Jetset Travelworld Limited
ABN: 60 091 214 998
Level 9, 1 Bligh Street, Sydney, NSW 2000
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The Jetset Travelworld Group

ANNOUNCEMENT

30 September 2005

Company Announcements Office
Australian Stock Exchange
Exchange Centre
Level 4
20 Bridge Street
Sydney
NSW 2000

2004/05 Annual Financial Report

Attached for lodgement pursuant to the requirements of Listing Rule 4.5.1 are the:

1. Financial Statements for the year ended 30 June 2005;
2. Directors' Report for the year ended 30 June 2005; and
3. Independent Audit Report on the 2004/05 Financial Report.

The requirement to lodge these documents with the Australian Securities and Investments Commission pursuant to Section 319 of the Corporations Act is satisfied by this lodgement as provided for in Practice Note 61.

Yours faithfully

Stephen F Heesh
Company Secretary

JETSET TRAVELWORLD LIMITED

(ABN 60 091 214 998)

ANNUAL REPORT

for the year ended 30 June 2005

CORPORATE DIRECTORY

Directors

Brian Wild	Executive Chairman
Giuseppe Esposito	Chief Executive Officer
Timothy Ryan	Non-executive Director
Barry Samuels	Non-executive Director
Peter Spathis	Non-executive Director

Company Secretary

Stephen Heesh

Registered and Principal Office

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South Australia
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Adelaide, South Australia, 5000

Western Australia
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10 Stirling Highway,
Nedlands, Western Australia, 6009

Auditors

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10 Shelley Street,
Sydney, New South Wales, 2000

Bankers

National Australia Bank
101 Pitt Street,
Sydney, New South Wales, 2000

ANZ Bank
Collins Street Business Centre,
287 Collins Street,
Melbourne, Victoria, 3000

Stock Exchange

Australian Stock Exchange Limited
530 Collins Street,
Melbourne, Victoria 3000

ASX Code

JET

Share Registry

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Jetset Travelworld Limited
(ABN 60 091 214 998)

Letter from the Executive Chairman

Dear fellow investor,

I am delighted to present the 2005 Annual Report for the Jetset Travelworld Group.

It is with particular pleasure that I am able to report a record profit before tax of $8.5 million for the Group in the trading year 2004-2005. As a result, the Board has proposed a final dividend of 2.5 cents per share fully franked which brings the total of proposed or paid dividends in respect of the 2005 financial year to 4.0 cents per share, fully franked.

Shareholder value has continued to increase both in the form of returns paid as dividends and capital growth. The Company's share price has grown from $0.31 at 1 July 2004 to $0.67 at 30 June 2005. This growth has been sustained with the share price now above $0.70.

It has been an important year for the Group and the successful result is directly under-scored by a number of key dynamics.

Importantly, the Board undertook a comprehensive review of the Group's strategic direction during the year. This has provided us with a revised 'roadmap' for the future of the Company and enabled the resultant management re-structure to streamline decision-making processes throughout the Group. It has also enhanced operational and financial accountability.

The general worldwide recovery in the travel sector continued, despite no apparent easing of security concerns around the globe. Travellers have proven themselves to be resilient with more people travelling now than ever before. This trend has been aided and abetted by vastly improved security facilities around the world, and not just at airports.

Competition remained intense throughout the year with both airlines and suppliers reducing yields and commissions, therefore making our record result even more significant.

In this changing environment, the industry body, Australian Federation of Travel Agents (AFTA), has participated in the restructuring of the industry by representing the interests of its members. Issues such as airline commissions, consumer protection, including a review of the Travel Compensation Fund, onerous government legislation and many others have been championed for the benefit of the agents. It is critical that the industry supports this organisation so that it continues to have the capability to continue to represent the industry at all levels of government, business and the community.

Letter from the Executive Chairman (cont'd)

The efforts of the staff and franchisees and their commitment to the new management restructure, the new strategic vision for the Company and associated strategies, have been a significant contributor to the result. For this reason, I must pay special tribute to their 'above and beyond' commitment and belief.

The Group's cash reserves and debt-free status provide a platform for continued profitability and to take advantage of opportunities to expand the business.

The business is well positioned to provide continuing returns to shareholders through dividends and capital growth.

Brian W. Wild

Brian W. Wild
Executive Chairman

Sydney, 29 September 2005

Performance Review from the Chief Executive Officer

I am very pleased to report that for the second consecutive year Jetset Travelworld Limited has reported an increase in profit. The net profit after tax was up 43% on the previous year to a record $5.7 million. This is an outstanding result and is attributable in large part to the changes made to the business during the last two years.

Strategic business initiatives and management changes, coupled with the generally strong environment for travel, particularly with outbound markets, provided a basis for this result.

During the year a comprehensive review of the Group's strategic direction was undertaken. In addition, positive operating cash in-flows continued to strengthen the Group's liquidity and overall working capital position and costs continued to be subject to close scrutiny.

The new management team, progressively introduced since late in the last financial year, has now settled in and is providing greater focus on the relationships with both the agency network and suppliers. The appointment in March 2005 of Gai Tyrrell to the new role of Chief Operating Officer with responsibility for commercial and day to day operations has released me to concentrate more on matters of a strategic nature. This change introduces more structural balance into the management mix and better equips the Group for the expected growth.

The year under review has seen the culmination of a number of changes designed to strengthen the Jetset Travelworld business.

The strategic objectives of increasing revenue and providing additional value to the network have been accomplished through the Group's in-house ticketing unit, National Ticket Centre Pty Limited (NTC), which operated for the full year and the *FlyBuys* loyalty program which was launched in November 2004. These two initiatives coupled with the in-house insurance operation, *Travellers Assistance*, are now integral to the business. They underpin and enhance the Group's competitive position and will continue to be important revenue generators. With the recently introduced Partnership Reward Program and increased focus brought about by the Chief Operating Officer, these initiatives will also provide opportunities for business growth into the foreseeable future.

As Australia's largest retail franchise group, Jetset Travelworld owns two very strong brands, the iconic Jetset, which has been part of the Australian commercial landscape for over 40 years and the more recently established Travelworld brand. Going forward it is proposed to capitalise on the strategic opportunities for growth generated by these two significant travel brands. In addition the Group's strong cash reserves provide a platform to take advantage of opportunities for growth which are consistent with the Group's overall strategic direction.

The foundations of the business are now in place and the Group is well equipped to meet the challenges of the future with a high degree of confidence.

A more detailed summary and analysis of the Group's activities for the 2004/05 financial year can be found in the Financial Performance Summary and Operational Highlights section on the following pages.

G. Esposito

Giuseppe (Joe) Esposito
Chief Executive Officer

Date: 29 September 2005

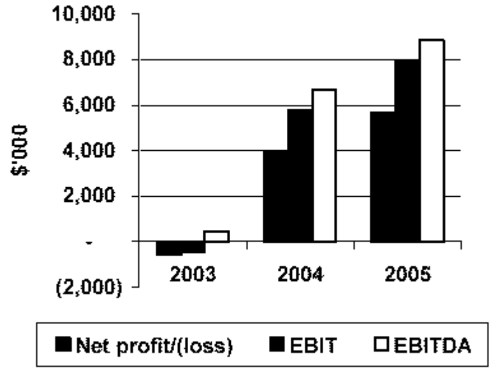
Jetset Travelworld Limited has delivered a record before tax profit of $8.5 million and an after tax profit of $5.7 million for the year ended 30 June 2005.

Profitability

The consolidated entity has recorded a profit after tax for the year ended 30 June 2005 of $5.7m. This result represents a $1.7m, or 42.6% increase on the previous year.

This improvement in overall profitability has also driven EBIT to $7.9m and EBITDA to $8.8m, representing increases of $2.1m, or 36.5% and $2.2m or 32.2% respectively.

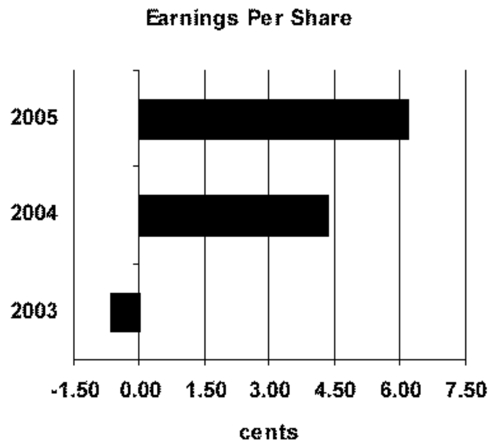
A summary of the Group's profitability since 2003 is set out below:



Earnings Per Share

Earnings per share (EPS) has increased to 6.17 cents per share, an increase of 1.84 cents per share, or 42.5% on the previous year.

A summary of the Group's EPS since 2003 is set out below:



Revenue

The consolidation of the first full year of trading of the Group's subsidiary company NTC has resulted in a significant increase in overall Group revenue.

The underlying growth in the Group's travel agency franchising business has continued, with a further 22.9%, or $5.5m, increase in revenue on the previous year. Revenue in the year ended 30 June 2004, represented a 20.5% increase on 2003.

This solid growth was largely driven by the strength of the Group's Franchisee Network, an intensified commitment to work in partnership with Preferred Suppliers and a continued focus on innovative product offerings.

Additionally, specific focus on growing sales of the Group's insurance product, *Travellers Assistance*, was rewarded with a 27.2% increase in insurance revenue.

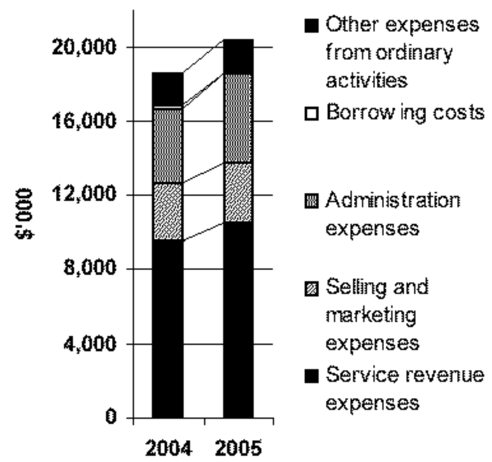
The successful introduction of the *FlyBuys* loyalty program during the year has given the Group yet further capacity to capitalise on the strength of its retail network.

Expenditure

A continued focus on cost management has enabled the Group to successfully manage revenue growth without incurring unnecessary incremental costs.

Accordingly, the Group's underlying cost base, i.e. excluding NTC, has risen by only 6.23%. The increase in service revenue expenses, which are driven directly by increases in revenue, accounted for almost half of this overall increase.

A comparison of the categories of overhead on the previous year is set out below:



The increase in net selling and marketing costs was contained at 2.1% on the previous year, as the Group has continued to enhance its tactical marketing strategy.

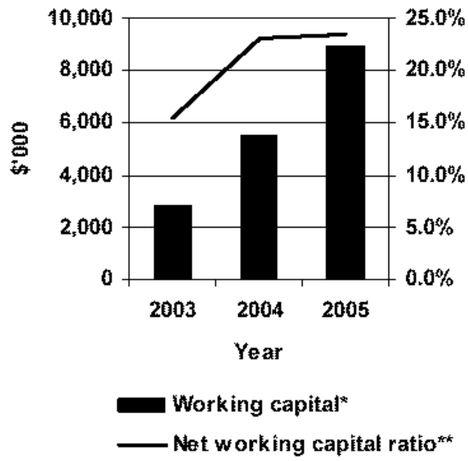
The implementation of a number of key strategic initiatives throughout the year is reflected in the $945,000, or 24.1% increase in the level of administrative costs.

The combination of revenue growth, controlled overheads and low levels of capital expenditure have driven positive cash flows, ensured that the Group has continued to enjoy a 'debt-free' status and accordingly, have enabled the Group to trade successfully without the burden of borrowing costs in 2005.

Liquidity and funding

The positive result for the year has enabled the Group further to strengthen its working capital position.

A summary of the Group's liquidity position is set out below:



The significant increases in the components of the Group's working capital profile reflect the impact of NTC, together with an increase in the level of activity within the underlying travel agency franchise business throughout the year.

** - Working capital is defined as current assets less current liabilities.*

*** - Net working capital ratio is defined as working capital as a proportion of net assets.*

Our vision is…

"To deliver superior business solutions to our travel network for the benefit of all stakeholders."

The Network

The Jetset Travelworld Group and network generates business of well over a billion dollars, employs over 3,000 people and consists of over 650 stores. The network itself, comprising both branded Jetset and Travelworld agents as well as non-branded agents, is the engine room of the business.

In the past year communication with network members was enhanced through increased regular face to face contact by the sales force and senior executives at regular state meetings, distribution of a fortnightly newsletter and establishment of a dedicated web site.

These communication channels provided the management team with the opportunity to understand how best to support members' collective and individual needs, while also providing an opportunity to share with franchisees the strategies and plans of the Group.

In last year's Annual Report, a commitment to ensuring that the agent network had access to an effective airline ticketing system and a loyalty program was provided. At the same time the need to strengthen the relationships with industry suppliers was recognised. Both of these commitments have been delivered in the year under review.

National Ticket Centre

The NTC was established in May 2004 and became fully operational at the beginning of the 2005 financial year. With over 80% usage across the network, it has been a huge success.

The NTC enables agents to offer the best fares available to their clients while at the same time providing the opportunity to improve yields to the agencies. Equally important is the fact that Jetset Travelworld is now fully recognised by airlines for the productivity its network produces - something not possible under the prior third-party supplied ticketing arrangements.

The NTC has offices in the major state capitals providing a unique ticketing capability. With this geographic spread, agents are provided with the capability for immediate response to ticket requests as well as being able to meet local needs and ticketing opportunities.

***FlyBuys* Loyalty Program**

This program was launched in association with *FlyBuys* in November 2004. *FlyBuys* is Australia's largest and longest running loyalty program with 2.8 million active member households.

Implementation of *FlyBuys* through the franchise network has been extremely successful. Over $110 million in business and in excess of 90 million points have been achieved during the year representing a significant volume of additional business this program has brought to the franchisees. The drawing power of *FlyBuys* is undoubted and the program has the potential to increase with further refinements and promotion.

Industry Suppliers

A strategic decision has been made to rationalise the number of supply partners for the Group by removing conflicting products and creating a clear direction for the network.

This has been a mutually beneficial outcome for the network and suppliers. For the network, it provides 'quality' not 'quantity' and makes selling time more focused, disciplined and profitable. The supply partners benefit from enhanced contracts that will now make doing business with the Group a more "rewarding" experience.

Partnership Reward Program

In recognising the importance of channelling business to preferred supplier partners, the 'Partnership Rewards Program' (PRP) was launched in April 2005. This forms one part of

Operational Highlights (cont'd)

Partnership Reward Program (cont'd)

a strategic approach to the strengthening of supplier relationships, which also includes working much closer with suppliers to achieve their sales objectives.

