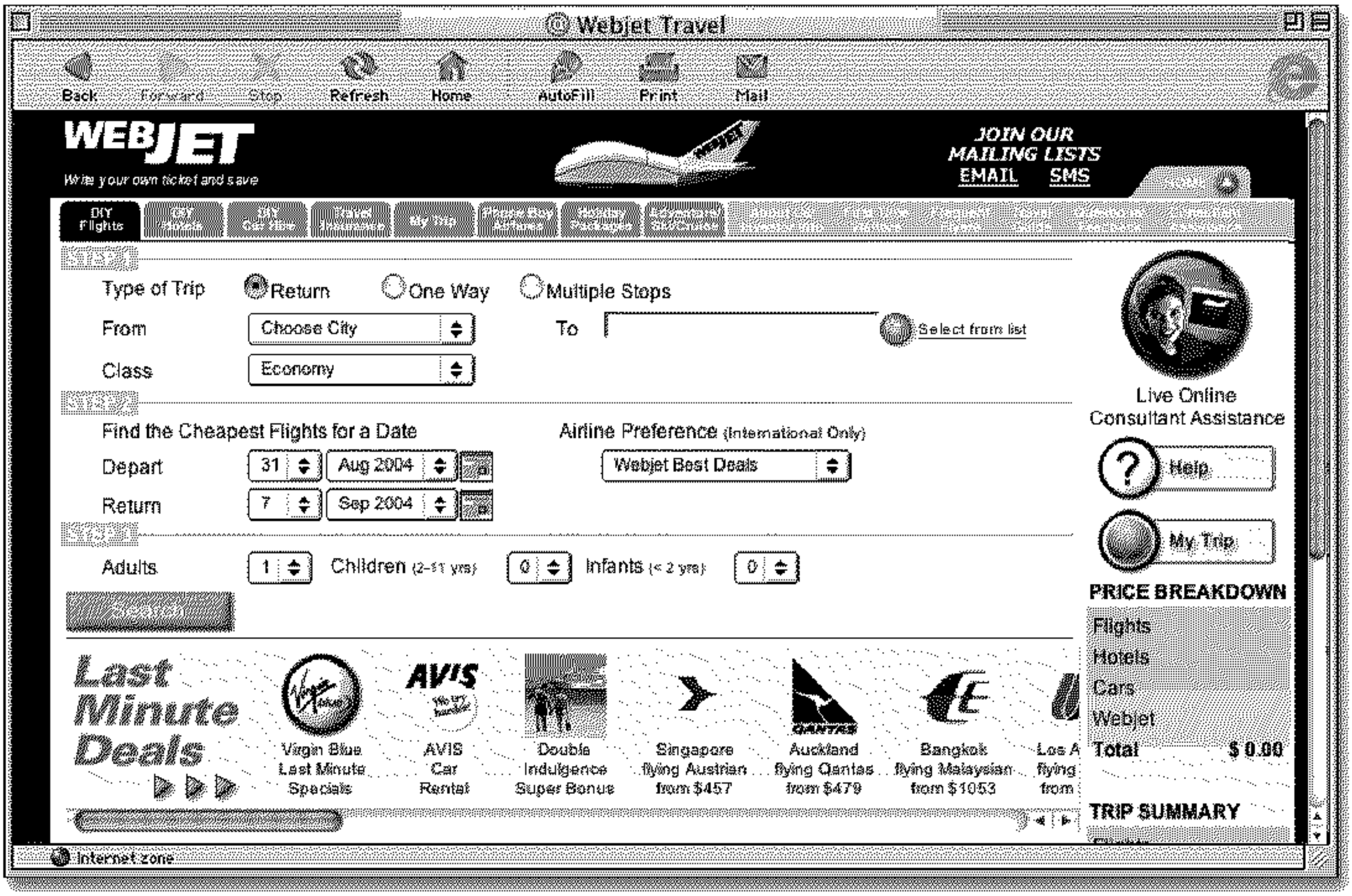
In Aug 04 Webjet booked over 12,000 passengers, the equivalent of approx 30 jumbos

2004 ANNUAL REPORT

webjet.com.au

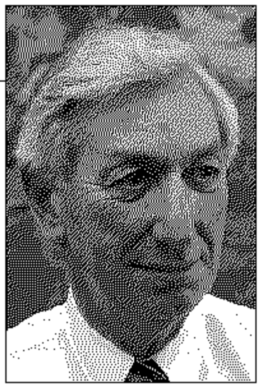


Extract from TV Commercial

Contents

Webjet Ltd
ACN: 002013612
ABN: 68 002 013 612
ASX Code: WEB

Chairman's Report



Dear Shareholders

As we go to print with the fifth Annual Report of your company, I am struck by both the similarity of the thoughts that occur to me to those of last year, and at the same time the huge changes that have, and continue to occur in our company, the industry in which we operate, and the environment in which that industry itself operates.

