting of Wotif.com Holdings Limited (the **Company**) and the entities it controlled at the end of, or during, the year ended 30 June 2012 (collectively **the Group**).

Directors

The Directors of the Company at any time during the financial year and up to the date of this Report are:

Richard Douglas McIlwain – Chairman
(Director since 3 April 2006)

Robert Michael Sean Cooke – Managing Director
(Director since 23 October 2007)

Graeme Thomas Wood
(Director since 24 May 2000)

Robert Andrew Creeth Brice
(Director since 24 May 2000)

Anthony Benjamin Reynolds Smith
(Director since 3 April 2006)

Kaylene Joan Gaffney
(Director since 22 November 2010)

The continuing Directors' qualifications and experience are detailed on pages 16 and 17 under the heading Board of Directors, and those pages are incorporated in and form part of this Report.

Company Secretary

Sean Phillip Simmons ACIS, is the Company Secretary of Wotif.com Holdings Limited (since 22 September 2008). Sean has previously held senior legal positions with Amazon.com and Clayton Utz. Sean is admitted as a solicitor of the Supreme Court of Queensland. He holds a Bachelor of Commerce, a Bachelor of Law (Hons) and a Master of Laws (Technology & Intellectual Property) from the University of Queensland. He is a member of Chartered Secretaries Australia, and has completed a Graduate Diploma in Applied Corporate Governance.

Principal activities

The Group's principal activity during the course of the financial year was the provision of online travel booking services.

Review of operations and results

The Company's net profit after tax for the year ended 30 June 2012 was $58.0 million (FY11: $51.0 million).

A review of the operations of the Company and its business during the financial year and the results of those operations are set out on pages 8 to 14 inclusive.

Except as disclosed above, information as to the business strategies and prospects for future financial years has not been included in this Report because the Directors believe it would be likely to result in unreasonable prejudice to the Company.

Environmental disclosure

The operations of the Company and its controlled entities (see Note 20 on page 70) (**the Consolidated Entity**) are not subject to any particular or significant environmental regulation under any law of the Commonwealth of Australia or any of its States or Territories.

The Consolidated Entity has not incurred any liability (including any liability for rectification costs) under any environmental legislation.

Dividends

The Board determined a final dividend in respect of the 2012 financial year of 13.5 cents per share. The dividend will be paid on 10 October 2012 (total final dividend amount fully franked $28,584,393).

The table on the following page shows the fully franked dividends of the Company that have been paid, declared or recommended since the end of the preceding financial year.

Our continuing quest for operating efficiencies lifted our operating profit margins to 59%.

DIVIDEND	RECORD DATE	PAYMENT DATE	AMOUNT PER SECURITY	TOTAL DIVIDEND	FRANKED AMOUNT PER SECURITY
2011 final dividend	16 Sep 2011	12 Oct 2011	12.5 cents	$26,405,061	12.5 cents
2012 interim dividend	9 Mar 2012	30 Mar 2012	11.5 cents	$24,349,674	11.5 cents
2012 final dividend	14 Sep 2012	10 Oct 2012	13.5 cents	$28,584,393	13.5 cents

Significant changes in the state of affairs

In the opinion of the Directors, there were no significant changes in the state of affairs of the Consolidated Entity during the financial year under review not otherwise disclosed in this report or the Consolidated Financial Statements.

Matters subsequent to the end of the financial year

The Directors are not aware of any matters or circumstances not otherwise dealt with in this Report or the Consolidated Financial Statements that have arisen since the end of the financial year that have significantly affected or may significantly affect the operations of the Consolidated Entity, the results of those operations or the state of affairs of the Consolidated Entity in future financial years.

Likely developments and expected results of operations

Information as to the likely developments in the operations of the Consolidated Entity is set out under the heading Managing Director's Report (see pages 8 to 14). Except as so disclosed, information on likely developments in the Consolidated Entity's operations in future financial years and the expected results of those operations have not been included in this Report because the Directors believe it would be likely to result in unreasonable prejudice to the Consolidated Entity.

Indemnification

Pursuant to the Constitution of the Company, all Directors and Company Secretaries (past and present) have been indemnified against all liabilities allowed under the law. The Company has entered into agreements with each of its Directors, the Managing Director, the Chief Financial Officer, the Chief Information Officer and the Company Secretary to indemnify those parties against all liabilities to another person that may arise from their position as Directors or other officer of the Company or its controlled entities to the extent permitted by law. The agreement stipulates that the Company will meet the full amount of any such liabilities, including reasonable legal costs and expenses.

Insurance of Directors and officers

During the financial year, the Company paid premiums for directors' and officers' liability insurance in respect of Directors and officers, including executive officers of the Company and Directors, executive officers and secretaries of its controlled entities as permitted by the *Corporations Act 2001*. The terms of the policy prohibit disclosure of details of the insurance cover and premiums.

Directors' interests

The relevant interest of each Director in the share capital of the Company and its controlled entities at the date of this Report is as follows:

NAME	FULLY PAID ORDINARY SHARES	OPTIONS OVER ORDINARY SHARES
R D McIlwain*	575,000	Nil
R M S Cooke*	1,000,000	800,000
G T Wood*	45,861,000	Nil
A B R Smith*	150,000	Nil
R A C Brice*	34,000,000	Nil
K J Gaffney	Nil	Nil

* These relevant interests include superannuation fund, trust, joint and other ownership structures, as appropriate.

DIRECTORS' MEETINGS

The number of Directors' meetings (and meetings of committees of Directors) and number of meetings attended by each of the Directors of the Company during the financial year are shown in the following table.

NAME	BOARD OF DIRECTORS		AUDIT & RISK COMMITTEE		NOMINATION & REMUNERATION COMMITTEE	
	A	B	A	B	A	B
R D McIlwain	11	11	–	–	2	2
R M S Cooke	11	11	–	–	–	–
G T Wood	11	11	–	–	2	2
A B R Smith	11	11	6	6	2	2
R A C Brice	11	11	6	6	–	–
K J Gaffney	11	11	6	6	2	2

Column A
indicates the number of meetings held during the financial year while the Director was a member of the Board or Committee and which the Director was entitled to attend.

Column B
indicates the number of meetings attended by the Director during the financial year while the Director was a member of the Board or Committee

Remuneration report (audited)

The Remuneration Report of the Company is set out in the sections below:

SECTION A Principles used to determine the nature and amount of remuneration

SECTION B Details of remuneration

SECTION C Contractual arrangements

SECTION D Share-based compensation

SECTION E Additional information

The information provided in this Remuneration Report has been audited as required by section 308(3c) of the *Corporations Act 2001*.

SECTION A

PRINCIPLES USED TO DETERMINE THE NATURE AND AMOUNT OF REMUNERATION

Remuneration policy

The approach by the Group to remuneration is to ensure that remuneration packages:

- properly reflect each individual's duties and responsibilities;
- are competitive in attracting, retaining and motivating staff of the highest quality; and
- are appropriate for the results delivered so as to uphold the interests of shareholders.

The Board has established a Nomination and Remuneration Committee, which is charged with establishing and reviewing the remuneration policies of the Group. An overview of the functions of the Committee is set out on page 20.

A copy of the Charter of the Committee can be found at www.wotifgroup.com.

Remuneration structure – senior executives

Remuneration of senior executives of the Group is comprised of two elements:

1. FIXED REMUNERATION:

Senior executives are offered a competitive base pay that comprises the fixed component of pay and rewards. External market data obtained from national remuneration surveys and peer groups is used to ensure base pay is set to reflect the market for a comparable role. Base pay for senior executives is reviewed annually to ensure that it is competitive with the market.

2. VARIABLE (AT RISK) REMUNERATION:

The variable component of senior executives' remuneration is comprised of potential participation in a bonus pool and an option scheme.

BONUS POOL: The bonus pool is comprised of two components:

a) The first component of the pool is created when earnings before interest expense, tax, depreciation and amortisation in a financial year exceed the prior year result by a predetermined percentage set by the Nomination and Remuneration Committee at the commencement of the relevant financial year. For FY12 a varying percentage (between 0.3% and 5.0%) of net profit after tax seeded a potential bonus pool if earnings before interest expense, tax, depreciation and amortisation for FY12 outperformed FY11's result (by between 1% and 20%). An additional amount will be added to or subtracted from the potential bonus pool where the related operational expense margin varies from the prior year. This component of the bonus pool focuses senior executives on outperformance and controlling costs in areas over which they exercise control.

b) A second component adjusting the potential bonus pool arises from movements in the Group's earnings per share. This component of the bonus pool is designed to align senior executives' remuneration with improvements to, or declines in, the earnings that establish the capacity of the Company to pay dividends to shareholders.

The distribution of the bonus pool between senior executives and other employees who have made a significant contribution to the Group's performance is determined by the Nomination and Remuneration Committee. It is considered that the "at risk" bonus pool aligns executive performance with shareholder returns and provides a short-term incentive in relation to years where the Group outperforms, however provides no, or low, participation in periods where the performance is less satisfactory. In the 2011 financial year, no bonus pool formed and no bonuses were paid to senior executives. In the current reporting period a bonus pool was formed and part of this was distributed in accordance with the directions of the Nomination and Remuneration Committee.

OPTION SCHEME: The Board uses equity as part of its remuneration approach and this has taken the form of the issue of options to executives under the Executive Share Option Plan. Participation in the plan is at the Board's discretion and no individual has a contractual right to participate in the plan or receive any guaranteed benefits.

The Board reviews the use of options from time to time. It is considered that options are an effective long-term incentive that (due to the performance hurdles) strongly aligns executives with shareholder interests. In the reporting period, 935,000 options were granted under the plan.

Any future grant of options will be determined by the Board having regard to the limits on the number of options that may be issued under the Executive Share Option Plan and the Company's overall remuneration policies. Any allocation of options to individual executives will be determined by the Nomination and Remuneration Committee having regard to the individual's performance and position. It is intended to undertake a further grant of options to Group personnel in the 2013 financial year.

Remuneration approach – Non-executive Directors

The Company's Non-executive Directors are remunerated from a maximum aggregate amount as determined by shareholders (currently $800,000 in total fixed at the General Meeting of Shareholders on 24 October 2011). This amount excludes payments for extra services such as membership of Board committees and is divided amongst all Non-executive Directors. Members of Board committees have elected to receive no additional payments for these extra services. Current rates paid to Non-executive Directors (inclusive of superannuation) are:

Chairman – $163,500 p.a.

Non-executive Director – $100,000 p.a.
(R A C Brice has elected to receive no Board fees.)

There are no termination payments to Non-executive Directors on retirement from office other than payments relating to their accrued superannuation entitlements.

The Board's policy is to remunerate Non-executive Directors at market rates for comparable companies having regard to the time commitments and responsibilities assumed.

SECTION B

DETAILS OF REMUNERATION

The following persons, along with the Non-executive Directors, were the key management personnel having authority and responsibility for planning, directing and controlling the activities of the Company, directly or indirectly, during the financial year:

R M S Cooke
Group Chief Executive Officer & Managing Director

H Demetriou
Executive General Manager Flights, Activities & Packages

J N Holte
Executive General Manager Australia & New Zealand

A M Ross
Chief Information Officer

G R Timm
Chief Financial Officer

M W Varley
Executive General Manager Asia

Details of the remuneration of the Directors and key management personnel of the Group and/or Company are set out in the tables on the following pages.

FY12
Director remuneration

Wotif.com Holdings Limited Directors

	R D McIlwain	G T Wood	R A C Brice	A B R Smith	K J Gaffney		R M S Cooke		
	NON-EXECUTIVE						EXECUTIVE		
						SUBTOTAL		SUBTOTAL	TOTAL
SHORT-TERM BENEFITS									
Base cash salary and fees[11]	150,000	87,829	–	87,829	87,829	**413,487**	982,310	**982,310**	**1,395,797**
Performance related remuneration cash bonus	–	–	–	–	–	**–**	600,000	**600,000**	**600,000**
Non-monetary benefits	–	–	–	–	–	**–**	–	**–**	**–**
POST-EMPLOYMENT BENEFITS									
Superannuation	13,500	7,905	–	7,905	7,905	**37,215**	15,775	**15,775**	**52,990**
Termination benefits	–	–	–	–	–	**–**	–	**–**	**–**
LONG-TERM BENEFITS									
Long service leave	–	–	–	–	–	**–**	23,427	**23,427**	**23,427**
EQUITY									
Options[12]	–	–	–	–	–	**–**	63,090	**63,090**	**63,090**
Employee bonus shares[13]	–	–	–	–	–	**–**	–	**–**	**–**
Total	**163,500**	**95,734**	**–**	**95,734**	**95,734**	**450,702**	**1,684,602**	**1,684,602**	**2,135,304**
Options (prior year write back)[14]	–	–	–	–	–	–	(138,444)	(138,444)	(138,444)
Total (including write back)	**163,500**	**95,734**	**–**	**95,734**	**95,734**	**450,702**	**1,546,158**	**1,546,158**	**1,996,860**
PERCENTAGE OF REMUNERATION THAT CONSISTS OF[15]									
Fixed remuneration %	100%	100%	–	100%	100%		60%		
Bonus (short-term incentive) %	0%	0%	–	0%	0%		36%		
Options (long-term incentive) %	0%	0%	–	0%	0%		4%		

FY11
Director remuneration

Wotif.com Holdings Limited Directors

	R D McIlwain	G T Wood	R A C Brice	A B R Smith	D E Warneke[16]	K J Gaffney[17]		R M S Cooke		
	NON-EXECUTIVE							EXECUTIVE		
							SUBTOTAL		SUBTOTAL	TOTAL
SHORT-TERM BENEFITS										
Base cash salary and fees[11]	150,000	80,000	–	80,000	26,666	46,666	**383,332**	837,099	**837,099**	**1,220,431**
Performance related remuneration cash bonus	–	–	–	–	–	–	**–**	–	**–**	**–**
Non-monetary benefits	–	–	–	–	–	–	**–**	–	**–**	**–**
POST-EMPLOYMENT BENEFITS										
Superannuation	13,500	7,200	–	7,200	2,400	4,200	**34,500**	15,199	**15,199**	**49,699**
Termination benefits	–	–	–	–	–	–	**–**	–	**–**	**–**
LONG-TERM BENEFITS										
Long service leave	–	–	–	–	–	–	**–**	12,705	**12,705**	**12,705**
EQUITY										
Options[12]	–	–	–	–	–	–	**–**	375,717	**375,717**	**375,717**
Employee bonus shares[13]	–	–	–	–	–	–	**–**	–	**–**	**–**
Total	**163,500**	**87,200**	**–**	**87,200**	**29,066**	**50,866**	**417,832**	**1,240,720**	**1,240,720**	**1,658,552**
PERCENTAGE OF REMUNERATION THAT CONSISTS OF										
Fixed remuneration	100%	100%	–	100%	100%	100%		70%		
Bonus (short-term incentive)	0%	0%	–	0%	0%	0%		0%		
Options (long-term incentive)	0%	0%	–	0%	0%	0%		30%		

*Notes for remuneration tables on following page

FY12
Executive remuneration

Wotif.com Holdings Limited Executives

	H Demetriou[18]	J N Holte[18]	A M Ross[19]	G R Timm	M W Varley[18]	TOTAL
SHORT-TERM BENEFITS						
Base cash salary and fees	197,810	178,229	206,020	250,346	201,200	**1,033,605**
Performance related remuneration cash bonus	35,000	50,000	50,000	50,000	30,000	**215,000**
Non-monetary benefits	–	–	–	–	–	–
POST-EMPLOYMENT BENEFITS						
Superannuation	15,357	15,374	15,325	21,674	18,108	**85,838**
Termination benefits	–	–	–	–	–	–
LONG-TERM BENEFITS						
Long service leave	8,745	1,702	7,174	15,557	4,819	**37,997**
EQUITY						
Options (FY12 Cost)	13,634	24,316	17,553	32,302	14,513	**102,318**
Employee bonus shares[13]	–	–	–	–	–	–
Total	**270,546**	**269,621**	**296,072**	**369,879**	**268,640**	**1,474,758**
Options (prior year write back)[14]	(47,407)	(2,474)	(40,795)	(19,725)	(26,996)	(137,397)
Total $ (including write back)	**223,139**	**267,147**	**255,277**	**350,154**	**241,644**	**1,337,361**
PERCENTAGE OF REMUNERATION THAT CONSISTS OF[15]						
Fixed remuneration %	82%	72%	77%	78%	84%	
Bonus (short-term incentive) %	13%	19%	17%	14%	11%	
Options (long-term incentive) %	5%	9%	6%	8%	5%	

FY11
Executive remuneration[20]

Wotif.com Holdings Limited Executives

	C A Dawson[21]	A M Ross[19]	G R Timm	TOTAL
SHORT-TERM BENEFITS				
Base cash salary and fees	230,150	166,248	176,377	**572,775**
Performance related remuneration cash bonus	–	–	–	**–**
Non-monetary benefits	–	–	–	**–**
POST-EMPLOYMENT BENEFITS				
Superannuation	15,199	19,090	15,874	**50,163**
Termination benefits	25,453	–	–	**25,453**
LONG-TERM BENEFITS				
Long service leave	3,519	3,060	3,291	**9,870**
EQUITY				
Options[12]	26,476	32,810	8,218	**67,504**
Employee bonus shares[13]	–	–	–	**–**
Total	**300,797**	**221,208**	**203,760**	**725,765**
PERCENTAGE OF REMUNERATION THAT CONSISTS OF				
Fixed remuneration %	91%	85%	96%	
Bonus (short-term incentive) %	0%	0%	0%	
Options (long-term incentive) %	9%	15%	4%	

* Notes for remuneration tables on following page

Notes from tables on previous pages

11. Non-executive Directors' remuneration represents fees in connection with attending Board meetings and Board Committee meetings.
12. No options were granted to Directors in the financial year. No options were outstanding to Directors other than the Managing Director during the financial year.
13. Refers to shares issued pursuant to the Employee Share Plan.
14. Represents the calculated reduction (per AASB 2 *Share-based Payment*) in options expenses having regard to vesting failures of options due to non-market factors.
15. Remuneration percentage calculations are based upon option expense excluding write-back

Notes from tables on previous pages

16. D E Warneke resigned with effect from 25 October 2010.
17. K J Gaffney commenced on 22 November 2010.
18. J N Holte, M W Varley and H Demetriou were considered Key Management Personnel from 1 July 2011.
19. During the reporting period, A M Ross took a significant period of unpaid annual leave. This resulted in a corresponding decrease in Fixed Remuneration.
20. S W Moorhead and S Simmons, who were required to be disclosed in FY11, are no longer required to be included in the FY12 Remuneration Report.
21. C A Dawson's employment ceased on 20 May 2011. No termination entitlements or severance payment applied.

SECTION C

CONTRACTUAL ARRANGEMENTS

Details of the contracts of employment[22] with the Managing Director and the key management personnel of the Group and/or Company are set out below:

R M S Cooke | Group Chief Executive Officer & Managing Director

EMPLOYED BY: Wotif.com Pty Limited
TERM: 22 January 2014

Termination by Company:
The employer may terminate the employment agreement without cause at any time (in which case the employee is entitled to 12 months' fixed remuneration).

Termination by Employee:
The employee may terminate the employment agreement on six months' notice (in which case no right to a severance payment arises).

H Demetriou | Executive General Manager Flights, Activities & Packages

EMPLOYED BY: ACN 079 010 772 Limited
(formerly travel.com.au Limited)
TERM: Rolling term

Termination by Employee:
The employee may terminate the employment agreement on eight weeks' notice (in which case no right to a severance payment arises).

J N Holte | Executive General Manager Australia & New Zealand

EMPLOYED BY: Wotif.com Pty Limited
TERM: Rolling term

Termination by Company:
The employer may terminate the employment agreement without cause at any time (in which case the employee is entitled to three months' fixed remuneration).

Termination by Employee:
The employee may terminate the employment agreement on eight weeks' notice (in which case no right to a severance payment arises).

A M Ross | Chief Information Officer

EMPLOYED BY: Wotif.com Pty Limited
TERM: Rolling term

Termination by Company:
The employer may terminate the employment agreement without cause at any time (in which case the employee is entitled to six months' fixed remuneration).

