

ASX ANNOUNCEMENT

Wotif.com Holdings Limited ABN 41 093 000 456

Wednesday 28 August 2013

FY13 Results - Presentation Materials

Presentation material with respect to Wotif.com Holdings Limited's full year results follows.

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2013

FULL YEAR RESULTS

Agenda

- Company Background
- FY13 Results
- Key Achievements and Financial Overview
- Market Position
- Business Focus and Outlook
- Strategy Update

Wotif.com Holdings Ltd – Company Background

- Wotif.com launched in 2000
- Wotif Group listed on the Australian Securities Exchange in June 2006 as Wotif.com Holdings Limited, trading under the ASX code “WTF”
- Head office, Brisbane Australia. Additional offices in New Zealand, China, Malaysia, Singapore, Indonesia, Thailand, United Kingdom and Vietnam
- Wotif Group operates leading online travel brands in the Asia Pacific region: Wotif.com, lastminute.com.au, travel.com.au, Asia Web Direct, LateStays.com, GoDo.com.au and Arnold Travel Technology, and a network of other travel content and destination websites, such as Phuket.com and Bangkok.com

FY13 Results

- Record TTV* of \$1.166b, up 0.4% (FY12: \$1.161b)
- Record revenue of \$146.6m, up 0.9% (FY12: \$145.3m)
- Total costs up \$9.1m including one-off write-offs of \$2.3m
- Net profit after tax (NPAT) \$51.0m, down 12% (FY12: \$58.0m)

**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.*

FY13 Key Achievements

- Strategic review completed and projects underway
- Hotel commission increase to 11% successfully implemented
- Maintained sales of one-in-ten accommodation nights in Australia*
- Mobile now provides 33% of all traffic across the Group
- Mobile devices and apps deliver 36% of traffic to Wotif.com and 17% of Wotif.com room nights
- Accommodation reviews total almost 800,000 with a market leadership position for hotels in Australia

*Australian Bureau of Statistics 8635.0 Tourist Accommodation, Australia March 2013.

FY13 Key Achievements

- Successful release of flights growth initiative, including mobile and cross-sell
- Flights TTV up 17.5%
- Dynamic packaging (DP) beta-launched on Wotif.com and plans to finalise the release of DP for domestic and international in FY14
- 27,830 properties directly contracted (up 18%)
- Wotif.com brand awareness 63.7% in Australia and 35.6% in New Zealand, customer “stickiness” still a strong USP
- Wotif.com accommodation inventory integrated into Arnold Corporate platform

FY13 Group Financial Overview

- Operating profit* \$79.9m, down 7.4% (FY12: \$86.3m)
- Profit before tax \$73.6m, down 9.6% (FY12: \$81.3m)
- Net profit after tax \$51.0m, down 12.2% (FY12: \$58.0m)
- Group accommodation revenue margin 12.3% (FY12: 12.1%)
- Group operating profit* margin 54% (FY12: 59%)
- 95% dividend payout ratio (FY12: 91%)
- 100% fully franked dividend per share 11.5c final and 11.5c interim (FY12: 25c)

**Being profit before depreciation, amortisation and taxation (not being an IFRS measure and unaudited) as a percentage of total revenue*

FY13 Group Financial Overview

- 6.78m room rights sold (FY12: 7.04m)
 - *ANZ: 6.0m flat*
 - *Asia/Rest of World (ROW): 0.8m, down 22.0% (accounts for shortfall)*
- Group room rates up 2.3%
 - *Wotif.com rates up 1.5%*
 - *Asia Web Direct rates up 7.7%*
- ANZ hotel booking numbers slightly up YoY
- 186,000 flight transactions (FY12: 167,000)

FY13 Group Financial Variances (FY13 : FY12)

Major YoY Variances	\$m
ANZ accommodation (primarily margin increase)	4.1
Flights and Other revenue growth	1.6
Credit card merchant fee savings	0.8
Asia/ROW revenue decrease	(3.3)
Marketing cost increase	(2.3)
Interest income	(0.9)
Foreign exchange costs	(1.2)
Write-back of options costs in FY12	(1.3)
Depreciation and amortisation	(0.8)
Sub-total	(3.3)

One-off Items	\$m
AWD domain names written off	(1.8)
Accelerated IT Development Costs	(0.5)
TOTAL MAJOR YoY VARIANCES	(5.6)

These major variances account for 88% of the decrease in operating profit (FY13: \$79.9m : FY12: \$86.3m)

FY13 Group Margins

Margin	FY13 Actual	FY12 Actual
Accommodation revenue % of accommodation TTV	12.3%	12.1%
Total revenue % of TTV	12.6%	12.5%
Operating profit margin*	54.5%	59.4%

**Being profit before depreciation, amortisation and taxation (not being an IFRS measure and unaudited) as a percentage of total revenue.*

