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Holidays

travelworld

QBT

Jetset

orientpacific

Investor Briefing

Results for the Half Year Ended 31 December 2008

In this presentation:

JTG means Jetset Travelworld Group

JTW means Jetset Trvelworld Limited

QH means Qantas Holidays Limited

QBT means QBT Pty Ltd

The Jetset Travelworld Group

First Half Highlights

- Total transaction value (TTV) of $1,333 million
- Profit before tax of $23.0 million
- Cash holding $166.4 million with no debt
- Fully franked interim dividend of 5 cents per share
- Progress on key strategies
- Headcount reduced 9% and overhead cost reduced 10% since merger
- Further cost reductions being pursued

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Financial Summary

	Jetset Travelworld $000 Dec 08	Qantas Holidays $000 Dec 08	Qantas Business Travel $000 Dec 08	Consolidated JTG $000 Dec 08
TTV	458,467	310,739	564,676	1,333,882
Revenue	17,688	40,577	23,973	82,239
EBITDA	10,980	7,524	2,662	21,166
Profit before related income tax expense and net finance revenue	**8,025**	**7,159**	**2,608**	**17,792**
Net finance revenue	694	4,521	39	**5,254**
Profit before related income tax expense	**8,719**	**11,680**	**2,647**	**23,046**
Income tax expense				(7,745)
Profit for the half-year				**15,301**

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Financial Summary Notes

- Results reflect QH only for the period 1/7/08 to 24/7/08 and the combined results of QH, QBT and JTW for the period 25/7/08 to 31/12/08
  - JTW TTV 1/7/08 to 24/7/08 $76.8 million
  - JTW PBT 1/7/08 to 24/7/08 $0.9 million before transaction related abnormal costs of $1.9 million
- Reverse acquisition accounting
  - QH is the head entity for the consolidation
  - JTW is the parent entity
  - Comparatives relate to QH only
- Change in revenue presentation
  - Basis reclassified from principal to agent for consistency
  - No impact on timing of revenue recognition or profit

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Key Drivers

- Lower than expected volumes as a result of
  - Economic crisis
    - Lack of consumer confidence
    - Lower discretionary spending
  - Weaker Australian dollar
    - Depreciated by 30% since August 2008
    - Overseas holidays become more expensive
- Foreign exchange losses on payments to QH's suppliers
- Lower interest rates on cash (rates down 41% since July 2008)
- 21% increase in online TTV over pcp

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Wholesale – QH and Viva! Holidays

- New/renewed long-term agreements with large customers
- Viva! Holidays showing very positive results (TTV growth of 18% over pcp)
- Increased support from JTW retail network
- Strong marketing and sales activities to stimulate demand
- Significant cost savings initiatives implemented

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Corporate - QBT

- Beginning to see effects of softening on corporate bookings
- Making good progress in transitioning business model from management fees to transaction fees
- Greater use of JTG's National Ticket Centre since August 2008
- Positive acceptance of outsourced hotel procurement program for SMEs

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Retail – Jetset, Travelworld and Affiliates

- Major marketing activities to support retail network
- Access to dedicated QH call line
- Continuing to improve relationships with wide range of preferred suppliers
- Greater profile increases opportunities for network expansion
- Introduction of Business Select
  - Corporate offering through the retail network servicing SMEs
  - Access to capabilities of QBT
  - Joint tendering with QBT

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Finance/Governance

- Focus on
  - Cost reduction
  - Minimising risk exposures (e.g. foreign currency)
  - Optimising cash management
  - Establishing appropriate governance structures for merged entity

- Dividend
  - 5 cents per share
  - In line with pcp
  - Fully franked
  - Payable on 31 March 2009
  - Books close 2 March 2009

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Successes

- Retail
  - Central supplier contracting function established to take advantage of increased purchasing power
- Wholesale
  - Viva! Holidays added Singapore Airlines, Cathay Pacific, Etihad and Air Canada (TTV up 18% on pcp)
  - Secured status as only major holiday wholesale partner to Qantas Frequent Flyer
- Corporate
  - Agency in Singapore
  - Corporate hotel program launched
- Online
  - TTV up 21% over pcp

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Cost Savings

- Cost saving initiatives
  - Manpower reduction
    - Reduced heads by c.80 (9%) since the merger
    - Closure of QH Brisbane contact centre announced on 13/1/09 will increase this number to 120
  - Property consolidation
  - Exploitation of increased purchasing power
  - Stringent control of overheads and discretionary spending (savings of 10% since merger)
- Focus on ensuring savings are sustainable

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Outlook

- Expect full year PBT to be within previous guidance (20% to 30% less than the $70.6 million excluding amortisation of intangible assets as shown in Explanatory Memorandum)
- Market continues to be challenging and very difficult to predict – longevity of global economic crisis and effects of market initiatives remain unclear
- Focus on:
  - Stringent cost control
  - Volume stimulation activities
  - Sustainability initiatives
  - Implementation of strategies to build the growth platform
- We will ensure that we are well prepared to take advantage when the market recovers

Our Vision

To be Australia's leading integrated, full service, leisure and corporate travel group.

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Questions

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