Termination by Employee:
The employee may terminate the employment agreement on eight weeks' notice (in which case no right to a severance payment arises).

G R Timm | Chief Financial Officer

EMPLOYED BY: Wotif.com Pty Limited
TERM: Rolling term

Termination by Company:
The employer may terminate the employment agreement without cause at any time (in which case the employee is entitled to six months' fixed remuneration).

Termination by Employee:
The employee may terminate the employment on four months' written notice (in which case no right to a severance payment arises).

M W Varley | Executive General Manager Asia

EMPLOYED BY: Wotif.com Pty Limited
TERM: Rolling term

Termination by Company:
The employer may terminate the employment agreement without cause at any time (in which case the employee is entitled to six months' fixed remuneration).

Termination by Employee:
The employee may terminate the employment on six months' written notice (in which case no right to a severance payment arises).

22. In all cases the stipulated termination rights are subject to any applicable statutory legal requirements.

23. As at the first vesting date, 1 November 2011, this had not been satisfied.

SECTION D

SHARE-BASED COMPENSATION

Options

The Company has undertaken nine issues of options under the Executive Share Option Plan, the major terms of those issues that are current are as follows (Directors, other than the Managing Director, did not participate in these issues):

VESTING DATE AND EXERCISE PRICE:

- In respect of 2,883,000 originally granted options (**Package 2**), the options vest in five equal tranches on 1 October 2007 and each anniversary of that date and have an exercise price of $2.00 per option;
- In respect of 390,000 options originally granted (**Package 3**), the options vest in five equal tranches on 1 October 2008 and each anniversary of that date and have an exercise price of $4.20 per option;
- In respect of 800,000 originally granted options (**Package 4**), the options vest in three tranches (200,000 on 22 October 2009, 200,000 on 22 October 2010 and 400,000 on 22 October 2011) and have an exercise price of $4.75 per option;
- In respect of 1,815,000 options originally granted (**Package 5**), the options vest in three tranches (603,987 on 1 November 2011, 604,002 on 1 November 2012, and 607,011 on 1 November 2013) and have an exercise price of $2.92 per option;
- In respect of 1,468,000 options originally granted (**Package 6**), the options vest in three tranches (489,307 on 1 November 2012, 489,339 on 1 November 2013, and 489,354 on 1 November 2014) and have an exercise price of $4.43 per option.
- In respect of 872,500 options originally granted (**Package 7**), the options vest in three tranches (290,831 on 1 November 2013, 290,832 on 1 November 2014, and 290,837 on 1 November 2015) and have an exercise price of $4.43 per option.
- In respect of 800,000 options originally granted (**Package 8**), the options vest in three tranches (400,000 on 31 October 2013, 200,000 on 31 October 2014, and 200,000 on 31 October 2015) and have an exercise price of $4.68 per option.
- In respect of 935,000 options originally granted (**Package 9**), the options vest in three tranches (311,666 on 1 November 2014, 311,667 on 1 November 2015, and 311,667 on 1 November 2016) and have an exercise price of $4.03 per option.

GRANT DATE:

The grant dates of the current Packages of options are as follows:

PACKAGE	GRANT DATE
Package 3	19 March 2007
Package 5	4 July 2008
Package 6	30 June 2009
Package 7	3 September 2010
Package 8	25 October 2010
Package 9	3 October 2011

VESTING CONDITIONS:

In respect of the Package 2 options, the performance criteria, all of which have been satisfied, were as follows:

- for the first tranche, achieving Prospectus forecast earnings per share for FY07; and
- for the second tranche (and each successive tranche), achieving compound annual earnings per share growth of 10% over Prospectus forecast earnings per share for FY07.

In respect of the Package 3 options, the performance criteria were as follows:

- for the first tranche, achieving earnings per share of 10.34 cents; and
- for the second tranche (and each successive tranche), achieving compound annual earnings per share growth of 10% over 10.34 cents.

In respect of the Package 4 options, the performance criteria, all of which have been satisfied, were as follows:

- for the first tranche, achieving earnings per share of 16.453 cents;
- for the second tranche, achieving earnings per share of 18.510 cents; and
- for the third tranche, achieving earnings per share of 20.823 cents.

In respect of the Package 5 options, the performance criterion is as follows:

- for each tranche, achieving compound annual earnings per share growth of 15% over FY08 earnings per share[23].

In respect of the Package 6 options, the performance criterion is as follows:

- for each tranche, achieving compound annual earnings per share growth of 10% over FY09 earnings per share.

FIGURE 6 NPAT CAGR since listing (million AUD)

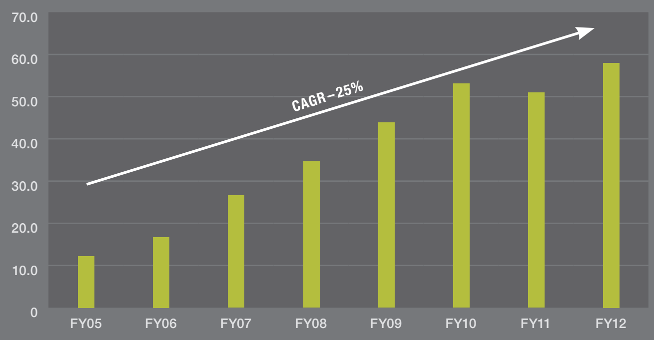
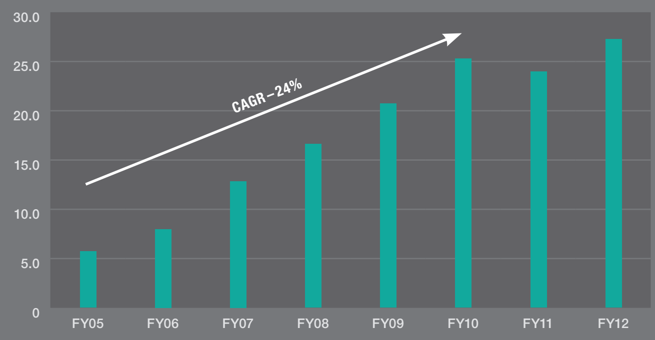


FIGURE 7 Earnings per share CAGR since listing (cents)



In respect of the Package 7 options, the performance criterion is as follows:

- for each tranche, achieving compound annual earnings per share growth of 10% over FY10 earnings per share.

In respect of the Package 8 options, the performance criterion is as follows:

- for each tranche, the Company's earnings per share for FY13 must be at least 33.73 cents per share.

In respect of the Package 9 options, the performance criterion is as follows:

- for each tranche, achieving compound annual earnings per share growth of 7.5% over FY11 earnings per share.

In respect of Packages 3, 5, 6, 7, 8 and 9 options, if the performance criteria for a tranche are not met, but subsequently the performance criteria for a later tranche are met, then the tranche with the earlier vesting date will vest as if the performance criteria had been met. In respect of Packages 3, 5, 6, 7, 8 and 9 options, if there is a change in control of the Company after its admission to the Official List of ASX, the Board may resolve that any options that have not vested will immediately vest.

LAPSING DATE:

The lapse dates for the respective option packages are:

PACKAGE	LAPSE DATE
Package 2	31 December 2011
Package 3	31 December 2012
Package 4	31 December 2011
Package 5	31 December 2013
Package 6	31 December 2014
Package 7	31 December 2015
Package 8	31 December 2015
Package 9	31 December 2016

VALUE:

The value per option at grant date is as set out in the following table.

PACKAGE	TRANCHE & VESTING DATE		FAIR VALUE
Package 2	Tranche 1	1 October 2007	$0.4829
	Tranche 2	1 October 2008	$0.5047
	Tranche 3	1 October 2009	$0.5202
	Tranche 4	1 October 2010	$0.5300
	Tranche 5	1 October 2011	$0.5351
Package 3	Tranche 1	1 October 2008	$0.9966
	Tranche 2	1 October 2009	$1.0519
	Tranche 3	1 October 2010	$1.0995
	Tranche 4	1 October 2011	$1.1391
	Tranche 5	1 October 2012	$1.1713
Package 4	Tranche 1	22 October 2009	$1.8350
	Tranche 2	22 October 2010	$1.9100
	Tranche 3	22 October 2011	$1.9750
Package 5	Tranche 1	1 November 2011	$0.6930
	Tranche 2	1 November 2012	$0.6990
	Tranche 3	1 November 2013	$0.6972
Package 6	Tranche 1	1 November 2012	$1.4400
	Tranche 2	1 November 2013	$1.4800
	Tranche 3	1 November 2014	$1.5100
Package 7	Tranche 1	1 November 2013	$0.9400
	Tranche 2	1 November 2014	$1.0200
	Tranche 3	1 November 2015	$1.0700
Package 8	Tranche 1	31 October 2013	$0.9100
	Tranche 2	31 October 2014	$1.0100
	Tranche 3	31 October 2015	$1.0700
Package 9	Tranche 1	1 November 2014	$0.7389
	Tranche 2	1 November 2015	$0.7408
	Tranche 3	1 November 2016	$0.7335

Options granted under the plan carry no dividend or voting rights.

When exercisable, each option is convertible into one ordinary share.

Details of options over ordinary shares in the Company as provided to each Director and key management personnel are set out in the following table.

NAME	NUMBERS OF OPTIONS GRANTED DURING THE YEAR		NUMBER OF OPTIONS VESTED DURING THE YEAR	
DIRECTORS	**FY12**	**FY11**	**FY12**	**FY11**
R D McIlwain	–	–	–	–
R M S Cooke	–	800,000	–	200,000
G T Wood	–	–	–	–
R A C Brice	–	–	–	–
A B R Smith	–	–	–	–
K J Gaffney	–	–	–	–
KEY MANAGEMENT PERSONNEL	**FY12**	**FY11**	**FY12**	**FY11**
H Demetriou	24,000	19,000	–	–
J N Holte	24,000	120,000	–	–
A M Ross	24,000	24,000	20,000	20,000
G R Timm	200,000	9,000	–	–
M W Varley	24,000	24,000	20,000	20,000

FIGURE 8 Share price since listing

The assessed fair value at grant date of options granted to the above individuals is allocated equally over the period from grant date to vesting date and the amount is included in the remuneration tables above. Fair values at grant date are independently determined using a binomial option pricing model taking into account the exercise price, the term of the option, the vesting and performance criteria, the impact of dilution, the non-tradeable nature of the option, the share price at grant date and expected price volatility of the underlying share, the expected dividend yield, and the risk-free interest rate for the term of the option.

Details of ordinary shares in the Company provided as a result of the exercise of options to each Director and other key management personnel of the Group and/or Company are set out in the following table:

NAME	DATE OF EXERCISE OF OPTIONS IN THE YEAR	NUMBER OF SHARES ISSUED ON EXERCISE OF OPTIONS DURING THE YEAR		AMOUNT PAID PER ORDINARY SHARE ON EXERCISE OF OPTION*
DIRECTORS		FY12	FY11	FY12
R M S Cooke	–	–	1,000,000	–
All other Directors	–	–	–	–
KEY MANAGEMENT PERSONNEL				
H Demetriou	–	–	–	–
J N Holte	–	–	–	–
A M Ross	9 Dec 2011	20,000	40,000	$2.00
G R Timm	–	–	–	–
M W Varley	9 Dec 2011	20,000	20,000	$2.00

* No amounts are unpaid on any shares issued on exercise of options

Key management personnel of the Group must not enter into transactions in products associated with shares or options in Wotif.com Holdings Limited that operate to limit the economic risk to such security holdings.

A Director or employee of the Group must not trade in shares, options or derivatives of Wotif.com Holdings Limited for short-term gain and, accordingly, trading in these same shares, options or derivatives within a 12-month period is prohibited.

Under Group policy, a breach of either of the above may lead to disciplinary action, including dismissal in serious cases.

SECTION E

ADDITIONAL INFORMATION

Company performance

The remuneration policies implemented since the Company's formation are considered to have contributed to the growth in the Company's profits and shareholder returns by aligning remuneration with the performance of the Company. In particular, the policies implemented have assisted in driving net profit after tax from $12.0 million in FY05 to $58.0 million in FY12 as shown in Figure 6, and earnings per share growth as shown in Figure 7. Since listing in June 2006 at an issue price of $2.00, Wotif.com Holdings Limited's shares have increased in value by 111% to $4.21 as at 30 June 2012 ($4.69 as at 30 June 2011) as shown in Figure 8.

Further details relating to options are set out below:

NAME	REMUNERATION CONSISTING OF OPTIONS	VALUE AT GRANT DATE ($)	VALUE AT EXERCISE DATE ($)	VALUE AT LAPSE DATE ($)
	A	B	C	D
R D McIlwain	0%	–	–	–
A B R Smith	0%	–	–	–
D E Warneke	0%	–	–	–
R A C Brice	0%	–	–	–
G T Wood	0%	–	–	–
R M S Cooke	4%	–	–	–
H Demetriou	3%	17,705	–	–
J N Holte	9%	17,705	–	–
A M Ross	6%	17,705	68,200	–
G R Timm	8%	147,547	–	–
M W Varley	5%	17,705	68,200	–

Column A
The percentage of the value of remuneration consisting of options, based on the value of options expensed during the current year.

Column B
The value at grant date calculated in accordance with AASB 2 Share-based Payment of options granted during the year as part of remuneration.

Column C
The value at exercise date of options that were granted as part of remuneration and were exercised during the year, being the intrinsic value of the options at that date.

Column D
The value at lapse date of options that were granted as part of remuneration and that lapsed during the year, because a vesting condition was not satisfied. The value is determined at the time of lapsing but assuming the condition was satisfied.

OPTIONS

For each grant of options included in the tables on the previous page, the percentage of the grant that has vested to-date and the percentage that was forfeited because the performance criteria were not met or lapsed are as set out in the following table. No options will vest if the performance criteria as set out on pages 33 and 34 are not met, hence the minimum value of options yet to vest is Nil.

	OPTION PACKAGE AND YEAR GRANTED	VESTED	FORFEITED/ LAPSED	FINANCIAL YEARS IN WHICH OPTIONS MAY VEST	MINIMUM TOTAL VALUE OF GRANT YET TO VEST ($)	MAXIMUM TOTAL VALUE OF GRANT YET TO VEST[24] ($)
R M S Cooke	Package 1 (FY06)	100%	0%	N/A	Nil	0
	Package 4 (FY08)	0%	100%[25]	FY12	Nil	0
	Package 8 (FY11)	0%	0%	FY13 FY14 FY15	Nil	364,000 202,000 214,000
H Demetriou	Package 5 (FY09)	0%	0%	FY12 FY13 FY14	Nil	28,875 29,125 29,050
	Package 6 (FY09)	0%	0%	FY13 FY14 FY15	Nil	16,799 17,267 17,617
	Package 7 (FY11)	0%	0%	FY14 FY15 FY16	Nil	5,954 6,459 6,777
	Package 9 (FY12)	0%	0%	FY15 FY16 FY17	Nil	5,911 5,926 5,868
J N Holte	Package 7 (FY11)	0%	0%	FY14 FY15 FY16	Nil	37,600 40,800 42,800
	Package 9 (FY12)	0%	0%	FY15 FY16 FY17	Nil	5,911 5,926 5,868
A M Ross	Package 2 (FY06)	100%	0%	N/A	Nil	0
	Package 5 (FY09)	0%	0%	FY12 FY13 FY14	Nil	22,869 23,067 23,705
	Package 6 (FY09)	0%	0%	FY13 FY14 FY15	Nil	23,999 24,667 25,167
	Package 7 (FY11)	0%	0%	FY14 FY15 FY16	Nil	7,520 8,160 8,560
	Package 9 (FY12)	0%	0%	FY15 FY16 FY17	Nil	5,911 5,926 5,868
G R Timm	Package 5 (FY09)	0%	0%	FY12 FY13 FY14	Nil	11,549 11,650 11,620
	Package 6 (FY09)	0%	0%	FY13 FY14 FY15	Nil	9,599 9,867 10,067
	Package 7 (FY11)	0%	0%	FY14 FY15 FY16	Nil	2,820 3,060 3,210
	Package 9 (FY12)	0%	0%	FY15 FY16 FY17	Nil	49,260 49,387 48,900
M W Varley	Package 2 (FY06)	100%	0%	N/A	Nil	0
	Package 5 (FY09)	0%	0%	FY12 FY13 FY14	Nil	15,015 15,145 15,106
	Package 6 (FY09)	0%	0%	FY13 FY14 FY15	Nil	16,799 17,267 17,617
	Package 7 (FY11)	0%	0%	FY14 FY15 FY16	Nil	7,520 8,160 8,560
	Package 9 (FY12)	0%	0%	FY15 FY16 FY17	Nil	5,911 5,926 5,868

24. The maximum value of each option yet to vest has been determined as the total number of options to vest multiplied by the fair value of each option at grant date.

25. The performance criteria set for these options have in all respects been satisfied. The option holder determined not to proceed to exercise the options due to the exercise price being set at $4.75 per option. The value ascribed to the option holder's reported remuneration for these options over their term, and the amount accordingly charged to the Company's Income Statement, was $1,539,000.

BONUS SHARES

No shares were issued under the Company's Employee Share Plan in the reporting period.

UNISSUED SHARES

As at the date of this report and at the reporting date, there were 4,275,500 unissued ordinary shares under options.

SHARES ISSUED AS A RESULT OF EXERCISE OF OPTIONS

During the financial year, employees and executives have exercised options to acquire 526,800 fully paid shares in the Company at a weighted average exercise price of $2.00. The above amount includes 40,000 options exercised by Directors and key management personnel.

The market price of Wotif.com Holdings Limited's shares at 30 June 2012 was $4.21.

ROUNDING OF AMOUNTS

The Company is of a kind referred to in Australian Securities and Investments Commission Class Order 98/0100 and, in accordance with that Class Order, amounts in this report and in the accompanying financial report have been rounded off to the nearest thousand dollars unless otherwise indicated.

PROCEEDINGS ON BEHALF OF THE COMPANY

No proceedings have been brought on behalf of the Company nor has any application been made in respect of the Company under section 237 of the *Corporations Act 2001*.

AUDITORS

Ernst & Young continues in office in accordance with section 327 of the *Corporations Act 2001*.

AUDITOR'S INDEPENDENCE DECLARATION

In accordance with section 307c of the *Corporations Act 2001*, the Directors have received a declaration from Ernst & Young in the form required under that section. The declaration is set out on page 39 and that page is incorporated in, and forms part of, this Report.

NON-AUDIT SERVICES

The amounts paid or payable by the Company to Ernst & Young, being the auditor of the Company for non-audit services provided during the 2011 financial year, were as follows:

DESCRIPTION OF NON-AUDIT SERVICES	AMOUNT PAID OR PAYABLE
Tax	3,655
Accounting advices	Nil

Given that no significant fees were paid or payable by the Company to Ernst & Young for non-audit services, the Directors are satisfied that:

- there were no non-audit services which compromised Ernst & Young's auditor independence requirements under the *Corporations Act 2001*; and
- there was no issue arising surrounding the compatibility of non-audit services with the general standard of independence for auditors imposed by the *Corporations Act 2001*.

This report is made in accordance with a resolution of the Directors of Wotif.com Holdings Limited made on 22 August 2012.

Dick McIlwain
CHAIRMAN

Robbie Cooke
GROUP CHIEF EXECUTIVE OFFICER AND MANAGING DIRECTOR

1 in every 10 room nights sold in Australia were booked through the Wotif Group.

There is still substantial distribution we have not captured.

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Brisbane QLD 4000 Australia
GPO Box 7878 Brisbane QLD 4001

Tel: +61 7 3011 3333
Fax: +61 7 3011 3100
www.ey.com/au

Auditor's Independence Declaration to the Directors of Wotif.com Holdings Limited

In relation to our audit of the financial report of Wotif.com Holdings Limited for the financial year ended 30 June 2012, to the best of my knowledge and belief, there have been no contraventions of the auditor independence requirements of the *Corporations Act 2001* or any applicable code of professional conduct.

