



The Jetset Travelworld Group

JETSET TRAVELWORLD LIMITED AND CONTROLLED ENTITIES

APPENDIX 4D AND

CONSOLIDATED INTERIM FINANCIAL REPORT

FOR THE HALF-YEAR ENDED

31 DECEMBER 2009

ABN 60 091 214 998

ASX CODE: JET

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**RESULTS FOR ANNOUNCEMENT TO THE MARKET
JETSET TRAVELWORLD LIMITED**

| | December 2009 \$000 | December 2008 # \$000 | Change \$000 | Change % |
|--|------------------------------------|--------------------------------------|-------------------------|---------------------|
| Total transaction value (TTV) ## | 1,050,380 | 1,333,882 | (283,502) | down 21% |
| Revenue and other income | 67,814 | 82,239 | (14,425) | down 18% |
| EBITDA | 8,050 | 21,166 | (13,116) | down 62% |
| Profit before tax | 7,349 | 23,046 | (15,697) | down 68% |
| Profit after tax attributable to members | 4,965 | 15,301 | (10,336) | down 68% |

As set out in Note 5 to the financial statements, as a result of the reverse acquisition of JTW by QH, the comparative information for December 2008 represents results of QH only for the period from 1 July 2008 to 24 July 2008 and the consolidated results for QH, QBT and JTW for the period from 25 July 2008 to 31 December 2008.

Total Transaction Value (TTV) does not represent revenue in accordance with Australian Accounting Standards. TTV represents the price at which travel products and services have been sold across the group's various operations, as agents for various airlines and other service providers, plus revenue from other sources. JTG's revenue is, therefore, derived from TTV. Total TTV does not represent JTG cash inflows as some transactions are settled directly between the customer and the supplier.

TTV is the total ticket value booked through JTG. For wholesale and corporate products, TTV includes taxes and charges, while for retail products including ticket consolidation, TTV excludes taxes and charges.

DIVIDENDS

| | |
|--|------------------|
| 31 December 2009 interim dividend - to be paid 31 March 2010 | |
| Amount per security (cents) | 1.6 |
| Franked amount per security at 30% tax | 1.6 |
| Record date for determining entitlement to the dividend | 26 February 2010 |
| Date the dividend is payable | 31 March 2010 |
| Total dividend declared (\$000) [^] | 3,513 |
| [^] Based on the number of shares issued as at 31 December 2009 | |

EXPLANATION OF RESULTS

This information should be read in conjunction with the Jetset Travelworld Limited 2009 Annual Report and Consolidated Interim Financial Report for the six months ended 31 December 2008.

The information provided in this report contains all the information required by ASX Listing Rule 4.2A.

OTHER INFORMATION

| | December 2009 cents | December 2008 cents |
|---|---------------------------|---------------------------|
| Net Tangible Assets per ordinary share | 11.57 | 13.61 |
| Net tangible assets per share is based on JTW's issued capital as the legal parent entity and issuer of this financial information. | | |

DIRECTORS' REPORT

The directors present their report together with the consolidated financial report for the half-year ended 31 December 2009 and the Independent Auditor's Review Report thereon.

DIRECTORS

The Directors of Jetset Travelworld Limited at any time during or since the end of the half-year are as follows:

| Name | Period of Directorship |
|------------------------------|--|
| T S Dery (<i>Chairman</i>) | <i>Director since 17 September 2008</i> |
| G R Evans | <i>Director since 25 July 2008</i> |
| L M Grant | <i>Director since 25 July 2008</i> |
| B S Johnson | <i>Director since 27 February 2009</i> |
| J M C King | <i>Director since 16 October 2006</i> |
| D A Peisley | <i>Director from 5 May 2009. Resigned 22 January 2010.</i> |
| P Spathis | <i>Director since 30 June 2002</i> |

REVIEW OF OPERATIONS

Profitability

Jetset Travelworld Limited reported a profit after tax of \$5.0 million for the half-year ended 31 December 2009. The profit after tax is stated after charging \$2.7 million in amortisation of intangible assets arising on consolidation.