I think Webjet has completed another quite remarkable year in its development towards becoming a profitable and cash flow positive business, and we are optimistic that this position is now closer to hand than at any previous time, subject of course to any totally unforeseen world events.

Your Board's strategies for a number of long-term major value developments, and the implementation of those strategies have been successfully completed, and these are discussed in detail in the Managing Director's annual in depth review.

These strategies included

- the development on time and on budget of acknowledged world leading website technology, now totally under our direct control and management.
- the strategic alliance with the major travel business, Harvey World Travel which amongst its other benefits, underpins our ability to bring product to our customers at attractive pricing, and has brought additional strength to our Balance Sheet.
- we have been delighted to welcome to our Board of Directors, two very experienced travel industry directors Mr. Norm Fricker and Mr. Tim Dodds.
- our continued collaborative work with our associate major shareholder, Cendant Travel group ("Galileo") to expand the exploitation of our technology and associated developments.
- our continued expansion of the range and quality of travel products available to our customers.

All this has been achieved against a background of seriously reduced operating costs and cash drain, and most importantly at the same time as all this, we have achieved a spectacular increase in the number and value of passengers now buying our products. In the last few months, we have increased our turnover value by over 90% from that of the same period last year, and this rate of growth continues to increase each month.

In the first two months of this financial year over 22,000 passengers have purchased travel product from us. Our technology allows us to deal with these ever increasing numbers of customers with almost no increase in direct operating cost.

With these successful strategies in place your Board is continuing to work on the development of new strategies to meet the evolving changes we envisage will take place as the industry, and particularly the airline industry, strives to become more profitable, by compressing costs and increasing the size of its market.

These changes provide our company with both opportunities and challenges, and we will continue to do our utmost in planning to anticipate the environment, and both meet and excel in our responses.

As usual, on your behalf, and my own, I would like to thank our Managing Director Mr. David Clarke and his Executives for their tireless energy and dedication to our business, and our Service Centre and Admin teams for providing first rate customer attention. Our business has such a small staff complement that every one of them needs to be first rate at their task, and we believe they are.

Your Board of Directors continues to function in a well-informed and strategically thoughtful way. I am very appreciative of the constructive input and strong sense of unity of purpose that prevails amongst Directors. As we move into the new year, we are looking forward to the additional breadth of expertise our new directors bring to the table.

Thank you again to our many loyal investors. We have continued to receive much encouragement to our work by your ongoing endorsement of our efforts to build your company to reach its full potential.

Naturally we will strive to achieve this.

Allan Nahum Chairman - Webjet Ltd

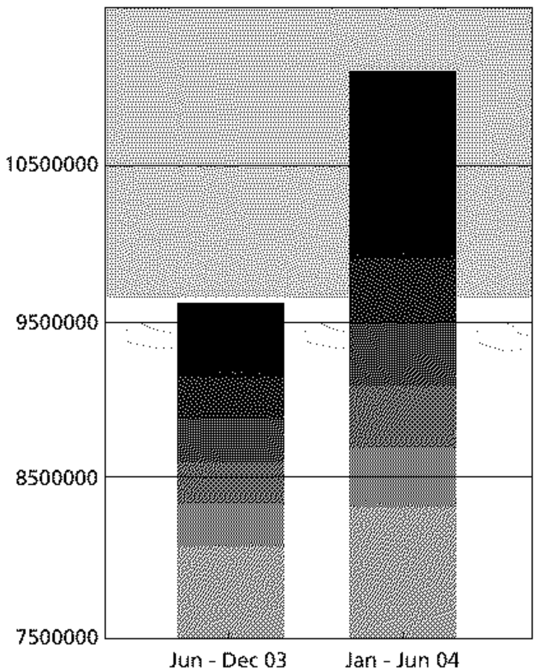
In the first two months of this financial year over 22,000 passengers have purchased travel product from us. Our technology allows us to deal with these ever increasing numbers of customers with almost no increase in direct operating cost.