Ernst & Young

Alison de Groot
Partner
22 August 2012

Financial Report

to shareholders

Income Statement

for the year ended 30 June 2012

AMOUNTS IN $'000

	NOTE	CONSOLIDATED 2012	2011
REVENUE			
Accommodation revenue		126,136	121,986
Flights and other revenue	3	13,584	12,183
Interest received	3	5,589	4,180
Total revenue		**145,309**	**138,349**
EXPENSES			
Advertising and marketing expenses		17,473	17,663
Business development expenses		9,732	9,812
Operations and administration expenses	3	36,828	39,312
Total expenses		**64,033**	**66,787**
Profit from continuing operations before income tax		**81,276**	**71,562**
Income tax expense	4	23,272	20,599
Profit after income tax		**58,004**	**50,963**

Earnings per share from profit from continuing operations attributable to the ordinary equity holders of the parent:		2012 PER SHARE	2011 PER SHARE
Basic earnings per share	24	27.42 cents	24.19 cents
Diluted earnings per share	24	27.38 cents	23.95 cents

The accompanying notes form part of these financial statements

Statment of comprehensive income

for the year ended 30 June 2012

AMOUNTS IN $'000

	CONSOLIDATED	
	2012	**2011**
Profit after income tax	**58,004**	**50,963**
OTHER COMPREHENSIVE INCOME		
Foreign currency translation	1,921	(5,805)
Net gain on available-for-sale financial asset	–	33
Income tax on other items of other comprehensive income	–	(10)
Other comprehensive income for the period, net of tax	**1,921**	**(5,782)**
Total comprehensive income for the period	**59,925**	**45,181**

The accompanying notes form part of these financial statements

Statement of financial position

for the year ended 30 June 2012

AMOUNTS IN $'000

	NOTE	CONSOLIDATED 2012	2011
CURRENT ASSETS			
Cash and cash equivalents	6	140,871	133,531
Trade and other receivables	7	8,481	4,665
Total current assets		**149,352**	**138,196**
NON-CURRENT ASSETS			
Receivables	8	138	135
Investment in joint venture	9	163	126
Property, plant and equipment	10	18,140	18,123
Investment property	11	3,579	3,683
Deferred tax assets	4	7,222	7,752
Intangible assets and goodwill	12	89,797	85,158
Total non-current assets		**119,039**	**114,977**
Total assets		**268,391**	**253,173**
CURRENT LIABILITIES			
Trade and other payables	13	157,330	155,225
Income tax payable		7,734	4,640
Provisions	15	1,399	1,397
Total current liabilities		**166,463**	**161,262**
NON-CURRENT LIABILITIES			
Interest bearing loans and borrowings	14	112	112
Deferred tax liabilities	4	2,685	2,678
Provisions	15	649	589
Total non-current liabilities		**3,446**	**3,379**
Total liabilities		**169,909**	**164,641**
Net assets		**98,482**	**88,532**
EQUITY			
Contributed equity	16	30,001	28,947
Retained earnings		66,530	59,280
Reserves	17	1,951	305
Total Equity		**98,482**	**88,532**

The accompanying notes form part of these financial statements

Statement of cash flows

for the year ended 30 June 2012

AMOUNTS IN $'000

		CONSOLIDATED	
	NOTE	2012	2011
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from customers (inclusive of GST)		1,257,314	1,215,798
Payments to suppliers and employees (inclusive of GST)		(1,178,247)	(1,117,732)
Interest received		5,535	4,221
Interest paid		–	–
Income tax paid		(19,332)	(18,827)
Net cash flows from operating activities	19(a)	**65,270**	**83,460**
CASH FLOWS FROM INVESTING ACTIVITIES			
Proceeds from sale of property, plant and equipment		28	50
Proceeds from sale of available-for-sale financial asset		–	1,000
Payments for property, plant and equipment		(3,200)	(3,963)
Payments for web development		(5,868)	(2,756)
Purchase of investment		(195)	(126)
Net cash flows used in investing activities		**(9,235)**	**(5,795)**
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from issue of shares		1,054	3,373
Dividends paid		(50,754)	(46,377)
Lease payments		–	(34)
Net cash flows used in financing activities		**(49,700)**	**(43,038)**
Net increase in cash and equivalents		**6,335**	**34,627**
Net foreign exchange differences		1,005	(4,688)
Cash and cash equivalents at beginning of year		133,531	103.592
Cash and cash equivalents at end of year	19(b)	**140,871**	**133,531**

The accompanying notes form part of these financial statements

Statement of changes in equity

for the year ended 30 June 2012

AMOUNTS IN $'000

	CONSOLIDATED					
	ORDINARY SHARES	EMPLOYEE EQUITY BENEFITS RESERVE	FOREIGN CURRENCY TRANSLATION RESERVE	AVAILABLE-FOR-SALE INVESTMENT RESERVE	RETAINED EARNINGS	TOTAL EQUITY
At 1 July 2011	**28,947**	**5,544**	**(5,239)**	**–**	**59,280**	**88,532**
Profit for the period	–	–	–	–	58,004	58,004
Other comprehensive income	–	–	1,921	–	–	1,921
Income tax	–	–	–	–	–	–
Total comprehensive income for the period	**–**	**–**	**1,921**	**–**	**58,004**	**59,925**
TRANSACTIONS WITH OWNERS IN THEIR CAPACITY AS OWNERS:						
Shares issued	1,054	–	–	–	–	1,054
Share-based payments	–	(332)	–	–	–	(332)
Income tax	–	57	–	–	–	57
Dividends paid	–	–	–	–	(50,754)	(50,754)
At 30 June 2012	**30,001**	**5,269**	**(3,318)**	**–**	**66,530**	**98,482**

for the year ended 30 June 2011

AMOUNTS IN $'000

	CONSOLIDATED					
	ORDINARY SHARES	EMPLOYEE EQUITY BENEFITS RESERVE	FOREIGN CURRENCY TRANSLATION RESERVE	AVAILABLE-FOR-SALE INVESTMENT RESERVE	RETAINED EARNINGS	TOTAL EQUITY
At 1 July 2010	**25,574**	**5,109**	**566**	**(23)**	**54,694**	**85,920**
Profit for the period	–	–	–	–	50,963	50,963
Other comprehensive income	–	–	(5,805)	33	–	(5,772)
Income tax	–	–	–	(10)	–	(10)
Total comprehensive income	**–**	**–**	**(5,805)**	**23**	**50,963**	**45,181**
TRANSACTIONS WITH OWNERS IN THEIR CAPACITY AS OWNERS:						
Shares issued	3,373	–	–	–	–	3,373
Share-based payments	–	1,022	–	–	–	1,022
Income tax	–	(587)	–	–	–	(587)
Dividends paid	–	–	–	–	(46,377)	(46,377)
At 30 June 2011	**28,947**	**5,544**	**(5,239)**	**–**	**59,280**	**88,532**

The accompanying notes form part of these financial statements

Notes to the Financial Statements

1. Corporate information

The financial report of Wotif.com Holdings Limited (the **Company**) for the year ended 30 June 2012 was authorised for issue in accordance with a resolution of Directors made on 22 August 2012.

The Company is a public company incorporated in Australia and is listed on the Australian Securities Exchange.

The principal activity of the Company and its controlled entities (the **Consolidated Entity** or **Group**) is the provisions of online travel booking services. Wotif.com Holdings Limited is the ultimate Australian parent and the ultimate parent in the Consolidated Entity.

2. Summary of significant accounting policies

A BASIS OF ACCOUNTING

The financial report is a general purpose financial report, which has been prepared in accordance with the requirements of the *Corporations Act 2001* and applicable Australian Accounting Standards and other mandatory professional reporting requirements. It has been prepared on a historical cost basis, except for available-for-sale investments, which have been measured at fair value. The financial report is presented in Australian dollars and all values are rounded to the nearest thousand dollars ($'000) unless otherwise stated under the option available to the Company under ASIC Class Order 98/0100. The Company is an entity to which the Class Order applies.

B STATEMENT OF COMPLIANCE

The financial report complies with Australian Accounting Standards, as issued by the Australian Accounting Standards Board, and International Financial Reporting Standards (**IFRS**) as issued by the International Accounting Standards Board.

Certain new accounting standards and interpretations have been published that are not mandatory for 30 June 2012 reporting periods. The Company's assessment of the impact of these new standards and interpretations is set out below.

C NEW ACCOUNTING STANDARDS AND INTERPRETATIONS

Changes in accounting policy and disclosures

The accounting policies adopted are consistent with those of the previous financial year except as follows:

The Group has adopted the following new and amended Australia Accounting Standards and AASB Interpretations as of 1 July 2011.

- AASB 124 *Related Party Disclosures (amendment) effective 1 July 2011*
- AASB 2010-4 *Amendments to Australian Accounting Standards arising from the Annual Improvements Project*
- *Improvements to AASBs (May 2010)*

When adoption of the Standard or Interpretation is deemed to have an impact on the financial statements or performance of the Group, its impact is assessed and described as follows:

AASB 124 Related Party Transactions (Amendment)

The AASB issued an amendment to AASB 124 that clarifies the definitions of a related party. The new definitions emphasise a symmetrical view of related party relationships and clarifies the circumstances in which persons and key management personnel affect related party relationships of an entity. In addition the amendment introduces an exemption from the general related party disclosure requirements for transactions with government entities that are controlled, jointly controlled or significantly influenced by the same government as the reporting entity. The adoption of the amendment did not have any impact on the financial position or performance of the Group.

AASB 2010-4 Amendments to Australian Accounting Standards arising from the Annual Improvements Project

The amendments emphasise the interaction between quantitative and qualitative AASB 7 disclosures and the nature and extent of risks associated with financial instruments. The new definitions clarify the presentation of an analysis of other comprehensive income for each component of equity, either in the statement of changes in equity or in the notes to the financial statements.

Improvements to AASBs

In May 2010, the AASB issued its third omnibus of amendments to its Standards, primarily with a view to removing inconsistencies and clarifying wording. There are separate transitional provisions and application dates for each amendment. The Group considers that the adoption of the amendments resulting from the Annual Improvements Project did not have a material or significant impact on the accounting policies, financial position or performance of the Group.

The following new and amended Australia Accounting Standards and AASB Interpretations as of 1 July 2011 were considered not to have a significant or material impact on the financial statements of the Group:

- AASB 2009-12 *Amendments to Australian Accounting Standards* [AASBs 5, 8, 108, 110, 112, 119, 133, 137, 139, 1023 & 1031 and Interpretations 2, 4, 16, 1039 & 1052]
- AASB 2010-5 *Amendments to Australian Accounting Standards* [AASB 1, 3, 4, 5, 101, 107, 112, 118, 119, 121, 132, 133, 134, 137, 139, 140, 1023 & 1038 and Interpretations 112, 115, 127, 132 & 1042]
- AASB 2010-6 *Amendments to Australian Accounting Standards* [AASB 1 and AASB 7]
- AASB 1048 *Interpretation of Standards*
- AASB 1054 *Australian Additional Disclosures*

Accounting Standards and Interpretations issued but not yet effective

Australian Accounting Standards and Interpretations that have recently been issued or amended but are not yet effective and have not been adopted by the Group for the year ended 30 June 2012 are outlined in the following columns:

AASB 9
Financial Instruments

AASB 9 includes requirements for the classification and measurement of financial assets resulting from the first part of Phase 1 of the IASB's project to replace IAS 39 Financial Instruments: Recognition and Measurement (AASB 139 Financial Instruments: Recognition and Measurement).

These requirements improve and simplify the approach for classification and measurement of financial assets compared with the requirements of AASB 139. The main changes from AASB 139 are described below.

a) Financial assets are classified based on (1) the objective of the entity's business model for managing the financial assets; (2) the characteristics of the contractual cash flows. This replaces the numerous categories of financial assets in AASB 139, each of which had its own classification criteria.

b) AASB 9 allows an irrevocable election on initial recognition to present gains and losses on investments in equity instruments that are not held for trading in other comprehensive income. Dividends in respect of these investments that are a return on investment can be recognised in profit or loss and there is no impairment or recycling on disposal of the instrument.

c) Financial assets can be designated and measured at fair value through profit or loss at initial recognition if doing so eliminates or significantly reduces a measurement or recognition inconsistency that would arise from measuring assets or liabilities,or recognising the gains and losses on them, on different bases.

d) Where the fair value option is used for financial liabilities the change in fair value is to be accounted for as follows:
   - The change attributable to changes in credit risk are presented in other comprehensive income (OCI)
   - The remaining change is presented in profit or loss

   If this approach creates or enlarges an accounting mismatch in the profit or loss, the effect of the changes in credit risk are also presented in profit or loss.

Consequential amendments were also made to other standards as a result of AASB 9, introduced by AASB 2009-11 and superseded by AASB 2010-7 and 2010-10.

Impact on Group Financial Report

On the basis of the review conducted, the Group has determined that there will be no material impact on the financial report.

APPLICATION DATE OF STANDARD	APPLICATION DATE FOR GROUP
1 January 2013	**1 July 2013**

AASB 10
Consolidated Financial Statements

AASB 10 establishes a new control model that applies to all entities. It replaces parts of AASB 127 Consolidated and Separate Financial Statements dealing with the accounting for consolidated financial statements and UIG-112 Consolidation – Special Purpose Entities.

The new control model broadens the situations when an entity is considered to be controlled by another entity and includes new guidance for applying the model to specific situations, including when acting as a manager may give control, the impact of potential voting rights and when holding less than a majority voting rights may give control.

Consequential amendments were also made to other standards via AASB 2011-7.

Impact on Group Financial Report

On the basis of the review conducted, the Group has determined that there will be no material impact on the financial report.

APPLICATION DATE OF STANDARD	APPLICATION DATE FOR GROUP
1 January 2013	**1 July 2013**

AASB 11
Joint Arrangements

AASB 11 replaces AASB 131 Interests in Joint Ventures and UIG-113 Jointly- controlled Entities – Non-monetary Contributions by Ventures. AASB 11 uses the principle of control in AASB 10 to define joint control, and therefore the determination of whether joint control exists may change. In addition it removes the option to account for jointly controlled entities (JCEs) using proportionate consolidation. Instead, accounting for a joint arrangement is dependent on the nature of the rights and obligations arising from the arrangement. Joint operations that give the venturers a right to the underlying assets and obligations themselves is accounted for by recognising the share of those assets and obligations. Joint ventures that give the venturers a right to the net assets is accounted for using the equity method.

Consequential amendments were also made to other standards via AASB 2011-7 and amendments to AASB 128.

Impact on Group Financial Report

On the basis of the review conducted, the Group has determined that there will be no material impact on the financial report.

APPLICATION DATE OF STANDARD	APPLICATION DATE FOR GROUP
1 January 2013	**1 July 2013**

AASB 12
Disclosure of Interests in Other Entities

AASB 12 includes all disclosures relating to an entity's interests in subsidiaries, joint arrangements, associates and structures entities. New disclosures have been introduced about the judgments made by management to determine whether control exists, and to require summarised information about joint arrangements, associates and structured entities and subsidiaries with non-controlling interests.

Impact on Group Financial Report

On the basis of the review conducted, the Group has determined that there will be no material impact on the financial report.

APPLICATION DATE OF STANDARD	APPLICATION DATE FOR GROUP
1 January 2013	**1 July 2013**

AASB 13
Fair Value Measurement

AASB 13 establishes a single source of guidance for determining the fair value of assets and liabilities. AASB 13 does not change when an entity is required to use fair value, but rather, provides guidance on how to determine fair value when fair value is required or permitted. Application of this definition may result in different fair values being determined for the relevant assets.

AASB 13 also expands the disclosure requirements for all assets or liabilities carried at fair value. This includes information about the assumptions made and the qualitative impact of those assumptions on the fair value determined.

Consequential amendments were also made to other standards via AASB 2011-8.

Impact on Group Financial Report

On the basis of the review conducted, the Group has determined that there will be no material impact on the financial report.

APPLICATION DATE OF STANDARD	APPLICATION DATE FOR GROUP
1 January 2013	**1 July 2013**

AASB 1053
Application of Tiers of Australian Accounting Standards

This Standard establishes a differential financial reporting framework consisting of two Tiers of reporting requirements for preparing general purpose financial statements:

(a) Tier 1: Australian Accounting Standards.

(b) Tier 2: Australian Accounting Standards – Reduced Disclosure Requirements. Tier 2 comprises the recognition, measurement and presentation requirements of Tier 1 and substantially reduced disclosures corresponding to those requirements.

Impact on Group Financial Report

On the basis of the review conducted, the Group has determined that there will be no material impact on the financial report.

APPLICATION DATE OF STANDARD	APPLICATION DATE FOR GROUP
1 July 2013	**1 July 2013**

AASB 2010-8
Amendments to Australian Accounting Standards – Deferred Tax: Recovery of Underlying Assets [AASB 112]

These amendments address the determination of deferred tax on investment property measured at fair value and introduce a rebuttable presumption that deferred tax on investment property measured at fair value should be determined on the basis that the carrying amount will be recoverable through sale. The amendments also incorporate SIC-21 Income Taxes – Recovery of Revalued Non-Depreciable Assets into AASB 112.

Impact on Group Financial Report

On the basis of the review conducted, the Group has determined that there will be no material impact on the financial report.

APPLICATION DATE OF STANDARD	APPLICATION DATE FOR GROUP
1 January 2012	**1 July 2012**

AASB 2011-3
Amendments to Australian Accounting Standards – Orderly Adoption of Changes to the ABS GFS Manual and Related Amendments [AASB 1049]

This Standard makes amendments including clarifying the definition of the ABS GFS Manual, facilitating the orderly adoption of changes to the ABS GFS Manual and related disclosures to AASB 1049.

Amendments to Australian Accounting Standards – Improvements to AASB 1049 can be found in AASB 2011-13.

Impact on Group Financial Report

On the basis of the review conducted, the Group has determined that there will be no material impact on the financial report.

APPLICATION DATE OF STANDARD	APPLICATION DATE FOR GROUP
1 July 2012	**1 July 2012**

AASB 2011-4
Amendments to Australian Accounting Standards to Remove Individual Key Management Personnel Disclosure Requirements [AASB 124]

This Amendment deletes from AASB 124 individual key management personnel disclosure requirements for disclosing entities that are not companies.

Impact on Group Financial Report

On the basis of the review conducted, the Group has determined that there will be no material impact on the financial report.

APPLICATION DATE OF STANDARD	APPLICATION DATE FOR GROUP
1 July 2013	**1 July 2013**

AASB 2011-9
Amendments to Australian Accounting Standards – Presentation of Other Comprehensive Income [AASB 1, 5, 7, 101, 112, 120, 121, 132, 133, 134, 1039 & 1049]

This Standard requires entities to group items presented in other comprehensive income on the basis of whether they might be reclassified subsequently to profit or loss and those that will not.

Impact on Group Financial Report

On the basis of the review conducted, the Group has determined that there will be no material impact on the financial report.

APPLICATION DATE OF STANDARD	APPLICATION DATE FOR GROUP
1 July 2012	**1 July 2012**

AASB 119
Employee Benefits

The revised Standard changes the definition of short-term employee benefits. The distinction between short-term and other long-term employee benefits is now based on whether the benefits are expected to be settled wholly within 12 months after the reporting date.

APPLICATION DATE OF STANDARD	APPLICATION DATE FOR GROUP
1 July 2013	**1 July 2013**

AASB 2012-2

Amendments to Australian Accounting Standards – Disclosures – Offsetting Financial Assets and Financial Liabilities

AASB 2012-2 principally amends AASB 7 Financial Instruments: Disclosures to require disclosure of information that will enable users of an entity's financial statements to evaluate the effect or potential effect of netting arrangements, including rights of set-off associated with the entity's recognised financial assets and recognised financial liabilities, on the entity's financial position.

Impact on Group Financial Report

On the basis of the review conducted, the Group has determined that there will be no material impact on the financial report.

APPLICATION DATE OF STANDARD	APPLICATION DATE FOR GROUP
1 January 2013	**1 July 2013**

AASB 2012-3

Amendments to Australian Accounting Standards – Offsetting Financial Assets and Financial Liabilities

AASB 2012-3 adds application guidance to AASB 132 Financial Instruments: Presentation to address inconsistencies identified in applying some of the offsetting criteria of AASB 132, including clarifying the meaning of "currently has a legally enforceable right of set-off" and that some gross settlement systems may be considered equivalent to net settlement.

