2013 Full Year Results

The Jetset Travelworld Group

helloworld

Rob Gurney
CEO

2013 Full Year Review

- Profit before tax increased by 88% to $27.1 million
- Adjusted EBITDAI [(1)] up 8% to $54.6m
- Announced launch of new consumer brand, helloworld
- Key commercial terms agreed for long term strategic partnership with Orbitz Worldwide Inc for helloworld online
- Profit after tax up 203% to $16.5 million
- Final dividend of 0.5 cent per share (Interim dividend of 1.0 cent per share)
- Basic earnings per share of 3.76 cents per share

(1) Earnings before interest expense, taxes, share based payments, depreciation, amortisation and impairment (EBITDAI). Adjusted EBITDAI excludes other significant or unusual items of income or expense.

Our journey

SEPTEMBER – DECEMBER 2012

We conducted an extensive strategic review of the company.

JANUARY – JUNE 2013

We spent the next 6 months on the largest research program in JTG's history, to validate a new direction for the business.

- We spoke to over 150 agents
- We carried out a survey across the whole franchise/member network
- We surveyed Australian consumers with a propensity to travel
- We conducted in-depth consumer focus groups

Our vision

A compelling new brand, uniting over 1,000 sites across Australia

Australia's foremost network of passionate, experienced travel agents

A travel service that understands customer needs better than anyone else

Stronger buying power, through economic alignment allowing us to offer competitive deals

A comprehensive new website, providing convenience and choice to consumers

Consolidated marketing spend to rival key competitors

Winning awards for customer service

Three key elements

1 Three strengthened retail models

- **Branded stores** Exclusive services and strong economic alignment
- **Associated stores** Member of the Group with selective value-added services
- **Affiliated buying group** Transactional relationship with the benefit of scale

2 A strong multi-channel offering

- **Phase 1** A new market-leading online platform with multi-product booking engine and agent locators
- **Phase 2** Additional features to enable customers to move between online and offline channels

3 New brand and consolidated marketing to build scale

- A compelling new brand and Customer Value Proposition supported by competitive marketing spend
- New store fit-outs and collaborative in-store experience

How does this help JTG to be more successful?

Drive higher sales through:

- A simpler, more transparent incentive structure for franchisees
- Higher rewards for loyalty to preferred suppliers
- Vertical integration of our own wholesale brands
- Complimented by sales performance measurement tracking