Earnings per share for the six months was 2.26 cents per share.

Revenue

TTV in the prior corresponding period benefited from the buoyant trading conditions pre the global financial crisis. While TTV remains 21.8% below the pre-GFC levels, it has improved 0.7% on the second half of the 2008/09 financial year.

The leisure travel sector is growing strongly while the corporate travel sector remains subdued. The sector faces tough competition from online suppliers and online aggregators as well other travel service providers.

Overhead costs

Cost control programs remain in place to contain and where possible reduce overhead costs.

Shareholder returns

The Board has declared a fully franked interim dividend of 1.6 cents per share payable on 31 March 2010 to shareholders registered on 26 February 2010. This represents a dividend payout ratio largely in line with previous years.

Liquidity and funding

The Company has no debt and holds cash totalling \$108.8 million.

DIRECTORS' REPORT (continued)

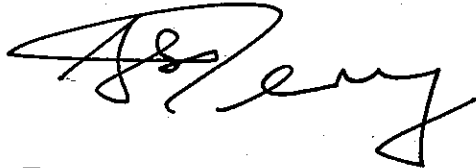
LEAD AUDITOR'S INDEPENDENCE DECLARATION UNDER SECTION 307C OF THE CORPORATIONS ACT 2001

The Lead Auditor's Independence Declaration is set out on page 5 and forms part of the Directors' Report for the half-year ended 31 December 2009.

ROUNDING

The Jetset Travelworld Group is of the kind referred to in Australian Securities Investment Commission (ASIC) Class Order 98/100 dated 10 July 1998 (updated by CO 05/641 effective 28 July 2005 and CO 06/51 effective 31 January 2006) and in accordance with the Class Order, amounts in the Financial Report and Directors' Report have been rounded to the nearest thousand dollars, unless otherwise stated.

Signed pursuant to a Resolution of the Directors:



T S DERY
Chairman

Sydney, 15 February 2010

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10 Shelley Street
Sydney NSW 2000

PO Box H67
Australia Square 1213
Australia

ABN: 51 194 660 183
Telephone: +61 2 9335 7000
Facsimile: +61 2 9335 7001
DX: 1056 Sydney
www.kpmg.com.au

Lead Auditor's Independence Declaration under Section 307C of the Corporations Act 2001

To: the directors of Jetset Travelworld Limited

I declare that, to the best of my knowledge and belief, in relation to the review for the half-year ended 31 December 2009 there have been:

- (i) no contraventions of the auditor independence requirements as set out in the Corporations Act 2001 in relation to the review; and
- (ii) no contraventions of any applicable code of professional conduct in relation to the review.

KPMG

Martin Sheppard
Partner

Sydney

15 February 2010

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CONSOLIDATED INCOME STATEMENT
for the half-year ended 31 December 2009

| | Note | December 2009 \$000 | December 2008 \$000 |
|---|------|---------------------------|---------------------------|
| Revenue | | 67,814 | 82,239 |
| Expenditure | | | |
| Manpower and staff related | | 30,495 | 35,416 |
| Advertising, selling and marketing | | 8,821 | 8,805 |
| Depreciation and amortisation | | 3,217 | 3,374 |
| Other expenses | | 20,448 | 16,852 |
| | | 62,981 | 64,447 |
| Operating result | | 4,833 | 17,792 |
| Net finance income | | 2,516 | 5,254 |
| Profit before income tax expense | 3 | 7,349 | 23,046 |
| Income tax expense | 3 | (2,384) | (7,745) |
| Profit attributable to the members of Jetset Travelworld Limited | | 4,965 | 15,301 |
| Earnings per share (EPS) attributable to members of Jetset Travelworld Limited | | | |
| Basic and diluted earnings per share (cents) | 6 | 2.26 | 7.37 |
| Dividends per share (cents per share) | | 1.6 | 5.0 |

As set out in Note 5 to the financial statements, as a result of the reverse acquisition of JTW by QH, the comparative information for December 2008 represents results of QH only for the period from 1 July 2008 to 24 July 2008 and the consolidated results for QH, QBT and JTW for the period from 25 July 2008 to 31 December 2008.