Impact on Group Financial Report

On the basis of the review conducted, the Group has determined that there will be no material impact on the financial report.

APPLICATION DATE OF STANDARD	APPLICATION DATE FOR GROUP
1 January 2013	**1 July 2013**

AASB 2012-5

Amendments to Australian Accounting Standards arising from Annual Improvements 2009–2011 Cycle

AASB 2012-5 makes amendments resulting from the 2009-2011 Annual Improvements Cycle. The Standard addresses a range of improvements, including the repeat application of AASB 1 is permitted.

Impact on Group Financial Report

On the basis of the review conducted, the Group has determined that there will be no material impact on the financial report.

APPLICATION DATE OF STANDARD	APPLICATION DATE FOR GROUP
1 January 2013	**1 July 2013**

Annual Improvements 2009–2011 Cycle

Annual Improvements to IFRSs 2009–2011 Cycle

This standard sets out amendments to International Financial Reporting Standards (**IFRS**) and the related bases for conclusions and guidance made during the International Accounting Standards Board's Annual Improvements process. These amendments have not yet been adopted by the AASB.

The following items are addressed by this standard:

IFRS 1 First-time Adoption of International Financial Reporting Standards

- Repeated application of IFRS 1
- Borrowing costs

IAS 1 Presentation of Financial Statements

- Clarification of the requirements for comparative information

IAS 16 Property, Plant and Equipment

- Classification of servicing equipment

IAS 32 Financial Instruments: Presentation

- Tax effect of distribution to holders of equity instruments

IAS 34 Interim Financial Reporting

Interim financial reporting and segment information for total assets and liabilities.

Impact on Group Financial Report

On the basis of the review conducted, the Group has determined that there will be no material impact on the financial report.

APPLICATION DATE OF STANDARD	APPLICATION DATE FOR GROUP
1 January 2013	**1 July 2013**

D REVENUE RECOGNITION

Operating revenue

The principal business of the Consolidated Entity is the earning of a margin from the sale of accommodation, flights and travel-related services over the internet.

Accommodation revenue

Accommodation inventory (room nights) is displayed on the Group's websites for sale at the accommodation provider's discretion. When bookings are made they are paid for immediately by customers (either in full or for a deposit equal to the Group's revenue on the booking) using their credit cards as verified by an online merchant facility. The Consolidated Entity recognises the revenue when customers have commenced their stay at the accommodation venue.

Accommodation revenue is calculated as the total of any receipts from customers in the form of booking fees, cancellation fees, credit card surcharges, commissions or payments for accommodation services less any payments to accommodation providers, cancellation refunds or credit card recharges. As part of this calculation the Group bases any estimates on historical results taking into consideration the type of transaction and specifics of each arrangement.

Accommodation revenue received prior to the commencement of the customer's stay at the accommodation venue is recognised as an unearned revenue liability.

Flights and travel-related services revenue

Revenue from flights and travel-related services rendered is recognised in the income statement on issue of the ticket or voucher to the passenger. Revenue from airline overrides is recognised in accordance with airline sales agreements as they accrue on the issue of ticket to the passenger, when the amount can be reliably measured. Revenue is recognised in the income statement when recovery of the consideration is probable and the associated costs incurred or to be incurred can be estimated reliably.

Other revenue

Revenues from rendering of other services are recognised when the service is provided.

Total Transaction Value (TTV)

TTV represents the price at which accommodation, flight, package and other travel-related services have been sold across the Consolidated Entity's operations. TTV is stated net of GST/VAT payable. TTV does not represent revenue in accordance with Australian Accounting Standards.

Interest

Interest revenue is recognised as interest accrues using the effective interest method. This is a method of calculating the amortised cost of a financial asset and allocating the interest income over the relevant period using the effective interest rate, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the net carrying amount of the financial asset.

Rental revenue

Rental revenue from investment properties is accounted for on a straight-line basis over the lease term. Lease incentives granted are recognised as an integral part of the total rental income.

E BASIS OF CONSOLIDATION

Wotif.com Holdings Limited is considered to control entities where it has the capacity to dominate the decision-making in relation to the financial and operating policies of those entities so that they operate to achieve its objectives. A list of controlled entities is contained in Note 20 to the financial statements.

The financial statements of subsidiaries are prepared for the same reporting period as the Company using consistent accounting policies.

All inter-company balances and transactions between entities in the Consolidated Entity, including any unrealised profits or losses, have been eliminated on consolidation. Where controlled entities have entered or left the Consolidated Entity during the year, their operating results have been included from the date control was obtained or until the date control ceased.

On 25 June 2008 a Deed of Cross Guarantee (the **Deed**) was entered into between Wotif.com Holdings Limited and certain of its wholly-owned subsidiaries, being Wotif.com Pty Ltd, ACN 079 010 772 (formerly travel.com.au Limited), Lastminute.com.au Pty Limited and Arnold Travel Technology Pty Ltd. Go Do Pty Ltd was added to the Deed of Cross Guarantee by an Assumption Deed dated 10 June 2010.

F INTANGIBLE ASSETS

Goodwill

Goodwill acquired in a business combination is initially measured at cost being the excess of the cost of the business combination over the Group's interest in the net fair value of the acquiree's identifiable assets, liabilities and contingent liabilities. If the consideration transferred is less than the fair value of the acquiree's identifiable net assets of the subsidiary acquired, the difference is recognised in the Income Statement.

Following initial recognition, goodwill is measured at cost less any accumulated impairment losses. Goodwill and fair value adjustments arising on the acquisition of a foreign entity are treated as assets and liabilities of the foreign entity and translated at the closing rate.

For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to each of the Group's cash-generating units, or groups of cash-generating units that are expected to benefit from the synergies of the combination, irrespective of whether other assets or liabilities of the Group are assigned to those units or groups of units. Each unit or group of units to which the goodwill is allocated represents the lowest level within the entity at which the goodwill is monitored for internal management purposes.

Impairment is determined by assessing the recoverable amount of the cash-generating unit to which the goodwil relates. The Company performs its impairment testing each year using discounted cash flows, using the value-in-use methodology. Further details on the methodology and assumptions used are outlined in Note 12.

When the recoverable amount of the cash-generating unit (group of cash-generating units) is less than the carrying amount, an impairment loss is recognised. When goodwill forms part of a cash-generating unit (group of cash-generating units) and an operation within that unit is disposed of, the goodwill associated with the operation disposed of is included in the carrying amount of the operation when determining the gain or loss on disposal of the operation. Goodwill disposed of in this manner is measured based on the relative values of the operation disposed of and the portion of the cash-generating unit retained.

Impairment losses recognised for goodwill are not subsequently reversed.

Information Technology (IT) Costs

The Consolidated Entity's business is based on a total business technology solution encompassing customer and supplier interface, accounting for receipts and payments to hotels, airlines, inventory and management solutions. Invariably new business initiatives generating revenue, cost savings and capacity expansion require IT spending. The fundamental purpose of IT development is to better place the Consolidated Entity in a position to adopt new technologies, new products and features.

IT Development Costs that relate to the acquisition of an asset, to the extent that they represent probable future economic benefits controlled by the Consolidated Entity that can be reliably measured, are capitalised and amortised within the period of expected benefit, generally between 1 and 5 years.

IT costs incurred on research, advertising, marketing management and day-to-day maintenance of all IT applications are charged as an expense in the period that they are incurred.

Intangibles

Intangible assets acquired separately or in a business combination are initially measured at cost. The cost of an intangible asset acquired in a business combination is its fair value as at the date of acquisition. Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and any accumulated impairment losses. Internally generated intangible assets, excluding development costs, are not capitalised and expenditure is recognised in the income statement in the year in which the expenditure is incurred.

The useful lives of intangible assets are assessed to be either finite or indefinite. Intangible assets with finite lives are amortised over the useful life and tested for impairment whenever there is an indication that the intangible assets may be impaired. The amortisation period and the amortisation method for an intangible asset with a finite useful life is reviewed at least at each financial year-end. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are accounted for prospectively by changing the amortisation period or method, as appropriate, which is a change in accounting estimate. The amortisation expense on intangible assets with finite lives is recognised in profit or loss in the expense category consistent with the function of the intangible asset.

Intangible assets with indefinite useful lives are tested for impairment annually either individually or at the cash-generating unit level consistent with the methodology outlined for goodwill above. Such intangibles are not amortised. The useful life of an intangible asset with an indefinite life is reviewed each reporting period to determine whether indefinite life assessment continues to be supportable. If not, the change in the useful life assessment from indefinite to finite is accounted for as a change in an accounting estimate and is thus accounted for on a prospective basis.

G TAXATION

1. Income tax

Current tax assets and liabilities for the current and prior periods are measured at the amount expected to be recovered from or paid to the taxation authorities based on the current period's taxable income. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted by the reporting date.

Deferred income tax is provided on all temporary differences at the reporting date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred income tax liabilities are recognised for all taxable temporary differences except:

- when the deferred income tax liability arises from the initial recognition of goodwill or of an asset or liability in a transaction that is not a business combination and that, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss;
- when the taxable temporary difference is associated with investments in subsidiaries, associates or interests in joint ventures, and the timing of the reversal of the temporary difference can be controlled and is probable that the temporary difference will not reverse in the foreseeable future.

Deferred income tax assets are recognised for all deductible temporary differences, carry-forward of unused tax credits and unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences and the carry-forward of unused tax credits and unused tax losses can be utilised, except:

- when the deferred income tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss.
- when the deductible temporary difference is associated with investments in subsidiaries, associates or interests in joint ventures, in which case a deferred tax asset is only recognised to the extent that it is probable that the temporary difference will reverse in the foreseeable future and taxable profit will be available against which the temporary difference can be utilised.

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

Unrecognised deferred income tax assets are reassessed at each reporting date and are recognised to the extent that it has become probable that future taxable profit will allow the deferred tax asset to be recovered.

Deferred income tax assets and liabilities are measured at the tax rates expected to apply to the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

Deferred tax assets and deferred tax liabilities are offset only if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred tax assets and liabilities relate to the same taxable entity and the same taxation authority.

Current and deferred tax is recognised in the income statement, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. Income taxes relating to items recognised directly in equity are recognised in equity and not in the Income Statement.

2. Other taxes

Revenues, expenses and assets are recognised net of the amount of GST/VAT except where:

- the GST/VAT incurred on a purchase of goods and services is not recoverable from the taxation authority, in which case the GST/VAT is recognised as part of the cost of acquisition of the asset or as part of the expense item as applicable; and
- receivables and payables are stated with the amount of GST/VAT included.

The net amount of GST/VAT recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the Statement of Financial Position.

Cash flows are included in the Statement of Cash Flows on a gross basis and the GST/VAT component of cash flows arising from investing and financing activities, which is recoverable from, or payable to, the taxation authority, is classified as operating cash flows.

Commitments and contingencies are disclosed net of the amount of GST/VAT recoverable from, or payable to, the taxation authority.

3. Tax consolidation legislation

Wotif.com Holdings Limited and its wholly-owned Australian controlled entities have implemented the tax consolidation legislation.

The head entity, Wotif.com Holdings Limited and the controlled entities in the tax consolidated group account for their own current and deferred tax amounts. These tax amounts are measured as if each entity in the tax consolidated group continues to be a stand alone taxpayer in its own right.

In addition to its own current and deferred tax amounts, Wotif.com Holdings Limited also recognises the current tax liabilities (or assets) and the deferred tax assets arising from unused tax losses and unused tax credits assumed from controlled entities in the tax consolidated group.

Assets or liabilities arising under tax funding agreements with the tax consolidated entities are recognised as amounts receivable from or payable to other entities in the Group. Details of the tax funding agreement are disclosed in Note 4.

Any difference between the amounts assumed and amounts receivable or payable under the tax funding agreement are recognised as a contribution to (or distribution from) wholly-owned consolidated tax entities.

H PROPERTY, PLANT AND EQUIPMENT

Property, plant and equipment is stated at cost less accumulated depreciation and any impairment in value.

Depreciation is calculated on a straight-line basis over the estimated useful life of the asset as follows:

Land – not depreciated
Buildings – 40 years
Plant and equipment – over 5 to 15 years

The assets' residual values, useful lives and amortisation methods are reviewed, and adjusted if appropriate, at each financial year end.

Impairment

The carrying values of plant and equipment are reviewed for impairment when events or changes in circumstances indicate the carrying value may not be recoverable.

For an asset that does not generate largely independent cash inflows, the recoverable amount is determined for the cash-generating unit to which the asset belongs.

If any such indication exists and where the carrying values exceed the estimated recoverable amount, the assets or cash generating units are written down to their recoverable amount.

The recoverable amount of plant and equipment is the greater 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.

I INVESTMENT PROPERTY

Investment property is measured initially at cost, including transaction costs. The carrying amount includes the cost of replacing part of an existing investment property at the time that cost is incurred if the recognition criteria are met, and excludes the costs of day-to-day servicing of an investment property. Subsequent to initial recognition, investment property is measured at cost, less accumulated depreciation and any impairment losses.

Investment properties are derecognised either when they have been disposed of or when the investment property is permanently withdrawn from use and no future economic benefit is expected from its disposal. Any gains or losses on the retirement or disposal of an investment property are recognised in profit or loss in the year of retirement or disposal.

Transfers are made to investment property when, and only when, there is a change in use, evidenced by ending of owner-occupation, commencement of an operating lease to another party or ending of construction or development. Transfers are made from investment property when, and only when, there is a change in use, evidenced by commencement of owner-occupation or commencement of development with a view to sale. The Group accounts for investment property in accordance with the policy stated under *Property, plant and equipment*.

Depreciation is calculated on a straight-line basis over the estimated useful life of the asset as follows:

Land – not depreciated
Buildings – 40 years

J FOREIGN CURRENCY TRANSACTIONS AND BALANCES

Translation of foreign currency transactions

Both the functional and presentation currency of Wotif.com Holdings Limited and its Australian subsidiaries are Australian Dollars ($).

Transactions in foreign currencies are initially recorded in the functional currency at the exchange rates ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are retranslated at the rate of exchange ruling at the reporting date. All translation differences arising from transactions are taken directly to the Income Statement.

Translation of financial balances of overseas operations

The functional currency of each overseas subsidiary and branch is as follows:

Investment in Canadian subsidiary
CAD (Canadian dollars)

Investment in UK subsidiary
GBP (Great Britain pounds)

Investment in Malaysian subsidiary
MYR (Malaysian ringgits)

Investment in New Zealand subsidiary
NZD (New Zealand dollars)

Investment in Singapore subsidiary
SGD (Singapore dollars)

Investment in Thailand subsidiary
THB (Thailand baht)

Investment in Hong Kong subsidiary
HKD (Hong Kong dollars)

As at the reporting date, the assets and liabilities of overseas subsidiaries and branches are translated into the presentation currency of Wotif.com Holdings Limited at the rate of exchange ruling at the reporting date, and the Income Statements are translated at the actual exchange rate on the date of the transaction. The exchange differences arising on translation of the balances of the financial reports of overseas subsidiaries are taken directly to a separate component of equity. Exchange differences relating to inter-company trading loans are recognised in the Income Statement as they do not form part of the investment. On disposal or partial disposal of the foreign entity, the cumulative amount recognised in equity relating to that operation is recognised in the Income Statement.

K LEASES

The determination of whether an arrangement is or contains a lease is based on the substance of the arrangement at inception date, whether fulfilment of the arrangement is dependent on the use of a specific asset or assets or the arrangement conveys a right to use the asset, even if that right is not explicitly specified in an arrangement.

1. Group as a lessee

Finance leases, which transfer to the Group substantially all the risks and benefits incidental to ownership of the leased item, are capitalised at the inception of the lease at the fair value of the leased asset or, if lower, at the present value of the minimum lease payments. Lease payments are apportioned between the finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are recognised in finance costs in profit or loss.

Capitalised leased assets are depreciated over the shorter of the estimated useful life of the asset and the lease term if there is no reasonable certainty that the Group will obtain ownership by the end of the lease term.

Operating lease payments are recognised as an operating expense in the statement of comprehensive income on a straight-line basis over the lease term. Operating lease incentives are recognised as a liability when received and subsequently reduced by allocating lease payments between rental expense and reduction of the liability.

2. Group as a lessor

Leases in which the Group retains substantially all the risks and benefits of ownership of the leased asset are classified as operating leases. Initial direct costs incurred in negotiating an operating lease are added to the carrying amount of the leased asset and recognised as an expense over the lease term on the same basis as rental income. Contingent rents are recognised as revenue in the period in which they are earned.

L EMPLOYEE BENEFITS

A provision is made for employee entitlement benefits accumulated as a result of employees rendering services up to the reporting date. These benefits include wages and salaries and annual leave.

Liabilities arising in respect of wages and salaries, annual leave and any other employee entitlements expected to be settled within 12 months of the reporting date are measured at their nominal amounts.

Employee entitlement expenses arising in respect of the following categories:

- wages and salaries, non-monetary benefits, annual leave and other leave entitlements; and
- other types of employee entitlements,

are recognised against profit on a net basis in their respective categories.

A liability for long service leave is recognised and measured as the present value of expected future payments to be made in respect of services provided by employees up to the reporting date. Consideration is given to expected future wage and salary levels, experience of employee departures and periods of service. Expected future payments are discounted using market yields at the reporting date on national government bonds.

M INVESTMENTS

All investments are initially recognised at cost, being the fair value of the consideration given and including acquisition charges associated with the investment.

After initial recognition, investments which are classified as available-for-sale are measured at fair value.

Gains or losses on available-for-sale investments are recognised as a separate component of equity until the investment is sold, collected or otherwise disposed of, or until the investment is determined to be impaired, at which time the cumulative gain or loss previously reported in equity is included in the Income Statement.

Investments in equity instruments that do not have a quoted market price in an active market and whose fair value cannot be reliably measured (and linked derivatives) are measured at cost. For investments carried at amortised cost, gains and losses are recognised in income when the investments are de-recognised or impaired, as well as through the amortisation process.

For investments where there is no quoted market price, fair value is determined by reference to the current market value of another instrument that is substantially the same or is calculated based on the expected cash flows of the underlying net asset of the investment.

N CASH AND CASH EQUIVALENTS

Cash and short-term deposits in the Statement of Financial Position comprise cash at bank and in hand and short-term deposits with a maturity of 3 months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

O PROVISIONS

1. Provision for dividends

A provision for dividends is not recognised as a liability unless the dividends are declared and determined on or before the reporting date.

2. Provisions – general

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

P CONTRIBUTED EQUITY

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

Q COMPARATIVE INFORMATION

Where necessary, comparatives have been classified and repositioned for consistency with current year disclosures. A review of the Group's operations has resulted in changes to the segment reporting and assessment of the cash generating units within the Group.

R RECOVERABLE AMOUNT OF ASSETS

The Consolidated Entity assesses at each reporting date whether there is an indication that an asset may be impaired. If any such indication exists, or when annual impairment testing for an asset is required, the Consolidated Entity makes an estimate of the asset's recoverable amount. An asset's recoverable amount is the higher of its fair value less costs to sell and its value in use and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets and the asset's value in use cannot be estimated to be close to its fair value. In such cases the asset is tested for impairment as part of the cash-generating unit to which it belongs. When the carrying amount of an asset or cash-generating unit exceeds its recoverable amount, the asset or cash-generating unit is considered impaired and is written down to its recoverable amount.

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. Impairment losses relating to continuing operations are recognised in those expense categories consistent with the function of the impaired asset unless the asset is carried at a revalued amount (in which case the impairment loss is treated as a revaluation decrease).

S TRADE AND OTHER RECEIVABLES

Trade receivables, principally amounts owing from debit or credit card companies, which generally settle within 5 days, are recognised and carried at their TTV value including GST less an allowance for uncollectible amounts (if any).

Other trade receivables are recognised and carried at the original invoice amount.

An estimate for doubtful debts is made when there is objective evidence that the Consolidated Entity will not be able to collect the debts. Bad debts are written off when identified.

T TRADE AND OTHER PAYABLES

Trade payables and other payables are carried at amortised cost and represent liabilities for goods and services provided to the Consolidated Entity prior to the end of the reporting period that are unpaid and arise when the Consolidated Entity becomes obliged to make future payments in respect of the purchase of these goods and services.