The PRP has been designed to reward agents for selling preferred supplier products. The early acceptance and success of PRP has ensured it will be further developed in the year ahead.

Business Select

The formation of a corporate division or 'Business Select' as it is known, has facilitated the development of a group of dedicated agents positioned in the small and medium enterprise (SME) business travel market, a space with the potential for great longevity in the travel industry - 'high touch' customers requiring genuine quality service.

Membership in this important market segment has quickly increased from 33 to 86 agents within the network, not to mention the new agents who have joined the Group because of the program.

The Group is committed to helping the network nationally to capitalise on all corporate opportunities such as the recent success of a NSW Government tender. Jetset Travelworld teamed up with *Carlson Wagonlit Travel* as their regional partner and as a result will inject incremental business estimated to be over $18 million into the dozen or so agents selected in country NSW.

Quikticket

This initiative was introduced post balance date. QuikTicket is a web-based application that enables quick and accurate processing of net remit ticketing by members of the Group. The system provides additional functionality for ticketing and enhances the productivity of agents.

Marketing

During the year, marketing programs continued to focus on tactical advertising in print and television, which included Channel Seven's national *Sunrise* program, Australia's most popular breakfast television show.

Among the television promotions undertaken during the year, two of the most successful were Disney's 50th anniversary celebrations and sponsorship of the Seven network's popular national 'Weather Wagon'. Both provided significant prime-time exposure of our brands and were considered highly successful.

A strategic review of the Group's marketing needs during the year led to a decision to appoint a leading advertising consultant, Publicis Mojo, to lift the level of support available to our marketing team. The capabilities, experience and fresh thinking offered through this new partnership will enhance this important function and provide new opportunities in the coming year and beyond.

It is proposed that more attention will be directed to support local area marketing activity and providing agents with additional tools to assist in this vital activity.

Operations

The Operations division was formed towards the end of the financial year with responsibility for network services, procurement, training and uniforms. The interface between Operations and the network is seen as fundamental to delivering support to the field which will enhance individual agents' capability to provide quality service cost-effectively. The 2005/06 Annual Report will provide details of the first year's accomplishments of this new division.

Insurance

Jetset Travelworld's dedicated in-house insurance product, *Travellers Assistance*, continues to have wide acceptance by the network. Usage is over 90% and growing thus making a significant contribution to profitability of the franchisees and the Group. These innovative products are regarded as among the best on offer in the travel industry and are also sought by the Group's competitors.

Operational Highlights (cont'd)

Information technology

The year has seen the Group's rebuilt web sites commissioned. This provides both branded and unbranded agents with their individual web sites free of charge. A new web portal was also constructed, providing a facility to more efficiently deliver information to the network and provide services to agents as well as access to on-line business tools.

Implementation of *FlyBuys* was handled in-house at a considerable cost saving. This project was vital to the early success of this product, which facilitated control of the related data and transaction processing. It enables management to monitor the success of each marketing campaign as the transactions happen and very shortly it will provide the capability to report to individual franchisees. This will become an invaluable tool for franchisees in planning local area marketing.

Cruise Consortium

The Jetset Travelworld Cruise Consortium continues to grow in membership and strengthen its position in the cruise market. The Consortium offers an exclusive membership program to network agents focused on development of the premium long haul cruise market, regarded as the biggest growth segment of the travel industry globally.

Members of the JTG Cruise Consortium, currently numbering over 130 agents, are granted exclusive access to the Jetset Travelworld cruise database of extensive 'fly-cruise' international products. The Cruise Consortium has also built partnerships with the cruise industry body International Cruise Council of Australasia representing 18 member cruise lines and providing an accredited cruise training program for members. A strategic alliance has been formed with leading cruise wholesaler, Creative Cruising which, as a broker for 18 major cruise lines, provides support to the Consortium's tactical media campaigns.

Your directors submit their report for the year ended 30 June 2005.

Directors

The names and details of the Company's directors in office during the financial year and until the date of this report are as follows. Directors were in office for this entire period unless otherwise stated.

Names, qualifications, experience and special responsibilities

Mr Brian Wild
Executive Chairman, Executive Director, Member of Nomination and Finance Committees

Mr Wild was appointed Chairman on 6 March 2003. He is one of the travel industry's most respected and well known identities. For much of his 40 year industry career he was a key member of the Qantas worldwide executive team with responsibility for system-wide Sales and Marketing.

Mr Wild is a director and trustee of the Travel Compensation Fund and a Member of the Australian Institute of Company Directors.

Mr Giuseppe Esposito
Chief Executive Officer, Executive Director, Member of Finance Committee

Prior to joining Jetset Travelworld Limited in November 2003, Mr Esposito had an extensive career in banking in both Australia and New Zealand.

Mr Esposito has held various positions in ANZ Bank, Bank West and St George Bank in Australia, predominantly in the area of Corporate and Institutional Banking. In these roles, Mr Esposito gained a detailed understanding of a wide range of business models, including franchising and in many different sectors. Mr Esposito has lived in Australia for the last 15 years.

Mr Esposito holds a Bachelor of Commerce degree (Canterbury) and a Master of Applied Finance degree (Macquarie).

Mr Timothy Ryan
Independent Non-executive Director, Member of Audit, Remuneration and Nomination Committees

Mr Ryan, a Chartered Accountant, is an expert in the transport industry with experience in the fields of shipping, aviation, rail and road transport. Mr Ryan also specialises in the architecture, real estate and travel industries. Since entering the profession in 1976, he has gained extensive understanding of reporting systems for large and medium size companies.

Mr Ryan is regarded as an authority on the cruise and passenger ferry industries and frequently presents papers and writes articles for various marine publications throughout Australia and the Asia Pacific region.

He is a Fellow of the Institute of Chartered Accountants in Australia and holds a Bachelor of Commerce degree. Mr Ryan is a registered company auditor and established his own specialist consultancy firm in 1991.

Mr Barry Samuels
Independent Non-executive Director, Member of Audit, Remuneration and Nomination Committees

Mr Samuels has been involved in banking and investment for the past 35 years and holds a business degree in Banking and Finance. In that time he has held various managerial positions with major banks and financial institutions and has controlled lending and investment areas.

After leaving the banking sector in 1985, Mr Samuels established his own business, Money Resources Pty Limited, a financial company specialising in loan book management and lending.

He is currently Managing Director of Financial Resources Limited, an ASX listed commercial finance company.

Mr Samuels is also a director of Financial Resources Limited, Australian Manganese Limited, Money Resources Pty Limited, Heartlink Limited and Financial Resources Securities Limited.

Mr Peter Spathis
Non-executive Director, Member of Audit, Remuneration, Nomination and Finance Committees

Mr Spathis began his career as an auditor and tax consultant in private practice, where he developed a special interest for the travel and entertainment industries. He has held a number of senior financial positions in these industries since 1990.

Mr Spathis is currently a corporate executive with a leading travel company, responsible for financial reporting, development of automation systems, and the application of this technology to the travel agent industry. With over 15 years experience in finance, accounting and I.T., he has acted as a consultant and adviser to other organisations on the commercial aspects of the travel industry.

Mr Spathis gained a Bachelor of Business degree in 1984, and completed a Graduate Diploma in Public Accounting (Taxation) in 1990. He is a Fellow of CPA Australia and a Registered Tax Agent.

Company Secretary

Mr Stephen Heesh

Mr Heesh was appointed company secretary of Jetset Travelworld Limited on 15 August 2003. Prior to holding this position, he held the role of assistant company secretary of Qantas Airways Limited for 22 years.

He is a Fellow of both the Institute of Chartered Secretaries of Australia and CPA Australia and holds a Master of Business Administration degree (Sydney).

Interests in shares of the Company

As at the date of this report, the interests of the directors in the shares of Jetset Travelworld Limited were:

	Ordinary Shares
B Wild	100,000
G Esposito	-
T Ryan	10,000
B Samuels	154,688
P Spathis	500,000

Earnings per share

	Cents
Basic earnings per share	6.17
Diluted earnings per share	6.17

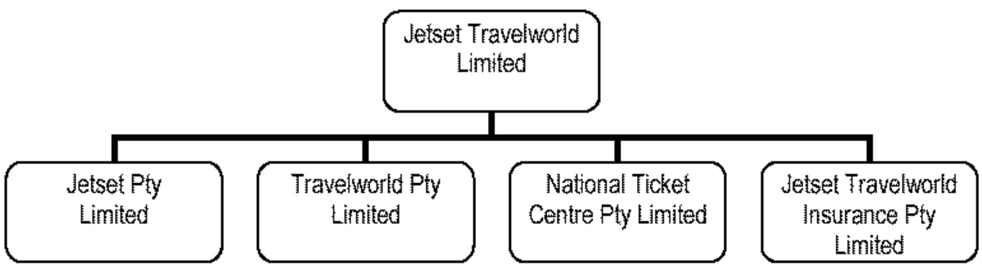
Dividends

	Cents	$'000
Dividends proposed subsequent to year-end:		
Final dividend recommended on ordinary shares:	2.5	2,305
Dividends paid in year:		
Interim for the year	1.5	1,383
Final for 2004 shown as recommended in the 2004 report:	1.5	1,383

Corporate information

Corporate structure

Jetset Travelworld Limited is a company limited by shares that is incorporated and domiciled in Australia. Its ultimate parent entity is Sintack Pty Limited. Jetset Travelworld Limited has prepared a consolidated financial report incorporating the entities that it controlled during the financial year, which are outlined in the following illustration of the Group's corporate structure:



Nature of operations and principal activities

The principal activity during the year of entities within the consolidated entity was the operation of a travel agency franchising business.

This comprises the provision of various travel related products and services, including the operation of a fully integrated airline ticketing facility in all mainland states.

There have been no significant changes in the nature of those activities during the year.

Employees

The consolidated entity employed 52 employees as at 30 June 2005 (2004: 54 employees).

Operating and Financial Review

Group overview

Travel Agency Franchise Business
The Jetset Travelworld Group was formed in May 2001 with the acquisition of a group of 50-plus travel centres trading as National World Travel. The demise of Ansett Australia and its subsidiary, Traveland, became the catalyst for the Company to secure the bulk of the Traveland franchise centres on Christmas Eve 2001. More than 180 of the former Traveland sites are now within the Group.

The decision of Air New Zealand to dispose of the Jetset Retail Division provided an opportunity for the Company further to expand its network and secure one of the oldest and most established travel brands in Australia. A contract was signed in February 2002 and settlement completed in April 2002.

This resulted in the establishment of the largest franchise network of travel centres in Australia.

Airline Ticketing
In May 2004, the Company established its in-house ticketing facility, National Ticket Centre Pty Limited (NTC). This fully integrated ticketing unit for members of the Group now operates in all Australian mainland states and makes the Company one of the major producers of airline revenue in Australia.

Performance Indicators
Management and the Board monitor the Group's overall performance, from its implementation of the mission statement and strategic plan through to the performance of the Company against operating plans and financial budgets.

The Board, together with management, has identified key performance indicators (KPIs) that are used to monitor performance. Key management monitor KPIs on a regular basis, Directors receive the KPIs for review prior to each monthly board meeting allowing all directors to actively monitor the Group's performance.

Operating Results for the Year
The Group's net profit attributable to members of the Company for the financial year was $5.7 million compared with $4.0 million for 2004.

The Group's revenue from operating activities for the financial year was $101.3 million compared with $26.8 million for 2004. The significant increase was largely driven by the first full year of trading of the Group's subsidiary company NTC, continued underlying growth in the travel agency franchising business and a specific focus on growing sales of the Group's insurance product, *Travellers Assistance*.
A continued focus on cost containment has permitted the Group to successfully mange revenue growth without incurring unnecessary incremental costs and has contributed to positive cash flows throughout the year.

Further details of the Group's financial highlights for the year are included in the Financial Performance Summary on pages 5 and 6.

Shareholder Returns
The Group is pleased to report that return to shareholders, through both dividends and capital growth, has started to reflect the various initiatives put in place by management.

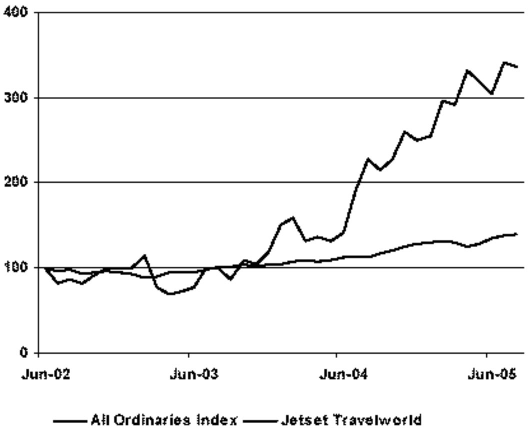
	2005	2004	2003	2002
Basic earnings/(loss) per share (cents)	**6.17**	4.33	(0.65)	(1.27)
Return on assets (%)	**15.0**	16.7	(3.2)	(4.2)
Return on equity (%)	**50.9**	35.7	(5.1)	(7.4)
Dividend payout ratio (%)	**64.8**	34.6	-	-
Available franking credits ($'000)	**3,708**	1,107	-	-

The share price continues to benefit from our improved performance, and we anticipate that as a result of the many initiatives in place to increase revenue and continue to improve profitability, the favourable movement in share price will continue.

A summary of the movement in share price since June 2002 is set out below:

Share Price - Relative Performance

Note: Jetset Travelworld's share price and the All Ordinaries Index have been indexed to 100 from 30 June 2002 to allow meaningful comparison



Investments for Future Performance
The progress made by the Group during the period was fundamentally due to the loyalty and commitment of the network and the outstanding efforts of our employees, at all levels. The directors express their gratitude for the efforts of all in achieving this year's result.

Going forward, the Group will maintain its focus on "empowering the Group's travel agents to offer great service and value to customers, thereby increasing shareholder value". The Group will continue to direct resources into maximising brand awareness, enhancing operational effectiveness and in particular, developing and integrating new 'point of difference' information technology solutions.

In turn, we anticipate these initiatives are expected to translate into an increase in revenue and more importantly, to a significant improvement in profitability for the Group.

Investment for Future Performance (cont'd)
The workforce currently stands at 52 equivalent full time employees. It is believed that there needs to be a small increase in staff numbers to ensure that new initiatives will have the staffing resources necessary for their success.

The Group remains committed to providing staff with access to appropriate training and development programs. The implementation of a training program in the current financial year will ensure that each staff member receives appropriate training to perform their duties and enable them to further develop their skills.

Review of Financial Condition

Capital structure
During the period, no additional shares were issued and therefore the shares on issue remain at 92,212,250.

