

JETSET TRAVELWORLD ANNOUNCES ITS RESULTS FOR THE HALF-YEAR ENDED 31 DECEMBER 2009

Highlights

- Total transaction value (TTV) of \$1,050 million
- Profit before tax (PBT) of \$7.3 million
- Fully franked final dividend of 1.6 cents per share
- Signs of improving trading conditions in the leisure sector

Jetset Travelworld today announced a profit before tax of \$7.3 million for the six-months to 31 December 2009 and a fully franked, interim dividend of 1.6 cents per share.

The Chief Executive Officer of Jetset Travelworld, Mr Peter Collins, said “recovery is currently patchy but there are positive signs of leisure growth, giving me reason for cautious optimism.”

Dividend

The Board has declared a fully franked, interim dividend of 1.6 cents per share payable on 31 March 2010 with books closing on 26 February 2010. The interim dividend represents a dividend payout ratio of 70% and reflects the Board's confidence in the Company's future performance.

Key Drivers

TTV in the prior corresponding period benefited from the buoyant trading conditions before the global financial crisis commenced in October 2008, at which time forward bookings provided some support to revenue until December 2008. As a result, TTV this period was lower than that achieved the first half of 2008/09. TTV has now shown small improvement on the second half on the 2008/09 financial year, with growth in the leisure sector offset by a decline in the corporate sector.

Mr Collins said that recovery was largely driven in the leisure sector as a consequence of improved economic conditions and attractive pricing from suppliers. Key drivers of the financial result included:

- improved booking activity in leisure as consumer confidence returns;
- subdued corporate travel and continued downgrading of class of travel;
- strengthened competition from online suppliers and online aggregators;
- a stronger Australian dollar which reduces the cost of international travel stimulating demand; and
- increasing interest rates which will have a positive effect on interest received.

Mr Collins also emphasised strong positive factors such as:

- Qantas Holidays wholesale business, including Viva! Holidays showing signs of improving booking activity year to date and encouragingly stronger forward booking activity particularly in the outbound sector;
- Retail continues to recruit quality stores protecting our retail footprint; and
- the Group's ability to sustain ongoing cost control.

ReadyRooms.com currently offers domestic air and land bookings with discounted products available 365 days in advance. ReadyRooms.com will soon extend this offer to international air and land product. This complements existing distribution through qantas.com and jetstar.com.

Mr Collins also emphasised that consumers when faced with a significant volume of competing and confusing travel options seek the assistance of professional travel agents.

Outlook

The volatility in the travel industry renders forecasting extremely difficult, however JTG expects that the profit for the balance of the 2009/10 financial year would exceed that of the first half.