FY13 Group Balance Sheet

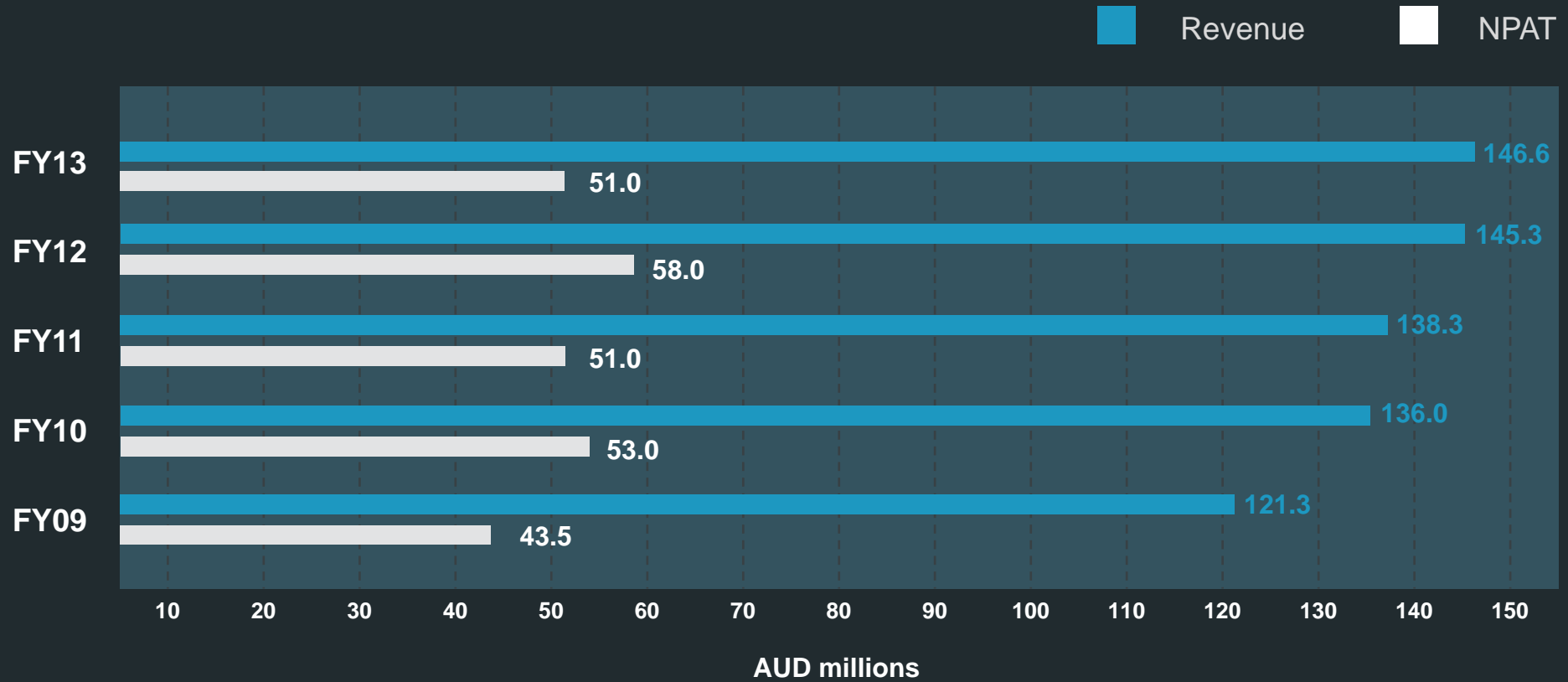
	FY13	FY12
CURRENT ASSETS		
Cash and cash equivalents	132,000	140,871
Trade and other receivables	10,851	8,481
TOTAL CURRENT ASSETS	142,851	149,352
NON-CURRENT ASSETS		
Receivables	149	138
Investment in joint venture	523	163
Property, plant and equipment	17,346	18,140
Investment property	3,443	3,579
Deferred tax assets	7,411	7,222
Intangible assets and goodwill	95,359	89,797
TOTAL NON-CURRENT ASSETS	124,231	119,039
TOTAL ASSETS	267,082	268,391
CURRENT LIABILITIES		
Trade and other payables	156,562	157,330
Income tax payable	5,978	7,734
Provisions	1,860	1,399
TOTAL CURRENT LIABILITIES	164,400	166,463
NON-CURRENT LIABILITIES		
Interest bearing loans and borrowings	112	112
Deferred tax liabilities	2,189	2,685
Provisions	483	649
TOTAL NON-CURRENT LIABILITIES	2,784	3,446
TOTAL LIABILITIES	167,184	169,909
NET ASSETS	99,898	98,482
EQUITY		
Contributed equity	30,001	30,001
Retained earnings	64,633	66,530
Reserves	5,264	1,951
TOTAL EQUITY	99,898	98,482

FY13 Group Capex

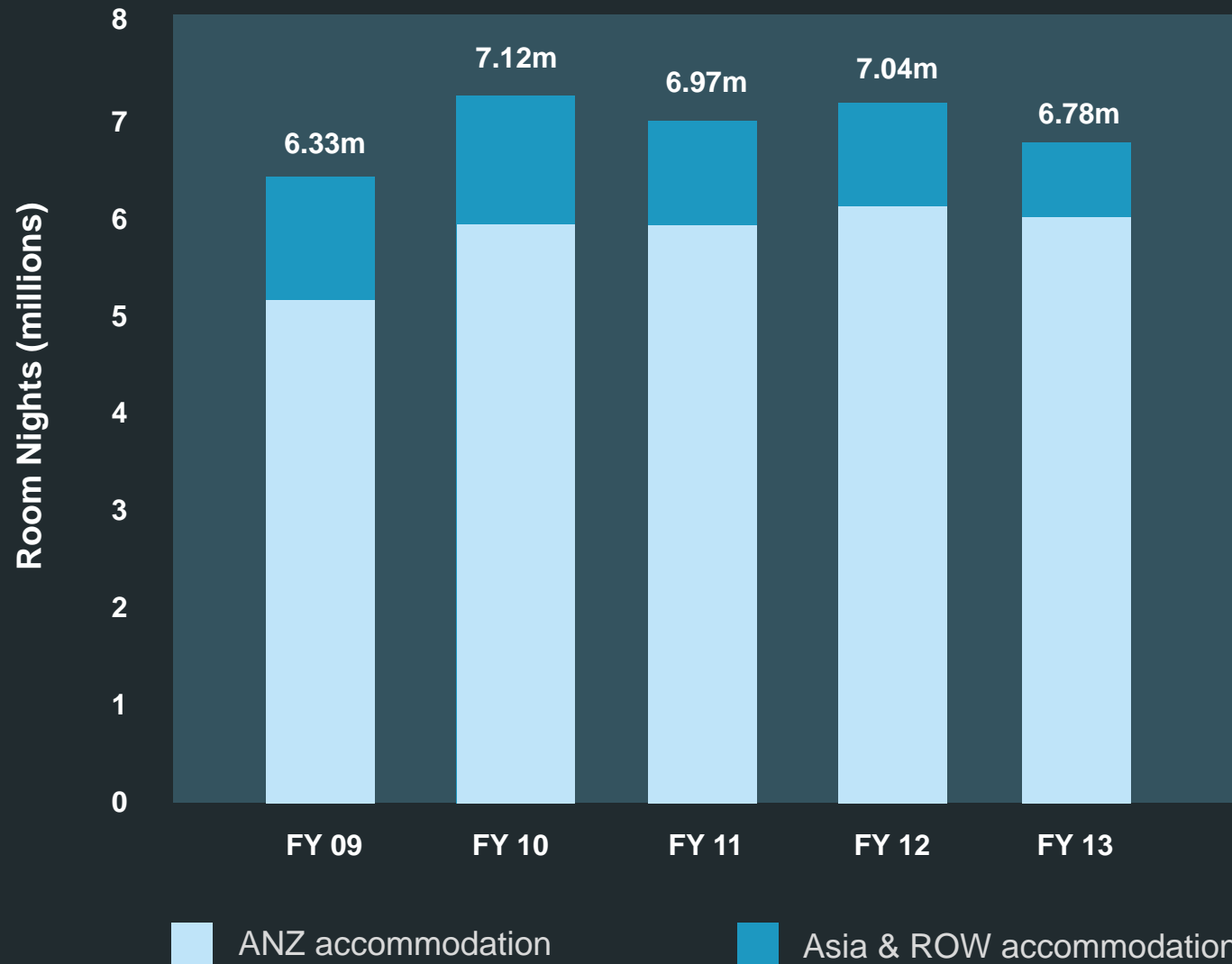
Capex	FY13 Actual	FY12 Actual
Property, plant and equipment	\$3.0m	\$3.2m
IT Development Costs*	\$6.9m	\$5.9m
Total	\$9.9m	\$9.1m