Cash from operations
Net cash in-flows from operating activities during the year were $8.8m, compared with $6.8m in 2004. The generation of cash from operating activities was largely driven through growth in revenue and a continued focus on cost containment.

Liquidity and Funding

The positive result for the year has enabled the Group to continue to further strengthen its working capital position.

The combination of revenue growth, controlled overheads and low levels of capital expenditure have driven positive cash flows, ensured that the Group has continued to enjoy a 'debt-free' status and accordingly, have enabled the Group to trade successfully without the burden of borrowing costs in 2005.

Further details regarding the Group's working capital position are set out in the Financial Performance Summary on pages 5 and 6.

Statement of Compliance

The report is based on the guidelines in The Group of 100 Incorporated publication *Guide to the Review of Operations and Financial Condition.*

Significant changes in the state of affairs

The results of the consolidated entity for the year ended 30 June 2005 include the first full year of trading of NTC. The incremental revenue and expenditure resulting from this is further discussed in the Financial Performance Summary on pages 5 and 6.

There were no other significant changes in the state of affairs of the consolidated entity during the financial year.

Significant events after the balance date

On 26 August 2005, the directors of Jetset Travelworld Limited proposed a final dividend on ordinary shares in respect of the 2005 year.

The total amount of the dividend is $2,305,000, which represents a fully franked dividend of 2.5 cents per share. The dividend has not been provided for in the 30 June 2005 financial statements.

On 18 July 2005, two new subsidiary companies, Traveland Australia Pty Limited and Traveland Group Pty Limited were incorporated.

For reporting periods beginning on or after 1 July 2005, the consolidated entity must comply with Australian equivalents to International Financial Reporting Standards (AIFRS) as issued by the Australian Accounting Standards Board. The implementation plan and potential impact of adopting AIFRS are detailed in Note 25 to the financial statements.

Likely developments and expected results

The directors foresee that the 2005/06 financial year will provide further opportunities to enhance the performance of the business.

The Group will continue to explore avenues for improving its support of the franchise network. Improved communication will permit the Group to understand and support the individual and collective needs of its members in a timely manner, whilst the development and delivery of further innovative products and services will continue to provide the Group with a 'point of difference'.

Strategically, the Group commenced a rationalisation of its supply partners during the year ended 30 June 2005. The Group intends to continue to review this program and further rationalisation will occur if required. It is anticipated that this will be mutually beneficial to both the Group and its suppliers, as selling time becomes more focused, disciplined and profitable.

The Group's information technology platform continues to be upgraded and the further developments scheduled to take place during the year are expected to provide franchisees with the ability to better service customers and overtake the offerings of the Group's competitors.

NTC continues to generate additional revenue and is fundamental to providing an improved service to our franchisees with a focus on our preferred airline products.

Environmental regulation

The consolidated entity's operations are not subject to any significant environmental regulations under either Commonwealth or State legislation.

Indemnification and insurance of directors and officers

Indemnification

The Company has agreed to indemnify the directors and officers of the Company against liabilities to another person (other than the Company or a related body corporate) that may arise from their position as directors or officers of the Company and its controlled entities, except where the liability arises out of conduct involving a lack of good faith. The agreement stipulates that the Company will meet the full amount of any such liabilities, including costs and expenses.

Insurance Premiums

Since the end of the previous financial year the Company has paid $63,000 (2004: $63,000) in respect of directors' and officers' liability and legal expenses insurance contracts, for current and former directors and officers.

The insurance premiums relate to:

- Costs and expenses incurred by the relevant officers in defending proceedings, whether civil or criminal and whatever their outcome; and
- Other liabilities that may arise from their position, with the exception of conduct involving a wilful breach of duty or improper use of information or position to gain a personal advantage.

Remuneration Report

This report outlines the remuneration arrangements in place for directors and executives of Jetset Travelworld Limited (the Company).

Remuneration philosophy
The performance of the Company depends upon the quality of its directors and executives. To prosper, the Company must attract, motivate and retain highly skilled directors and executives.

To this end, the Company embodies the following principles in its remuneration framework:

- Provide competitive rewards to attract high calibre executives;
- A portion of key executive remuneration 'at risk', dependent upon meeting pre-determined performance benchmarks;
- Link executive rewards to shareholder value;
- Establish appropriate, demanding performance hurdles in relation to variable executive remuneration.

Remuneration Committee

The Remuneration Committee of the Board of Directors is responsible for determining and reviewing compensation arrangements for the directors, the Chief Executive Officer (CEO) and the senior management team.

The Remuneration Committee assesses the appropriateness of the nature and amount of remuneration of directors and senior managers on a periodic basis by reference to relevant market conditions with the overall objective of ensuring maximum stakeholder benefit from the retention of a high quality Board and executive team.

Non-executive director remuneration

Objective
The Board seeks to aggregate remuneration at a level which provides the Company with the ability to attract and retain directors of the highest calibre, whilst incurring a cost which is acceptable to shareholders.

Structure
The Company's Constitution and the ASX Listing Rules specify that the aggregate remuneration of non-executive directors shall be determined from time to time by a general meeting. An amount not exceeding the amount determined is then divided between the directors as agreed. The latest determination was at the Annual General Meeting held on 18 November 2004 when shareholders approved an aggregate remuneration of $150,000 per year.

The amount of aggregate remuneration sought to be approved by shareholders and the manner in which it is apportioned amongst the directors is reviewed annually. The Board considers advice from external consultants as well as fees paid to non-executive directors of comparable companies when undertaking the annual review process.

Each director receives a fee for being a director of the Company. An additional fee is also paid for Committee membership. The payment of additional fees for serving on Committees recognises the additional time commitment required.

Remuneration Report (cont'd)

Structure (cont'd)
Non-executive directors have long been encouraged by the Board to hold shares in the Company (purchased by the director on market). It is considered good governance for directors to have a stake in the Company.

The remuneration of non-executive directors for the year ended 30 June 2005 is detailed in Table 1 on page 22 of this report.

Senior Manager and Executive Director Remuneration

Objective
The Company aims to reward executives with a level and mix of remuneration commensurate with their position and responsibilities within the Company so as to:

- Reward executives for Company, business unit and individual performance against targets set by reference to appropriate benchmarks;
- Align the interests of executives with those of the shareholders;
- Link reward with the strategic goals and performance of the Company; and
- Ensure total remuneration is competitive by market standards.

Structure
In determining the level and make-up of executive remuneration, the Remuneration Committee reviewed the market levels of remuneration for comparable executive roles.

It is the Remuneration Committee's policy that employment contracts are only entered into with the Chief Executive Officer and with no other executives. Details of this contract are provided on page 21.

Remuneration currently consists of the following key elements:

- Fixed remuneration; and
- Variable remuneration - Short Term Incentive (STI).

The proportion of fixed remuneration and variable remuneration (potential short term incentives) is established for certain senior executives by the Remuneration Committee. Table 2 on page 23 details the variable component (%) of the five most highly remunerated senior executives.

Fixed Remuneration

Objective
The level of fixed remuneration is set so as to provide a base level of remuneration which is both appropriate to the position and is competitive in the market.

Fixed remuneration is reviewed annually by the Remuneration Committee and the process consists of a review of Company-wide, business unit and individual performance, relevant comparative remuneration in the market and internal and when appropriate, external advice on policies and practices.

Remuneration Report (cont'd)

Structure
Senior executives are given the opportunity to receive their fixed (primary) remuneration in a variety of forms including cash and fringe benefits such as motor vehicles and expense payment plans. It is intended that the manner of payment chosen will be optimal for the recipient without creating undue cost for the Company.

The fixed remuneration component of the five most highly remunerated senior executives is detailed in Table 2 on page 23.

Variable Remuneration – Short Term Incentive (STI)

Objective
The objective of the STI program is to link the achievement of the Company's operational targets with the remuneration received by the executives charged with meeting those targets. The total potential STI available is set at a level so as to provide sufficient incentive to senior executives to achieve the operational targets and such that the cost to the Company is reasonable in the circumstances.

Structure
Actual STI payments granted to certain senior executives depend on the extent to which specific operating targets set at the beginning of the financial year are met. The operational targets consist of a number of Key Performance Indicators (KPIs) covering both financial and non-financial measures of performance. Typically included are measures such as contribution to net profit after tax, customer service, risk management and leadership/team contribution. The Company has predetermined benchmarks which must be met in order to trigger payments under the short term incentive scheme.

On an annual basis, after consideration of performance against KPIs, an overall performance rating for the Company and each individual business unit is approved by the Remuneration Committee. The individual performance of each executive is also rated and all three are taken into account when determining the amount, if any, of the short term incentive pool that is allocated to each executive.

The aggregate amount of annual STI payments available for executives across the Company is subject to the approval of the Remuneration Committee. Payments are usually delivered as a cash bonus.

Variable Remuneration – Long Term Incentives (LTI)

The Group does not currently operate an LTI program as part of the remuneration arrangements available to its directors and executives.

Remuneration Report (cont'd)

Employment contracts

The CEO, Mr Esposito, is employed under contract. The current employment contract commenced on 10 November 2003 and terminates on 9 November 2006. Under the terms of the present contract:

- The Company may, not less than six months before the end of the term, offer to extend the term for a period of two years;
- Mr Esposito may resign from his position and thus terminate this contract by giving six months written notice;
- The Company may terminate this employment agreement by providing six months written notice or provide payment in lieu of the notice period (based on the fixed component of Mr Esposito's remuneration); and
- The Company may terminate the contract at any time without notice if serious misconduct has occurred. Where termination with cause occurs, the CEO is only entitled to that portion of remuneration which is fixed, and only up to the date of termination.

Directors' Report (cont'd)

Table 1: Director Remuneration for the year ended 30 June 2005

		Primary benefits		*Post employment*	*Other compensation*				*Proportion of remuneration performance related*
		Salary & Fees	*Non-monetary*	*Superan-uation benefits*	*Termination*	*Insurance Premiums †*	*Total*	*Cash STI ‡*	
		$	$	$	$	$	$	$	%
Executive directors									
Brian Wild	2005	125,000	16,558	-	-	5,278	146,836	-	-
	2004	125,000	18,869	-	-	6,321	150,190	-	-
Giuseppe Esposito	2005	208,221	26,601	11,585	-	5,278	251,685	-	-
	2004	125,769	10,575	7,052	-	4,034	147,430	-	-
Non-executive directors									
Timothy Ryan	2005	30,000	12,997	2,700	-	5,278	50,975	-	-
	2004	30,000	10,744	2,700	-	6,321	49,765	-	-
Barry Samuels	2005	30,000	4,458	2,700	-	5,278	42,436	-	-
	2004	30,000	17,061	2,700	-	6,321	56,082	-	-
Peter Spathis	2005	30,000	-	2,700	-	5,278	37,978	-	-
	2004	30,000	-	2,700	-	6,321	39,021	-	-
Former directors									
Michael Ruane	2005	-	-	-	-	-	-	-	-
	2004	8,333	2,202	750	-	2,355	13,640	-	-
Robert Sparks	2005	-	-	-	-	-	-	-	-
	2004	45,994	9,160	1,572	170,480	536	227,742	-	-

† *The Company pays insurance premiums that cover certain directors and officers. The premium is split between the company directors and other officers only. The weighted average premium per person has been included in remuneration.*

‡ *Short term incentive cash bonus (Cash STI) is determined using the criteria set out on page 20. There was no Cash STI paid during the year in respect of the preceding financial year. The Cash STI in respect of performance during the 30 June 2005 financial year is yet to be determined.*

Table 2: Remuneration of the five named executives of the Company and the Consolidated Entity who receive the highest remuneration for the year ended 30 June 2005

		Primary benefits		*Post employment*	*Other compensation*				*Proportion of remuneration performace related*
		Salary & Fees	*Non-monetary*	*Superan-uation benefits*	*Termination*	*Insurance premiums* §	*Total*	*Cash STI* **	
		$	$	$	$	$	$	$	%
Sara Drakeford	2005	113,346	5,825	10,201	-	5,278	134,650	-	-
Carl Frier	2005	150,000	14,913	11,585	-	5,278	181,776	-	-
	2004	150,000	12,858	11,001	-	6,321	180,180	-	-
Shaun Houston	2005	133,273	6,197	11,494	-	5,278	156,242	-	-
	2004	139,721	-	11,001	-	6,321	157,043	-	-
Julie Primmer	2005	140,000	5,825	11,250	-	5,278	162,353	-	-
	2004	15,075	1,884	1,393	-	762	19,744	-	-
Gai Tyrrell	2005	146,617	15,055	8,620	-	5,278	175,570	-	-
	2004	27,100	3,503	1,834	-	1,004	33,441	-	-

§ *The Company pays insurance premiums that cover certain directors and officers. The premium is split between the Company directors and other officers only. The weighted average premium per person has been included in remuneration.*

** *Short term incentive cash bonus (Cash STI) is determined using the criteria set out on page 20. There was no Cash STI paid during the year in respect of the preceding financial year. The Cash STI in respect of performance during the 30 June 2005 financial year is yet to be determined.*

Analysis of bonuses included in remuneration

There was no short term cash incentive bonus (Cash STI) paid during the year in respect of the preceding financial year. Cash STI in respect of performance during the 30 June 2005 financial year is yet to be determined and as such, the remuneration disclosed for each director and each of the five named executives, who were eligible for such Cash STI, includes only fixed remuneration.

Arrangements for financial year 2006

Fixed remuneration for executives will be determined on the basis of Jetset Travelworld Limited's remuneration policy. The Chief Executive's fixed remuneration is reviewed by the Board in line with the terms of his contract.

Increases to fixed remuneration will not be automatic and will only be made if there have been market movements to support an increase, the executive has achieved reasonable success in meeting their performance targets and exhibits behaviour that is consistent with Jetset Travelworld Limited's values.

Directors' meetings

The number of meetings of directors (including meetings of committees of directors) held during the year and the number of meetings attended by each director were as follows:

	Directors' Meetings	Meetings of Committees		
		Audit	Remuneration	Finance
Number of meetings held	18	10	8	11
Number of meetings attended				
B Wild	18	-	-	10
G Esposito	17	-	-	11
T Ryan	18	10	8	-
B Samuels	16	10	8	-
P Spathis	17	10	8	10

Note: The Nomination Committee did not meet during the year.

Committee membership
As at the date of this report, the Company had an Audit Committee, Remuneration Committee, Nomination Committee and Finance Committee of the Board of directors.

Members acting on the committees of the Board during the year were:

Audit	Remuneration	Nomination	Finance
B Samuels (c)	T Ryan (c)	B Wild (c)	B Wild (c)
T Ryan	B Samuels	T Ryan	G Esposito
P Spathis	P Spathis	B Samuels	P Spathis
		P Spathis	

Note:
(c) Designates the chairman of the committee.