The Consolidated Income Statement is to be read in conjunction with the Notes to the Financial Statements set out on pages 11 to 19.

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
for the half-year ended 31 December 2009

| | December 2009 \$000 | December 2008 \$000 |
|---|------------------------------------|------------------------------------|
| Profit attributable to the members of Jetset Travelworld Limited | 4,965 | 15,301 |
| Other comprehensive income | | |
| Change in fair value of cash flow hedges | 240 | 816 |
| Income tax on other comprehensive income | (72) | (245) |
| Other comprehensive income for the period, net of income tax | 168 | 571 |
| Total Comprehensive income for the period | 5,133 | 15,872 |

As set out in Note 5 to the financial statements, as a result of the reverse acquisition of JTW by QH, the comparative information for December 2008 represents results of QH only for the period from 1 July 2008 to 24 July 2008 and the consolidated results for QH, QBT and JTW for the period from 25 July 2008 to 31 December 2008.

The Consolidated Statement of Comprehensive Income is to be read in conjunction with the Notes to the Financial Statements set out on pages 11 to 19.

CONSOLIDATED BALANCE SHEET
for the half-year ended 31 December 2009

| | December 2009 \$000 | June 2009 \$000 |
|--------------------------------------|---------------------------|-----------------------|
| Current assets | | |
| Cash and cash equivalents | 108,766 | 113,672 |
| Trade and other receivables | 52,048 | 57,259 |
| Prepayments | 16,177 | 17,603 |
| Income tax receivable | 9 | - |
| Total current assets | 177,000 | 188,534 |
| Non-current assets | | |
| Property, plant and equipment | 1,311 | 1,465 |
| Intangible assets and goodwill | 170,723 | 173,556 |
| Total non-current assets | 172,034 | 175,021 |
| Total assets | 349,034 | 363,555 |
| Current liabilities | | |
| Trade and other payables | 83,625 | 86,795 |
| Revenue received in advance | 44,306 | 55,140 |
| Provisions | 4,738 | 4,502 |
| Income tax payable | - | 936 |
| Total current liabilities | 132,669 | 147,373 |
| Non-current liabilities | | |
| Provisions | 1,478 | 2,036 |
| Deferred tax liabilities | 18,762 | 18,763 |
| Total non-current liabilities | 20,240 | 20,799 |
| Total liabilities | 152,909 | 168,172 |
| Net assets | 196,125 | 195,383 |
| Equity | | |
| Issued capital | 1,750 | 1,750 |
| Reverse acquisition reserve | 170,595 | 170,595 |
| Other reserves | 168 | - |
| Retained earnings | 23,612 | 23,038 |
| Total equity | 196,125 | 195,383 |

The Consolidated Balance Sheet is to be read in conjunction with the Notes to the Financial Statements set out on pages 11 to 19.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
for the half-year ended 31 December 2009

| | Issued Capital \$000 | Reverse Acquisition Reserve # \$000 | Hedge Reserve \$000 | Retained Earnings \$000 | Total Equity \$000 |
|--|----------------------------|--|---------------------------|-------------------------------|--------------------------|
| Balance at 1 July 2009 | 1,750 | 170,595 | - | 23,038 | 195,383 |
| Change in fair value of cash flow hedges | - | - | 168 | - | 168 |
| Net profit for the half-year | - | - | - | 4,965 | 4,965 |
| Total comprehensive income for the period | - | - | 168 | 4,965 | 5,133 |
| Dividends | - | - | - | (4,391) | (4,391) |
| Balance as at 31 December 2009 | 1,750 | 170,595 | 168 | 23,612 | 196,125 |

| | | | | | |
|--|--------------|----------------|------------|---------------|----------------|
| Balance at 1 July 2008 | 1,750 | - | - | 18,249 | 19,999 |
| Change in fair value of cash flow hedges | - | - | 571 | - | 571 |
| Net profit for the half-year | - | - | - | 15,301 | 15,301 |
| Total comprehensive income for the period | - | - | 571 | 15,301 | 15,872 |
| Reverse acquisition accounting adjustment | - | 170,595 | - | - | 170,595 |
| Balance as at 31 December 2008 | 1,750 | 170,595 | 571 | 33,550 | 206,466 |

As set out in Note 5 to the financial statements, as a result of the reverse acquisition of JTW by QH, the comparative information for December 2008 represents results of QH only for the period from 1 July 2008 to 24 July 2008 and the consolidated results for QH, QBT and JTW for the period from 25 July 2008 to 31 December 2008.