U SHARE-BASED PAYMENT TRANSACTIONS

The Company provides benefits to employees of the Consolidated Entity in the form of share-based payment transactions (equity-settled transactions). Details of these benefits are included in the Remuneration Report contained within the Directors' Report (see pages 28-36).

The cost of these equity-settled transactions with employees is measured by reference to the fair value of the equity instruments at the date at which they are granted. The fair value is determined by an external valuer using a binomial option pricing model. The valuation model considers the non-market performance hurdle of the options, being earnings per share growth.

In valuing equity-settled transactions, no account is taken of any performance conditions, other than conditions linked to the price of the shares of the Company (market conditions) if applicable.

The cost of equity-settled transactions is recognised, together with a corresponding increase in equity, over the period in which the performance and/or service conditions are fulfilled, ending on the date on which the relevant employees become fully entitled to the award (the vesting period).

The cumulative expense recognised for equity-settled transactions at each reporting date until vesting date reflects (i) the extent to which the vesting period has expired; and (ii) the Consolidated Entity's best estimate of the number of equity instruments that will ultimately vest. No adjustment is made for the likelihood of market performance conditions being met as the effect of these conditions is included in the determination of fair value at each instrument's grant date. The Income Statement charge or credit for a period represents the movement in cumulative expense recognised as at the beginning and end of that period.

No expense is recognised for awards that do not ultimately vest, except for awards where vesting is only conditional upon a market condition.

If the terms of an equity-settled award are modified, as a minimum an expense is recognised as if the terms had not been modified. In addition, an expense is recognised for any modification that increases the total fair value of the share-based payment arrangement, or is otherwise beneficial to the employee, as measured at the date of modification. A write-back of previously recognised options expense is recognised where non-market vesting conditions have not been met or are not expected to be met.

The dilutive effect, if any, of outstanding options is reflected as additional share dilution in the computation of earnings per share.

V EARNINGS PER SHARE

Basic earnings per share are calculated as net profit attributable to members, adjusted to exclude costs of servicing equity, divided by the weighted average number of ordinary shares on issue during the reporting period.

Diluted earnings per share are calculated as net profit attributable to members, adjusted for:

- costs of servicing equity;
- the after-tax effect of dividends and interest associated with dilutive potential ordinary shares that have been recognised as expenses; and
- other non-discretionary changes in revenues or expenses during the period that would result from the dilution of potential ordinary shares, divided by the weighted average number of ordinary shares and the dilutive potential ordinary shares.

W BUSINESS COMBINATIONS

Business combinations are accounted for using the acquisition method. The consideration transferred in a business combination shall be measured at fair value, which shall be calculated as the sum of the acquisition date fair values of the assets transferred by the acquirer, the liabilities incurred by the acquirer to former owners of the acquiree and the equity issued by the acquirer, and the amount of any non-controlling interest in the acquiree. For each business combination, the acquirer measures the non-controlling interest in the acquiree either at fair value or at the proportionate share of the acquiree's identifiable net assets. Acquisition-related costs are expensed as incurred.

When the Group acquires a business, it assesses the financial assets and liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic conditions, the Group's operating or accounting policies and other pertinent conditions as at the acquisition date.

Any contingent consideration to be transferred by the acquirer will be recognised at fair value at the acquisition date. Subsequent changes to the fair value of the contingent consideration which is deemed to be an asset or liability will be recognised in accordance with AASB 139 either in the income statement or in other comprehensive income. If the contingent consideration is classified as equity, it shall not be remeasured.

X SIGNIFICANT ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS

1. Significant accounting judgements

In the process of applying the Consolidated Entity's accounting policies, management has considered if there are judgements, apart from estimates, which will have a significant effect on the amount recognised in the financial statements; management has concluded there are none in addition to those noted in the preceding paragraphs.

2. Significant accounting estimates and assumptions

The carrying amounts of certain assets and liabilities can be determined and based on estimates and assumptions of future events. The key estimate and assumption made in preparing these financial statements is the amortisation period for the intangible asset, IT Development Costs, impairment of goodwill, valuation of share-based payments and fair value of assets and liabilities acquired in business combinations.

Recovery of Deferred tax asset

Deferred tax assets are recognised for deductible temporary differences as management considers that it is probable that future taxable profits will be available to utilise those temporary differences. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and the level of future taxable profits together with future tax planning strategies.

Impairment of intangible assets – goodwill, trademarks and brand names

The Group determines whether goodwill, trademarks and brand names with indefinite useful lives are impaired at least on an annual basis. This requires an estimation of the recoverable amount of the cash-generating units, using a value in use discounted cash flow methodology, to which the goodwill is allocated as well as an assessment of the recoverable amount of trademarks and brand names. An impairment loss of $Nil (2011: $Nil) was recognised in the current year in respect of intangibles. The assumptions used in this estimation of recoverable amount and the carrying amount of goodwill including a sensitivity analysis are discussed in Note 12.

IT Development Costs

IT Development Costs that relate to the acquisition of an asset, to the extent that they represent probable future economic benefits controlled by the Consolidated Entity that can be reliably measured, are capitalised and amortised within the period of expected benefit, generally between 1 and 5 years. The period of expected benefit is reviewed at least on an annual basis.

Share based payment transactions

The Group measures the cost of equity-settled transactions with employees by reference to the fair value of the equity instruments at the date at which they are granted. The fair value is determined with the assistance of an external valuer using a binomial model. The related assumptions are detailed in Note 29. The accounting estimates and assumptions relating to equity-settled share-based payments would have no impact on the carrying amounts of assets and liabilities within the next annual reporting period but may impact expenses and equity.

The Group measures the cost of cash-settled share-based payments at fair value at the grant date using the Black-Scholes formula, taking into account the terms and conditions upon which the instruments were granted (see Note 29).

Y JOINT VENTURE ENTITIES

A jointly controlled entity is a corporation, partnership or other entity in which each participant holds an interest. A jointly controlled entity operates in the same way as other entities, controlling the assets of the joint venture, earning its own income and incurring its own liabilities and expenses. Interests in jointly controlled entities are accounted for using the equity method, whereby the share of the joint venture entity's profits or loss is recognised in the Income Statement, and the share of post-acquisition movements in reserves is recognised in other comprehensive income reserves in the Statement of Financial Position. Joint venture details are set out in Note 9.

Z OPERATING SEGMENTS

Operating segments are identified and segment information disclosed on the basis of internal reports that are regularly provided to, or reviewed by, the Company's Chief Operating Decision Makers. The Company operates in the online travel industry. For management purposes, the Group is organised into one main operating segment which involves the provision of online travel booking services. All of the Group's activities are interrelated and discrete financial information is reported to, and reviewed by, the Company's Chief Operating Decision Makers as a single segment. Accordingly, all significant operating decisions are based upon analysis of the Group as one segment.

For the purpose of segment information, revenue is split between "accommodation" and "flights and other revenue".

"Accommodation" revenue represents revenues from card fees, cancellation fees, credit card surcharges, commissions or payments for accommodation services.

"Flights and other revenue" represents revenues from a range of services including domestic and international airline ticket sales, segment rebates, airline overrides, income from the Arnold corporate booking service, car hire, travel insurance and other travel related products.

For the purpose of the segment information, revenue is determined by the location of the accommodation rather than the residency of the customer. Alll flights ticketing revenues are Australian based.

AA PARENT ENTITY FINANCIAL INFORMATION

The financial information for the parent entity, Wotif.com Holdings Limited, disclosed in Note 30 has been prepared on the same basis as the consolidated financial statements, except as set out below.

1. Investments in subsidiaries, associates and joint venture entities

Investments in subsidiaries, associates and joint venture entities are accounted for at cost in the financial statements of Wotif.com Holdings Limited. Dividends received from associates are recognised in the parent entity's Income Statement, rather than being deducted from the carrying amount of these investments.

2. Tax consolidation legislation

Wotif.com Holdings Limited and its wholly-owned Australian controlled entities have implemented the tax consolidation legislation. Refer to Note 2(g), for details of the tax consolidation group.

3. Financial guarantees

Where the parent entity has provided financial guarantees in relation to loans and payables of subsidiaries for no compensation, the fair values of these guarantees are accounted for as contributions and recognised as part of the cost of the investment.

3. Revenue, income and expenses

AMOUNTS IN $'000

	CONSOLIDATED	
	2012	**2011**
a) Total Transactional Value	**1,161,203**	**1,105,820**
*Total Transactional Value (**TTV**) represents the price at which accommodation, flights, package and other travel-related services have been sold excluding all travel taxes and GST across the Consolidated Entity's operations. TTV does not represent revenue in accordance with Australian Accounting Standards.*		
b) Profit before income tax expense		
includes the following revenues and expenses whose disclosure is relevant in explaining the performance of the entity.		
i) REVENUE		
Interest received – other parties	5,589	4,180
Flights and other revenue	13,584	12,183
Total	**19,173**	**16,363**
ii) OPERATIONAL AND ADMINISTRATION EXPENSES		
Credit card commission	12,973	13,379
Bank charges	489	280
Amortisation of IT Development Costs	1,670	2,756
Other amortisation	45	298
Web maintenance costs	9,592	11,269
Depreciation	3,287	3,117
Foreign exchange loss/(gain) and currency conversion fees	(55)	533
(Gain) on disposal of property, plant & equipment	(1)	(40)
Rent and outgoings	601	621
Share-based payments expenses	(332)	1,022
Administration employment expenses including Directors' costs	5,403	5,403
Other expenses	3,156	674
Total	**36,828**	**39,312**
iii) EMPLOYEE BENEFITS EXPENSE		
Wages and salaries (excluding IT development employees' wages and salaries capitalised)	24,849	23,512
Share-based payments expense	(332)	1,022
Total	**24,517**	**24,534**

4. Income tax

AMOUNTS IN $'000

	CONSOLIDATED 2012	2011
The major components of income tax expense are:		
INCOME STATEMENT		
Current income tax		
Current income tax charge	23,768	20,266
Adjustments in respect of current income tax of previous year	(1,033)	(401)
Deferred income tax		
Relating to origination and reversal of temporary differences	537	734
Income tax expense reported in the Income Statement	**23,272**	**20,599**
AMOUNTS CHARGED OR CREDITED DIRECTLY TO EQUITY		
Deferred income tax related to items charged or credited directly to equity		
Unrealised loss on available-for-sale investment	–	10
Income tax expense reported in equity	(57)	587
Income tax expense reported in equity	**(57)**	**597**
A reconciliation between tax expense and the product of accounting profit before income tax multiplied by the Consolidated Entity's applicable income tax rate is as follows:		
Accounting profit before income tax	81,276	71,562
At the Consolidated Entity's statutory income tax rate of 30%	24,383	21,469
Adjustments in respect of current income tax of previous years	(1,033)	(401)
Research and development concession deduction	(892)	(262)
Foreign exchange and other translation adjustment	894	(31)
Foreign tax rate adjustment	(16)	(52)
Non-deductible amortisation	(1)	83
Other	(6)	108
Share-based payment expense	(57)	(315)
Income tax expense	**23,272**	**20,599**

AMOUNTS IN $'000

Deferred Income tax at 30 June relates to the following:	STATEMENT OF FINANCIAL POSITION 2012	STATEMENT OF FINANCIAL POSITION 2011	INCOME STATEMENT 2012	INCOME STATEMENT 2011
DEFERRED INCOME TAX LIABILITIES				
Interest accrued not received	8	8	–	(3)
Other	7	–	(7)	–
Brand names recognised in foreign subsidiary	2,678	2,678	–	–
Gross deferred tax liabilities	**2,693**	**2,686**		
Set off of deferred tax assets	(8)	(8)		
Net deferred tax liabilities	**2,685**	**2,678**		
DEFERRED INCOME TAX ASSET				
Tax losses	6,184	7,004	(820)	–
Accrued expenses	475	88	387	205
Provisions	571	540	31	(18)
Available-for-sale investment	–	–	–	10
Cash settled share-based payment	–	128	(128)	540
Gross deferred tax assets	**7,230**	**7,760**		
Set off of deferred tax liabilities	(8)	(8)	–	–
Net deferred tax assets	**7,222**	**7,752**		
Deferred tax income/(expense)			**(537)**	**734**

TAX CONSOLIDATION

Effective 1 July 2002, for the purposes of income taxation, Wotif.com Holdings Limited and its 100% Australian-owned subsidiaries formed a tax consolidated group. Wotif.com Holdings Limited is the head entity of the tax consolidated group. Members of the Consolidated Entity have entered into a tax sharing arrangement in order to allocate income tax expense to the wholly-owned subsidiaries on a pro rata basis. In addition, the agreement provides for the allocation of income tax liabilities between the entities should the head entity default on its tax payment obligations. At the reporting date, the possibility of default is remote.

TAX EFFECT ACCOUNTING BY MEMBERS OF THE TAX CONSOLIDATED GROUP

Members of the tax consolidated group have entered into a tax funding agreement. The tax funding agreement provides for the allocation of current and deferred taxes to members of the tax consolidated group in accordance with the principles of AASB 112 *Income Taxes* as if each entity in the tax consolidated group continues to be a stand-alone taxpayer in its own right.

The allocation of taxes under the tax funding agreement is recognised as an increase/decrease in the subsidiaries' inter-company accounts with the tax consolidated group head company, Wotif.com Holdings Limited. The head entity, being Wotif.com Holdings Limited, will be responsible for current tax payable of the entire Group.

5. Dividends paid or provided for on ordinary shares

At the meeting of the Company's Board on 22 August 2012, the Directors determined a fully franked dividend on ordinary shares of 13.5 cents per share in respect of the period to 30 June 2012. In accordance with Accounting Standards, the total amount of this final dividend of $28,584,393 has not been provided for in the 30 June 2012 Financial Statements.

AMOUNTS IN $'000

	CONSOLIDATED	
	2012	**2011**
a) Dividend paid		
Final franked dividend for 2011: 12.5 cents (2010 final: 12.5 cents)	26,404	26,334
Interim franked dividend for 2012: 11.5 cents (2011 interim: 9.5 cents)	24,350	20,043
	50,754	**46,377**
b) Franking account balance		
The amount of franking credits available for the subsequent financial year are:		
franking balance as at the end of the financial year at 30%	12,063	14,521
franking that will arise from the payment of income tax as at the end of the period	5,057	4,313
	17,120	**18,834**
c) Dividends proposed and not recognised as a liability		
2012: 13.5 cents fully franked (2011: 12.5 cents fully franked)	28,584	26,401
	28,584	**26,401**

6. Current assets – cash and cash equivalents

AMOUNTS IN $'000

	CONSOLIDATED	
	2012	2011
Cash at bank	118,946	112,593
Short-term deposits	5,589	5,211
Client funds account	16,336	15,727
	140,871	**133,531**

The cash shown as Client funds account is held on behalf of customers until suppliers are paid on behalf of these customers.

7. Current assets – trade and other receivables

AMOUNTS IN $'000

	CONSOLIDATED	
	2012	2011
Trade debtors	7,001	3,917
Prepayments	1,480	748
	8,481	**4,665**

Trade receivables, principally amounts owing from credit card companies, generally settle within five days. These are non-interest bearing. Other trade receivables are recognised on invoice amount and generally settle within 30-60 days. No impairment loss has been recognised for the current year.

At 30 June 2012 and 30 June 2011 all trade receivables were aged within 0-30 days. No receivables were past due. Due to the short-term nature of these receivables, their carrying values approximate their fair values. The maximum exposure to credit risk is the fair value of receivables. Collateral is not held as security.

8. Non-current assets – receivables

AMOUNTS IN $'000

	CONSOLIDATED	
	2012	2011
Loan to other parties, secured	138	135
	138	**135**

This loan bears interest at 8.5% p.a.

9. Interest in joint ventures

JOINT VENTURE ENTITY

The Group entered into a joint venture agreement with Thien Minh Travel Joint Stock Company in relation to the establishment of a joint venture company which owns and operates the travel website iVIVU.com.

Information relating to the joint venture is presented in accordance with the accounting policy described in Note 2(y) and is set out below.

AMOUNTS IN $'000

	OWNERSHIP INTEREST		CARRYING VALUE OF THE INVESTMENT	
	2012	2011	2012	2011
iVIVU Joint Venture	50%	50%	163	126

AMOUNTS IN $'000

Share of joint venture revenue, expenses and results	2012
Revenues	64
Expenses	215
Profit/(loss) after income tax	**(151)**
Current assets	183
Non-current assets	–
Total assets	**183**
Current liabilities	20
Non-current liabilities	–
Total liabilities	**20**
Net Assets	**163**

At reporting date there were no commitments or contingent liabilities relating to the joint venture. There were no indicators of impairment which would cause a write-down of the carrying value of the joint venture.

10. Non-current assets – property, plant and equipment

AMOUNTS IN $'000

	2012	2011
LAND AND BUILDINGS		
Freehold land – at cost	2,300	2,300
Buildings – at cost	10,255	8,310
Less: accumulated depreciation	(1,436)	(388)
	11,119	**10,222**
Plant and equipment – at cost	18,350	17,291
Less: accumulated depreciation	(11,329)	(9,390)
	7,021	**7,901**
Total property, plant and equipment	**18,140**	**18,123**

Reconciliation of carrying amounts at the beginning and end of the period:

AMOUNTS IN $'000

	FREEHOLD LAND	FREEHOLD BUILDINGS	PLANT & EQUIPMENT	TOTAL
Year end 30 June 2012				
Balance at 1 July 2011	2,300	7,922	7,901	18,123
Exchange difference	–	–	–	–
Additions	–	1,424	1,735	3,159
Depreciation	–	(527)	(2,615)	(3,142)
Balance at end of year	**2,300**	**8,819**	**7,021**	**18,140**
Year end 30 June 2011				
Balance at 1 July 2010	3,090	7,918	9,984	20,992
Exchange difference	–	–	(19)	(19)
Additions	–	3,041	922	3,963
Transfer to investment property	(790)	(2,905)	–	(3,695)
Disposals at written down value	–	–	(13)	(13)
Depreciation	–	(132)	(2,973)	(3,105)
Balance at end of year	**2,300**	**7,922**	**7,901**	**18,123**

11. Non-current assets – investment property

AMOUNTS IN $'000

	CONSOLIDATED 2012	CONSOLIDATED 2011
Opening balance as at 1 July 2011	3,683	–
Additions	41	3,695
Depreciation	(145)	(12)
Closing balance as at 30 June 2012	**3,579**	**3,683**
Reconciliation of net profit on investment property		
Rental income from investment property	246	47
Direct operating expenses (including repairs and maintenance) generating rental income	(37)	(7)
Net profit arising from investment property carried at cost	**209**	**40**

The Group has no restrictions on the realisability of its investment property and no contractual obligations to either purchase, construct or develop its investment property or for repairs, maintenance and enhancements. Investment properties are carried at cost, less accumulated depreciation and any impairment losses. Using current prices in an active market for similar properties, the Group used an internal valuation process to estimate the fair market value of the investment property is $3,784,800 (2011: $4,075,200)

AMOUNTS IN $'000

	FREEHOLD LAND	FREEHOLD BUILDINGS	TOTAL
Year end 30 June 2012			
Balance at 1 July 2011	790	2,893	3,683
Additions	–	41	41
Depreciation	–	(145)	(145)
Balance at end of year	**790**	**2,789**	**3,579**

12. Non-current assets – intangible assets and goodwill

AMOUNTS IN $'000

	CONSOLIDATED						
	IT DEVELOPMENT COSTS	TRADEMARK & BRAND NAMES	DOMAIN NAMES	CUSTOMER CONTRACTS	GOODWILL	SYSTEM SOFTWARE	TOTAL
Year ended 30 June 2012							
At 1 July 2011 net of accumulated amortisation and impairment	–	23,001	129	–	61,910	118	85,158
Additions – internal development	5,669	–	–	–	–	–	5,669
Additions - other	–	110	47	–	–	4	161
Exchange differences	–	–	(34)	–	558	–	524
Amortisation	(1,670)	(3)	(19)	–	–	(23)	(1,715)
At 30 June 2012 net of accumulated amortisation and impairment	**3,999**	**23,108**	**123**	–	**62,468**	**99**	**89,797**
At 30 June 2012							
Cost (gross carrying amount)	29,124	23,113	323	690	62,468	190	115,908
Accumulated amortisation and impairment	(25,125)	(5)	(200)	(690)	–	(91)	(26,111)
Net carrying amount	**3,999**	**23,108**	**123**	–	**62,468**	**99**	**89,797**
Year ended 30 June 2011							
At 1 July 2010 net of accumulated amortisation and impairment	–	23,001	192	230	66,095	161	89,679
Additions – internal development	2,756	–	–	–	–	–	2,756
Acquisition of subsidiaries	–	–	–	–	–	5	5
Exchange differences	–	–	(43)	–	(4,185)	–	(4,228)
Amortisation	(2,756)	–	(20)	(230)	–	(48)	(3,054)
At 30 June 2011 net of accumulated amortisation and impairment	–	**23,001**	**129**	–	**61,910**	**118**	**85,158**
At 30 June 2011							
Cost (gross carrying amount)	23,455	23,003	276	690	61,910	190	109,524
Accumulated amortisation and impairment	(23,455)	(2)	(147)	(690)	–	(72)	(24,366)
Net carrying amount	–	**23,001**	**129**	–	**61,910**	**118**	**85,158**

A DESCRIPTION OF THE GROUP'S INTANGIBLE ASSETS AND GOODWILL

1. IT Development Costs

Development costs are carried at cost less accumulated amortisation. This intangible asset has been assessed as having a finite life and is amortised over 1 to 5 years. The useful life of the asset is reviewed annually.