**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 enhancement of all IT applications are charged as an expense in the period in which they are incurred.*

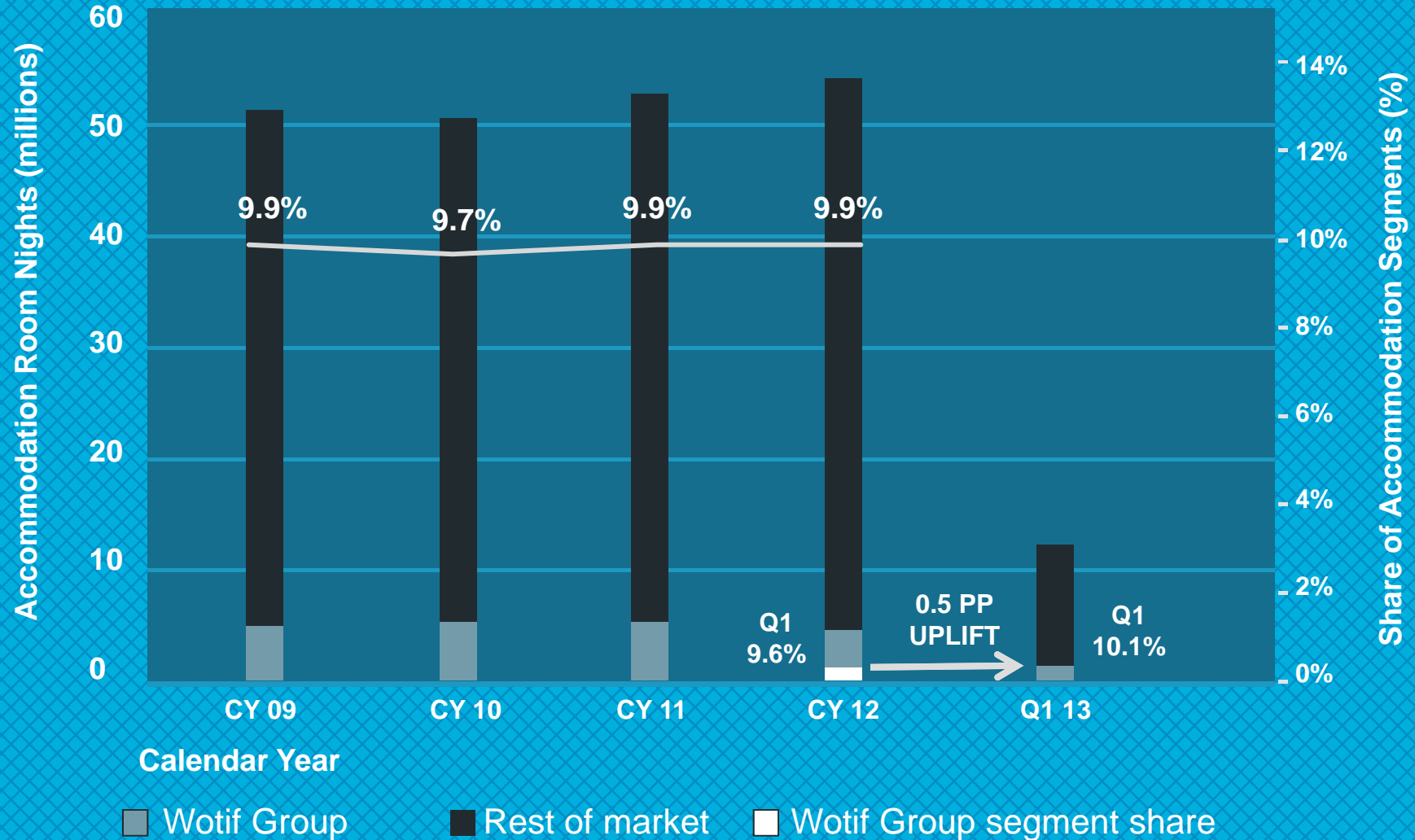
FY13 Group Performance



FY13 Group Accommodation – Room Nights Sold

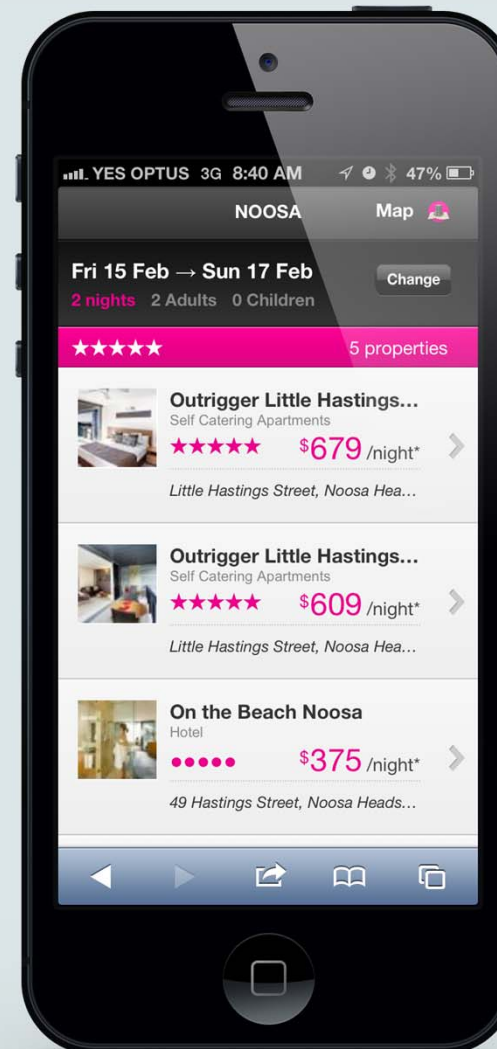
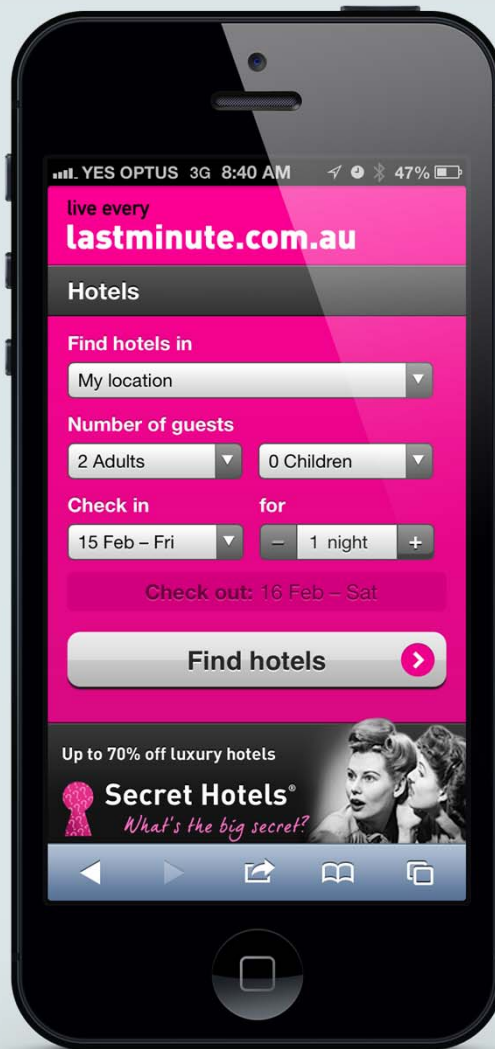