As a result of reverse acquisition accounting, a new equity account was created in the comparative period as a component of equity. This account called "Reverse acquisition reserve" is similar in nature to share capital. The Reverse acquisition reserve is not available for distribution. This equity account represents a net adjustment for the replacement of the legal parent's (JTW) equity with that of the deemed acquirer (QH). See Note 5 for further information.

The Consolidated Statement of Changes in Equity is to be read in conjunction with the Notes to the Financial Statements set out on pages 11 to 19.

CONSOLIDATED STATEMENT OF CASH FLOWS
for the half-year ended 31 December 2009

| | December 2009 \$000 | December 2008 \$000 |
|--|------------------------------------|------------------------------------|
| Cash flows from operating activities | | |
| Receipts from course of operations | 278,362 | 344,762 |
| Payments to suppliers and employees | (277,455) | (363,171) |
| Interest received | 2,050 | 4,206 |
| Income taxes paid | (3,403) | (2,132) |
| Net cash used in operating activities | (446) | (16,335) |
| Cash flows from investing activities | | |
| Payments for property, plant and equipment and software | (114) | (411) |
| Proceeds from disposal of property, plant and equipment | 45 | 32 |
| Repayment to related parties | - | (15,384) |
| Cash acquired on acquisition of business | - | 29,036 |
| Net cash (used in)/from investing activities | (69) | 13,273 |
| Cash flows from financing activities | | |
| Dividends paid | (4,391) | (10,144) |
| Net cash used in financing activities | (4,391) | (10,144) |
| Net decrease in cash and cash equivalents held | (4,906) | (13,206) |
| Cash and cash equivalents at the beginning of the half-year | 113,672 | 179,601 |
| Cash and cash equivalents at the end of the half-year | 108,766 | 166,395 |

As set out in Note 5 to the financial statements, as a result of the reverse acquisition of JTW by QH, the comparative information for December 2008 represents results of QH only for the period from 1 July 2008 to 24 July 2008 and the consolidated results for QH, QBT and JTW for the period from 25 July 2008 to 31 December 2008.

The Consolidated Statement of Cash Flows is to be read in conjunction with the Notes to the Financial Statements set out on pages 11 to 19.

CONDENSED NOTES TO THE CONSOLIDATED INTERIM FINANCIAL STATEMENTS

for the half-year ended 31 December 2009

Note 1. Statement of significant accounting policies

(a) Basis of preparation

JTG is a company domiciled in Australia. The principal accounting policies adopted in the preparation of the financial report are set out by JTG in the consolidated Financial Report as at and for the year ended 30 June 2009. The Consolidated Interim Financial Report (Financial Report) of JTG as at and for the six months ended 31 December 2009 comprises Qantas Holidays Limited, as the accounting parent, and its deemed subsidiaries (together referred to as the "Group" or the "Consolidated Entity").

The consolidated annual financial report of JTG as at and for the year ended 30 June 2009 is available upon request from the registered office of JTG at Level 28, Australia Square, 264 George Street, Sydney NSW 2000, Australia or at www.jetsettravelworld.com.au.

The Financial Report is presented in Australian dollars and has been prepared in accordance with *AASB 134: Interim Financial Reporting* and the Corporations Act 2001. The Financial Report does not include all of the information required for full annual financial statements, and should be read in conjunction with the consolidated financial statements of the Group as at and for the year ended 30 June 2009.

This Financial Report was approved by the Board of Directors on 15 February 2010.