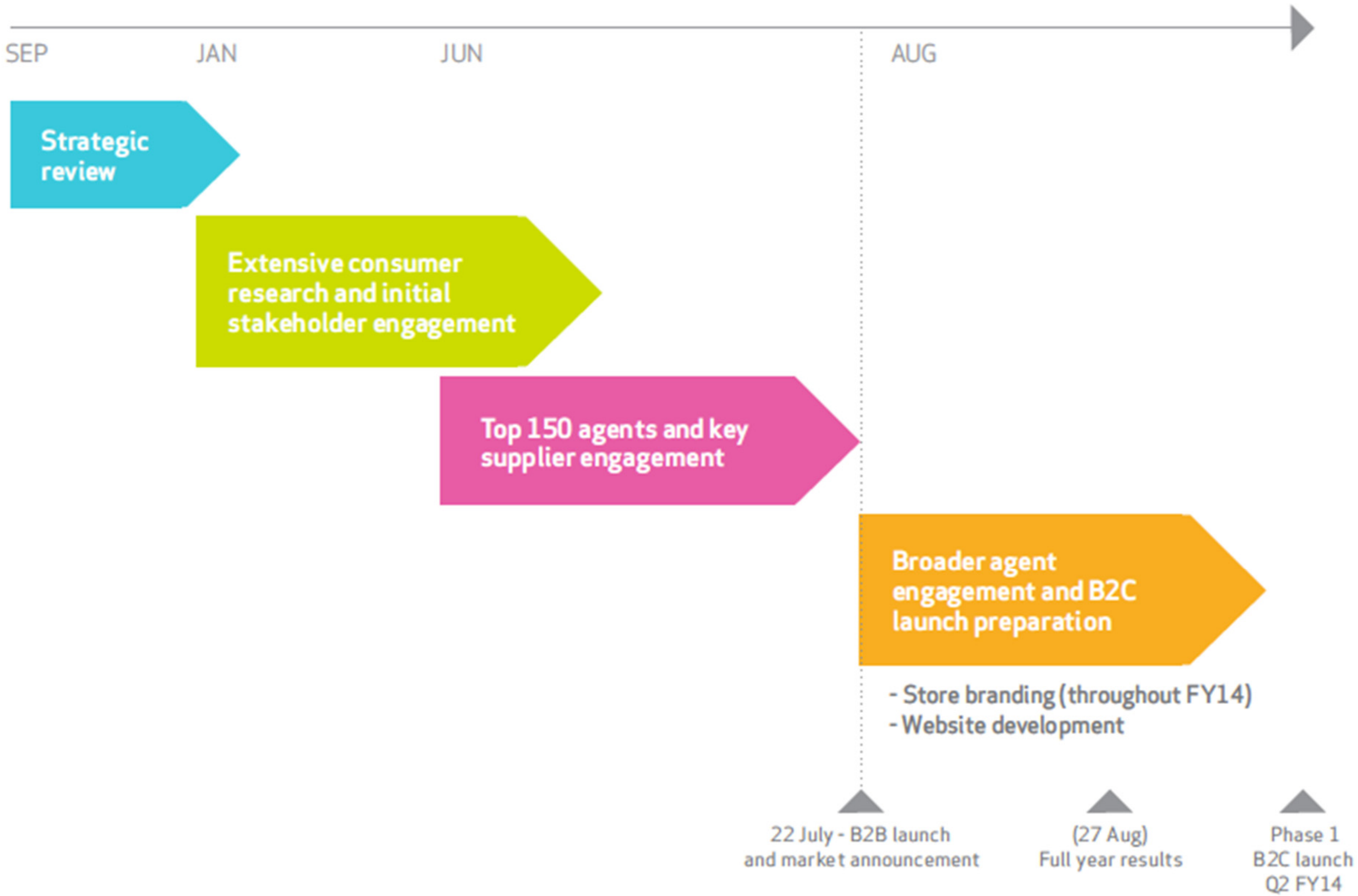
Alignment of franchisee and supplier interest will deliver growth in total transaction value (TTV) and revenue

Supported by a strong multichannel offer*

	PHASE 1	PHASE 2/3
Product	• Multi-product booking engine including flights, hotel, insurance, car, and cruise • Dynamic packaging	• Broader product range
MULTICHANNEL – Web/Mobile	• Mobile optimised platform • Agent locator • Marketing analytics	• World leading mobile application • Agent locator by expertise • Customer analytics
MULTICHANNEL – Retail stores	• Create an extensive network of over 1,000 agents	• Collaborative in-store experience
MULTICHANNEL – Call centre	• Online service supported by 24 x 7 call centre	

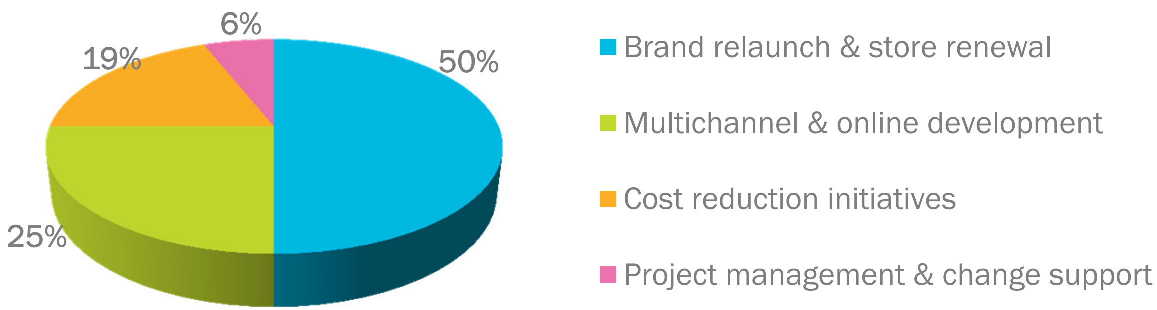
*Orbitz have agreed key commercial terms to enter into a long term partnership