Tax Consolidation

During the financial year ended 30 June 2005, Jetset Travelworld Limited and its 100% subsidiaries elected to form a tax consolidated group, effective 1 July 2003.

Members of the group have entered into a tax funding arrangement in order to allocate income tax expense to the wholly owned subsidiaries on a pro-rata basis.

Members of the group have also entered into a tax sharing agreement, which provides for the allocation of income tax liabilities between the entities should the head entity default on its tax payment obligations.

Auditor Independence and Non-Audit Services

The directors received the declaration of independence on page 26 from KPMG, the auditor of Jetset Travelworld Limited. This declaration confirms the lead auditor's independence.

Non-audit services

The following non-audit services were provided by the entity's auditor, KPMG. The directors are satisfied that the provision of non-audit services is compatible with the general standard of independence for auditors imposed by the Corporations Act. The nature and scope of each type of non-audit service provided means that auditor independence was not compromised.

KPMG received or are due to receive the following amounts for the provision of non-audit services:

Other assurance services	
- other regulatory assurance services	$3,000
Other services	
- taxation compliance services	$5,500

KPMG

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 audit for the financial year ended 30 June 2005 there have been:

- No contraventions of the auditor independence requirements as set out in the Corporations Act 2001 in relation to the audit; and
- No contraventions of any applicable code of professional conduct in relation to the audit.

KPMG

KPMG

Kevin Leighton
Partner

Sydney, 29 September 2005

Corporate Governance

In recognising the need for the highest standards of corporate behaviour and accountability, the directors of Jetset Travelworld Limited support and have adhered substantially to the principles of corporate governance.

The Company's Corporate Governance Statement is contained in the following section of this Annual Report.

Risk Management and Compliance and Control

The Group takes a proactive approach to risk management. The Board is responsible for ensuring that risks, and also opportunities are identified on a timely basis and that the Group's objectives and activities are aligned with the risks and opportunities identified by the Board.

The Group believes that it is critical for all Board members to be a part of this process, and as such the Board has not established a separate risk management committee. Instead sub-committees are convened as appropriate in response to the issues and risks identified by the Board as a whole, and the sub-committee further examines the issue and reports back to the Board.

The Board has a number of mechanisms in place to ensure that management's objectives and activities are aligned with the risks identified by the Board. These include the following:

- Board approval of a strategic plan, which encompasses the Group's vision, mission and strategy statements, designed to meet stakeholders' needs and manage business risk.
- Implementation of Board-approved operating plans and budgets, together with Board monitoring of progress against these budgets, including the establishment and monitoring of KPIs of both a financial and non-financial nature.
- The establishment of a Finance Committee, which assists in discharging the Board's responsibility to manage the organisation's financial risks. The committee advises the Board on such matters as the Group's liquidity, interest rate and credit policies and exposures and monitors management's actions to ensure that they are in line with Group policy.

The Company's corporate governance practices are outlined in further detail in the Company's Corporate Governance Statement, which is contained in the following section of this annual report. Further details of the Company's risk management policy and internal compliance and control system are available on the Company's website.

The directors have received and considered the annual certification from the Chief Executive Officer and the Chief Financial Officer (Financial Controller) in accordance with the ASX Corporate Governance Council's "Principles of Good Corporate Governance and Best Practice Recommendations" (the Principles) and CLERP 9. The certification stated that:

(a) in their opinion the Company's and the Consolidated Entity's financial records have been properly maintained and the financial reports for the year ended 30 June 2005 present a true and fair view, in all material respects, of the Company's and Consolidated Entity's financial position and performance and are in accordance with relevant accounting standards, in all material respects; and

Risk Management and Compliance and Control (cont'd)

(b) to the best of their knowledge and belief:

(i) the statements made in (a) above regarding the integrity of the financial reports is founded on a sound system of risk management and internal compliance and control systems which, in all material respects, implement the policies adopted by the Board of Directors;

(ii) the risk management and internal compliance and control systems for the year ended 30 June 2005 were operating effectively and efficiently, in all material respects, based upon the risk management model adopted by the Company;

(iii) nothing has come to their attention since 30 June 2005 that would indicate any material change to the statements made in (i) and (ii) above.

Rounding

The amounts contained in this report and in the financial report have been rounded to the nearest $1,000 (where rounding is applicable) under the option available to the Company under ASIC Class Order 98/0100. The Company is an entity to which the Class Order applies.

Signed in accordance with a resolution of the directors.

Brian W. Wild

Brian W. Wild
Executive Chairman

Sydney, 29 September 2005

Corporate Governance Statement

The Board of Jetset Travelworld Limited is committed to conducting the business of the Group in accordance with the highest level of ethics and integrity. In pursuit of those ideals, the Principles of Good Corporate Governance and Best Practice Recommendations of the Australian Stock Exchange (ASX) Corporate Governance Council have been substantially implemented.

This statement:

- Sets out the ten core principles identified by the ASX Corporate Governance Council (Council) as underlying good corporate governance; and

- Outlines the main corporate governance practices of Jetset Travelworld Limited.

As recognised by the Council, corporate governance is the system by which companies are directed and managed. It influences the setting and achievement of objectives of the Company, the monitoring and assessment of risk and the optimisation of performance. There is no single model of good corporate governance. For Jetset Travelworld Limited best practice corporate governance will evolve with changing circumstances and will be tailored to meet those circumstances.

1.0 Role of the Board and Management

Board

The Jetset Travelworld Board is ultimately responsible for all matters relating to the operation of the Group. The primary objective of the Board is to add shareholder value. In pursuit of that objective, the role of the Board is to govern the Group rather than manage it. The Board determines all matters relating to the policies, practices, management and operation of the Company and its subsidiaries.

Chief Executive Officer (CEO)

The CEO's role is to manage the overall performance of the Group with particular responsibility for long term strategic planning and the finance, information technology and human resource functions of the Group.

Chief Operating Officer (COO)

The COO's role is to manage the Group's day-to-day business operation with particular responsibility for the Group's commercial activities and relationships with its franchise network and various industry bodies.

Both the CEO and COO are charged with the responsibility to achieve the Group's agreed vision in accordance with the strategies, policies and programs set by the Board.

2.0 Structure the Board to add value

Board Composition

The Directors determine the composition and size of the Board in accordance with the Company's Constitution. The Constitution empowers the Board to set upper and lower limits with the number of Directors not permitted to be less than three. For the time being, the Board has determined that there shall be five Directors. The Executive Chairman and Chief Executive Officer are Executive Directors and the remaining three are Non-executive Directors. The Directors in office at this time are as follows:

Brian Wild - Executive Chairman
Giuseppe Esposito - Chief Executive Officer
Timothy Ryan
Barry Samuels
Peter Spathis

Based on the definition of independence published by the Council, two of the above Directors, Timothy Ryan and Barry Samuels are Independent Directors. The Executive Chairman, who has extensive travel industry experience, has certain executive responsibilities in relation to the commercial aspects of the business and therefore cannot be classified as an Independent Director. Given his vast travel industry experience, the Executive Chairman's contribution is regarded as important to the business. Peter Spathis is the Chief Financial Officer of Consolidated Travel Pty Limited, a related party to the Company's major shareholder. Mr Spathis therefore cannot be classified as an Independent Director but brings to the business considerable financial expertise, particularly in the travel industry.

The Board believes that, given the current stage of development of the business, the interests of the shareholders are best served by:

- The current composition of the Board which is regarded as balanced with a complementary range of skills and experience detailed in the Directors' Report on pages 10 and 11 of this Report;
- The Independent Directors providing appropriate balance as well as making a considerable contribution in their respective fields of expertise; and
- The following measures are in place to ensure the decision making process of the Board is subject to independent judgements:
    - Directors are requested to declare any conflicts of interest, in addition to those already declared, at the commencement of each Board Meeting;
    - Where any Director has a material personal interest in a matter considered by the Board, that Director is not permitted to participate in discussions or to vote on the matter;
    - Directors are permitted to seek the advice of independent experts at Company expense, subject to the approval of the Chairman;
    - The requirement for all Directors to act at all times in the interests of the Company; and
    - Non-executive Directors meet as required independently of management.

Adoption of these measures ensures that the interests of shareholders, as a whole, are pursued and not jeopardised by a lack of a majority of Independent Directors.

Executive Chairman

The Executive Chairman's prime Board responsibility is to lead the Board by:

- Chairing meetings of shareholders and directors;
- Ensuring the Board receives all of the necessary information and support to facilitate effective decision making;
- Acting as the primary point of contact between the Board, the Chief Executive Officer and the Chief Operating Officer; and
- Overseeing the annual process of Board, Committee and Director performance appraisals.

Full descriptions of matters reserved for the Board, Chairman, Chief Executive Officer and Chief Operating Officer appear on the Company's website.

Nomination Committee

The Board has determined that it is appropriate that a number of the functions of the Board would more effectively be carried out by a Nomination Committee. The role of the Nomination Committee is to:

- Assist the Directors in ensuring the Board is appropriately equipped to discharge its responsibilities;
- Advise on the selection and nomination of Directors; and
- Review the performance of the Board and its Committees.

The Nomination Committee Charter is posted on the Company's web site.

Access to independent advice

Directors are encouraged to obtain independent professional advice at the Company's expense where necessary in the execution of their role. The policy relating to this function is posted on the Company's web site.

Policy on the appointment of directors

The Board has formulated a policy on the appointment of Directors and the composition of the Board. This policy is posted on the Company's web site.

3.0 Promote ethical and responsible decision-making

The Jetset Travelworld Limited Board has established a Code of Conduct for Directors which is designed to ensure that Directors have a clear understanding of the Company's expectations of their conduct. This Code deals with the following issues:

Fiduciary Responsibilities
Duties
Conflict of Interest
Disclosure of Benefits
Needs in Relation to Information and Advice
Confidentiality
Trading in Company Securities
Responsibility for Accounts
Obligations in Relation to Health, Safety and Environment
Product Integrity
Deed of Access, Indemnity and Insurance

A Code of Conduct has also been established for application to Directors, staff and consultants. This Code deals with the following issues:

Ethics
Treatment of Colleagues
The Law
Secret Commissions and Gifts
Conflicts of Interest
Confidentiality and Protection of Assets and Information
Unauthorised Public Statements
Trading in Company Securities
Political Contributions or Donations
Breaches of the Code of Conduct

The Code of Conduct for Directors and the Code of Conduct (for Directors, Staff and Consultants) are posted on the Company's web site.

4.0 Safeguarding integrity in financial reporting

The Board requires, each half year and full year, the Chief Executive Officer and the Financial Controller to sign a certificate for tabling before the Board at the time they consider the draft financial statements and reports, covering the matters set out in the ASX Corporate Governance recommendation 4.1.

An Audit Committee has been established to assist the Board in fulfilling its statutory and fiduciary responsibilities in relation to:

- The reliability and integrity of external reporting of financial information;
- The internal control and risk management framework and processes;
- The independence and effectiveness of the external auditors; and
- Legal and regulatory compliance.

The Jetset Travelworld Audit Committee comprises:

- Three members;
- Three non-executive Directors;
- A majority of independent Directors; and
- An independent Chairman, who is not Chairman of the Board.

The Audit Committee Charter is posted on the Company's web site.

A policy in relation to the external auditor's selection, appointment and lead partner rotation has been formulated and is posted on the Company's web site.

The lead audit partner responsible for the Group's audit is required to attend each Annual General Meeting of the Company and to be available to answer shareholder questions about the conduct of the audit and the preparation and content of the auditor's report.

5.0 Make timely and balanced disclosures

The Company is committed to complying with the continuous disclosure obligations of the *Corporations Act 2001* and the listing rules of Australian Stock Exchange Limited (ASX).

The Board has established a policy requiring senior management to communicate all matters of a material nature and which may require disclosure to ASX, to the Chairman, Chief Executive Officer or Company Secretary. The Policy requires one of the above-named executives to assess whether or not the matter requires disclosure to the market.

The Continuous Disclosure Policy is posted on the Company's web site.

6.0 Respect the rights of shareholders

The Board recognises the importance of keeping shareholders informed of all major developments affecting the Company's state of affairs and has established a Shareholder Communication Policy. This policy is posted on the Company's website.

7.0 Recognise and manage risk

A Risk Management Policy has been established dealing with:

1. the determination of the Group's risk profile; and
2. establishing a risk management strategy to mitigate risk.

Responsibility for risk management is delegated to the Audit Committee.

The Risk Management Policy is posted on the Company's web site.

8.0 Encourage enhanced performance

The Board has determined that the Directors and key executives will be equipped with the knowledge and information properly to discharge their responsibilities and that their individual and collective performance will be regularly and fairly reviewed.

The Performance Evaluation Policy is posted on the Company's web site.

An evaluation of the performance of the Board and its members commenced in September 2005 and will be completed in October 2005. Evaluations of the Chief Executive Officer and Chief Operating Officer were last undertaken in July 2005.

9.0 Remunerate fairly and responsibly

Directors

The annual total of fees paid to Non-executive Directors is set by the Company's shareholders and allocated as Directors' Fees and Committee Fees by the Board on the basis of the roles undertaken by the Directors. Remuneration of Executive Directors is set by the Board. Full details of Directors' remuneration appear in the Remuneration Report on pages 18 to 24 of this Report. These fees include some non-cash benefits and statutory superannuation in addition to the cash component.

No post-retirement benefit or equity-based remuneration schemes exist for Directors.

Senior executives

Remuneration packages for senior executives are generally set to be competitive to both retain executives and attract experienced executives to the Company. Packages may comprise a fixed (cash) element and variable incentive components. Payment of the variable components will depend on the Company's financial and that executive's personal performance. Full details of senior executives' remuneration appear in the Remuneration Report on pages 18 to 24 of this Report.

The Board has established a Remuneration Committee to carry out the following functions:

1. Assist the Board in ensuring that appropriate and effective remuneration packages and policies are in place within the Group to enable it to attract and retain executives and staff who will create value for shareholders; and
2. Address breaches of the Code of Conduct and other Group policies and where necessary recommend to the Board sanctions to be taken.

The Remuneration Committee Charter is posted on the Company's web site.

No equity-based executive remuneration scheme is currently in existence.

10.0 Recognise the legitimate interests of stakeholders

This is covered in the two Codes of Conduct mentioned previously and posted on the Company's web site.