Wotif Group Room Night Sales versus Total Australian Room Night Sales



Source: Australian Bureau of Statistics 8635.0 Tourist Accommodation, Australia March 2013

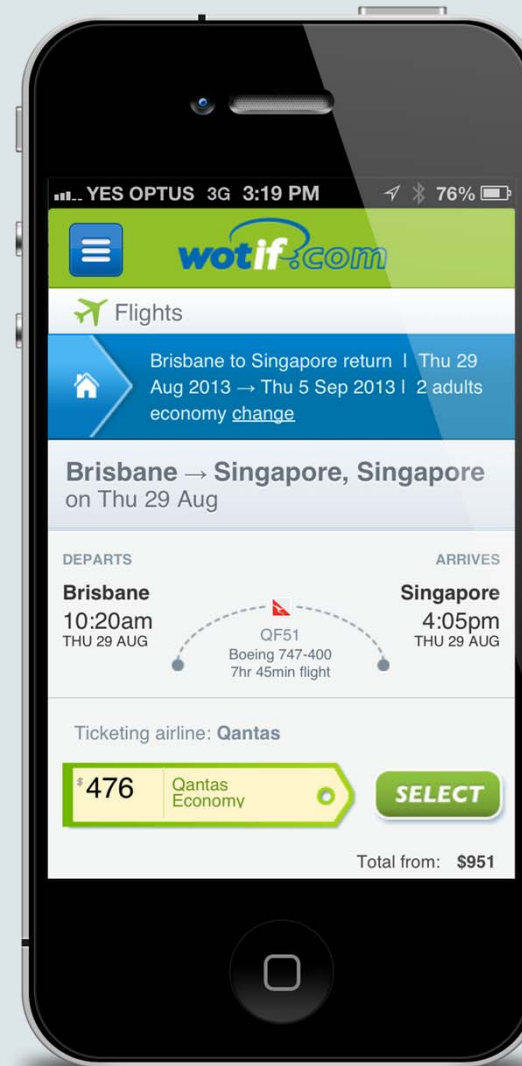
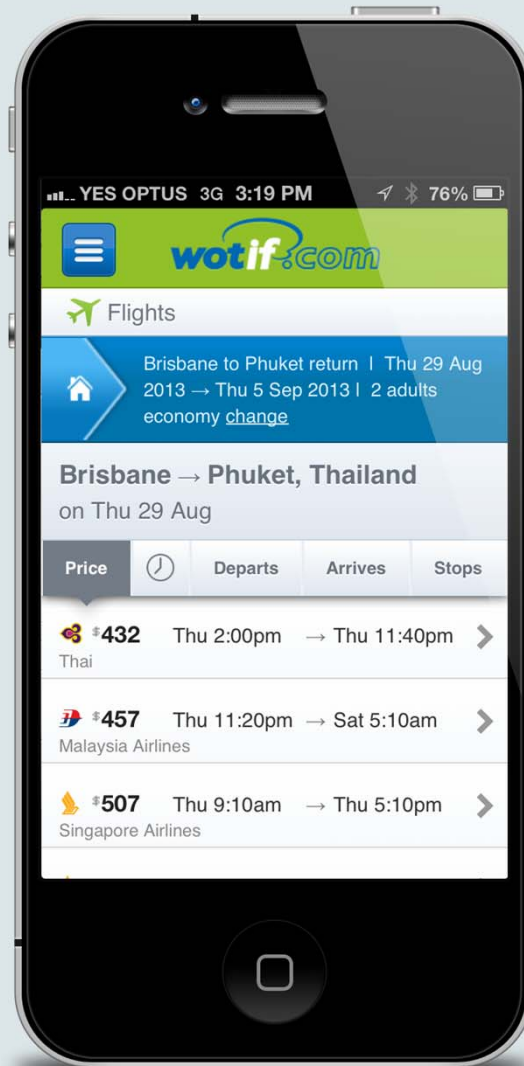
lastminute.com.au Mobile - Hotels