2. Trademark and brand names

Trademarks and brand names have been acquired through business combinations and are carried at cost less accumulated impairment losses. These intangible assets have been determined to have indefinite useful lives. For impairment purposes, the trademark and brand names are tested at an overall cash generating unit level. Further, the individual brands and trademarks are assessed based on the levels of traffic and usage. Should the level of traffic reduce or brands/trademarks be discontinued, this may give rise to an impairment.

3. Domain names

The domain names have been acquired through business combinations and are being amortised over a 15 year period.

4. Customer contracts

The customer contracts have been acquired through a business combination and are carried at nil value at year end.

5. System software

The system software has been acquired through a business combination and is carried at cost less accumulated amortisation. The intangible asset has been assessed as having a finite life of 5 years and is amortised using the straight line method over this period. At acquisition date, the acquired system software was considered to have 3 years remaining.

6. Goodwill

After initial recognition, goodwill acquired in a business combination is measured at cost less any accumulated impairment losses. Goodwill is not amortised but is subject to impairment testing on an annual basis or whenever there is an indication of impairment.

No impairment losses have been recognised on any intangible assets.

The carrying amount of goodwill and trademark and brand names acquired from business combinations is shown below:

AMOUNTS IN $'000

	CONSOLIDATED	
	2012	**2011**
Carrying amount of goodwill	62,468	61,910
Carrying amount of trademarks and brand names with indefinite lives	23,108	23,001

In prior years the Group has assessed the carrying value of goodwill, trademarks and brand names acquired through business combinations, by reference to an Australian/New Zealand cash generating unit and an Asian cash generating unit. Impairment testing at that level was undertaken for the reporting period using the value-in-use model and no impairment in the carrying value of those assets was revealed by this testing at that level.

It has been determined by Management having regard to the factors outlined below, that it is more appropriate to conduct the impairment testing of these assets at a single consolidated Group level due to the following key factors:

- since acquisition of the Asia Web Direct and travel.com.au Limited businesses, the Group has integrated all businesses in such a way that the five Asia Web Direct extranets/sources of inventory and the one travel.com.au Limited extranet have been consolidated into two Group extranets (to be reduced to one in the near term);
- the location of all IT hardware and systems for the Group has been consolidated to one Australian location;
- management and control of these operations resides in Australia;
- customer payment gateways are being consolidated for all operations;
- online marketing activity for these operations is conducted at a Group level;
- IT development and management for these operations is conducted at a Group level;
- user experience and innovation for these operations is conducted at a Group level;
- legal and regulatory compliance for these operations is conducted at a Group level; and
- statutory reporting and financial compliance for these operations is conducted at a Group level.

B KEY ASSUMPTIONS USED IN THE VALUE IN USE CALCULATION FOR THE WOTIF GROUP CASH GENERATING UNIT ARE AS FOLLOWS:

1. Gross margins

Gross margins are based on the historical TTV margin achieved by the businesses.

2. Discount rates

Discount rates reflect management's estimate of the time value of money and the risks specific to the units that are not already reflected in the cash flows. This is the benchmark used by management to assess the carrying value for impairment testing. In determining an appropriate discount rate, regard has been given to the weighted average cost of capital of the entity as a whole. The after-tax discount rates applied to the cash flow projections is 10%.

3. Market share and growth rate assumptions

These assumptions are important because, as well as using industry data for growth rates, management assesses how the unit's relative position to its competitors might change over the future. Management expects the Group to benefit from continuing increased penetration of bookings conducted online, greater brand awareness and benefits achieved through new product initiatives.

4. Growth rate estimates

In undertaking impairment testing the recoverable amount of the Group is determined based on a value in use calculation using cashflow projections covering a 5 year period with a terminal value utilised. Growth rate estimates used to support the carrying value of the assets are considered by management to be conservative and justified based on the history of the Group. For the purposes of assessing impairment, the growth rate used to calculate the terminal value beyond the 5 year period was between 0% and 10%. Management considered sensitivities to the growth rate cashflow projection and noted no material change in the recoverable value of the consolidated Group.

C SENSITIVITY TO CHANGES IN ASSUMPTIONS

The recoverable amount of the consolidated Group currently exceeds its carrying value. This excess in recoverable amount could be reduced should changes in the following key assumptions occur:

ASSUMPTION	SENSITIVITY
Nominal EBITDA growth – years 1 to 5	A decrease in growth rate to nil would not have a significant impact on the recoverable amount of the consolidated Group.
Post-tax discount rate	An increase in the discount rate from 10% to 12% would not have a significant impact on recoverable amount of the consolidated Group.
Nominal growth beyond 5 years including a terminal value	A decrease in the growth rate beyond 5 years to nil% would not have a significant impact on the recoverable amount of the consolidated Group.

Management believe that no reasonably possible change in any of the above key assumptions would cause the carrying value of the Group to materially exceed its recoverable amount.

13. Current liabilities – trade and other payables

AMOUNTS IN $'000

	CONSOLIDATED	
	2012	**2011**
Amounts due in relation to bookings made	87,036	85,779
Trade creditors and accruals	11,832	8,982
Unearned revenue	7,435	7,859
Deposits received not yet due	51,027	52,605
	157,330	**155,225**

14. Interest-bearing liabilities

AMOUNTS IN $'000

	CONSOLIDATED 2012	2011
NON-CURRENT		
Redeemable preference shares (see Note 20)	112	112
	112	**112**

BANK FACILITY - UNUSED

The Wotif Group has entered into a "come and go" facility with the National Australia Bank for working capital requirements of $15 million (FY11: $15 million). The facility is secured by a fixed and floating charge over the assets of the Group. As at 30 June 2012, no funds stood drawn under this facility and the Group was in compliance with all of the covenants.

15. Provisions

AMOUNTS IN $'000

	CONSOLIDATED 2012	2011
CURRENT		
Employee benefits	1,375	1,373
Make good provision	24	24
	1,399	**1,397**
NON-CURRENT		
Employee benefits	649	589
	649	**589**

MAKE GOOD PROVISION

At the termination of the lease of office premises, a subsidiary of the Group has an obligation to yield up the premises to the lessor, in good and substantial repair and condition, having regard to the condition at the date the Company took possession thereof.

16. Contributed equity

AMOUNTS IN $'000

	CONSOLIDATED 2012	2011
211,736,244 (2011: 211,209,444) fully paid ordinary shares	30,001	28,947
	30,001	**28,947**

Movement in ordinary shares on issue	CONSOLIDATED SHARES	$,000
At 1 July 2010	**209,632,844**	**25,574**
Employee options exercised	1,576,600	3,373
At 1 July 2011	**211,209,444**	**28,947**
Employee options exercised	526,800	1,054
At 30 June 2012	**211,736,244**	**30,001**

CAPITAL MANAGEMENT

When managing capital, the Group's objective is to ensure the entity continues as a going concern as well as maintaining optimal returns to shareholders and benefits for other stakeholders. The Group also aims to maintain a capital structure that ensures the lowest cost of capital available to the entity.

The Group is constantly reviewing its capital structure to take advantage of favourable costs of capital or high return on assets. As the market is constantly changing, the Group may change the amount of dividends to be paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce liabilities.

During 2012, dividends of $50,754,000 (FY11: $46,377,000) were paid. The Company's stated dividend policy is to generally maintain an 80%–90% payout ratio.

17. Reserves

AMOUNTS IN $'000

	CONSOLIDATED	
	2012	**2011**
INVESTMENT RESERVES		
Balance at the beginning of the year	–	(23)
Unrealised gain on investment	–	33
Income tax	–	(10)
Balance at end of year	–	–
FOREIGN CURRENCY TRANSLATION RESERVE		
Balance at the beginning of the year	(5,239)	566
Currency translation differences	1,921	(5,805)
Balance at end of year	**(3,318)**	**(5,239)**
EMPLOYEE EQUITY BENEFITS RESERVE		
Balance at the beginning of the year	5,544	5,109
Share-based payment	(332)	1,022
Deferred tax	57	(587)
Balance at end of year	**5,269**	**5,544**
Total Reserves	**1,951**	**305**

18. Related party disclosures

OTHER RELATED PARTY TRANSACTIONS

Marketing fee

During the year ended 30 June 2012, marketing services have been provided by a company related to G T Wood (a Director). That company, Ollewood Pty Ltd, received $43,600 (FY11: $43,600) from the Group based on normal commercial terms.

Brand licence

During the year ended 30 June 2012, a trademark and domain name licence has been provided to a company related to G T Wood (a Director) for use of the "Wotnews" brand. Under the licence, fees are payable to the Group on normal commercial terms when the licensee's revenues achieve a threshold level. This level was not achieved during the reporting period. During the year no payments (FY11: nil) were made under the agreement. The agreement was terminated on 24 June 2012. Termination is subject to a six month run down period following which the licensee will discontinue use of the Wotnews brand.

Holiday rental property listing

During the year ended 30 June 2012, the Wotif.com website has included a property available for booking owned by R A C Brice (a Director). The listing is subject to Wotif.com's standard supplier terms and conditions. Commission earned by Wotif.com during the year from bookings of this property was $180. The total transactional value in relation to these bookings was $1,680.

19. Statement of cash flows reconciliation

AMOUNTS IN $'000

	CONSOLIDATED	
	2012	**2011**
a) Reconciliation of the net profit to the net cash flows from operations:		
Net profit	58,004	50,963
Depreciation of non-current assets	3,287	3,117
Amortisation of non-current assets	1,715	3,054
Share of joint venture losses	158	–
Net loss/(gain) on disposal of property, plant and equipment	(1)	(40)
Net exchange differences	410	3,128
Share options expensed	(332)	1,022
Income tax recognised directly in equity	57	(597)
Changes in assets and liabilities net of effect from acquisition of controlled entities:		
(Decrease)/increase in provisions	62	172
(Increase)/decrease in trade receivables and prepayments	(3,819)	422
(Decrease)/increase in trade creditors and accruals	2,105	20,019
(Decrease)/increase in income tax payable	3,094	879
(Increase)/decrease in deferred income tax asset	530	1,321
Net cash flows from operating activities	**65,270**	**83,460**
b) Reconciliation of cash		
Cash at bank	135,282	128,320
Term deposits at call	5,589	5,211
	140,871	**133,531**

20. Subsidiaries

The consolidated financial statements include the financial statements of Wotif.com Holdings Limited and the subsidiaries in the following table:

AMOUNTS IN $'000

	COUNTRY OF INCORPORATION	CLASS OF SHARES	EQUITY INTEREST	
			2012	2011
Wotif.com Pty Ltd*	Australia	Ordinary	100%	100%
Standby Holdings Pty Ltd	Australia	Ordinary	100%	100%
Wotif.com Ltd	United Kingdom	Ordinary	100%	100%
Wotif.com Inc	Canada	Ordinary	100%	100%
Wotif.com Pte Ltd	Singapore	Ordinary	100%	100%
Wotif.com Sdn. Bhd.	Malaysia	Ordinary	100%	100%
Wotif.com (NZ) Ltd	New Zealand	Ordinary	100%	100%
Wotif.com Share Administration Pty Ltd (as trustee for the Wotif.com Share Trust)	Australia	Ordinary	100%	100%
Go Do Pty Ltd*	Australia	Ordinary	100%	100%
A.C.N 079 010 772 Limited (formerly travel.com.au Limited)	Australia	Ordinary	100%	100%
Lastminute.com.au Pty Limited*	Australia	Ordinary	100%	100%
Arnold Travel Technology Pty Limited*	Australia	Ordinary	100%	100%
Travelmax Pty Ltd (formerly The Travel Specialists Pty Limited)	Australia	Ordinary	100%	100%
Travel.com.au Pty Ltd (formerly iExplore.com.au Pty Limited)	Australia	Ordinary	100%	100%
Travelfree Australasia Pty Limited	Australia	Ordinary	85%	85%
Asia Web Direct (HK) Limited and its subsidiaries:	Hong Kong	Ordinary	100%	100%
• Asia Web Direct (M) Sdn Bhd	Malaysia	Ordinary	100%	100%
• SmartStays Pte Ltd	Singapore	Ordinary	100%	100%
• SmartStays (UK) Ltd (deregistered)	United Kingdom	Ordinary	–	100%
• AWD - BT Ltd** and its subsidiaries:	Thailand	Ordinary	100%	100%
• Asia Web Direct Co., Ltd	Thailand	Ordinary	100%	100%
• Phuket Dot Com Limited	Thailand	Ordinary	100%	100%
• Andaman Graphics Co., Ltd	Thailand	Ordinary	100%	100%
• Latestays Co., Ltd (formerly E.T.C. Asia Co., Ltd)	Thailand	Ordinary	100%	100%
Asia Web Direct Tours & Activities Co., Ltd ***	Thailand	Ordinary	49%	49%

* These subsidiaries have been granted relief from the necessity to prepare financial reports in accordance with Class Order 98/1418 issued by the Australian Securities and Investments Commission. Refer Note 21.

** Cumulative preference shares were issued by this entity to Thai business persons. The classification and treatment of these instruments is set out in Note 14.

*** Balance of ordinary shares were issued by this entity to Thai business persons. Those shares were funded by loan agreements which are secured by a share pledge, which can ultimately be called upon by Wotif.com Holdings Limited.

21. Deed of Cross Guarantee

On 25 June 2008 a Deed of Cross Guarantee (the **Deed**) was entered into between Wotif.com Holdings Limited and certain of its wholly-owned subsidiaries, being Wotif.com Pty Ltd, ACN 079 010 772 Limited, Lastminute.com.au Pty Limited and Arnold Travel Technology Pty Limited. Go Do Pty Ltd was added to the Deed of Cross Guarantee by an Assumption Deed dated 10 June 2010.

Under ASIC Class Order 98/1418 the subsidiaries in the closed group of companies that are parties to the Deed are eligible to be relieved from the requirement under the *Corporations Act 2001* to prepare and lodge individual audited financial statements and individual director's reports. That relief has been taken. The above companies represent a "Closed Group" for the purposes of the Class Order and, as there are no other parties to the Deed that are controlled by Wotif.com Holdings Limited, they also represent the "Extended Closed Group".

The effect of the Deed is that Wotif.com Holdings Limited has guaranteed to pay any deficiency in the event of winding up of either the controlled entity or if they do not meet their obligations under the terms of overdrafts, loans, leases or other liabilities subject to the guarantee. The controlled entities have given a similar guarantee in the event that Wotif.com Holdings Limited is wound up or does not meet its obligations under the terms of overdrafts, loans, leases or other liabilities subject to the guarantee.

The Income Statement and Statement of Financial Position of the entities that are members of the Closed Group are as follows:

INCOME STATEMENT

AMOUNTS IN $'000

	CLOSED GROUP	
	2012	**2011**
Revenue		
Accommodation revenue	121,539	116,638
Flights and other revenue	12,060	10,338
Interest received and receivable	5,451	4,097
Total revenue	**139,050**	**131,073**
Expenses		
Advertising and marketing expenses	15,603	15,719
Business development expenses	7,843	7,691
Operations and administration expenses	41,796	37,862
Total expenses	**65,242**	**61,272**
Profit before income tax	**73,808**	**69,801**
Income tax expense	18,855	20,486
Profit after income tax	**54,953**	**49,315**

STATEMENT OF COMPREHENSIVE INCOME

AMOUNTS IN $'000

	CLOSED GROUP	
	2012	**2011**
Profit for the period	**54,953**	**49,315**
OTHER COMPREHENSIVE INCOME		
Net gain on investment	–	33
Income tax on other items of other comprehensive income	–	(10)
Other comprehensive income for the period, net of tax	**–**	**23**
Total comprehensive income for the period	**54,953**	**49,338**

STATEMENT OF FINANCIAL POSITION

AMOUNTS IN $'000

	CLOSED GROUP	
	2012	2011
CURRENT ASSETS		
Cash and cash equivalents	128,363	122,713
Trade and other receivables	7,793	3,828
Total current assets	**136,156**	**126,541**
NON-CURRENT ASSETS		
Receivables	138	135
Investments in controlled entities	36,398	36,398
Property, plant and equipment	17,056	17,610
Investment property	3,579	3,683
Deferred tax assets	7,156	7,744
Intangible assets and goodwill	57,463	54,293
Total non-current assets	**121,790**	**119,863**
Total assets	**257,946**	**246,404**
CURRENT LIABILITIES		
Trade and other payables	155,684	152,782
Income tax payable	7,734	4,737
Provisions	1,284	1,290
Total current liabilities	**164,702**	**158,809**
NON-CURRENT LIABILITIES		
Income tax provision	–	–
Provisions	649	589
Total non-current liabilities	**649**	**589**
Total liabilities	**165,351**	**159,398**
Net assets	**92,595**	**87,006**
EQUITY		
Contributed equity	30,001	28,947
Retained earnings	60,913	56,714
Reserves	1,681	1,345
Total Equity	**92,595**	**87,006**

22. Financial risk management objectives and policies

The Group's principal financial instruments are cash and short-term deposits. Details of the significant accounting policies and methods adopted, including the criteria for recognition, the basis of measurement and the basis on which income and expenses are recognised, in respect of each class of financial asset are disclosed below.

The Group uses various methods in estimating the fair value of a financial instrument. The methods comprise:

Level 1 – the fair value is calculated using quoted market process in active markets.

Level 2 – the fair value is estimated using inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (as prices) or indirectly (derived from prices).

Level 3 – the fair value is estimated using inputs for the asset or liability that are not based on observable market data.

Quoted market price represents the fair value determined based on quoted prices on active markets as at the reporting date without any deduction for transaction costs. The fair value of the listed equity investments are based on quoted market prices.

The Board reviews and agrees policies for managing each of these risks.

CASH FLOW INTEREST RATE RISK

The Group's exposure to the risk of changes in market interest rates relates primarily to the Group's cash at bank and short-term deposits. These assets earn interest which approximates the Reserve Bank set base cash rate and the Board has resolved that the risk of rate change should not be hedged.

As at 30 June 2012 the Group had the following exposures to interest rate risk that are not designated in cash flow hedges:

AMOUNTS IN $'000

	CONSOLIDATED	
	2012	2011
Cash and cash equivalents	140,871	133,531
Net exposure	**140,871**	**133,531**

At 30 June 2012, if interest rates had changed +/- 1% from the year-end rates with all other variables held constant, post-tax profit for the year would have been $986,000 (FY11: $935,000) higher/lower as a result of higher/lower income from cash and cash equivalents.

AMOUNTS IN $'000

	POST TAX PROFIT higher/(lower)		EQUITY higher/(lower)	
	2012	2011	2012	2011
+1% (100 basis points)	986	935	986	935
–1% (100 basis points)	(986)	(935)	(986)	(935)

As only cash balances are exposed to interest rate sensitivity, the relationship is linear with interest rate movements up and down. Hence, reasonably possible movements in interest rates were determined based on what the Group is expecting to be exposed to in the next 12 months.

