

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.

	1H 11 \$m	1H 10 \$m	Increase
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
Total current assets	302.4	306.9
Property, plant and equipment	15.5	14.8
Intangible assets	414.3	416.6
Other non-current assets	8.6	15.7
Total non-current assets	438.3	447.0
Total Assets	740.7	753.9
Interest bearing loans	0.2	15.9
Other current liabilities	279.6	261.2
Total current liabilities	279.8	277.2
Interest bearing loans	34.9	40.2
Other non-current liabilities	8.1	39.7
Total non-current liabilities	43.0	79.9
Total Liabilities	322.8	357.0
Net Assets	418.0	396.9
Issued capital	278.8	265.7
Reserves	153.7	152.2
Retained earnings	(15.5)	(21.4)
Minority interests	1.0	0.4
Total Equity	418.0	396.9

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

Liquidity and Funding

	Dec-10
	\$m
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

Dec-10
\$m

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



TRAVELINDOCHINA
Small Group Journeys & Independent Holidays

Qantas Vacations
The Best Downunder!
NORTH AMERICA
71 Employees

Los Angeles

ASIA
73 Employees



Hanoi
Siem Reap
Phnom Penh
Ho Chi Minh City

FIJI
260 Employees



Fiji



SOUTHERN AFRICA
5 Employees
88 Franchisees



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

Perth
Adelaide
Melbourne
Sydney
Canberra
Brisbane

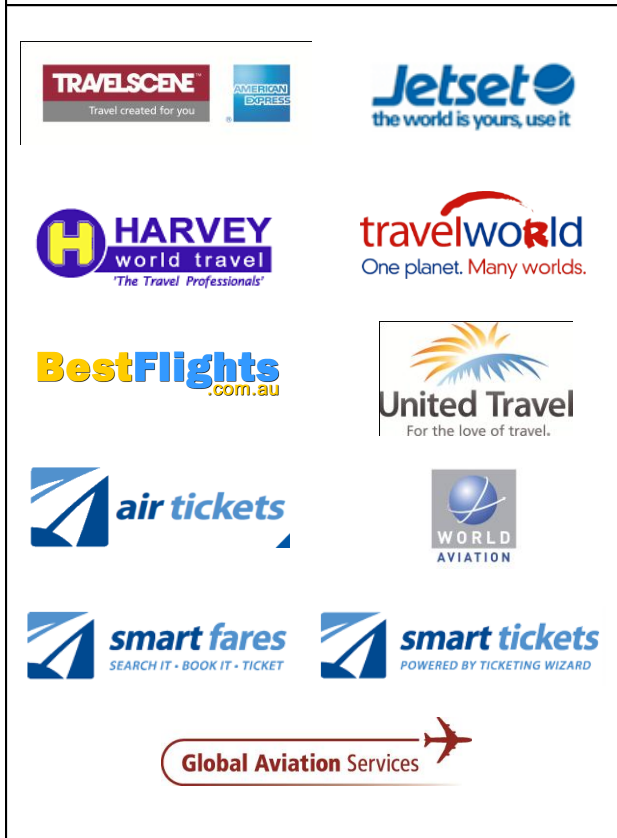
NEW ZEALAND
533 Employees
224 Franchisees, Members
and Affiliates

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

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

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