JTG is of the kind referred to in Australian Securities Investment Commission (ASIC) Class Order 98/100 dated 10 July 1998 (updated by CO 05/641 effective 28 July 2005 and CO 06/51 effective 31 January 2006) and in accordance with the Class Order, amounts in the Financial Report and Directors' Report have been rounded to the nearest thousand dollars, unless otherwise stated.

(b) Significant accounting policies

The accounting policies applied by JTG in this Financial Report are the same as those applied by JTG in the Consolidated Financial Report as at and for the year ended 30 June 2009.

Australian accounting standards and Interpretations that have recently been issued or amended but are not yet effective have not been early adopted by the Group for the half-year reporting period ended 31 December 2009.

(c) Change in accounting policy

(i) *Determination and presentation of operating segments*

Commencing 1 July 2009 the Group determines and presents operating segments based on information that internally is provided to the Board and Chief Executive Officer (CEO), who comprise the Group's chief operating decision makers. This change in accounting policy is due to the adoption of AASB 8 "Operating Segments". Previously operating segments were determined and presented in accordance with AASB 114 "Segment Reporting".

CONDENSED NOTES TO THE CONSOLIDATED INTERIM FINANCIAL STATEMENTS

for the half-year ended 31 December 2009

(c) Change in accounting policy (continued)

The change in accounting policy has not had an effect on segment information presented at 31 December 2009.

The new accounting policy in respect of segment operating disclosures is presented as follows:

- An operating segment is a component of the Group that engages in business activities from which it may earn revenues and incur expenses, including revenues and expenses that relate to transactions with any of the Group's other components. An operating segment's operating results are reviewed regularly by the Board and CEO to assess its performance and make decisions.
- Segment results that are reported to the Board and CEO include items directly attributable to a segment as well as those that can be allocated on a reasonable basis. Unallocated items comprise mainly corporate assets, head office expenses and income tax assets and liabilities.
- Segment capital expenditure is the total cost incurred during the period to acquire property, plant and equipment, and intangible assets other than goodwill.

(ii) Statement of Comprehensive Income

The Group applies revised AASB 101 "Presentation of Financial Statements", which became effective as of 1 July 2009. As a result, the Group presents in the consolidated statement of changes in equity all owner changes in equity, whereas all non-owner changes in equity are presented in the consolidated statement of comprehensive income. This presentation has been applied in these condensed interim financial statements as of and for the six months period ended on 31 December 2009.

Comparative information has been re-presented so that it also is in conformity with the revised standard. Since the change in accounting policy only impacts presentation aspects, there is no impact on profit or earnings per share.

Note 2. Profit before related income tax expense

Included in profit before related income tax expense are the following items which are considered unusual because of their size, nature or incidence:

| | <u>December</u> <u>2009</u> <u>\$000</u> | <u>December</u> <u>2008</u> <u>\$000</u> |
|--|--|--|
| a) Included in Depreciation and amortisation | | |
| Amortisation of intangibles arising on acquisition | 2,728 | 2,728 |

CONDENSED NOTES TO THE CONSOLIDATED INTERIM FINANCIAL STATEMENTS

for the half-year ended 31 December 2009

Note 3. Income tax expense

| | December 2009 \$000 | December 2008 \$000 |
|--|---------------------------|---------------------------|
| Profit before related income tax expense | 7,349 | 23,046 |
| Prima facie income tax expense @ 30% | 2,205 | 6,914 |
| Add: other non-deductible items | 179 | 831 |
| Income tax expense | 2,384 | 7,745 |

Note 4. Dividends

A fully franked final dividend of 2.0 cents per ordinary share was approved by the JTW Board on 12 August 2009 and was paid on 14 October 2009 in relation to the financial year ended 30 June 2009. The total amount of the dividend declared was \$4.4 million.

The Directors declared a fully franked interim dividend of 1.6 cents per ordinary share on 15 February 2010 in relation to the half year ending 31 December 2009. The total amount of the dividend declared was \$3.5 million, based on the number of shares issued as at 31 December 2009.