FOREIGN CURRENCY RISK

As at 30 June 2012, the Group had the following exposure to foreign currencies that are not designated in cash flow hedges:

AMOUNTS IN $'000

	CONSOLIDATED 2012	CONSOLIDATED 2011
FINANCIAL ASSETS		
Cash and cash equivalents	24,946	25,257
Trade and other receivables	10,686	11,754
	35,632	**37,011**
FINANCIAL LIABILITIES		
Trade and other payables	27,152	29,881
Interest bearing liabilities	112	112
	27,264	**29,993**
Net exposure	**8,368**	**7,018**

The Group has transactional currency exposure arising from it selling accommodation inventory in 14 different currencies which is dependent upon the geographical location of the accommodation concerned. The Group collects payment from customers in the currency that the ultimate payment is made to the relevant accommodation provider, deducts its margin and maintains the balance of the funds in the transactional currency to meet the eventual liability to the accommodation supplier. As such, the Group manages its foreign currency exposure by maintaining sufficient foreign currency reserves to match the actual foreign currency liabilities. As approximately 83% (FY11: 82%) of the Group's sales are denominated in Australian Dollars (AUD), the residual foreign exchange risks faced by the Group are not considered to be material. The Board has resolved that the risk of exchange rate change should not be hedged.

As at 30 June 2012, had the Australian dollar moved, as illustrated in the table below, all other variables held constant, post-tax profit and equity would have been affected as follows:

AMOUNTS IN $'000

	POST TAX PROFIT higher/(lower)		EQUITY higher/(lower)	
	2012	2011	2012	2011
Actual as at 30 June	58,004	50,963	98,482	88,532
AUD increases against all currencies 5%	40	88	(550)	(859)
AUD decreases against all currencies 5%	(44)	(98)	608	949
AUD increases against all currencies 10%	76	169	(1,050)	(1,640)
AUD decreases against all currencies 10%	(92)	(206)	1,283	2,004

Significant assumptions used in the foreign currency exposure sensitivity analysis include reasonable possible movement in foreign exchange rates based on economic forecasters' expectations. The translation of net assets in subsidiaries with a functional currency other than AUD is also included in the sensitivity as part of the equity movement.

CREDIT RISK

The Consolidated Entity trades only with recognised, credit-worthy third parties.

The principal trade receivables are amounts owing from credit card companies which typically settle within five days. It is the Group's policy that all customers who wish to trade on credit terms are subject to credit verification procedures. In addition, receivables are monitored on an ongoing basis with the result that the Group's exposure to bad debts is not considered to be significant. There are no significant concentrations of credit risk within the Group.

LIQUIDITY RISK

The Group's objective is to maintain a balance between continuity of funding and flexibility. The Group manages liquidity risk by continuously monitoring forecast and actual cash flow and matching the maturity profiles of financial assets and liabilities. Minimal financial arrangements are in place in subsidiaries purchased through business combination. No other financing arrangements have been established.

Non-derivative financial liabilities

The following liquidity risk disclosures reflect all repayments and interest resulting from recognised financial liabilities and financial guarantees as of 30 June 2012. For the other obligations the respective undiscounted cash flows for the respective upcoming fiscal years are presented. The timing of cash flows for liabilities is based on the contractual terms of the underlying contract.

The risk implied from the values shown in the table below reflects a balanced view of cash inflows and outflows of non-derivative financial instruments. Leasing obligations, trade payables and other financial liabilities mainly originate from the financing of assets used in the Group's ongoing operations such as property, plant, equipment and investments in working capital (e.g. trade receivables). Liquid non-derivative assets comprising cash and receivables are considered in the Group's overall liquidity risk. The Group ensures that sufficient liquid assets are available to meet all the required short-term cash payments. This is actively managed with the "come and go" facility with National Australia Bank (refer Note 14).

AMOUNTS IN $'000

	CONSOLIDATED				
	LESS THAN 6 MONTHS	6–12 MONTHS	BETWEEN 1 AND 2 YEARS	OVER 5 YEARS	TOTAL
Year ended 30 June 2012					
LIQUID FINANCIAL ASSETS					
Cash and cash equivalents	140,871	–	–	–	140,871
Trade and other receivables	8,481	–	–	138	8,619
	149,352	**–**	**–**	**138**	**149,490**
FINANCIAL LIABILITIES					
Trade and other payables	(157,330)	–	–	–	(157,330)
Interest bearing loans and borrowings	–	–	–	(112)	(112)
Income tax payable	(7,734)	–	–	–	(7,734)
	(165,064)	**–**	**–**	**(112)**	**(165,176)**
Net inflow/(outflow)	**(15,712)**	**–**	**–**	**26**	**(15,686)**
Year ended 30 June 2011					
LIQUID FINANCIAL ASSETS					
Cash and cash equivalents	133,531	–	–	–	133,531
Trade and other receivables	4,665	–	–	135	4,800
	138,196	**–**	**–**	**135**	**138,331**
FINANCIAL LIABILITIES					
Trade and other payables	(155,225)	–	–	–	(155,225)
Interest bearing loans and borrowings	–	–	–	(112)	(112)
Income tax payable	(4,640)	–	–	–	(4,640)
	(159,865)	**–**	**–**	**(112)**	**(159,977)**
Net inflow/(outflow)	**(21,669)**	**–**	**–**	**23**	**(21,646)**

23. Segment Information

IDENTIFICATION OF REPORTABLE SEGMENTS

Operating segments are identified and segment information disclosed on the basis of internal reports that are regularly provided to, or reviewed by, the Company's Chief Operating Decision Makers. The Company operates in the online travel industry. For management purposes, the Group is organised into one main operating segment which involves the provision of online travel booking services. All of the Group's activities are interrelated and discrete financial information is reported to, and reviewed by, the Company's Chief Operating Decision Makers as a single segment. Accordingly, all significant operating decisions are based upon analysis of the Group as one segment.

For the purpose of disclosure within the segment, revenue is split between "accommodation" and "flights and other" revenue. "Accommodation" revenue represents revenues from card fees, cancellation fees, credit card surcharges, commissions or payments for accommodation services.

"Flights and other" revenue represents revenues from a range of services including domestic and international airline ticket sales, segment rebates, airline overrides, income from the Arnold corporate booking service, car hire, travel insurance and other travel related products.

For the purpose of segment information, revenue is determined by the location of the accommodation rather than the residency of the customer. All flights ticketing revenues are Australian based. With the consolidation of the Group's IT platforms and the integration of the Group's systems and inventory (both for accommodation and flights), any attempt to allocate these expenses by geography is no longer reliable. Therefore any allocation of expenses across these geographic lines would be an arbitrary exercise and accordingly in the year, no such allocation has been undertaken.

GEOGRAPHICAL SPLIT OF REVENUES

AMOUNTS IN $'000

	AUSTRALIA/ NEW ZEALAND	ASIA	REST OF WORLD	ELIMINATIONS	TOTAL
Year ended 30 June 2012					
REVENUE					
Accommodation	111,174	11,781	3,181	–	126,136
Flights and other	12,795	1.449	681	(1,341)	13,584
Interest revenue	5,453	136	–	–	5,589
Total revenue	**129,422**	**13,366**	**3,862**	**(1,341)**	**145,309**
Year ended 30 June 2011					
REVENUE					
Accommodation	104,797	13,657	3,532	–	121,986
Flights and other	9,814	719	920	730	12,183
Interest revenue	4,098	82	–	–	4,180
Total revenue	**118,709**	**14,458**	**4,452**	**730**	**138,349**

24. Earnings per share

AMOUNTS IN $'000

	CONSOLIDATED	
	2012	2011
The following reflects the income and share data used in the calculations of basic and diluted earnings per share:		
Profit after income tax	**58,004**	**50,963**
NUMBER OF SHARES		
Weighted average number of ordinary shares on issue used in the calculation of basic earnings per share	211,523,802	210,647,282
EFFECT OF DILUTION		
Share options	305,243	2,148,685
Weighted average number of ordinary shares used in the calculation of diluted earnings per share	211,829,045	212,795,967

25. Auditor's remuneration

AMOUNTS IN $

	CONSOLIDATED	
	2012	2011
Amounts received or due and receivable by the auditors of the Consolidated Entity for:		
• an audit or review of the financial statements of the entity and any other entity in the Consolidated Entity by Ernst & Young (Australia)	271,000	259,954
• an audit or review of the financial statements of the entity and any other entity in the Consolidated Entity by a related practice of Ernst & Young (Australia)	67,204	96,350
• an audit or review of the financial statements of the entity and any other entity in the Consolidated Entity by firm other than Ernst & Young	12,763	16,957
• other services in relation to the entity and any other entity in the Consolidated Entity by Ernst & Young (Australia)	3,655	–
	354,622	**373,261**

26. Contingent liabilities

At reporting date, the Consolidated Entity had a bank guarantee facility of $2,300,000 (FY11: $2,300,000). There is a bank guarantee in respect of the lease of an office for an amount of $171,673 (FY11: $171,673).

The Consolidated Entity also had purchasing card and direct debit facilities of $400,000 (FY11: $400,000)

27. Commitments for expenditure

The Consolidated Entity has the following commitments in place:

A network infrastructure and data centre arrangement with Pipe Networks of $56,450 per month (excluding GST) continuing until 30 June 2015.

A data centre arrangement with iseek Communications Pty Ltd of $44,475 per month (excluding GST) continuing until 11 April 2013.

Remuneration commitments for the payment of salaries and other remuneration under long-term employment contracts in existence at the reporting date, but not recognised as liabilities, payable as follows:

AMOUNTS IN $'000

	CONSOLIDATED	
	2012	2011
Remuneration commitments		
• within 1 year	1,000	1,000
• later than 1 year, but not later than 5 years	1,564	2,564
	2,564	**3,564**

AMOUNTS IN $'000

	CONSOLIDATED	
	2012	2011
Operating lease commitments – Group as lessee		
Future non-cancellable operating lease commitments not provided for in the financial statements and payable:		
• not later than 1 year	622	501
• later than 1 year but not later than 5 years	337	271
• later than 5 years	–	–
	959	**772**

The Consolidated Entity leases property under operating leases expiring in three years. Leases generally provide the Consolidated Entity with a right of renewal at which time all terms are re-negotiated.

Operating lease commitments – Group as lessor

The Group has entered into commercial property leases on premises consisting of the Group's surplus office buildings.

The non-cancellable leases have remaining terms of between two and three years. All leases include a fixed upward revision of the rental charge on an annual basis. Future minimum rentals receivable under non-cancellable operating leases as at 30 June 2012 are as follows:

AMOUNTS IN $'000

	2012	2011
• not later than 1 year	252	191
• later than 1 year but not later than 5 years	320	572
• later than 5 years	–	–
	572	**763**

28. Key management personnel

DETAILS OF KEY MANAGEMENT PERSONNEL

1. Directors

The following persons were directors of Wotif.com Holdings Limited during the financial year:

Chairman – Non-executive

R D McIlwain

Executive Director

R M S Cooke, Group Chief Executive Officer and Managing Director

Non-executive Directors

G T Wood

R A C Brice

A B R Smith

K J Gaffney

2. Executives (other than Directors) with the greatest authority for planning, directing and controlling the activities of the Company

The following persons were the executives with the greatest authority for planning, directing and controlling the Consolidated Entity (**Key Management Personnel**) during the financial year:

	POSITION	EMPLOYER
A M Ross	Chief Information Officer	Wotif.com Pty Ltd
G R Timm	Chief Financial Officer	Wotif.com Pty Ltd
M W Varley[26]	Executive General Manager, Asia	Wotif.com Pty Ltd
J N Holte[26]	Executive General Manager, Australia and New Zealand	Wotif.com Pty Ltd
H Demetriou[26]	Executive General Manager Flights, Activities & Packages	ACN 079 101 772 Limited (formerly travel.com.au Limited)

26. J N Holte, M W Varley and H Demetriou were considered Key Management Personnel from 1 July 2011.

COMPENSATION OF KEY MANAGEMENT PERSONNEL

AMOUNTS IN $

	CONSOLIDATED	
	2012	**2011**
Short-term employee benefits	3,244,402	1,793,206
Post-employment benenfits	138,828	125,315
Other long-term benefits	61,424	22,575
Share-based payment*	(110,433)	443,221
	3,334,221	**2,384,317**

* refer Remuneration Report pages 28-36

EQUITY INSTRUMENT DISCLOSURES RELATING TO KEY MANAGEMENT PERSONNEL

Options provided as remuneration

Details of options provided as remuneration, together with the terms and conditions of the options, can be found in Note 29.

Option holdings

No options over ordinary shares were provided as remuneration to any Director of Wotif.com Holdings Limited other than the Managing Director.

	BALANCE AT THE START OF THE YEAR	GRANTED AS REMUNERATION	OPTIONS EXERCISED	OTHER CHANGES	BALANCE AT THE END OF THE YEAR	VESTED AND EXERCISABLE	UNVESTED
FY12 Key Management Personnel of the Consolidated Entity							
R M S Cooke[27]	1,600,000	–	–	(800,000)	800,000	–	800,000
A M Ross	194,000	24,000	20,000	–	198,000	–	198,000
G R Timm	79,000	200,000	–	–	279,000	–	279,000
H Demetriou[26]	203,000	24,000	–	–	227,000	–	227,000
J N Holte[26]	144,000	24,000	–	–	168,000	–	168,000
M W Varley[26]	148,000	24,000	20,000	–	152,000	–	152,000
FY11 Key Management Personnel of the Consolidated Entity							
R M S Cooke	1,800,000	800,000	1,000,000	–	1,600,000	400,000	1,200,000
A M Ross	210,000	24,000	40,000	–	194,000	–	194,000
C A Dawson[28]	320,000	24,000	100,000	(244,000)	–	–	–
G R Timm[29]	70,000	9,000	–	–	79,000	–	79,000

27. The performance criteria set for the 800,000 options noted in “other changes” have in all respects been satisfied. The option holder determined not to proceed to exercise the options due to the exercise price being set at $4.75 per option.
28. Resigned 20 May 2011.
29. Commenced 23 May 2011.

Shareholdings

The numbers of shares in the Company held during the financial year by each Director of Wotif.com Holdings Limited and other key management personnel of the Company, including their personally related parties, are set out in the following table.

FY12	BALANCE AT THE START OF THE YEAR	GRANTED AS REMUNERATION	RECEIVED DURING THE YEAR ON EXERCISE OF OPTIONS	OTHER CHANGES DURING THE YEAR	BALANCE AT THE END OF THE YEAR
Directors of Wotif.com Holdings Limited *Ordinary shares*					
R D McIlwain	500,000	–	–	75,000	575,000
R M S Cooke	1,071,500	–	–	(71,500)	1,000,000
G T Wood	47,161,000	–	–	(1,300,000)	45,861,000
A B R Smith	150,000	–	–	–	150,000
R A C Brice	33,500,000	–	–	500,000	34,000,000
K J Gaffney	–	–	–	–	–
Key Management Personnel of the Consolidated Entity *Ordinary shares*					
A M Ross	40,233	–	20,000	–	60,233
G R Timm	6,558	–	–	–	6,558
H Demetriou[26]	4,473	–	–	–	4,473
J N Holte[26]	–	–	–	–	–
M W Varley[26]	10,233	–	20,000	(15,000)	15,233

FY11	BALANCE AT THE START OF THE YEAR	GRANTED AS REMUNERATION	RECEIVED DURING THE YEAR ON EXERCISE OF OPTIONS	OTHER CHANGES DURING THE YEAR	BALANCE AT THE END OF THE YEAR
Directors of Wotif.com Holdings Limited *Ordinary shares*					
R D McIlwain	500,000	–	–	–	500,000
R M S Cooke	71,500	–	1,000,000	–	1,071,500
G T Wood	48,161,000	–	–	(1,000,000)	47,161,000
A B R Smith	150,000	–	–	–	150,000
R A C Brice	34,500,000	–	–	(1,000,000)	33,500,000
D E Warneke[30]	30,000	–	–	–	30,000
K J Gaffney[31]	–	–	–	–	–
Key Management Personnel of the Consolidated Entity *Ordinary shares*					
A M Ross	233	–	40,000	–	40,233
G R Timm[32]	6,558	–	–	–	6,558
C A Dawson[33]	–	–	100,000	(100,000)	–

30. Ceased to be a Director on 25 October 2010.
31. Appointed as a Director on 22 November 2010.
32. Commenced 23 May 2011.
33. Resigned 20 May 2011.

29. Share-based payment plans

A RECOGNISED SHARE-BASED PAYMENT EXPENSES

The expense recognised for employee services received during the year is shown in the table below:

AMOUNTS IN $'000

	CONSOLIDATED	
	2012	2011
Options issued under the Executive Share Option Plan[34]	(332)	1,022
Shares issued under Employee Share Plan	–	–
	(332)	**1,022**

34. Represents the calculated reduction (per AASB 2 *Share-based Payment*) in FY12 in options expense adjusted for vesting failures of options due to non-market factors.

B EXECUTIVE SHARE OPTION PLAN

In accordance with AASB 2 Share-based Payment, the Company has calculated the fair value of options issued to employees. The major terms of the options issued were as follows:

1. Vesting Date

In respect of 2,883,000 originally granted options (**Package 2**), the options vest in five equal tranches on 1 October 2007 and each anniversary of that date and have an exercise price of $2.00 per option;

In respect of 390,000 options originally granted (**Package 3**), the options vest in five equal tranches on 1 October 2008 and each anniversary of that date and have an exercise price of $4.20 per option;

In respect of 800,000 originally granted options (**Package 4**), the options vest in three tranches (200,000 on 22 October 2009, 200,000 on 22 October 2010 and 400,000 on 22 October 2011) and have an exercise price of $4.75 per option.

In respect of 1,815,000 options originally granted (**Package 5**), the options vest in three tranches (603,987 on 1 November 2011, 604,002 on 1 November 2012, and 607,011 on 1 November 2013) and have an exercise price of $2.92 per option;

In respect of 1,468,000 options originally granted (**Package 6**), the options vest in three tranches (489,307 on 1 November 2012, 489,339 on 1 November 2013, and 489,354 on 1 November 2014) and have an exercise price of $4.43 per option.

In respect of 872,500 options originally granted (**Package 7**), the options vest in three tranches (290,831 on 1 November 2013, 290,832 on 1 November 2014, and 290,837 on 1 November 2015) and have an exercise price of $4.43 per option.

In respect of 800,000 options originally granted (**Package 8**), the options vest in three tranches (400,000 on 31 October 2013, 200,000 on 31 October 2014, and 200,000 on 31 October 2015) and have an exercise price of $4.68 per option.

In respect of 935,000 options originally granted (**Package 9**) the options vest in three tranches (311,666 on 1 November 2014, 311,667 on 1 November 2015, and 311,667 on 1 November 2016) and have an exercise price of $4.03 per option.

2. Vesting Conditions

In respect of the Package 2 options, the performance criteria, all of which have been satisfied, were as follows:

- for the first tranche, achieving Prospectus forecast earnings per share for FY07; and
- for the second tranche (and each successive tranche), achieving compound annual earnings per share growth of 10% over Prospectus forecast earnings per share for FY07.

In respect of the Package 3 options, the performance criteria, all of which have been satisfied, were as follows:

- for the first tranche, achieving earnings per share of 10.34 cents; and
- for the second tranche (and each successive tranche), achieving compound annual earnings per share growth of 10% over 10.34 cents.

In respect of the Package 4 options, the performance criteria, all of which have been satisfied, were as follows:

- for the first tranche, achieving earnings per share of 16.453 cents;
- for the second tranche, achieving earnings per share of 18.510 cents; and
- for the third tranche, achieving earnings per share of 20.823 cents.

In respect of the Package 5 options, the performance criterion is as follows:

- for each tranche, achieving compound annual earnings per share growth of 15% over FY08 earnings per share.

In respect of the Package 6 options, the performance criterion is as follows:

- for each tranche, achieving compound annual earnings per share growth of 10% over FY09 earnings per share.