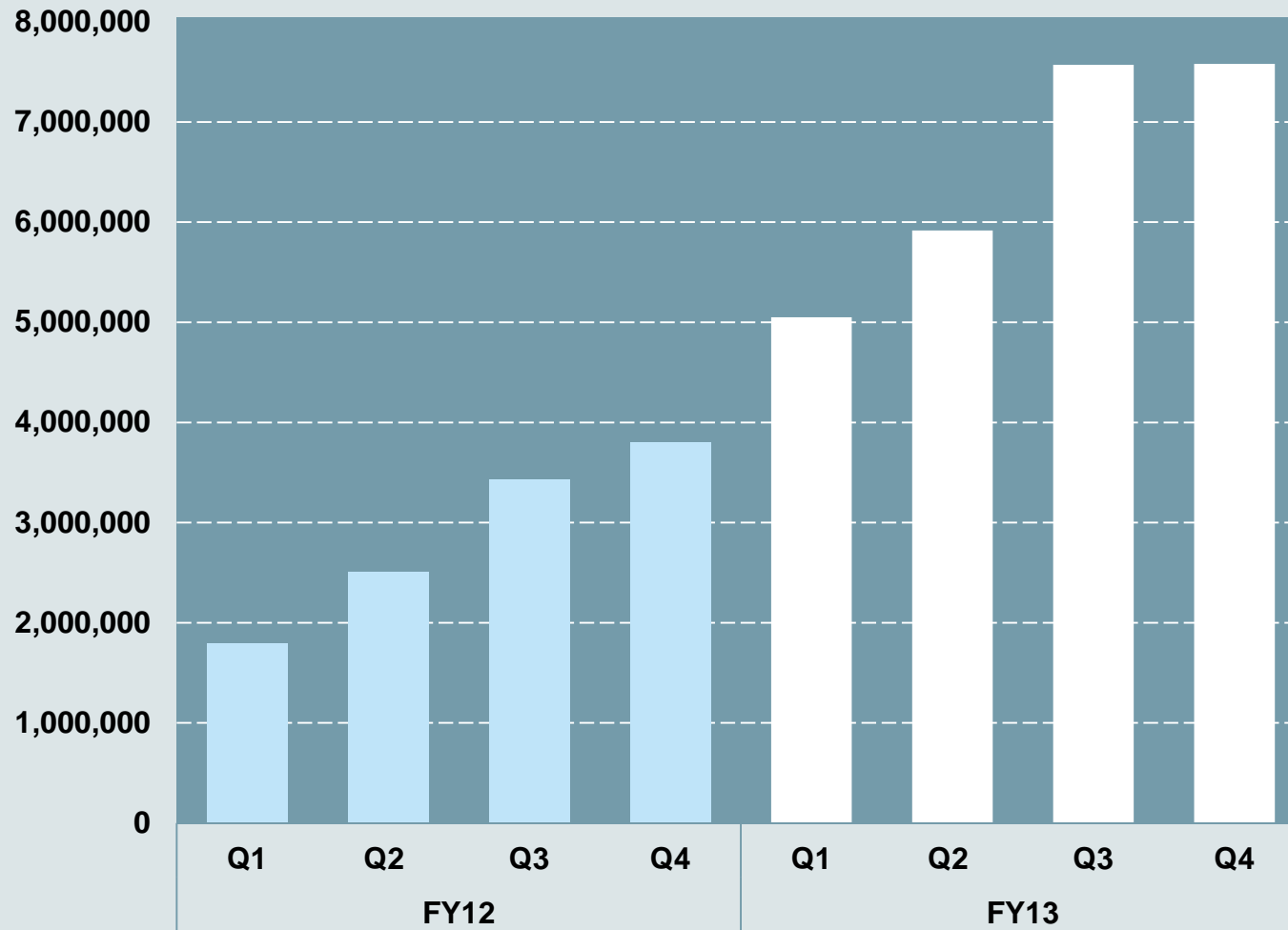
Wotif.com App on iPad - Hotels



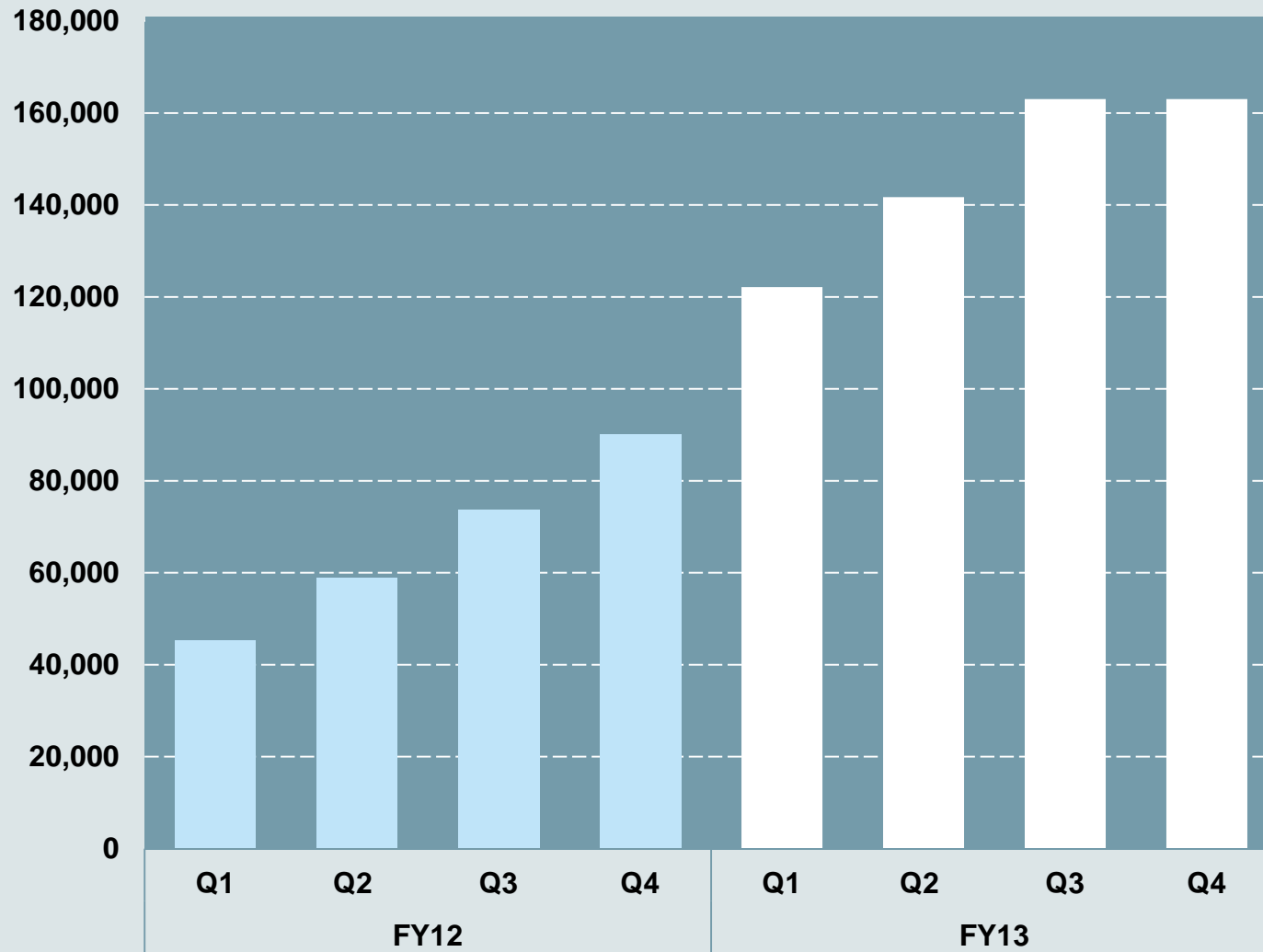
Flights on Mobile Devices – Wotif.com



Mobile Visits - Wotif.com

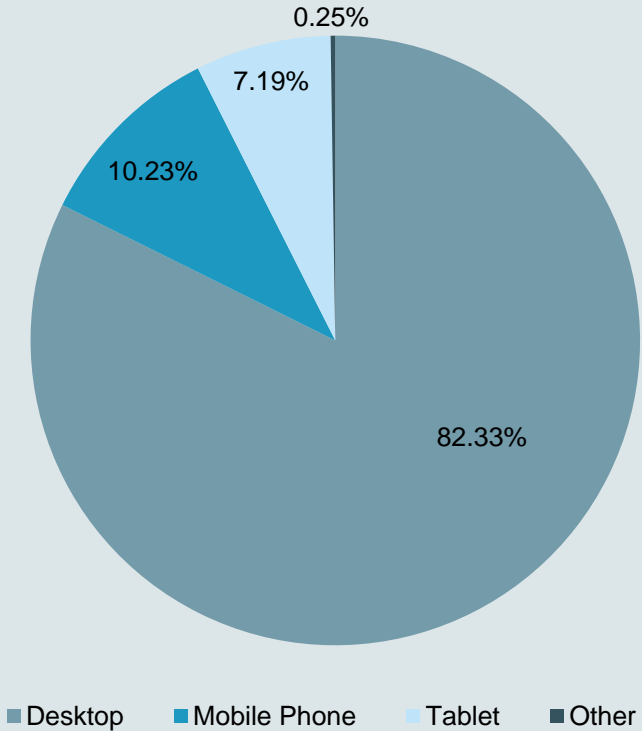


Mobile Bookings - Wotif.com

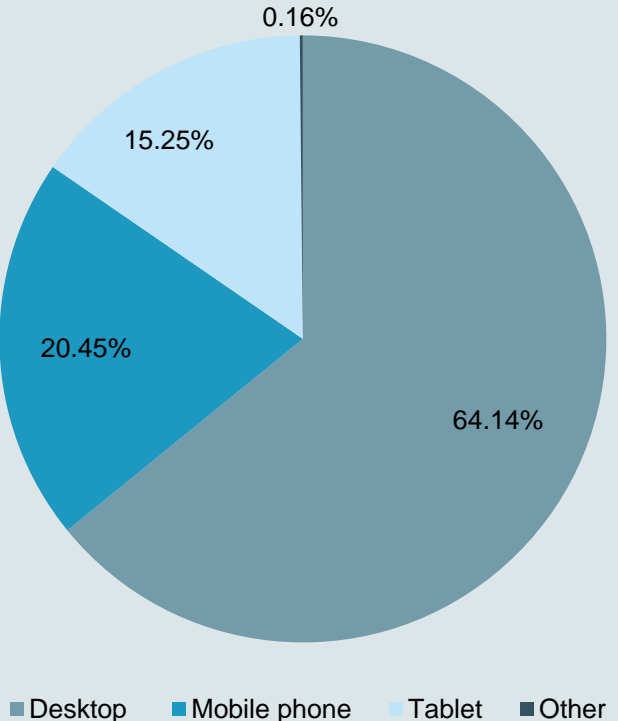


Visits on Mobile Devices – Wotif.com

FY12



FY13



Wotif.com Customer Reviews

Guest reviews
Total guest reviews **1185**

Average review
out of 5

4.5

North Island, Auckland - CBD
avg. review 4.2

Location	<div style="display: flex; gap: 2px;"><div style="width: 100%; height: 10px; background-color: #76b82a;"></div></div>	Perfect Outstanding Close to everything Wonderful
Value	<div style="display: flex; gap: 2px;"><div style="width: 100%; height: 10px; background-color: #76b82a;"></div></div>	Affordable Great deal Bargain Fantastic
Facilities	<div style="display: flex; gap: 2px;"><div style="width: 100%; height: 10px; background-color: #76b82a;"></div></div>	Top of the line Outstanding Modern Above average