Note 5. Business acquisitions

Merger of Qantas Holidays and Qantas Business Travel with Jetset Travelworld

On 17 July 2008, the merger of JTW with QH and QBT was approved by shareholders of the Company at an Extraordinary General Meeting. Following the issue of new shares to QH Tours Limited (a wholly owned subsidiary of Qantas Airways Limited), JTW now has 219,552,976 shares on issue and QH Tours Limited holds voting power in JTG of 58%. Accordingly under the terms of the merger JTG became:

- the legal parent company of QH and QBT; and
- a subsidiary of Qantas Airways Limited.

CONDENSED NOTES TO THE CONSOLIDATED INTERIM FINANCIAL STATEMENTS

for the half-year ended 31 December 2009

Note 5. Business acquisitions (continued)

Accounting and Disclosure implications of the merger

Under accounting standards, the merger of JTW and QH is accounted for as a business combination.

Accounting standards require that where two or more entities combine through an exchange of equity for the purposes of business combination, one of the entities must be deemed to be the acquirer. Given relative shareholdings post merger, Board composition and QHs' size relative to JTW, QH is deemed to be the acquirer for accounting purposes. The implication of this reverse acquisition of JTW by QH are:

(i) Although the financial statements are issued under JTW (the legal parent company), QH is deemed to be the parent company for accounting purposes;

(ii) The 2009 half year financial information reflects the combined group of QH, JTW and QBT;

(iii) The 2008 half year comparative financial information reflects results of QH only for the period from 1 July 2008 to 24 July 2008 and the consolidated results for QH, QBT and JTW for the period from 25 July 2008 to 31 December 2008.

(iv) Under accounting guidance the consideration that QH is deemed to have paid for JTW is the market value of JTW's equity at the date of the merger, which was \$170.6 million. This consideration has been allocated to the fair values of JTWs intangible and tangible assets, liabilities and contingent liabilities.

As a result of reverse acquisition accounting, a new equity account was created as a component of equity. This account called "Reverse acquisition reserve" is similar in nature to share capital and is not available for distribution. This equity account represents a net adjustment for the replacement of the legal parent's equity with that of the deemed acquirer.

(a) Summary of acquisition

Details of the net assets of JTW acquired by QH are as follows:

| | \$000 |
|--|----------------|
| Equity consideration | 170,595 |
| Fair value of net identifiable assets acquired | 67,597 |
| Goodwill | <u>102,998</u> |

CONDENSED NOTES TO THE CONSOLIDATED INTERIM FINANCIAL STATEMENTS

for the half-year ended 31 December 2009

Note 5. Business acquisitions (continued)

(b) Assets and liabilities acquired

The assets arising from the acquisition were as follows:

| | Acquiree's carrying amount \$000 | Fair value \$000 |
|---|--|------------------------|
| Cash | 29,036 | 29,036 |
| Receivables | 20,285 | 20,285 |
| Property, plant and equipment | 2,078 | 2,078 |
| Intangible assets – Brands | - | 8,900 |
| Intangible assets – Contracts | - | 66,500 |
| Intangible assets – Technology | 425 | 425 |
| Deferred tax asset | 1,355 | 1,355 |
| Trade and other payables | (27,003) | (27,003) |
| Employee benefits | (342) | (342) |
| Other provisions | (115) | (115) |
| Deferred tax liability | (759) | (23,379) |
| Dividend payable | (10,143) | (10,143) |
| Net assets (of JTW at 25 July 2008) | <u>14,817</u> | <u>67,597</u> |
| Goodwill acquired | | 102,998 |
| Consideration paid, satisfied in equity | | <u>170,595</u> |

Note 6. Earnings per share (EPS)

Earnings reconciliation

| | December 2009 \$000 | December 2008 \$000 |
|------------------------------|---------------------------|---------------------------|
| Net profit for the half-year | 4,965 | 15,301 |
| Basic and diluted earnings | <u>4,965</u> | <u>15,301</u> |

Weighted average number of shares

| | December 2009 \$000 | December 2008 \$000 |
|--|---------------------------|---------------------------|
| Weighted average number of shares ⁽¹⁾ | 219,552,976 | 207,525,291 |