Jetset Travelworld Limited
(ABN 60 091 214 998)

Statement of Financial Performance

Year ended 30 June

	Note	Consolidated 2005 $'000	Consolidated 2004 $'000	Jetset Travelworld Limited 2005 $'000	Jetset Travelworld Limited 2004 $'000
Revenues from ordinary activities	2	**101,310**	26,845	**15,752**	7,932
Service revenue expenses		**(83,015)**	(12,150)	**(5,055)**	-
Selling and marketing expenses		**(3,147)**	(3,081)	**(560)**	(291)
Administration expenses		**(4,861)**	(3,916)	**(4,460)**	(3,280)
Borrowing costs	3	-	(300)	-	-
Other expenses from ordinary activities		**(1,817)**	(1,706)	**(492)**	(546)
Profit from ordinary activities before income tax expense	3	**8,470**	5,692	**5,185**	3,815
Income tax expense relating to ordinary activities	5	**(2,782)**	(1,703)	**(1,517)**	(1,107)
Net profit attributable to members of Jetset Travelworld Limited		**5,688**	3,989	**3,668**	2,708
Total changes in equity other than those resulting from transactions with owners as owners attributable to the members of Jetset Travelworld Limited		**5,688**	3,989	**3,668**	2,708
Basic earnings per share (cents per share)	24	**6.17**	4.33		
Diluted earnings per share (cents per share)	24	**6.17**	4.33		

Jetset Travelworld Limited
(ABN 60 091 214 998)

Statement of Financial Position

As at 30 June

		Consolidated		Jetset Travelworld Limited	
		2005	2004	2005	2004
	Note	$'000	$'000	$'000	$'000
CURRENT ASSETS					
Cash assets	7	**13,517**	7,747	**3,364**	2,047
Receivables	8	**16,522**	7,869	**6,874**	3,860
Other	9	**211**	96	-	-
TOTAL CURRENT ASSETS		**30,250**	15,712	**10,238**	5,907
NON-CURRENT ASSETS					
Receivables	8	-	-	**3,905**	6,671
Property, plant & equipment	10	**679**	613	-	-
Intangible assets	11	**6,733**	7,429	-	-
Other financial assets	12	-	-	**1,356**	1,356
Deferred tax assets	5	**350**	192	**350**	-
TOTAL NON-CURRENT ASSETS		**7,762**	8,234	**5,611**	8,027
TOTAL ASSETS		**38,012**	23,946	**15,849**	13,934
CURRENT LIABILITIES					
Payables	14	**18,909**	8,082	**103**	9
Current tax liabilities	5	**2,026**	1,808	**2,026**	1,107
Provisions	15	**409**	306	-	-
TOTAL CURRENT LIABILITIES		**21,344**	10,196	**2,129**	1,116
NON-CURRENT LIABILITIES					
Provisions	15	**47**	51	-	-
TOTAL NON-CURRENT LIABILITIES		**47**	51	-	-
TOTAL LIABILITIES		**21,391**	10,247	**2,129**	1,116
NET ASSETS		**16,621**	13,699	**13,720**	12,818
EQUITY					
Contributed equity	16	**11,179**	11,179	**11,179**	11,179
Retained profits	17	**5,442**	2,520	**2,541**	1,639
TOTAL EQUITY		**16,621**	13,699	**13,720**	12,818

Statement of Cash Flows

Year ended 30 June

	Note	Consolidated 2005 $'000	Consolidated 2004 $'000	Jetset Travelworld Limited 2005 $'000	Jetset Travelworld Limited 2004 $'000
CASH FLOWS FROM OPERATING ACTIVITIES					
Receipts from course of operations		**194,954**	29,731	**13,696**	-
Payments in the course of operations		**(183,948)**	(22,364)	**(9,955)**	(130)
Interest received		**554**	203	**298**	89
Borrowing costs		**-**	(707)	**-**	-
Income tax paid		**(2,722)**	(84)	**(2,722)**	-
NET CASH FLOWS FROM/(USED IN) OPERATING ACTIVITIES	23(b)	**8,838**	6,779	**1,317**	(41)
CASH FLOWS FROM INVESTING ACTIVITIES					
Proceeds from sale of property, plant and equipment		**-**	2	**-**	-
Payments for property, plant and equipment		**(302)**	(140)	**-**	-
Investment in controlled entities	13	**-**	-	**-**	(120)
Repayment of loan by controlled entity		**-**	-	**2,766**	1,747
NET CASH FLOWS FROM/(USED IN) INVESTING ACTIVITIES		**(302)**	(138)	**2,766**	1,627
CASH FLOWS FROM FINANCING ACTIVITIES					
Payment of dividends		**(2,766)**	-	**(2,766)**	-
Repayment of borrowings		**-**	(2,292)	**-**	-
NET CASH FLOWS FROM/(USED IN) FINANCING ACTIVITIES		(2,766)	(2,292)	(2,766)	-
NET INCREASE IN CASH HELD		**5,770**	4,349	**1,317**	1,586
Add opening cash brought forward		**7,747**	3,398	**2,047**	461
CLOSING CASH CARRIED FORWARD	23(a)	**13,517**	7,747	**3,364**	2,047

Year ended 30 June 2005

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The significant accounting policies adopted in the preparation of these financial statements are:

a) Basis of accounting

The financial report is a general purpose financial report, which has been prepared in accordance with Accounting Standards, Urgent Issues Group Consensus Views, other authoritative pronouncements of the Australian Accounting Standards Board and the Corporations Act 2001.

It has been prepared on the basis of historical costs and does not take into account changing money values or, except where stated, current valuations of non-current assets.

These accounting policies have been consistently applied by each entity in the consolidated entity and, are consistent with those of the previous year.

b) Principles of consolidation

Controlled entities

The financial statements of the controlled entities are included from the date control commences until the date control ceases.

Transactions eliminated on consolidation

Unrealised gains and losses and inter-entity balances resulting from transactions between controlled entities are eliminated in full on consolidation.

c) Cash and cash equivalents

Cash on hand and in banks and short-term deposits are stated at nominal value.

d) Receivables

Trade receivables are recognised and carried at original invoice amount less a provision for any uncollectible debts.

The collectibility of debts is assessed at reporting date and an estimate for doubtful debts is made when collection of the full amount is no longer probable. Bad debts are written-off as incurred.

e) Investments

Controlled entities

Investments in controlled entities are carried in the Company's financial statements at the lower of cost and recoverable amount.

Year ended 30 June 2005

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

f) Recoverable amount

The carrying amounts of non-current assets valued on the cost basis, are reviewed to determine whether they are in excess of their recoverable amount at reporting date. If the carrying amount of a non-current asset exceeds its recoverable amount, the asset is written down to the lower amount. The write-down is expensed in the reporting period in which it occurs.

Where a group of assets working together supports the generation of cash inflows, recoverable amount is assessed in relation to that group of assets.

In assessing recoverable amounts of non-current assets, the relevant cash flows have not been discounted to their present value.

g) Property, plant and equipment

Cost

All classes of property, plant and equipment, are initially recorded at their cost of acquisition at the date of acquisition, being the fair value of the consideration provided plus incidental costs directly attributable to the acquisition.

Depreciation

All property, plant and equipment have limited useful lives and are depreciated using the straight-line method over their estimated useful lives, taking into account estimated residual values. Assets are depreciated from the date of acquisition.

Depreciation rates and methods are reviewed annually for appropriateness. When changes are made, adjustments are reflected prospectively in current and future periods only.

The depreciation rates for each class of asset are as follows:

	2005	**2004**
Plant and equipment	20% - 50%	20% - 50%

h) Leases

Leases are classified at their inception as either operating or finance leases based on the economic substance of the agreement so as to reflect the risks and benefits incidental to ownership.

Operating leases

The minimum lease payments of operating leases, where the lessor effectively retains substantially all of the risks and benefits of ownership of the leased item, are recognised as an expense on a straight-line basis.

Year ended 30 June 2005

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

i) Intangibles

Goodwill

Goodwill represents the excess of the purchase consideration over the fair value of identifiable net assets acquired at the time of acquisition of a business or shares in a controlled entity.

The components of goodwill are amortised on a straight-line basis over the period during which benefits are expected to be received. This is taken as being 5, 10 and 20 years.

j) Payables

Liabilities for trade creditors and other amounts are carried at cost which is the fair value of the consideration to be paid in the future for goods and services received, whether or not billed to the consolidated entity.

Payables to related parties are carried at the principal amount. Interest, when charged by the lender, is recognised as an expense on an accrual basis.

k) Interest-bearing liabilities and borrowing costs

All loans are measured at the principal amount. Interest is recognised as an expense as it accrues.

Ancillary costs incurred in connection with the arrangement of borrowings are capitalised and amortised over the life of the borrowings.

l) Provisions

Provisions are recognised when the consolidated entity has a legal, equitable or constructive obligation to make a future sacrifice of economic benefits to other entities as a result of past transactions or other past events, it is probable that a future sacrifice of economic benefits will be required and a reliable estimate can be made of the amount of the obligation.

A provision for dividends is not recognised as a liability unless the dividends are declared, determined or publicly recommended on or before the reporting date.

m) Contributed equity

Issued and paid up capital is recognised at the fair value of the consideration received by the Company.

Any transaction costs arising on the issue of ordinary shares are recognised directly in equity as a reduction of the share proceeds received.

Year ended 30 June 2005

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

n) Revenue recognition

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the entity and the revenue can be reliably measured. The following specific recognition criteria must also be met before revenue is recognised:

Rendering of services

Franchise fees are recognised as they accrue.

Volume incentives/commissions and service fees earned by the consolidated entity on travel products sold by franchisees are recognised as they are earned in accordance with the terms of the contractual arrangements with the suppliers of the travel products, and only when the amount can be reliably measured.

The consolidated entity records as revenue only the amount of volume incentive/commission earned under its contractual arrangements and not the gross value of travel products sold by franchisees. Where commissions earned are in respect of airline tickets sold, the gross commission is recognised at the time the ticket is issued. This reflects the agency based nature of the transaction. Commissions payable to franchisees are recognised as they fall due in accordance with contractual arrangements, are deemed to be a separately identifiable expense and are included as such in 'Service revenue expenses'.

The periodic renegotiation of the terms of contractual arrangements with the suppliers of travel products may result in additional volume incentives/commissions, rebates or other bonuses, which may relate to past performance. As contracts are negotiated on a recurring basis, the consolidated entity recognises such additional volume incentives/commissions, rebates or other bonuses as revenue at the time a binding contract is signed by both parties.

Amounts recharged to third parties for advertising are not recognised as revenue but treated as a recovery of advertising expenses, and offset against advertising expense.

Interest revenue

Interest revenue is recognised as it accrues and the Group has control of the right to receive the interest payment.

Sale of non-current assets

The gross proceeds of non-current asset sales are included as revenue at the date control of the asset passes to the buyer, usually when an unconditional contract of sale is signed.

The gain or loss on disposal is calculated as the difference between the carrying amount of the asset at the time of disposal and the net proceeds on disposal (including incidental costs).

o) Taxes

Income taxes

Tax-effect accounting is applied using the liability method whereby income tax is regarded as an expense and is calculated on the accounting profit after allowing for permanent differences.

To the extent timing differences occur between the time items are recognised in the financial statements and when items are taken into account in determining taxable income, the net related taxation benefit or liability, calculated at current rates, is disclosed in the Statement of Financial Position as a future income tax benefit or a provision for deferred income tax.

Year ended 30 June 2005

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

o) Taxes (cont'd)

Income taxes (cont'd)

Future income tax benefits are not brought to account unless realisation of the asset is assured beyond reasonable doubt, or if relating to tax losses when realisation is virtually certain.

During the financial year ended 30 June 2005, Jetset Travelworld Limited and its wholly owned subsidiaries elected to form a tax consolidated group, effective 1 July 2003.

Jetset Travelworld Limited is the head entity and is therefore required to recognise all of the current and deferred tax assets and liabilities of the tax consolidated group (after elimination of intra-group transactions).

Members of the group have entered into a tax funding agreement, which requires the wholly owned subsidiaries to make contributions to the head entity for:

- deferred tax balances recognised by the head entity on implementation; and
- current tax assets and liabilities and deferred tax balances arising from external transactions occurring after the implementation of tax consolidation.

Under the tax funding agreement, income tax expense is allocated to the wholly owned subsidiaries on a pro-rata basis. The assets and liabilities arising under the tax funding agreement are recognised as inter-company assets and liabilities with a consequential adjustment to income tax expense/revenue.

Members of the group have also entered into a tax sharing agreement, which provides for the allocation of income tax liabilities between the entities should the head entity default on its tax payment obligations.

Refer to Note 5 for further details.

Goods and Services Tax (GST)

Revenues, expenses and assets are recognised net of the amount of GST except:

- where the amount of GST incurred is not recoverable from the taxation authority, in which case the GST is recognised as part of the cost of acquisition of the asset or as part of the expense; and
- receivables and payables are stated with the amount of GST included.

The net amount of GST recoverable from, or payable to, the taxation authority is included as a current asset or liability in the Statement of Financial Position.

Cash flows are included in the Statement of Cash Flows on a gross basis and the GST component of cash flows arising from investing and financing activities, which are recoverable from, or payable to, the taxation authority are classified as operating cash flows.

Commitments and contingencies are disclosed net of the amount of GST recoverable from, or payable to, the taxation authority.

Year ended 30 June 2005

p) Employee benefits

Provision is made for employee benefits accumulated as a result of employees rendering services up to the reporting date. These benefits include wages and salaries, annual leave and long service leave.

Liabilities arising in respect of wages and salaries, annual leave and any other employee benefits expected to be settled within twelve months of the reporting date are measured at their nominal amounts based on remuneration rates which are expected to be paid when the liability is settled. All other employee benefit liabilities are measured at the present value of the estimated future cash outflow to be made in respect of services provided by employees up to the reporting date. In determining the present value of future cash outflows, the market yield as at the reporting date on national government bonds, which have terms to maturity approximating the terms of the related liability, are used.

Employee benefit expenses and revenues arising in respect of the following categories:

- wages and salaries, non-monetary benefits, annual leave, long service leave and other leave benefits; and
- other types of employee benefits,

are recognised against profits on a net basis in their respective categories.

Bonus plans

A liability is recognised for bonus plans when the benefit calculations are formally documented and determined before signing the financial report.

Superannuation plan

The Company and the controlled entities contribute to several defined contribution superannuation plans. Contributions are recognised as an expense as they are made.

Year ended 30 June 2005

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

q) Earnings per share

Basic earnings per share (EPS) is calculated by dividing the net profit/(loss) attributable to members of the parent entity for the reporting period, by the weighted average number of ordinary shares of the Company.

Diluted EPS is calculated by dividing the basic EPS earnings, adjusted by the after tax effect of financing costs associated with dilutive potential ordinary shares, by the weighted average number of ordinary shares and dilutive potential ordinary shares of the Company.

r) Use and revision of accounting estimates

The preparation of the financial report requires the making of estimations and assumptions that affect the recognised amounts of assets, liabilities, revenues and expenses and the disclosure of contingent liabilities.