Service	<div style="display: flex; gap: 2px;"><div style="width: 100%; height: 10px; background-color: #76b82a;"></div></div>	Outstanding Professional Go the extra mile Flawless
Cleanliness	<div style="display: flex; gap: 2px;"><div style="width: 100%; height: 10px; background-color: #76b82a;"></div></div>	Spotless Immaculate Pleasant Pristine

4.6

Caroline Hayne from New Zealand - Auckland | Reviewed in Aug 2013

Location	<div style="display: flex; gap: 2px;"><div style="width: 100%; height: 10px; background-color: #76b82a;"></div></div>	Perfect
Value	<div style="display: flex; gap: 2px;"><div style="width: 100%; height: 10px; background-color: #76b82a;"></div></div>	Affordable
Facilities	<div style="display: flex; gap: 2px;"><div style="width: 100%; height: 10px; background-color: #76b82a;"></div></div>	Top of the line
Service	<div style="display: flex; gap: 2px;"><div style="width: 100%; height: 10px; background-color: #76b82a;"></div></div>	Professional
Cleanliness	<div style="display: flex; gap: 2px;"><div style="width: 100%; height: 10px; background-color: #76b82a;"></div></div>	Pristine

👍

The bed. Very comfortable and big!

👎

Leaving!

💬

Great views.