CONDENSED NOTES TO THE CONSOLIDATED INTERIM FINANCIAL STATEMENTS

for the half-year ended 31 December 2009

Note 6. Earnings per share (EPS) (continued)

(1) In accordance with specific guidance provided in AASB 3 *Business Combinations*, the weighted average number of shares outstanding has been calculated as follows:

- six months to 31 December 2009 - the number of ordinary shares issued by JTW

- six months to 31 December 2008 - the weighted average of the ordinary shares issued by JTW to Qantas Airways Limited from 1 July 2009 to 24 July 2009 and the total ordinary shares on issue by JTW from 25 July 2009 to 31 December 2009

Note 7. Contingent liabilities

There are no significant contingent liabilities.

Note 8. Post balance date events

There were no significant events that arose between 31 December 2009 and the signing of this financial report.

Note 9. Segment reporting

The Group has identified the following 3 operating segments based on the internal reports that are reviewed and used by the Board and CEO (the chief operating decision makers) in assessing performance:

- Jetset Travelworld (Retail)
- Qantas Holidays (QH)
- Qantas Business Travel (QBT)

The primary purpose of Retail is the franchisor of the Jetset Travelworld retail travel agent network. Wholesale encompasses the operations of QH whose primary purpose is to procure air and land product for packaging and sale through the retail travel agency networks. Business Travel encompasses the operations of QBT whose primary purpose is to make travel arrangements for corporate and government customers on any airline and includes travel management reporting and control.

Corporate charges are not allocated to operating segments as they are not considered part of the core operations of any segment.

CONDENSED NOTES TO THE CONSOLIDATED INTERIM FINANCIAL STATEMENTS

for the half-year ended 31 December 2009

Note 9. Segment reporting (continued)

Half-year ended 31 December 2009

| Analysis by Business Segments | Jetset Travelworld \$000 | Qantas Holidays \$000 | Qantas Business Travel \$000 | Consolidated JTG \$000 |
|---|--------------------------------|-----------------------------|---------------------------------------|------------------------------|
| | Dec 09 | Dec 09 | Dec 09 | Dec 09 |
| TTV | 457,024 | 220,749 | 372,607 | 1,050,380 |
| External segment revenue | 14,771 | 37,035 | 16,008 | 67,814 |
| Inter-segment revenue | (774) | (783) | 1,557 | - |
| Total segment revenue | 13,997 | 36,252 | 17,565 | 67,814 |
| Segment result after tax | 4,659 | 6,057 | (1,517) | 9,199 |
| Reconciliation of segment net profit after tax to consolidated net profit before tax | | | | 9,199 |
| Income tax expense | | | | 2,384 |
| Amortisation of intangibles arising on acquisition | | | | (2,728) |
| Corporate charges (a) | | | | (1,506) |
| Net profit before tax per the consolidated income statement | | | | 7,349 |
| Included in the segment results above are: | | | | |
| Depreciation and amortisation | 210 | 230 | 49 | 489 |

- (a) A separate Corporate Centre was established in the current financial year. Previously these costs resided in the QH and JTW segments.

CONDENSED NOTES TO THE CONSOLIDATED INTERIM FINANCIAL STATEMENTS

for the half-year ended 31 December 2009

Note 9. Segment reporting (continued)

Half-year ended 31 December 2008

| Analysis by Business Segments | Jetset Travelworld \$000 | Qantas Holidays \$000 | Qantas Business Travel \$000 | Consolidated JTG \$000 |
|---|--------------------------------|-----------------------------|---------------------------------------|------------------------------|
| | Dec 08 | Dec 08 | Dec 08 | Dec 08 |
| TTV | 458,467 | 310,739 | 564,676 | 1,333,882 |
| External segment revenue | 16,869 | 41,397 | 23,973 | 82,239 |
| Inter-segment revenue | 819 | (819) | - | - |
| Total segment revenue | 17,688 | 40,578 | 23,973 | 82,239 |
| Segment result after tax | 8,000 | 8,176 | 1,853 | 18,029 |
| Reconciliation of segment net profit after tax to consolidated net profit before tax | | | | 18,029 |
| Income tax expense | | | | 7,745 |
| Amortisation of intangibles arising on acquisition | | | | (2,728) |
| Net profit before tax per the consolidated income statement | | | | 23,046 |
| Included in the segment results above are: | | | | |
| Depreciation and amortisation | 228 | 365 | 53 | 646 |