The estimates and associated assumptions are based upon historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgments about carrying values of assets and liabilities that are not readily apparent from other sources.

Actual results may differ from these estimates.

Revisions to accounting estimates are recognised prospectively in current and future periods only.

s) Comparatives

Where necessary, comparatives have been reclassified and repositioned for consistency with current year disclosures.

Year ended 30 June 2005

	Note	Consolidated 2005 $'000	Consolidated 2004 $'000	Jetset Travelworld Limited 2005 $'000	Jetset Travelworld Limited 2004 $'000
2. REVENUE FROM ORDINARY ACTIVITIES					
Revenue from operating activities					
Rendering of services		**100,674**	26,565	**15,454**	7,843
Interest income		**567**	203	**298**	89
Other income		**69**	77	**-**	-
Total revenue from ordinary activities		**101,310**	26,845	**15,752**	7,932
3. EXPENSES AND LOSSES					
(a) Expenses					
Depreciation of plant and equipment	10	**236**	199	**-**	4
Amortisation of goodwill		**696**	695	**-**	-
Total depreciation and amortisation expenses		**932**	894	**-**	4
Borrowing costs – other parties		**-**	300	**-**	-
Bad and doubtful debts – trade debtors		**78**	45	**-**	-
Operating lease rental expense		**584**	716	**-**	-
(b) Losses					
Net loss on disposal of non-current assets		**-**	59	**-**	-

	2005 $	2004 $	2005 $	2004 $
4. AUDITORS' REMUNERATION				
Audit services:				
Auditors of the Company - KPMG				
- Audit and review of the financial reports	**117,000**	101,000	**20,000**	17,000
Other services:				
Auditors of the Company - KPMG				
- Other regulatory assurance services	**3,000**	-	**1,000**	-
- Taxation services	**5,500**	-	**5,500**	-
	125,500	101,000	**26,500**	17,000

Year ended 30 June 2005

	Consolidated		Jetset Travelworld Limited	
	2005	2004	2005	2004
	$'000	$'000	$'000	$'000
5. TAXATION				
Income tax expense				
The prima facie tax on profit differs from the income tax provided in the financial statements as follows:				
Prima facie tax on profit from ordinary activities, calculated at 30% (2004: 30%)	**2,541**	1,708	**1,555**	1,145
Tax effect of permanent differences				
Amortisation of goodwill	**209**	209	-	-
Non-deductible expenses	**14**	7	-	-
Share issue costs	**(38)**	(38)	**(38)**	(38)
Income tax under/(over) provided in prior year	**56**	(183)	-	-
Income tax expense related to current and deferred tax transactions of the subsidiaries in the tax consolidated group	-	-	**1,208**	-
Recovery of income tax expense under a tax funding agreement	-	-	**(1,208)**	-
Income tax expense attributable to profit from ordinary activities	**2,782**	1,703	**1,517**	1,107
Tax assets and liabilities				
Current tax payable	**2,026**	1,808	**2,026**	1,107
Future income tax benefit - non-current	**350**	192	**350**	-

Tax consolidation
During the financial year ended 30 June 2005, Jetset Travelworld Limited and its wholly owned subsidiaries elected to form a tax consolidated group, effective 1 July 2003.

Jetset Travelworld Limited is the head entity for the purposes of the tax consolidation legislation and therefore is legally liable for the income tax liabilities of the Jetset Travelworld Limited tax consolidated group. Jetset Travelworld Limited recognises all of the current and deferred tax assets and liabilities of the tax consolidated group (after elimination of intra-group transactions).

In accordance with Urgent Issues Group Abstract 52 *Income Tax Accounting under the Tax Consolidation System*, the deferred tax balances of the subsidiaries in the tax consolidated group are now recognised by Jetset Travelworld Limited.

Year ended 30 June 2005

5. TAXATION (cont'd)

Tax Funding Agreement

Jetset Travelworld Limited has entered into a Tax Funding Agreement with its wholly owned subsidiaries.

The Agreement has the objective of achieving an appropriate allocation of the group's income tax expense to the main operating subsidiaries within the Jetset Travelworld Limited Group. The subsidiaries party to the Tax Funding Agreement reimburse Jetset Travelworld Limited for their portion of the group's tax expense, or are recompensed by Jetset Travelworld Limited for any reduction in the group's tax expense which may arise due to the transfer of a loss. All reimbursed amounts are based on the terms of the Tax Funding Agreement and each subsidiary recognises this amount as a tax expense or benefit in their financial statements.

	Consolidated 2005 $'000	Consolidated 2004 $'000	Jetset Travelworld Limited 2005 $'000	Jetset Travelworld Limited 2004 $'000
6. DIVIDENDS				
(a) Dividends paid during the year				
(i) Current year interim				
Franked dividends (1.5 cents per share) (2004: nil)	**1,383**	-	**1,383**	-
(ii) Previous year final				
Franked dividends (1.5 cents per share) (2004: nil)	**1,383**	-	**1,383**	-
(b) Dividends proposed and not recognised as a liability				
Subsequent to year end, the directors have declared the payment of a final dividend of 2.5 cents per share, fully franked to be paid on 1 November 2005.				
Proposed final dividend expected to be paid out of retained profits at 30 June 2005, but not recognised as a liability at year end.	**2,305**	1,383	**2,305**	1,383
(c) Franking credit balance				
The amount of franking credits available for subsequent financial years are:				
- franking account balance as at the end of the financial year at 30% (2004: 30%)			**1,682**	-
- franking credits that will arise from the payment of income tax payable as at the end of the financial year			**2,026**	1,107
- franking debits that will arise from the payment of dividends recognised as a liability at the end of the financial year			-	-
			3,708	1,107

Year ended 30 June 2005

	Note	Consolidated 2005 $'000	Consolidated 2004 $'000	Jetset Travelworld Limited 2005 $'000	Jetset Travelworld Limited 2004 $'000
7. CASH ASSETS					
Cash at bank and on hand		**8,539**	7,113	**264**	1,597
Bank short term deposits		**4,978**	634	**3,100**	450
	23(a)	**13,517**	7,747	**3,364**	2,047

The bank short term deposits mature within 30 days and pay interest at a weighted average interest rate 5.04% (2004: 5.03%) at 30 June 2005.

	Note	Consolidated 2005 $'000	Consolidated 2004 $'000	Jetset Travelworld Limited 2005 $'000	Jetset Travelworld Limited 2004 $'000
8. RECEIVABLES					
Current					
Trade debtors		**16,653**	7,935	**6,874**	3,860
Provision for doubtful debts		**(148)**	(70)	**-**	-
		16,505	7,865	**6,874**	3,860
Interest receivable		**17**	4	**-**	-
		16,522	7,869	**6,874**	3,860

Terms and conditions of trade debtors

Trade debtors are non-interest bearing and are generally settled within 45 days.

	Note	Consolidated 2005 $'000	Consolidated 2004 $'000	Jetset Travelworld Limited 2005 $'000	Jetset Travelworld Limited 2004 $'000
Non-current					
Loans to controlled entities	22	**-**	-	**3,905**	6,671

Terms and conditions of loans to controlled entities

Loans to controlled entities are unsecured, interest free and have no set date of repayment.

	Note	Consolidated 2005 $'000	Consolidated 2004 $'000	Jetset Travelworld Limited 2005 $'000	Jetset Travelworld Limited 2004 $'000
9. OTHER CURRENT ASSETS					
Prepayments		**211**	96	**-**	-

Year ended 30 June 2005

	Note	Consolidated 2005 $'000	Consolidated 2004 $'000	Jetset Travelworld Limited 2005 $'000	Jetset Travelworld Limited 2004 $'000
10. PROPERTY, PLANT AND EQUIPMENT					
Plant and equipment					
At cost		**1,360**	1,058	**38**	38
Accumulated depreciation		**(681)**	(445)	**(38)**	(38)
Total property, plant and equipment net book value		**679**	613	**-**	-
Reconciliations					
Reconciliations of the carrying amounts of plant and equipment are set out below:					
Plant and equipment					
Carrying amount at beginning of year		**613**	733	**-**	4
Additions		**302**	140	**-**	-
Disposals		**-**	(61)	**-**	-
Depreciation		**(236)**	(199)	**-**	(4)
Carrying amount at end of year		**679**	613	**-**	-
11. INTANGIBLE ASSETS					
Goodwill - at cost		**9,079**	9,079	**-**	-
Accumulated amortisation		**(2,346)**	(1,650)	**-**	-
		6,733	7,429	**-**	-
12. OTHER FINANCIAL ASSETS					
Investments in controlled entities	13	**-**	-	**1,356**	1,356

Year ended 30 June 2005

13. INTERESTS IN SUBSIDIARIES

Name	Country of incorporation	Percentage of equity interest held by the consolidated entity		Investment	
		2005	2004	2005	2004
		%	%	$'000	$'000
Travelworld Pty Limited	Australia	**100**	100	**1,236**	1,236
Jetset Pty Limited	Australia	**100**	100	**#**	#
National Ticket Centre Pty Limited	Australia	**100**	100	**120**	120
Jetset Travelworld Insurance Pty Limited	Australia	**100**	100	**#**	#
				1,356	1,356

- Investment value is less than $500

	Note	Consolidated 2005 $'000	Consolidated 2004 $'000	Jetset Travelworld Limited 2005 $'000	Jetset Travelworld Limited 2004 $'000
14. PAYABLES					
Current					
Trade creditors		**14,095**	6,124	**-**	-
Other creditors and accruals		**4,814**	1,958	**103**	9
		18,909	8,082	**103**	9

Terms and conditions of above financial instruments:

Trade creditors are non-interest bearing and are normally settled within 45 day terms.

Other creditors are non-interest bearing.

Year ended 30 June 2005

		Consolidated		Jetset Travelworld Limited	
	Note	2005 $'000	2004 $'000	2005 $'000	2004 $'000
15. PROVISIONS					
Current					
Employee benefits		**409**	306	-	-
Non-current					
Employee benefits		**47**	51	-	-
		Number	**Number**	**Number**	**Number**
Number of employees at year end		**52**	54	-	-

Year ended 30 June 2005

	Note	Consolidated 2005 $'000	Consolidated 2004 $'000	Jetset Travelworld Limited 2005 $'000	Jetset Travelworld Limited 2004 $'000
16. CONTRIBUTED EQUITY					
(a) Issued and paid up capital					
Ordinary shares fully paid		**11,179**	11,179	**11,179**	11,179

(b) Movements in shares on issue	2005 Number of shares	2005 $'000	2004 Number of shares	2004 $'000
Beginning of financial year	**92,212,250**	**11,179**	92,212,250	11,179
Issued during the year	-	-	-	-
Return of capital to shareholders	-	-	-	-
End of financial year	**92,212,250**	**11,179**	92,212,250	11,179

Terms and conditions of contributed equity
Holders of ordinary shares are entitled to receive dividends as declared from time to time and are entitled to one vote per share at shareholders meetings. In the event of winding up the Company, ordinary shareholders rank after creditors and are fully entitled to any proceeds of liquidation.

	Consolidated 2005 $'000	Consolidated 2004 $'000	Jetset Travelworld Limited 2005 $'000	Jetset Travelworld Limited 2004 $'000
17. RETAINED PROFITS/ (ACCUMULATED LOSSES)				
Retained profits/(accumulated losses) at beginning of year	**2,520**	(1,469)	**1,639**	(1,069)
Net profit attributable to members of Jetset Travelworld Limited	**5,688**	3,989	**3,668**	2,708
Total available for appropriation	**8,208**	2,520	**5,307**	1,639
Dividends provided for or paid	**(2,766)**	-	**(2,766)**	-
Retained profits at end of year	**5,442**	2,520	**2,541**	1,639

Year ended 30 June 2005

18. SEGMENT REPORTING

The consolidated entity operates in one business segment, being the travel and tourism industry and in one geographic segment, being Australia.

19. ADDITIONAL FINANCIAL INSTRUMENTS DISCLOSURE

(a) Interest rate risk exposure

The consolidated entity's exposure to interest rate risk is presently limited to its cash assets. Cash assets include short term deposits of $4,978,000 (2004: $634,000) maturing in less than thirty days and paying interest at 30 June 2005 at rates of between 5.00% and 5.45% (2004: 5.00% and 5.20%) per annum. Other funds held in cheque and business management accounts during the year earned interest at rates ranging between 0% and 5.42%, depending on account balances.

(b) Credit risk exposures

Credit risk represents the loss that would be recognised if counter-parties fail to perform as contracted.

The credit risk on financial assets of the consolidated entity which have been recognised on the statement of financial position is generally the carrying amount, net of any provision for doubtful debts.

A large portion of the consolidated entity's debtors result from incentive agreements with suppliers which expose the Group to a level of risk.

(c) Net fair values of financial assets and liabilities

The net fair values of cash and cash equivalents and non-interest bearing monetary financial assets and financial liabilities of the consolidated entity are not materially different from their carrying values.

	Consolidated		Jetset Travelworld Limited	
	2005 $'000	2004 $'000	2005 $'000	2004 $'000
20. EXPENDITURE COMMITMENTS				
Non-cancellable operating lease commitments				
Future operating lease commitments not provided for in the financial statements and payable:				
Within one year	**476**	578	-	-
One year or later and not later than five years	**270**	962	-	-
Aggregate lease expenditure contracted for at reporting date	**746**	1,540	-	-

The consolidated entity leases property under non-cancellable operating leases expiring from one to five years. Leases generally provide the consolidated entity with a right of renewal at which time all terms are renegotiated.

Year ended 30 June 2005

21. DIRECTOR AND EXECUTIVE DISCLOSURES

(a) Details of Specified Directors and Specified Executives

(i) Specified Directors

Brian Wild	Executive Chairman (executive)
Giuseppe Esposito	Director and Chief Executive Officer (executive)
Timothy Ryan	Director (non-executive)
Barry Samuels	Director (non-executive)
Peter Spathis	Director (non-executive)

(ii) Specified Executives

Sara Drakeford	Information Technology Manager
Andrew Ferguson	Financial Controller
Carl Frier	Executive General Manager - Product
Shaun Houston	General Manager - Marketing
Julie Primmer	National Franchise Manager
Gai Tyrrell	Chief Operating Officer

(b) Remuneration of Specified Directors and Specified Executives

Remuneration philosophy

The performance of the consolidated entity depends upon the quality of its directors and executives. To prosper, the consolidated entity must attract, motivate and retain highly skilled directors and executives.

To this end, the consolidated entity embodies the following principles in its remuneration framework:

- Provide competitive rewards to attract high calibre executives;
- A portion of key executive remuneration 'at risk', dependent upon meeting pre-determined performance benchmarks;
- Link executive rewards to shareholder value; and
- Establish appropriate, demanding performance hurdles in relation to variable executive remuneration.

