



# The Jetset Travelworld Group

## 2011 Half Year Results



# Highlights

- **Underlying\* EBITDAI up 16.0% to \$23.3 million**
- **Underlying\* TTV up 8.5% to \$2.8 billion**
- **Cash balance of \$175.9 million**
- **Merger of Jetset Travelworld Limited (JTG) and Stella Travel Services (STS) completed on 30 September 2010**
- **Integration proceeding according to expectations**
- **Foundation for future growth established**

\*Underlying performance represents the results for the Group as if the merger of JTG and STS had occurred on 1 July 2009 with 6 months trading for each business included. For statutory results refer Appendix.



# Impact of Merger on Financial Report

➤ STS deemed accounting acquirer therefore reverse acquisition accounting applied

➤ 31 December 2009 - STS only, five months to 31 December 2009

➤ 31 December 2010;  
STS – six months to 31 December 2010  
JTG – three months to 31 December 2010

# Underlying Comparable Results

The underlying performance represents the results for the Group as if the merger of JTG and STS had occurred at 1 July 2009 with 6 months trading for each business included.

	<b>1H 11 \$m</b>	<b>1H 10 \$m</b>	<b>Increase</b>
TTV	2,844.2	2,621.6	8.5%
Revenue	193.5	186.8	3.6%
Underlying operating expenses*	(170.2)	(166.7)	2.1%
Underlying EBITDAI #	23.3	20.1	16.0%

\* Underlying operating expenses exclude items which are considered unusual because of their size, nature or incidence

# Underlying EBITDAI is the primary reporting measure used by management and the Board to assess the financial performance of the Group

# Statement of Financial Position

	Dec-10	Dec-09*
	\$m	\$m
Cash	32.2	58.5
Client cash	143.7	122.4
Trade and other current receivables	126.5	126.0
<b>Total current assets</b>	<b>302.4</b>	<b>306.9</b>
Property, plant and equipment	15.5	14.8
Intangible assets	414.3	416.6
Other non-current assets	8.6	15.7
<b>Total non-current assets</b>	<b>438.3</b>	<b>447.0</b>
<b>Total Assets</b>	<b>740.7</b>	<b>753.9</b>
Interest bearing loans	0.2	15.9
Other current liabilities	279.6	261.2
<b>Total current liabilities</b>	<b>279.8</b>	<b>277.2</b>
Interest bearing loans	34.9	40.2
Other non-current liabilities	8.1	39.7
<b>Total non-current liabilities</b>	<b>43.0</b>	<b>79.9</b>
<b>Total Liabilities</b>	<b>322.8</b>	<b>357.0</b>
<b>Net Assets</b>	<b>418.0</b>	<b>396.9</b>
Issued capital	278.8	265.7
Reserves	153.7	152.2
Retained earnings	(15.5)	(21.4)
Minority interests	1.0	0.4
<b>Total Equity</b>	<b>418.0</b>	<b>396.9</b>

\*December 2009 represents the pro-forma merged entity as reported in the Explanatory Memorandum dated 28 July 2010

# Liquidity and Funding

	<b>Dec-10</b>
	<b>\$m</b>
Total Facility available	80.9
Drawn debt	(34.5)
Contingent (bank guarantees)	(12.4)
Headroom	<u>34.0</u>

The Facility is non amortising and is repayable on 30 September 2015.

General cash	32.2
Client cash	143.7
Total cash	<u>175.9</u>

# Income Tax

	<b>Dec-10</b> <b>\$m</b>
Profit before related income tax expense	<u>6.43</u>
Prima facie income tax expense at 30%	1.93
Add: Non-deductible items and sundries	0.41
Less: Deferred tax balances forfeited as a result of the merger	(0.95) *
Add: Prior year NZ tax losses forfeited as a result of the merger	3.57 *
Income tax expense	<u><u>4.96</u></u>

\* Excluding merger related items the effective tax rate is 36.5%.

# Merger Update

- New management structure in place
- Communication program to all key stakeholders completed
- Stella debt refinanced on more favourable pricing terms
- QH and QBT relocated in Sydney
- Negotiating with trading partners as single entity
- Major IT separation project in implementation phase
- Integration of Shared Services completed
- Governance policies harmonised
- Significant merger activities will be finalised by 30 June 2011 (excluding IT)



# Business Footprint

Franchisees, Members and Affiliates: 2,218  
 Employees: 2,420  
 Countries: 8

UK  
 8 Employees



Small Group Journeys & Independent Holidays

**Qantas Vacations**  
 The Best Downunder!  
**NORTH AMERICA**  
 71 Employees

Los Angeles

ASIA  
**TRAVELINDOCHINA**  
 Small Group Journeys & Independent Holidays  
 73 Employees

Hanoi  
 Siem Reap  
 Phnom Penh  
 Ho Chi Minh City

FIJI  
 260 Employees



**SOUTHERN AFRICA**  
 5 Employees  
 88 Franchisees



"The Travel Professionals"

**AUSTRALIA**  
 1,470 Employees  
 1,906 Franchisees, Members  
 and Affiliates

Perth  
 Adelaide  
 Melbourne  
 Sydney  
 Canberra  
 Brisbane

**NEW ZEALAND**  
 533 Employees  
 224 Franchisees, Members  
 and Affiliates

Auckland  
 Wellington  
 Christchurch



# Brand and Business Overview

Retail	Wholesale	Travel Management
		



- **Solid first half which benefited from improving international and domestic travel markets**
- **Consumer confidence currently being influenced by a range of factors, with likely impact on discretionary spend**
- **Key merger activities will be completed by 30 June 2011 (excluding IT)**
- **Best estimate is underlying EBITDAI in second half will be no less than first half**
- **Directors currently intend to declare a full year dividend**

# Appendix

# Statutory Results

	<b>1H 11</b> <b>\$m</b>	<b>1H 10</b> <b>\$m</b>	<b>Increase</b>
<b>Total Transaction Value (TTV)</b>	2,213.6	1,314.2	68%
<b>Revenue</b>	151.9	87.4	74%
<b>EBITDAI</b>	11.8	7.4	60%
<b>Profit / (loss) before tax</b>	6.4	(15.5)	141%
<b>Profit / (loss) after tax attributable to members</b>	1.3	(16.6)	108%

	<b>1H 11</b> <b>\$m</b>	<b>1H 10</b> <b>\$m</b>
<b>Earnings per share</b>	0.41c	(7.55c)
<b>Dividend per share</b>	0.0	N/A