As set out in Note 5 to the financial statements, as a result of the reverse acquisition of JTW by QH, the comparative information for December 2008 represents results of QH only for the period from 1 July 2008 to 24 July 2008 and the consolidated results for QH, QBT and JTW for the period from 25 July 2008 to 31 December 2008.

CONDENSED NOTES TO THE CONSOLIDATED INTERIM FINANCIAL STATEMENTS

for the half-year ended 31 December 2009

Note 10. Related Parties

Arrangements with related parties continue to be in place. For details of these arrangements refer to the June 2009 Annual Report.

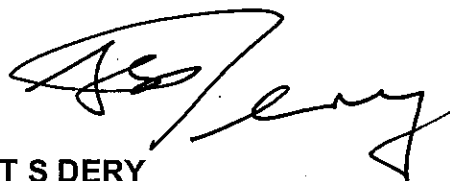
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DIRECTORS' DECLARATION

In the opinion of the Directors of Jetset Travelworld Limited:

- (a) the financial statements and notes set out on pages 6 to 19, are in accordance with the *Corporations Act 2001*, including:
 - (i) giving a true and fair view of the financial position of the Jetset Travelworld Limited Group as at 31 December 2009 and of its performance, as represented by the results of its operations and cash flows for the half-year ended on that date; and
 - (ii) complying with Australian Accounting Standard *AASB 134: Interim Financial Reporting* and the *Corporations Regulations 2001*; and
- (b) there are reasonable grounds to believe that Jetset Travelworld Limited and its controlled entities will be able to pay its debts as and when they become due and payable.

Signed pursuant to a Resolution of the Directors:



T S DERY
Chairman

Sydney, 15 February 2010



10 Shelley Street
Sydney NSW 2000

PO Box H67
Australia Square 1213
Australia

ABN: 51 194 660 183
Telephone: +61 2 9335 7000
Facsimile: +61 2 9335 7001
DX: 1056 Sydney
www.kpmg.com.au

Independent auditor's review report to the members of Jetset Travelworld Limited

Report on the financial report

We have reviewed the accompanying half-year financial report of Jetset Travelworld Limited which comprises the consolidated balance sheet as at 31 December 2009, consolidated income statement, consolidated statement of comprehensive income, consolidated statement of changes in equity, and consolidated statement of cash flows for the half-year ended on that date, a statement of accounting policies and other explanatory notes 1 to 10 and the directors' declaration of the Group comprising the company and the entities it controlled at the half-year's end or from time to time during the half-year.

Directors' responsibility for the half-year financial report

The directors of the company are responsible for the preparation and fair presentation of the half-year financial report in accordance with Australian Accounting Standards (including the Australian Accounting Interpretations) and the *Corporations Act 2001*. This responsibility includes establishing and maintaining internal control relevant to the preparation and fair presentation of the half-year financial report that is free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditor's responsibility

Our responsibility is to express a conclusion on the half-year financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410 *Review of Interim and Other Financial Reports Performed by the Independent Auditor of the Entity*, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the *Corporations Act 2001* including: giving a true and fair view of the Group's financial position as at 31 December 2009 and its performance for the half-year ended on that date; and complying with Australian Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*. As auditor of Jetset Travelworld Limited, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

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Independence

In conducting our review, we have complied with the independence requirements of the *Corporations Act 2001*.

Conclusion

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the half-year financial report of Jetset Travelworld Limited is not in accordance with the *Corporations Act 2001*, including:

- (a) giving a true and fair view of the Group's financial position as at 31 December 2009 and of its performance for the half-year ended on that date; and
- (b) complying with Australian Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

KPMG

Martin Sheppard
Partner

Sydney, 15 February 2010

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