In respect of the Package 7 options, the performance criterion is as follows:

- for each tranche, achieving compound annual earnings per share growth of 10% over FY10 earnings per share.

In respect of the Package 8 options, the performance criterion is as follows:

- for each tranche, the Company's earnings per share for FY13 must be at least 33.73 cents per share.

In respect of the Package 9 options, the performance criterion is as follows:

- for each tranche, achieving compound annual earnings per share growth of 7.5% over FY11 earnings per share.

In respect of Packages 3, 5, 6, 7, 8 and 9 options, if the performance criteria for a tranche are not met, but subsequently the performance criteria for a later tranche are met, then the tranche with the earlier vesting date will vest as if the performance criteria had been met. In respect of Packages 3, 5, 6, 7, 8 and 9 options, if there is a change in control of the Company after its admission to the Official List of ASX, any options that have not vested will immediately vest.

Lapsing Date

In respect of Package 2 options, 31 December 2011;

In respect of Package 3 options, 31 December 2012;

In respect of Package 4 options, 31 December 2011;

In respect of Package 5 options, 31 December 2013;

In respect of Package 6 options, 31 December 2014;

In respect of Package 7 options, 31 December 2015;

In respect of Package 8 options, 31 December 2015;

In respect of Package 9 options, 31 December 2016;

The fair value of the options granted is estimated as at the date of grant using a binomial model, taking into account the terms and conditions upon which the options were granted. The following table lists the inputs to the model used for the year ended 30 June 2012.

	PACKAGE 2 OPTIONS	PACKAGE 3 OPTIONS	PACKAGE 4 OPTIONS	PACKAGE 5 OPTIONS	PACKAGE 6 OPTIONS	PACKAGE 7 OPTIONS	PACKAGE 8 OPTIONS	PACKAGE 9 OPTIONS
Grant date	10 April 2006	19 March 2007	22 October 2007	4 July 2008	30 June 2009	3 September 2010	25 October 2010	3 October 2011
Share price	$2.00	$4.20	$4.75	$2.92	$4.43	$4.50	$4.60	$3.86
Exercise price	$2.00	$4.20	$4.75	$2.92	$4.43	$4.43	$4.68	$4.03
Dividend yield	4.45%	3.26%	2.76%	5.86%	3.62%	5.00%	5.11%	6.09%
Risk free rate	5.57%	6.03%	6.45%	6.56%	5.32%	4.37%	4.97%	3.61%
Volatility	30%-40%	25%-35%	25%-35%	30%-40%	35%-40%	35%-40%	35%-40%	35%-40%
Vesting dates and fair value								
Tranche 1	1 October 2007 $0.4829	1 October 2008 $0.9966	1 October 2009 $1.8350	1 November 2011 $0.693	1 November 2012 $1.44	1 November 2013 $0.94	31 October 2013 $0.91	1 November 2014 $0.7389
Tranche 2	1 October 2008 $1.5047	1 October 2009 $1.0519	1 October 2010 $1.9100	1 November 2012 $0.699	1 November 2013 $1.48	1 November 2014 $1.02	31 October 2014 $1.01	1 November 2015 $0.7408
Tranche 3	1 October 2009 $1.5202	1 October 2010 $1.0995	1 October 2011 $1.9750	1 November 2013 $0.6972	1 November 2014 $1.51	1 November 2015 $1.07	31 October 2015 $1.07	1 November 2016 $0.7335
Tranche 4	1 October 2010 $1.5300	1 October 2011 $1.1391						
Tranche 5	1 October 2011 $1.5351	1 October 2012 $1.1713						
Expiry date	31 December 2011	31 December 2012	31 December 2011	31 December 2013	31 December 2014	31 December 2015	31 December 2015	31 December 2016

The following table illustrates the number and weighted average exercise price of, and movements in, share options during the year.

	BALANCE AT START OF YEAR	GRANTED DURING YEAR	EXERCISED DURING YEAR	FORFEITED DURING YEAR	BALANCE AT END OF YEAR	VESTED AND EXERCISABLE AT END OF YEAR
FY12						
Package 1	–	–	–	–	–	–
Package 2	526,800	–	526,800	–	–	–
Package 3	–	–	–	–	–	–
Package 4	800,000	–	–	800,000	–	–
Package 5	1,200,000	–	–	170,000	1,030,000	–
Package 6	1,182,000	–	–	231,000	951,000	–
Package 7	705,000	–	–	64,500	640,500	–
Package 8	800,000	–	–	–	800,000	–
Package 9	–	935,000	–	81,000	854,000	–
Total	**5,213,800**	**935,000**	**526,800**	**1,346,500**	**4,275,500**	**–**
Weighted average exercise price	$3.92	$4.03	$2.00	$4.41	$4.03	–
FY11						
Package 1	1,000,000	–	1,000,000	–	–	–
Package 2	1,111,400	–	476,600	108,000	526,800	139,600
Package 3	200,000	–	100,000	100,000	–	-
Package 4	800,000	–	–	–	800,000	400,000
Package 5	1,435,000	–	–	235,000	1,200,000	–
Package 6	1,426,000	–	–	244,000	1,182,000	–
Package 7	–	872,500	–	167,500	705,000	–
Package 8	–	800,000	–	–	800,000	–
Total	**5,972,400**	**1,672,500**	**1,576,600**	**854,500**	**5,213,800**	**539,600**
Weighted average exercise price	$3.24	$4.55	$2.14	$3.68	$3.92	$4.04

C EMPLOYEE SHARE PLAN

The Company has in place an Employee Share Plan under which shares to a value of $1,000 may be granted to employees for no cash consideration. This Plan was approved at a general meeting of shareholders on 10 April 2006. If re-activated, employees who have been continuously employed by the Consolidated Entity for a period of at least 12 months are eligible to participate in the Plan. Shares issued under the plan may not be sold until the earlier of 3 years after issue or cessation of employment. The maximum number of shares each participant receives is $1,000 divided by the weighted average closing price of the Company's shares on the ASX on the five trading days prior to the date of offer to eligible employees.

No issue of shares under the Employee Share Plan was made in the reporting period.

30. Parent entity financial information

SUMMARY FINANCIAL INFORMATION

The individual financial statements for the parent entity show the following aggregate amounts:

AMOUNTS IN $'000

	CONSOLIDATED	
	2012	**2011**
STATEMENT OF FINANCIAL POSITION		
Current assets	367	556
Total assets	**121,520**	**121,707**
Current liabilities	63,135	46,874
Total liabilities	**63,135**	**46,874**
Shareholders' equity		
Issued capital	30,001	28,947
Employee equity benefit reserve	4,329	4,446
Retained earnings	505	746
	34,835	**34,139**
Profit for the year	**50,513**	**46,664**
Total compehensive income	**50,513**	**46,664**

As noted in Note 21, pursuant to Class Order 98/1418, relief has been granted for the relevant entities within the closed group from the *Corporations Act 2001* for the preparation, audit and lodgement of their financial reports.

The effect of the Deed is that Wotif.com Holdings Limited has guaranteed to pay any deficiency in the event of either the winding up of the controlled entity or if they do not meet their obligations under the terms of overdrafts, loans, leases or other liabilities subject to the guarantee.

There are no contractual commitments for the acquisition of property, plant and equipment by Wotif.com Holdings Limited.

31. Events after reporting date

On 22 August 2012, the Directors of Wotif.com Holdings Limited determined a final dividend on ordinary shares in respect of the 2012 financial year. The total amount of the dividend is $28,584,393 and is fully franked.

No other matter or circumstances have arisen since the end of the year which have significantly affected or may significantly affect the operations of the Consolidated Entity, the results of those operations or the state of affairs of the Consolidated Entity in future financial years.

Director's Declaration

In accordance with a resolution of the Directors of Wotif.com Holdings Limited made on 22 August 2012, we state that:

a) In the opinion of the directors:

i) the financial report and the additional disclosures included in the Directors' Report, designated as audited, of the Consolidated Entity are in accordance with the *Corporations Act 2001*, including:

A) giving a true and fair view of the Consolidated Entity's financial position as at 30 June 2012 and of its performance for the year ended on that date; and

B) complying with Accounting Standards (including the Australian Accounting Interpretations) and the *Corporations Regulations 2001*; and

ii) there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable;

b) the financial statements and notes also comply with International Financial Reporting Standards as disclosed in Note 2;

c) there are reasonable grounds to believe that the parties to the Deed of Cross Guarantee dated 25 June 2008 (see Note 21 on page 71) will be able to meet any obligations or liabilities to which they are, or may become, subject by virtue of the Deed of Cross Guarantee;

d) this declaration has been made after receiving the declarations required to be made to Directors in accordance with section 295A of the *Corporations Act 2001* for the financial period ending 30 June 2012.

Dick McIlwain
CHAIRMAN

Robbie Cooke
GROUP CHIEF EXECUTIVE OFFICER
AND MANAGING DIRECTOR

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Independent auditor's report to the members of Wotif.com Holdings Limited

Report on the financial report

We have audited the accompanying financial report of Wotif.com Holdings Limited, which comprises the statement of financial position as at 30 June 2012, the statement of comprehensive income, the statement of changes in equity and the statement of cash flows for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration of the consolidated entity comprising the company and the entities it controlled at the year's end or from time to time during the financial year.

Directors' responsibility for the financial report

The directors of the company are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal controls as the directors determine are necessary to enable the preparation of the financial report that is free from material misstatement, whether due to fraud or error. In Note 2, the directors also state, in accordance with Accounting Standard AASB 101 *Presentation of Financial Statements*, that the financial statements comply with *International Financial Reporting Standards*.

Auditor's responsibility

Our responsibility is to express an opinion on the financial report based on our audit. We conducted our audit in accordance with Australian Auditing Standards. Those standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance about whether the financial report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal controls relevant to the entity's preparation and fair presentation of the financial report 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 controls. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial report.

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

Independence

In conducting our audit we have complied with the independence requirements of the *Corporations Act 2001*. We have given to the directors of the company a written Auditor's Independence Declaration, a copy of which is included in the directors' report.

Opinion

In our opinion:

a. the financial report of Wotif.com Holdings Limited is in accordance with the *Corporations Act 2001*, including:

   i giving a true and fair view of the consolidated entity's financial position as at 30 June 2012 and of its performance for the year ended on that date; and

   ii complying with Australian Accounting Standards and the *Corporations Regulations 2001*; and

b. the financial report also complies with *International Financial Reporting Standards* as disclosed in Note 2.

Report on the remuneration report

We have audited the Remuneration Report included in pages 28 to 37 of the directors' report for the year ended 30 June 2012. The directors of the company are responsible for the preparation and presentation of the Remuneration Report in accordance with section 300A of the *Corporations Act 2001*. Our responsibility is to express an opinion on the Remuneration Report, based on our audit conducted in accordance with Australian Auditing Standards.

Opinion

In our opinion, the Remuneration Report of Wotif.com Holdings Limited for the year ended 30 June 2012, complies with section 300A of the *Corporations Act 2001*.

Ernst & Young

Ernst & Young

Alison de Groot
Partner
Brisbane
22 August 2012

Shareholder Information

TOP 20 SHAREHOLDERS

At 1 August 2012, the 20 largest shareholdings of the Company's fully paid ordinary shares were as follows:

RANK	SHAREHOLDER	NUMBER OF ORDINARY SHARES	PERCENTAGE HELD
1.	GRAEME THOMAS WOOD & LONGTOM SUPERANNUATION PTY LTD	45,861,000	21.66%
2.	J P MORGAN NOMINEES AUSTRALIA LIMITED	30,537,258	14.42%
3.	R & J BRICE & JDB SERVICES P/L	29,000,000	13.70%
4.	NATIONAL NOMINEES LIMITED	19,438,003	9.18%
5.	K M FITZPATRICK & ASSOCIATES PTY LTD	8,224,300	3.88%
6.	HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED	7,951,373	3.76%
7.	COGENT NOMINEES PTY LIMITED	5,840,230	2.76%
8.	UQ ENDOWMENT FUND LTD	5,800,000	2.74%
9.	UBS WEALTH MANAGEMENT AUSTRALIA NOMINEES PTY LTD	5,577,879	2.63%
10.	MS ANNA CREETH COTTELL	4,647,000	2.19%
11.	CITICORP NOMINEES PTY LIMITED	3,661,609	1.73%
12.	HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED	3,242,076	1.53%
13.	CITICORP NOMINEES PTY LIMITED	2,559,743	1.21%
14.	BRAZIL FARMING PTY LTD	2,200,000	1.04%
15.	JP MORGAN NOMINEES AUSTRALIA LIMITED	1,951,338	0.92%
16.	BAINPRO NOMINEES PTY LIMITED	1,852,743	0.88%
17.	PRIVATE NOMINEES LIMITED	1,708,666	0.81%
18.	ROBERT MICHAEL SEAN COOKE	1,000,000	0.47%
19.	AVANTEOS INVESTMENTS LIMITED	740,905	0.35%
20.	COGENT NOMINEES PTY LIMITED	647,606	0.31%
	TOTAL	**182,441,729**	**86.16%**

SUBSTANTIAL SHAREHOLDERS

At 1 August 2012, the following entries were contained in the register of substantial shareholdings with respect to the Company's ordinary shares:

SHAREHOLDER	NUMBER OF ORDINARY SHARES
G T Wood (by notice dated 7 June 2006, last updated 22 June 2011)	47,161,000
R A C Brice and J D Brice / JDB Services Pty Ltd (by notice dated 7 June 2006, last updated 28 June 2011)	33,500,000
Hyperion Asset Management (by notice dated 1 April 2010, last updated 18 June 2012)	23,820,832
National Australia Bank Limited (by notice dated 24 July 2012)	11,197,941

DISTRIBUTION OF SHAREHOLDINGS

(as at 1 August 2012)

RANGE	NUMBER OF HOLDERS OF ORDINARY SHARES	PERCENTAGE OF HOLDERS	NUMBER OF SHARES	PERCENTAGE OF SHARES
1 - 1,000	3,390	44.02%	1,773,805	0.84%
1,001 - 5,000	3,246	42.15%	8,398,686	3.97%
5,001 - 10,000	642	8.34%	4,789,198	2.26%
10,001 - 50,000	339	4.40%	6,902,625	3.26%
50,001 – 100,00	40	0.52%	2,767,701	1.31%
100,001 - 500,000	20	0.26%	4,145,767	1.96%
500,001 and over	24	0.31%	182,958,462	86.41%
Total	**7,701**	**100.00%**	**211,736,244**	**100.00%**

HOLDERS OF NON-MARKETABLE PARCELS

As at 1 August 2012, there were 430 shareholders with less than a marketable parcel of the Company's shares (namely 123 shares or less).

VOTING RIGHTS OF SHAREHOLDERS

The fully paid ordinary shareholders of the Company are entitled to vote at any meeting of the members of the Company and their voting rights are:

- on a show of hands – one vote per shareholder; and
- on a poll – one vote per fully paid ordinary share.

ON-MARKET BUY-BACK

There is no current on-market buy-back in respect of the Company's shares.

Sustainability

Operating a sustainable business makes good economic and social sense for us as part of the travel and tourism industry. People's desire to travel and experience new places and different cultures should never be at the expense of those places or cultures.

Wotif Group recognises, and contributes to this philosophy in a number of ways.

Communities

Education, health, support for disadvantaged people and care for the environment across Australasia were again an integral part of our company culture and Corporate Social Responsibility (CSR) activities in FY12. This was evident in our charity partnerships and in the way we continue to seek ways to reduce waste in our operations.

During FY12 we continued to support four charities financially, with in-kind support, staff salary sacrificing and promotion to our customers. The work of these organisations reflects our own desire to increase the quality of life of disadvantaged youth and environments in Australia and Asia.

We again provided support for The Oaktree Foundation's Schools for Schools program in Cambodia, creating world-class education resources and systems to lift families and communities out of poverty. Wotif Group have been supporting The Beacon Foundation in Queensland for more than three years now to help lift the career aspirations of Australian high school students.

Through the travel.com.au brand, we have also provided in-kind support to ACT for Kids, whose raffles provide funds for their work with children suffering from neglect and abuse.

Community Children's Fund (CCF) Thailand provides a sponsorship program for poor children in rural Thailand, and staff in our Asian offices sponsor and correspond with 25 children, and our Asia-based brands promote their work to a wider audience. The Orangutan Project protects the well-being of Sumatran and Bornean orangutans, and the threatened eco-systems that are their homes.

Towards the end of FY12, our CSR Committee set about reviewing our commitments to charity partners, and the way we engage staff and customers to support those groups and their causes. In the coming financial year we will continue to select charity partners who connect with our staff and customers, and develop a meaningful partnership with those organisations.

Environment

We continue to consolidate and improve our hosting footprint to provide business and energy efficiencies.

We're also actively encouraging our shareholders to opt-in for e-communication to reduce administration, paper, water and energy consumption. To-date 42% (FY11: 35%) have taken this option, and only 4.4% (FY11: 5%) of shareholders have opted to receive a hard copy of this Annual Report.

Wotif Group global network

With its core business located in Australia, the Wotif Group has a network of staff and travel partners across the globe.

The Company has more than 500 employees working from 11 offices in eight countries, and regional representatives in 13 countries. This positions the Group well to support its current suppliers and establish new partnerships in key destinations throughout the world. Wotif is the authorised agent for 23,500+ properties worldwide.

67 countries
with Wotif Group partner accommodation worldwide

11 offices
in eight countries focusing on regional markets

13 countries
with regional Wotif Group representatives

500+ employees
applying their skills and knowledge to keep us competitive

Wotif Group Corporate Directory

REGISTERED OFFICE

Wotif.com Holdings Limited
7 Baroona Road
Milton Qld 4064
Telephone: (07) 3512 9965
Facsimile: (07) 3512 9914

COMPANY SECRETARIAT

S Simmons (Company Secretary)

SHARE REGISTRY

Computershare Investor Services Pty Limited
GPO Box 523
Brisbane Qld 4001
Telephone: 1300 552 270

AUDITORS

Ernst & Young
Level 51
One One One
111 Eagle Street
Brisbane Qld 4000

KEY DATES*

Financial year end	**30 June 2012**
Announcement of audited results and dividend to ASX	**22 August 2012**
Dividend record date	**14 September 2012**
Dividend payment (final)	**10 October 2012**
Annual General Meeting	**22 October 2012**

* Dates may be subject to change.

ONLINE COMMUNICATION

Shareholders can help us to reduce our costs and our impact on the environment by choosing to receive all communication from us electronically. To do so, contact our Share Registry, or visit their website:

www.investorcentre.com/au

CHANGE OF ADDRESS

Shareholders should advise the Share Registry immediately in writing as soon as their address changes. Broker-sponsored shareholders should advise their sponsoring broker.

ANNUAL GENERAL MEETING

The Annual General Meeting of Wotif.com Holdings Limited will be held at The Art Gallery Room, Customs House, 399 Queen Street, Brisbane, at 2:30pm (Brisbane time) on Monday 22 October 2012.

SECURITIES EXCHANGE LISTED SECURITIES

Wotif.com Holdings Limited's shares are listed on the Australian Securities Exchange (ASX) under the ASX code "WTF".

CONSOLIDATION OF SHAREHOLDINGS

Please contact Wotif.com's Share Registry if you have received more than one Annual Report for the same shareholding. Broker-sponsored shareholders should advise their sponsoring broker.

TAX FILE NUMBER

Shareholders who have not provided their Tax File Number and would like to do so should contact Wotif.com's Share Registry on 1300 552 270. The Company is required to deduct tax at the top marginal rate plus the Medicare levy from unfranked or partially franked dividends paid to Australian resident shareholders who have not supplied their Tax File Number or exemption details.

PRINTING THIS YEAR'S ANNUAL REPORT

This year's Annual Report was printed by Mezzanine Group together with Mega Colour, who employ environmentally sustain-ableprint processes. It has been printed on paper certified by the Forest Stewardship Council of Australia, using soy-based inks.

To date, investors have reduced their demand for printed copies of the Annual Report by more than 95%. If you'd like to help reduce our costs and environmental impact, contact our Share Registry for more information on switching to electronic communication.

DESIGN

The layout and design for this report was completed in-house by our User Experience and Innovation team.