Proposed implementation timeline



helloworld implementation update

- Franchisee and members engagement progressing well. Store re-branding expected to commence in October and will continue throughout FY14
- helloworld branded stores and online platform expected to commence operations in Quarter 2 of FY14, supported by a consumer launch
- helloworld implementation costs expected to be in the range of $35 - $40 million, funded from existing cash reserves and debt facilities
- Implementation expected to be completed over the next 12 to 18 months
- Implementation investment allocated across:



Outlook

- Focus for FY14 will be implementation of helloworld and digital launch
- FY14 will be impacted by alignment of commercial arrangements, including enhanced incentives paid to franchisees and members in the year of transition and transformation
- Business transformation expected to drive improved profitability from FY15 onwards by capturing market growth and increased market share

The future for our shareholders

The transformation will deliver long-term value through:

- Creating a highly consumer-focused travel distribution network
- Consolidating marketing spend to capture a greater share of voice
- Capturing growth through digital distribution

Elizabeth Gaines
COO & CFO

Full Year Result

	FY13 $m	FY12 $m	Change %
Total Transaction Value (TTV)	5,177.4	5,625.8	-8%
Revenue	332.8	361.1	-8%
Adjusted EBITDAI [(1)]	54.6	50.5	+8%
Profit before tax	27.1	14.4	+88%
Profit after tax attributable to members	16.5	5.5	+203%
EPS (basic)	3.76 cents	1.24 cents	+203%
EPS (diluted)	3.71 cents	1.24 cents	+199%
Final dividend per share	0.50 cent	-	-
Interim dividend per share	1.00 cent	1.10 cent	-9%

(1) Earnings before interest expense, taxes, share based payments, depreciation, amortisation and impairment (EBITDAI). Adjusted EBITDAI excludes other significant or unusual items of income or expense.

Retail Segment

	FY13 $m	FY12 $m	Change %
Total Transaction Value (TTV)	3,766.1	4,023.3	-6%
Revenue	183.0	193.8	-6%
Operating expenses	(115.4)	(130.4)	-11%
Adjusted EBITDAI	67.6	63.4	+7%

- Revenue to TTV margin improved from 4.8% to 4.9%
- Trading conditions improved in the second half
- Average air selling prices lower than prior year
- Operating costs decreased by 11% reflecting a continued focus on cost management

Wholesale Segment

	FY13 $m	FY12 $m	Change %
Total Transaction Value (TTV)	799.3	858.1	-7%
Revenue	104.7	114.9	-9%
Operating expenses	(90.6)	(99.9)	-9%
Adjusted EBITDAI	14.1	15.1	-7%

- Revenue margin decreased from 13.4% to 13.1% reflecting growth in cruise volumes and mix of business between online and offline channels
- Operating costs decreased by 9% reflecting a continued focus on productivity improvement and operational efficiencies

Travel Management Segment

	FY13 $m	FY12 $m	Change %
Total Transaction Value (TTV)	612.1	744.4	-18%
Revenue	39.7	46.3	-14%
Operating expenses	(42.2)	(49.6)	-15%
Adjusted EBITDAI	(2.5)	(3.3)	+23%

- Travel Management TTV impacted by declining trading volumes transacted through Whole of Australian Government travel management agreement
- Benefit of the restructuring initiatives implemented throughout FY13 resulted in operating costs reducing by 15%

Balance Sheet

	Jun-13 $m	Jun-12 $m
Cash	234.9	216.5
Other current assets	116.1	121.5
Intangible assets	426.3	421.2
Other non-current assets	32.4	37.7
Current Liabilities	(337.2)	(336.5)
Non-current Liabilities	(31.3)	(38.0)
Equity	441.2	422.4

Liquidity and Funding

	Jun-13 $m	Jun-12 $m
Total Facility available	81.8	81.0
Drawn Debt	(25.3)	(28.7)
Multi-option Facilities (including bank guarantees)	(10.0)	(10.7)
Headroom	**46.5**	**41.6**
General cash	34.5	13.0
Client cash	200.4	203.5
Total cash	**234.9**	**216.5**

- Facilities are non-amortising and repayable on 30 September 2015
- Operating cash inflow for FY13 of $35.5m increased by 16% on the prior year

Appendix
Business Profile

Business Profile

	Jun-13	Jun-12
Franchisees, Members and Affiliates:	1,976	2,066
Employees:	2,038	2,369
Countries:	8	8

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