5.0

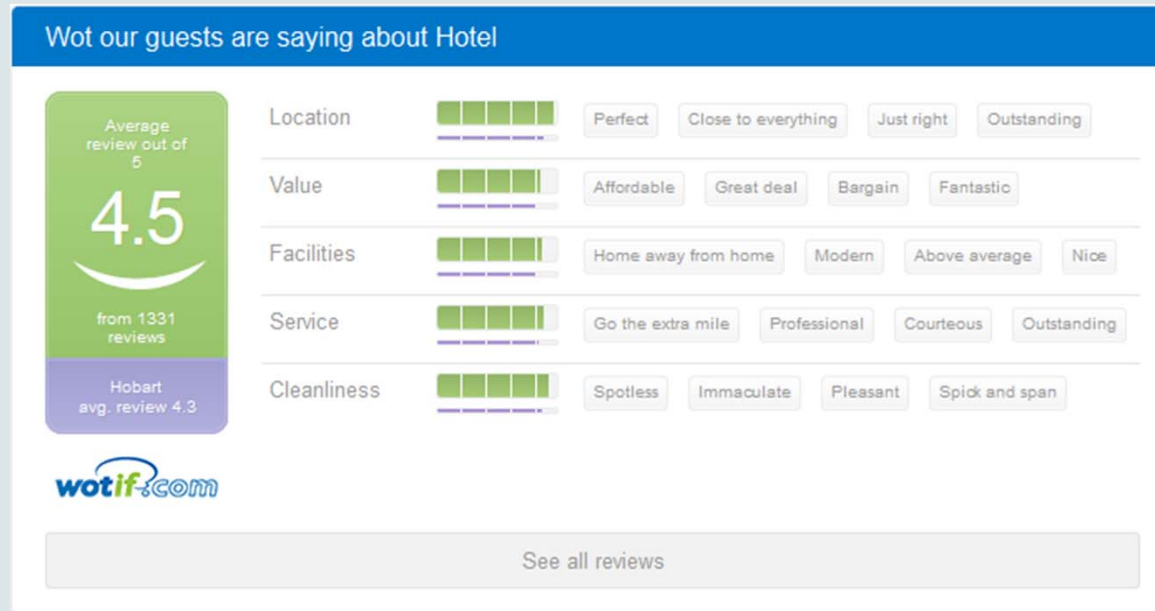
Mitchell Nganeko from New Zealand
| Reviewed in Jul 2013

Location	<div style="display: flex; gap: 2px;"><div style="width: 100%; height: 10px; background-color: #76b82a;"></div></div>	👍 The breakfast was very nice
Value	<div style="display: flex; gap: 2px;"><div style="width: 100%; height: 10px; background-color: #76b82a;"></div></div>	👎 Having a shower means water all over the floor in the bathroom. Needs a cover to prevent water from going all over the floor.
Facilities	<div style="display: flex; gap: 2px;"><div style="width: 100%; height: 10px; background-color: #76b82a;"></div></div>	
Service	<div style="display: flex; gap: 2px;"><div style="width: 100%; height: 10px; background-color: #76b82a;"></div></div>	
Cleanliness	<div style="display: flex; gap: 2px;"><div style="width: 100%; height: 10px; background-color: #76b82a;"></div></div>	

I am so pleased that you enjoyed your stay with us and I will pass your positive feedback onto the team and in particular to the team at The Terrace. We are in the final stages of the sign off process and will be carrying out a full room refurbishment which will include reviewing our bathrooms - we are very excited about this and look forward to welcoming you back to experience our new rooms.

[View less](#)

Wotif.com Customer Reviews



- Reviews widget released in May 2013 for suppliers to display their verified Wotif.com reviews on their own website.

Display Advertising

wotif.com Accommodation Holiday rentals Flights THE LION KING

Sydney Sydney CBD AUD Australian Dollars

Where? Sydney CBD or Australia Sydney Sydney CBD **Who?** 2 adults **SEARCH**

Filter results by: Accommodation type Room type Rating Min. rating Max. price per night

Just one night? Restaurant Kitchen/ette Pool Fitness centre Balcony 24hr front desk Internet Cable TV Spa in room