Remuneration Committee

The Remuneration Committee of the Board of Directors is responsible for determining and reviewing compensation arrangements for the directors, the Chief Executive Officer (CEO) and the senior management team.

The Remuneration Committee assesses the appropriateness of the nature and amount of remuneration of directors and senior executives on a periodic basis by reference to relevant market conditions with the overall objective of ensuring maximum stakeholder benefit from the retention of a high quality Board and executive team.

Non-executive director remuneration

Objective

The Board seeks to aggregate remuneration at a level which provides the Company with the ability to attract and retain directors of the highest calibre, whilst incurring a cost which is acceptable to shareholders.

Structure

The Constitution and the ASX Listing Rules specify that the aggregate remuneration of non-executive directors shall be determined from time to time by a general meeting. An amount not exceeding the amount determined is then divided between the directors as agreed. The latest determination was at the Annual General Meeting held on 18 November 2004 when shareholders approved an aggregate remuneration of $150,000 per year.

Year ended 30 June 2005

21. DIRECTOR AND EXECUTIVE DISCLOSURES (cont'd)

(b) Remuneration of Specified Directors and Specified Executives (cont'd)

Non-executive director remuneration (cont'd)

The amount of aggregate remuneration sought to be approved by shareholders and the manner in which it is apportioned amongst the directors is reviewed annually. The Board considers advice from external consultants as well as fees paid to non-executive directors of comparable companies when undertaking the annual review process.

Each director receives a fee for being a director of the Company. An additional fee is also paid for Committee membership. The payment of additional fees for serving on committees recognises the additional time commitment required.

Non-executive directors have long been encouraged by the Board to hold shares in the Company (purchased by the director on market). It is considered good governance for directors to have a stake in the Company.

The remuneration of non-executive directors for the year ended 30 June 2005 is detailed in Table 1 on page 58 of this report.

Senior executive and executive director remuneration

Objective
The Company aims to reward executives with a level and mix of remuneration commensurate with their position and responsibilities within the Company so as to:

- Reward executives for Company, business unit and individual performance against targets set by reference to appropriate benchmarks;
- Align the interests of executives with those of the shareholders;
- Link reward with the strategic goals and performance of the Company; and
- Ensure total remuneration is competitive by market standards.

Structure
In determining the level and make-up of executive remuneration, the Remuneration Committee reviewed the market levels of remuneration for comparable executive roles.

It is the Remuneration Committee's Policy that employment contracts are only entered into with the Chief Executive Officer and with no other executives. Details of this contract are provided on page 57.

Remuneration currently consists of the following key elements:

- Fixed remuneration;
- Variable remuneration – Short Term Incentive (STI)

The proportion of fixed remuneration and variable remuneration (potential short term incentives) is established for certain senior executives by the Remuneration Committee. Table 2 on page 59 details the variable component (%) of the specified executives.

Year ended 30 June 2005

21. DIRECTOR AND EXECUTIVE DISCLOSURES (cont'd)

(b) Remuneration of Specified Directors and Specified Executives (cont'd)

Fixed Remuneration

Objective
The level of fixed remuneration is set so as to provide a base level of remuneration which is both appropriate to the position and is competitive in the market.

Fixed remuneration is reviewed annually by the Remuneration Committee and the process consists of a review of Company-wide, business unit and individual performance, relevant comparative remuneration in the market and internal and when appropriate external advice on policies and practices.

Structure
Senior executives are given the opportunity to receive their fixed (primary) remuneration in a variety of forms including cash and fringe benefits such as motor vehicles and expense payment plans. It is intended that the manner of payment chosen will be optimal for the recipient without creating undue cost for the Company.

The fixed remuneration component of the specified executives is detailed in Table 2 on page 59.

Variable Remuneration – Short Term Incentive (STI)

Objective
The objective of the STI program is to link the achievement of the consolidated entitiy's operational targets with the remuneration received by the executives charged with meeting those targets. The total potential STI available is set at a level so as to provide sufficient incentive to senior executives to achieve the operational targets and such that the cost to the Company is reasonable in the circumstances.

Structure
Actual STI payments granted to certain senior executives depend on the extent to which specific operating targets set at the beginning of the financial year are met. The operational targets consist of a number of Key Performance Indicators (KPIs) covering both financial and non-financial measures of performance. Typically included are measures such as contribution to net profit after tax, customer service, risk management and leadership/team contribution. The Company has predetermined benchmarks which must be met in order to trigger payments under the short term incentive scheme.

On an annual basis, after consideration of performance against KPIs, an overall performance rating for the Company and each individual business unit is approved by the Remuneration Committee. The individual performance of each executive is also rated and all three are taken into account when determining the amount, if any, of the short term incentive pool that is allocated to each executive.

The aggregate amount of annual STI payments available for executives across the Company is subject to the approval of the Remuneration Committee. Payments are usually delivered as a cash bonus.

Year ended 30 June 2005

21. DIRECTOR AND EXECUTIVE DISCLOSURES (cont'd)

(b) Remuneration of Specified Directors and Specified Executives (cont'd)

Employment contracts

The CEO, Mr Esposito, is employed under contract. The current employment contract commenced on 10 November 2003 and terminates on 9 November 2006, at which time the Company may choose to commence negotiation to enter into a new contract with Mr Esposito. Under the terms of the present contract:

- Mr Esposito may resign from his position and thus terminate this contract by giving six months written notice;
- The Company may terminate this employment agreement by providing six months written notice or provide payment in lieu of the notice period (based on the fixed component of Mr Esposito's remuneration); and
- The Company may terminate the contract at any time without notice if serious misconduct has occurred. Where termination with cause occurs, the CEO is only entitled to that portion of remuneration which is fixed, and only up to the date of termination.

(c) Remuneration options: Granted and vested during the year
No Specified Director or Specified Executive was granted options as equity compensation benefit during the financial year. No previously granted options vested during the financial year.

(d) Shares issued on exercise of remuneration options
No shares were issued to any Specified Director or Specified Executive as a result of the exercise of previously granted options or rights during the financial year.

Year ended 30 June 2005

21. DIRECTOR AND EXECUTIVE DISCLOSURES (cont'd)

Table 1: Remuneration of Specified Directors for the year ended 30 June 2005

		Primary benefits		*Post employment*	*Other compensation*				
		Salary & Fees	*Non-monetary*	*Superannuation benefits*	*Termination*	*Insurance Premiums †*	*Total*	*Cash STI ‡*	*Proportion of remuneration performance related*
		$	*$*	*$*	*$*	*$*	*$*	*$*	*%*
Executive directors									
Brian Wild	2005	125,000	16,558	-	-	5,278	146,836	-	-
	2004	125,000	18,869	-	-	6,321	150,190	-	-
Giuseppe Esposito	2005	208,221	26,601	11,585	-	5,278	251,685	-	-
	2004	125,769	10,575	7,052	-	4,034	147,430	-	-
Non-executive directors									
Timothy Ryan	2005	30,000	12,997	2,700	-	5,278	50,975	-	-
	2004	30,000	10,744	2,700	-	6,321	49,765	-	-
Barry Samuels	2005	30,000	4,458	2,700	-	5,278	42,436	-	-
	2004	30,000	17,061	2,700	-	6,321	56,082	-	-
Peter Spathis	2005	30,000	-	2,700	-	5,278	37,978	-	-
	2004	30,000	-	2,700	-	6,321	39,021	-	-
Former directors									
Michael Ruane	2005	-	-	-	-	-	-	-	-
	2004	8,333	2,202	750	-	2,355	13,640	-	-
Robert Sparks	2005	-	-	-	-	-	-	-	-
	2004	45,994	9,160	1,572	170,480	536	227,742	-	-
					-				
Total	2005	423,221	60,614	19,685	-	26,390	529,910	-	-
Total	2004	395,096	68,611	17,474	170,480	32,209	683,870	-	-

Year ended 30 June 2005

21. DIRECTOR AND EXECUTIVE DISCLOSURES (CONT'D)

Table 2: Remuneration of Specified Executives for the year ended 30 June 2005

		Primary benefits		*Post employment*	*Other compensation*				
		Salary & Fees	*Non-monetary*	*Superan-uation benefits*	*Termination*	*Insurance Premiums* †	*Total*	*Cash STI* ‡	*Proportion of remuneration performace related*
		$	$	$	$	$	$	$	%
Sara Drakeford	2005	113,346	5,825	10,201	-	5,278	134,650	-	-
Andrew Ferguson	2005	107,327	-	9,659	-	4,838	121,824	-	-
Carl Frier	2005	150,000	14,913	11,585	-	5,278	181,776	-	-
	2004	150,000	12,858	11,001	-	6,321	180,180	-	-
Shaun Houston	2005	133,273	6,197	11,494	-	5,278	156,242	-	-
	2004	139,721	-	11,001	-	6,321	157,043	-	-
Julie Primmer	2005	140,000	5,825	11,250	-	5,278	162,353	-	-
	2004	15,705	1,884	1,393	-	762	19,744	-	-
Gai Tyrrell	2005	146,617	15,055	8,620	-	5,278	175,570	-	-
	2004	27,100	3,503	1,834	-	1,004	33,441	-	-
Total	2005	790,563	47,815	62,809	-	31,228	932,415	-	-
Total	2004	332,526	18,245	25,229	-	14,408	390,408	-	-
Total disclosed	2004	624,390	32,065	47,814	27,302	30,790	762,361	-	-

† *The Company pays insurance premiums that cover certain directors and officers. The premium is split between the Company directors and other officers only. The weighted average premium per person has been included in remuneration.*

‡ *Short term incentive cash bonus (Cash STI) is determined using the criteria set out on page 56. There was no Cash STI paid during the year in respect of the preceding financial year. The Cash STI in respect of performance during the 30 June 2005 financial year is yet to be determined.*

Year ended 30 June 2005

21. DIRECTOR AND EXECUTIVE DISCLOSURES (cont'd)

(e) Option holdings of Specified Directors and Specified Executives
No options or rights were held by any Specified Director or Specified Executive at any time during the financial year.

(f) Shareholdings of Specified Directors and Specified Executives

Shares held in Jetset Travelworld Limited (number)	Balance 1 July 2004	Net Change	Balance 30 June 2005
Specified Directors			
Brian Wild	100,000	-	100,000
Giuseppe Esposito	-	-	-
Timothy Ryan	10,000	-	10,000
Barry Samuels	154,688	-	154,688
Peter Spathis	500,000	-	500,000
Specified Executives			
Sara Drakeford	-	-	-
Andrew Ferguson	-	-	-
Carl Frier	9,000	3,500	12,500
Shaun Houston	10,000	-	10,000
Julie Primmer	-	144,753	144,753
Gai Tyrrell	-	130,000	130,000
Total	783,688	278,253	1,061,941

All equity transactions with Specified Directors and Specified Executives have been entered into under terms and conditions no more favourable than those the entity would have adopted if dealing at arm's length with an unrelated individual.

(g) Loans to Specified Directors and Specified Executives
No loans were made, guaranteed or secured, directly or indirectly, by Jetset Travelworld Limited or any of its subsidiaries to any Specified Director or Specified Executive at any time during the financial year.

(h) Other transactions and balances with Specified Directors and Specified Executives
The terms and conditions of transactions with Specified Directors and Specified Executives were no more favourable than those available, or which might reasonably be expected to be available, on similar transactions to those other than Specified Directors and Specified Executives on an arm's length basis.

Expenses
During the year the consolidated entity paid $1,136 in respect of accounting services to T. J. Ryan & Co., Chartered Accountants, a firm of which Mr Timothy Ryan is a principal (2004: $9,658).

Year ended 30 June 2005

22. NON-DIRECTOR RELATED PARTY DISCLOSURES

Ultimate parent
Sintack Pty Limited is the ultimate Australian parent entity.

Wholly-owned group transactions

Details of the Company's interests in wholly owned controlled entities are set out at Note 13. Details of dealings with these entities are set out below.

Loans

Loans to the controlled entities are unsecured, interest-free and of no fixed term. The loans are provided primarily to fund the operational activities of the controlled entities. Accordingly, the ultimate recoupment of the loans is dependent upon successful operation and performance of the controlled entities.

Balances with Controlled Entities

The aggregate amounts receivable from the wholly owned controlled entities by the Company at balance date are:

Jetset Pty Limited	$7,176,532 (2004: $7,300,310)
Travelworld Pty Limited	$3,574,679 (2004: $3,218,265)
National Ticket Centre Pty Limited	$28,493 (2004: $12,301)

Other related party transactions

Expenses
During the year, National Ticket Centre Pty Limited was invoiced $13,278,858 (2004: $1,175,311) in respect of the gross value of tickets issued under normal terms and conditions by Consolidated Travel Pty Limited, an associated company of Sintack Pty Limited. At reporting date, $253,332 remained outstanding, forming part of the balance of trade creditors (2004: $156,593).

During the year, National Ticket Centre Pty Limited paid $2,177,198 in respect of ticketing and administration services provided under normal terms and conditions to Consolidated Travel Pty Limited, an associated company of Sintack Pty Limited (2004: $75,220).

During the year, the consolidated entity paid $1,385 (2004: $6,084) in respect of administrative services provided under normal terms and conditions to Consolidated Travel Pty Limited, an associated company of Sintack Pty Limited.

During the year, the consolidated entity paid $12,000 in respect of consultancy services provided under normal terms and conditions to Mr Spiros Alysandratos, a director of Consolidated Travel Pty Limited, an associated company of Sintack Pty Limited (2004: $nil).

Revenue
During the year, the consolidated entity earned commissions of $276,748 (2004: $367,271) under normal terms and conditions from Consolidated Travel Pty Limited, an associated company of Sintack Pty Limited. At reporting date, no element of this formed part of trade debtors (2004: $51,614).

Year ended 30 June 2005

23. NOTES TO THE STATEMENT OF CASH FLOWS

	Consolidated		Jetset Travelworld Limited	
	2005	2004	2005	2004
	$'000	$'000	$'000	$'000
(a) Reconciliation of cash				
For the purposes of the statement of cash flows, cash includes cash on hand and at bank and short term deposits at call, net of outstanding bank overdrafts.				
Cash at the end of the financial year as shown in the statement of cash flows is reconciled to the related items in the statement of financial position as follows:				
Cash assets	**13,517**	7,747	**3,364**	2,047
(b) Reconciliation of the net profit after tax to the net cash flows from operating activities				
Net profit	**5,688**	3,989	**3,668**	2,708
Non-cash items:				
Loss on disposal of assets	**-**	59	**-**	-
Amortisation of goodwill	**696**	695	**-**	-
Depreciation of plant and equipment	**236**	199	**-**	4
Commission applied to loan repayment	**-**	(301)	**-**	-
Bad and doubtful debts expense	**78**	45	**-**	-
(Increase)/decrease in deferred tax assets	**(158)**	71	**(350)**	-
Changes in assets and liabilities				
(Increase) in receivables	**(8,731)**	(2,525)	**(3,014)**	(3,854)
Increase/(decrease) in payables	**10,827**	2,850	**94**	(6)
(Increase)/decrease in other current assets	**(115)**	153	**-**	-
(Decrease)/Increase in employee benefits	**99**	(3)	**-**	-
Increase in current tax liabilities	**218**	1,547	**919**	1,107
Net cash flow from operating activities	**8,838**	6,779	**1,317**	(41)

Year ended 30 June 2005

24. EARNINGS PER SHARE

	Consolidated 2005 $'000	Consolidated 2004 $'000
The following reflects the income and share data used in the calculations of basic and diluted earnings per share:		
Net profit	**5,688**	3,989
	Number of shares	**Number of shares**
Weighted average number of ordinary shares used in calculating basic and diluted earnings per share	**92,212,250**	92,212,250

The Company has no potential ordinary shares which would be considered dilutive and accordingly, basic earnings per share is the same as diluted profit earnings per share.

25. IMPACT OF ADOPTING AUSTRALIAN EQUIVALENTS TO INTERNATIONAL FINANCIAL REPORTING STANDARDS

Jetset Travelworld Limited will be required to prepare financial statements using Australian equivalents to International Financial Reporting Standards (AIFRS) for the first time for the half-year ending 31 December 2005 and the year ending 30 June 2006. Jetset Travelworld Limited is in the process of transitioning its accounting policies and financial reporting from Australian Accounting Standards (AGAAP) to AIFRS.

Jetset Travelworld Limited has allocated internal resources and sought external advice to conduct impact assessments to identify key areas that would be impacted by the transition to AIFRS. As a result, Jetset Travelworld Limited established a project team to address the issues identified. Priority has been given to the preparation of an opening balance sheet in accordance with AIFRS as at Jetset Travelworld Limited's date of transition to AIFRS, 1 July 2004. This will form the basis of the accounting for AIFRS in the future and is required when Jetset Travelworld Limited prepares its first fully AIFRS compliant financial report for the year ending 30 June 2006.

Impact of transition to AIFRS

The impact of the transition to AIFRS disclosed in this note is based on the AIFRS standards that management expects to be in place when preparing the first complete AIFRS financial report. Only a complete set of financial statements and notes together with comparative balances can provide a true and fair presentation of Jetset Travelworld Limited's financial performance and financial position in accordance with AIFRS. This note provides only a summary, therefore further disclosures and explanations will be required in the first complete AIFRS financial report for a true and fair view to be presented under AIFRS.

Set out below are the significant changes and elections in accounting policies adopted in preparing the AGAAP to AIFRS reconciliations and our best estimate of their quantitative impact as at the date of transition and for the year ending 30 June 2005.

Year ended 30 June 2005

25. IMPACT OF ADOPTING AUSTRAIAN EQUIVALENTS TO INTERNATIONAL FINANCIAL REPORTING STANDARDS (cont'd)

(a) Intangibles

Goodwill

Under AIFRS goodwill represents the difference between the cost of a business combination over the net fair value of the identifiable assets, liabilities and contingent liabilities acquired.

In respect of acquisitions prior to the transition date, goodwill is expected to be included on the basis of written down value under AGAAP adjusted for reclassifications of other intangible assets not meeting the AIFRS recognition criteria. No reclassifications are expected.

Other intangible assets

Software assets will be reclassified from property, plant and equipment to intangible assets on transition to AIFRS. This is expected to result in a reclassification of $67,947 as at 1 July 2004 and $221,193 as at 30 June 2005.

Amortisation

Other than goodwill, the amortisation policy for intangible assets under current AGAAP will be consistent with AIFRS. Under AIFRS goodwill is not subject to amortisation, but will be subject to an annual impairment test. The impact of this change in accounting policy will be an increase to operating profit of $687,959 for the year ended 30 June 2005 and the restatement of the goodwill balance to $7,428,543 as at that date.

(b) Impairment

Under AIFRS the carrying amount of the consolidated entity's non-current assets, excluding goodwill and deferred tax assets, will be reviewed at each reporting date to determine whether there is an indication of impairment. If any such indication exists the asset will be tested for impairment by comparing its recoverable amount to its carrying value. Where the carrying amount exceeds the recoverable amount an impairment loss will be recorded. Goodwill and intangible assets not yet ready for use will be tested for impairment annually.

An asset's recoverable amount will be the higher of its fair value less costs to sell and its value in use. Value in use is calculated by reference to the discounted value of the asset's estimated future cash flows. These cash flows will be estimated based upon the asset in its current condition and therefore will not include cash inflows and outflows from improving or enhancing the asset's performance or expected to arise from future restructurings that are not yet committed.

Jetset Travelworld Limited has considered the requirements of AIFRS in relation to impairment as at 1 July 2004, being the transition date to AIFRS and also at 30 June 2005 and does not expect any impairment losses to be recorded.

(c) Property, plant and equipment

Property, plant and equipment will continue to be measured at cost.

Under AIFRS the gain or loss on disposal of property, plant and equipment will be recognised on a net basis rather than separately recognising the consideration received as revenue. There were no disposals of property, plant and equipment during the year ended 30 June 2005 and accordingly, there will be no reclassification of revenue to other expenses recorded.

Year ended 30 June 2005

25. IMPACT OF ADOPTING AUSTRALIAN EQUIVALENTS TO INTERNATIONAL FINANCIAL REPORTING STANDARDS (cont'd)

(d) Income Tax

On transition to AIFRS the balance sheet method of tax effect accounting will be adopted, rather than the income statement method applied currently under AGAAP. Under the balance sheet approach, the income tax expense on the profit and loss account comprises a current and deferred tax expense. Current tax expense is the expected tax payable on the taxable income for the year adjusted for any prior year under or over provision. The movement in deferred tax assets and liabilities results in the deferred tax expense unless the movement results from a business combination in which case the tax entry is recognised in goodwill, or a transaction has impacted equity in which case the tax entry is also reflected in equity.

Deferred tax assets and liabilities arise from temporary differences between the carrying amount of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax assets are only recognised to the extent that it is probable that the future taxable profits will be available against which the tax asset can be utilised.

Jetset Travelworld Limited has considered the requirements of AIFRS in relation to income tax as at 1 July 2004, being the transition date to AIFRS and also at 30 June 2005 and does not expect any adjustment to the deferred tax asset nor any corresponding impact to the tax expense to be recorded.

Tax consolidation accounting

Under current AGAAP, Jetset Travelworld Limited, the head entity of the tax consolidated group, recognises all of the current and deferred tax assets and liabilities of the tax consolidated group.

Under UIG 1052, the wholly owned subsidiaries of Jetset Travelworld Limited must recognize their own current and deferred tax assets and liabilities directly. Any differential between the net tax amount recognised by the subsidiaries in accordance with UIG 1052 and the amount calculated under tax funding arrangements will be recognised as an equity contribution or distribution.

UIG 1052 was approved by the AASB at its meeting on 8-9 June 2005, although the estimated impact of the pronouncement on the Jetset Travelworld Limited tax consolidated group has not yet been quantified.

(e) Business combinations

As permitted by the election available under AASB 1, the classification and accounting treatment of business combinations that occurred prior to transition date have not been restated in preparing the 1 July 2004 AIFRS transition balance sheet.

No business combinations have occurred subsequent to 1 July 2004.

Restated AIFRS Statement of Cash Flows for the year ended 30 June 2005
No material impacts are expected to the cash flows presented under AGAAP on adoption of AIFRS.

The figures disclosed are management's best estimates of the quantitative impact of change as at the date of preparing the 30 June 2005 financial report. The actual effects of transition to AIFRS may differ from the estimates disclosed due to:

(a) ongoing work being undertaken by the AIFRS project team;

(b) potential amendments to AIFRSs and Interpretations thereof being issued by the standard-setters and IFRIC; and

(c) emerging accepted practice in the interpretation and application of AIFRS and UIG Interpretations.

Year ended 30 June 2005

26. SUBSEQUENT EVENTS

On 26 August 2005, the directors of Jetset Travelworld Limited declared a final dividend on ordinary shares in respect of the 2005 year.

The total amount of the dividend is $2,305,000, which represents a fully franked dividend of 2.5 cents per share. The dividend has not been provided for in the 30 June 2005 financial statements.

On 18 July 2005, two new subsidiary companies, Traveland Australia Pty Limited and Traveland Group Pty Limited, were incorporated.

For reporting periods beginning on or after 1 July 2005, the consolidated entity must comply with Australian equivalents to International Financial Reporting Standards (AIFRS) as issued by the Australian Accounting Standards Board. The implementation plan and potential impact of adopting AIFRS are detailed in Note 25 to the financial statements.

Directors' Declaration

In accordance with a resolution of the directors of Jetset Travelworld Limited, I state that:

(1) In the opinion of the directors:

(a) the financial statements and notes of the Company and of the Consolidated Entity are in accordance with the Corporations Act 2001, including:

(i) giving a true and fair view of the Company's and the Consolidated Entity's financial position as at 30 June 2005 and of their performance for the year ended on that date; and

(ii) complying with Accounting Standards in Australia and Corporations Regulations 2001; and

(b) there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

(2) This declaration has been made after receiving the declarations required to be made to the directors by the Chief Executive Officer and the Chief Financial Officer in accordance with section 295A of the Corporations Act 2001 for the financial year ended 30 June 2005.

On behalf of the Board

Brian W. Wild
Executive Chairman

Sydney, 29 September 2005

KPMG

INDEPENDENT AUDIT REPORT
to the members of Jetset Travelworld Limited

Scope

The financial report and directors' responsibility

The financial report comprises the statements of financial position, statements of financial performance, statements of cash flows, accompanying notes 1 to 26 to the financial statements and the directors' declaration for both Jetset Travelworld Limited (the "Company") and Jetset Travelworld Limited and its controlled entities (the "consolidated entity"), for the year ended 30 June 2005. The consolidated entity comprises both the company and the entities it controlled during that year.

The directors of the Company are responsible for the preparation and true and fair presentation of the financial report in accordance with the Corporations Act 2001. This includes responsibility for the maintenance of adequate accounting records and internal controls that are designed to prevent and detect fraud and error, and for the accounting policies and accounting estimates inherent in the financial report.

Audit approach

We conducted an independent audit in order to express an opinion to the members of the Company. Our audit was conducted in accordance with Australian Auditing Standards in order to provide reasonable assurance as to whether the financial report is free of material misstatement. The nature of an audit is influenced by factors such as the use of professional judgement, selective testing, the inherent limitations of internal control, and the availability of persuasive rather than conclusive evidence. Therefore, an audit cannot guarantee that all material misstatements have been detected.

We performed procedures to assess whether in all material respects the financial report presents fairly, in accordance with the Corporations Act 2001, Australian Accounting Standards and other mandatory financial reporting requirements in Australia, a view which is consistent with our understanding of the Company's and the consolidated entity's financial position, and of their performance as represented by the results of their operations and cash flows.

We formed our audit opinion on the basis of these procedures, which included:

- examining, on a test basis, information to provide evidence supporting the amounts and disclosures in the financial report, and
- assessing the appropriateness of the accounting policies and disclosures used and the reasonableness of significant accounting estimates made by the directors.

While we considered the effectiveness of management's internal controls over financial reporting when determining the nature and extent of our procedures, our audit was not designed to provide assurance on internal controls.

KPMG

Audit opinion

In our opinion, the financial report of Jetset Travelworld Limited is in accordance with:

a) the Corporations Act 2001, including:

   i. giving a true and fair view of the Company's and consolidated entity's financial position as at 30 June 2005 and of their performance for the financial year ended on that date; and

   ii. complying with Accounting Standards in Australia and the Corporations Regulations 2001; and

b) other mandatory financial reporting requirements in Australia.

KPMG

KPMG

Kevin Leighton
Partner

Sydney, 29 September 2005.

ASX Additional Information

Additional information required by the Australian Stock Exchange Limited and not shown elsewhere in this report is as follows. The information is current as at 20 September 2005.

(a) Twenty largest shareholders

The names of the twenty largest registered holders of quoted shares are:

Fully paid ordinary shares as at 20 September 2005

Name	No. of Shares	%
1. Sintack Pty Limited	54,193,165	58.77
2. Westpac Custodian Nominees Limited	3,000,000	3.25
3. Equitas Nominees Pty Limited	2,486,936	2.70
4. Ethnic Publications Pty Limited	2,126,000	2.31
5. Evergreen Tours Pty Limited	2,078,667	2.25
6. Tip Top Poultry (Vic) Pty Limited	1,565,000	1.70
7. ANZ Nominees Limited	1,302,677	1.41
8. Mrs Dana Andrea Rosenzweig	921,660	1.00
9. Mr Peter Spathis & Mr George Miaoulis	500,000	0.54
10. Mr George Vassilopoulos & Mrs Elena Vassilopoulos	500,000	0.54
11. Just Super Co Pty Limited	468,666	0.51
12. Mr Eleftherios Terry Thermos & Mrs Sousanio Sonia Thermos	403,689	0.44
13. Jagen Pty Limited	400,000	0.43
14. Mr George Thermos & Mrs Konstantina Thermos	352,125	0.38
15. Parmelia Pty Limited	324,875	0.35
16. Mr James Edgar Everett & Mrs Jocelyn Ann Everett	308,554	0.33
17. Mr Tony Antonopoulos	304,500	0.33
18. Mr John Edward Horton	300,000	0.33
19. Golden Venture Pty Limited	282,560	0.31
20. Mr Roger John Donazzan	280,000	0.30
	72,099,074	78.18

(b) Distribution of equity securities

The number of shareholders, by size of holding are:

Shares Range		Number of holders	Number of shares	%
1 -	1,000	36	24,664	0.03
1,001 -	5,000	190	655,121	0.71
5,001 -	10,000	202	1,747,929	1.90
10,001 -	100,000	385	11,648,501	12.63
100,001 -	Over	51	78,136,035	84.73
Total		864	92,212,250	100.0

ASX Additional Information (cont'd)

(c) Substantial shareholders

The names of substantial shareholders who have notified the Company in accordance with section 671B of the Corporations Act 2001 are:

Substantial shareholder	Number of shares	%
Sintack Pty Ltd	54,193,165	58.77

(d) Voting Rights

The voting rights attaching to ordinary fully paid shares provide that at shareholder meetings, on a show of hands every member present in person or by proxy shall have one vote, and upon a poll each share shall have one vote.

(e) On-market buy-back.

There is no current on-market buy-back.