Sydney, Sydney CBD, Australia
Found 151 results

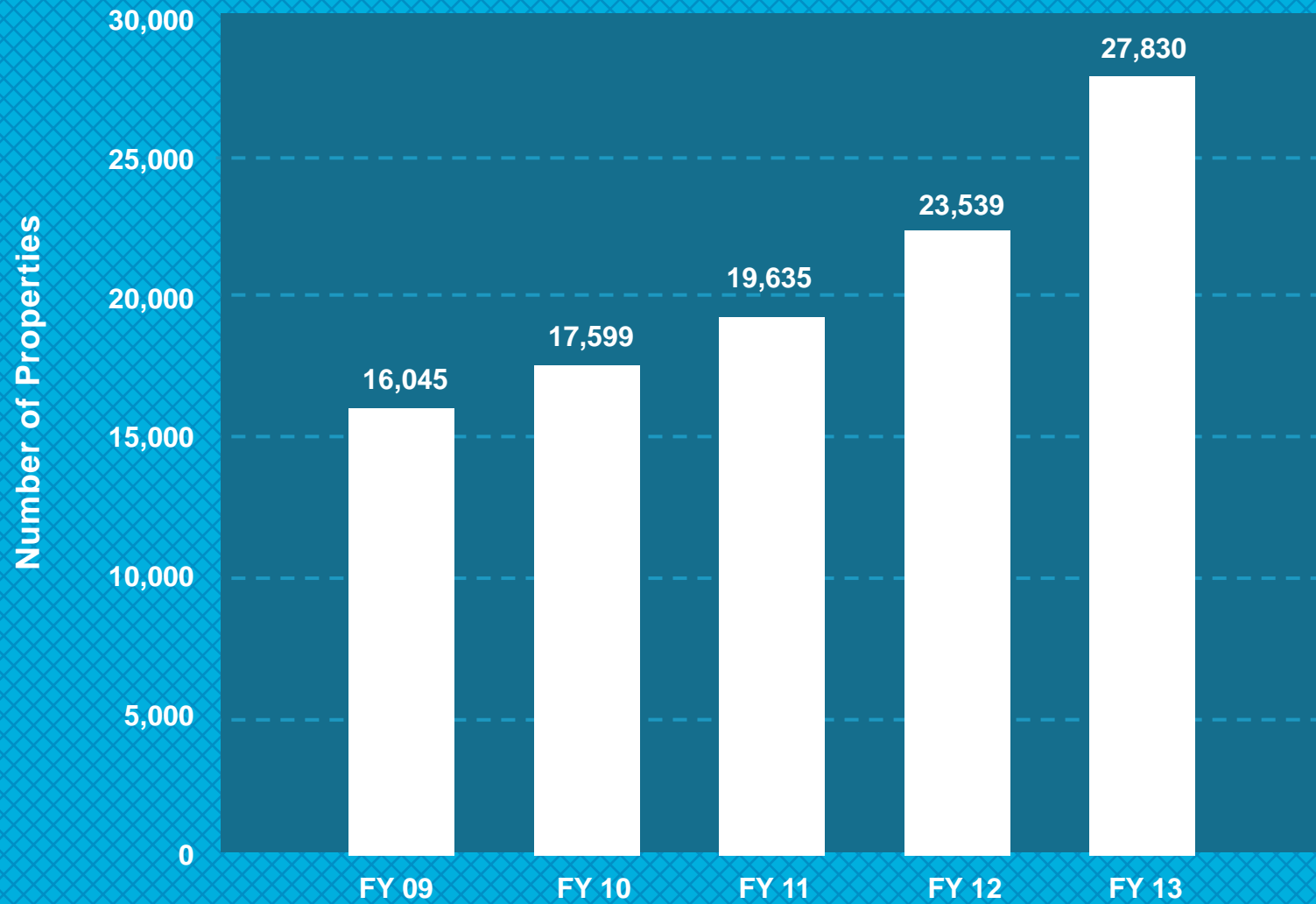
HOT DEALS
20% OFF AT RADISSON BLU PLAZA HOTEL SYDNEY (FREE INTERNET!)
BOOK NOW

All days **Weekends** Include Wed 08 Jan 2014

Add to your shortlist using the icons below

	Fri 3 JAN	Sat 4 JAN	Sun 5 JAN	Mon 6 JAN	Tue 7 JAN	Wed 8 JAN	Thu 9 JAN	Fri 10 JAN	Sat 11 JAN	Sun 12 JAN	Mon 13 JAN	Tue 14 JAN	Wed 15 JAN	Thu 16 JAN
★★★★★ Full rate	Rates shown in Australian Dollars (AU\$) & are tax inclusive per room. Card fees apply													
Wotif Hotel? Mystery deal ★★★★★	AUS-	245	245	245	245	245	245	245	245	245	245	245	245	245
Wotif Hotel? Mystery deal ★★★★★	AUS-				229	221	221	221	278	221	221	226	229	221
1888 Hotel - by 8Hotels ★★★★★	AUS\$337	310	310	200	170	170	170	170	170	170	170	170	170	170

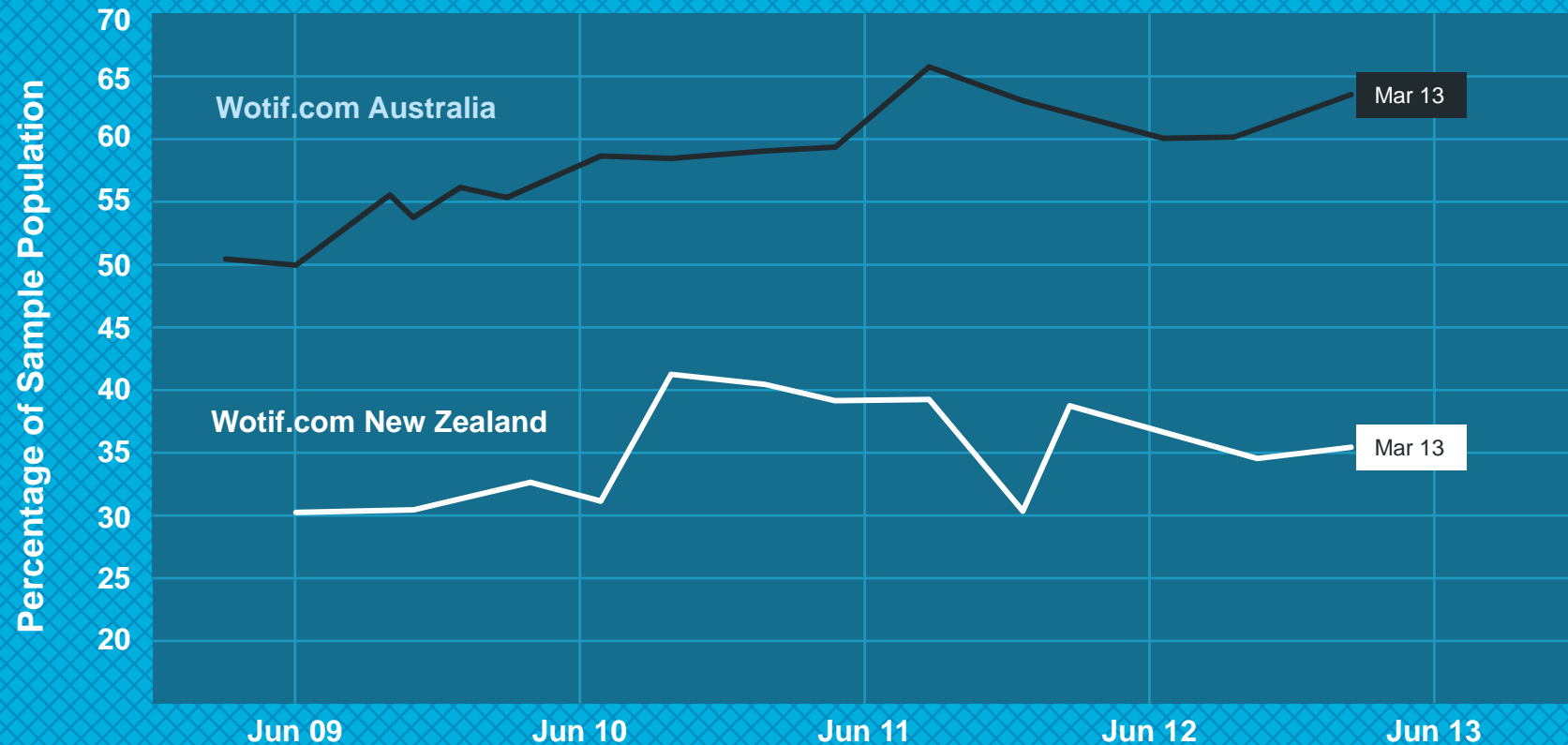
Properties Directly Represented



Properties Directly Represented

	FY13 Properties	FY12 Properties	% PCP
Australia & New Zealand	11,750	10,205	15.1%
Asia	9,689	7,484	29.5%
Rest of World	6,391	5,850	9.2%
Total	27,830	23,539	18.2%

Wotif.com Brand Awareness



Source : Newpoll and TNS Surveys

- Strength of brand remains very strong
- Brand strength also evident in Wotif.com app downloads

Business Focus and Outlook

- Domestic ANZ retail outlook remains challenging
- Business 'strategic pillar' project groups underway, focus will move to execution phase
- Protect and grow ANZ accommodation business around strategy outcomes, including marketing
- Continue to grow flights and packages share
- Regain Asia and ROW revenue share
- Implement next round of commission increases of 1% in January 2014
- No initial indication of shift to domestic travel (Australia) as a result of AU\$ decrease

Strategy Update

- Monetisation of traffic
- Content
- Marketing
- Asia
- Technology

Questions?



Scott Blume
Chief Executive Officer



Gordon Timm
Chief Financial Officer