Progress at a glance

TOP10 AWARD hitwise APR - JUN 2004

Gross Transaction Values

Half Year Comparison



DELOITTE TOUCHE TOHMATSU TECHNOLOGY FAST 50

Managing Director's Report

Results

- A reduction in loss of 32% (compared with 2002/2003)
- A reduction in operating cash use of 50% (compared with 2002/2003)

the nett loss for the year of $1.14M represents a significant reduction of 32% on the previous year's figure of $1.684M and is after fully expensing operating costs associated with the introduction of the Travel Services Aggregator (TSA) in January 2004 and an increase in advertising expenditure for the June half of 2004, of approximately $220,000 relative to the half year ended 31 December 2003.

The year in review and year ahead

As was foreshadowed in our Annual Report last year we indicated at that time that we saw tentative signs of market recovery but further indicated that it was, at that time, too early to conclude whether the market was normalising and that as a consequence we had elected to take an extremely conservative view of likely growth rates in the general market in 2003/2004. Against that background your company took a series of decisions to:

Although it is still early in the new financial year and we are not yet prepared to make a longer term forecast we are delighted to advise you that turnover growth over the last four months and extending now into July and August, has been spectacular.

- Substantially compress the advertising spend until clearer market trends were apparent and reduce overhead expenses to the maximum extent possible.

The result of those decisions is reflected in the financial accounts to the extent that advertising expenditure was reduced by $290,000 and your Board and management substantially reduced salary costs by $130,000.

We considered these steps an essential safeguard relative to our view that the discretionary leisure dollar spend had during the period of events in Bali, the Gulf and the SARS disaster, effectively been spent in different areas including the sale of white goods, home theatres, cars and home renovations with a consequential effect of delaying any uplift in travel spending.

Whilst the drop in our advertising spend, particularly in the half year to 31 December, no doubt reduced our growth rate in that period, we have seen a progressive build back of turnover volumes particularly in the half year ended 20 June 2003. This regrowth has coincided with renewed advertising activity, a restoration of normal travel market demand, and most critically the introduction of the Travel Service Aggregator, Webjet's new internet booking platform which was foreshadowed in last year's report.

In line with advice to the market through quarterly 4c filings, net cash used in operating activities totalled $872,338 an approximate 50% reduction on 2003 where the comparable figure was $1,724,945. Greater details are set out in the Concise Financial Report included in this Annual Report. Cash in flow from financing activities totalled $169,410 with net cash outflows from investing activities of $345,508 producing closing cash as at 30 June of $794,512. Subsequent to balance date of 30 June 2004, as disclosed in the note (4) to the accounts the company has, in accordance with the Subscription Agreement with Harvey World Travel Limited, received $616,000.

Although it is still early in the new financial year and we are not yet prepared to make a longer term forecast we are delighted to advise you that turnover growth over the last four months and extending now into July and August, has been spectacular.

	May 04	June 04	July 04	August 04 est.
This year	$1.8M	$2.3M	$3.1M	$3.6M
Last year	1.6	1.7	1.7	1.7
Increase	%12%	35%	82%	117%

Equity and Capital

During the year your company entered into a significant commercial and strategic relationship with Harvey World Travel Limited (refer market advice 15 April 2004).

Those arrangements have led to the issue of equities which has increased the issued capital of your company to 185,877,878 shares as at 31 August compared with 159,591,606 shares as at 30 June 2003.

Technology

During the year your company successfully launched the new Travel Service Aggregator (TSA) platform which was under construction with Microsoft Australia during 2003.

The TSA was released into business operations on schedule and on budget and in our view has brought a new dimension to the facilitation of online travel bookings in the Australian market.

As foreshadowed in last year's report the TSA brings together disparate sources of product supply and provides a fully integrated customer experience.

We would again like to formally acknowledge the extraordinary enthusiasm, dedication and support shown by Microsoft in Australia in the completion of this project. Microsoft worked as true partners of Webjet and in conjunction with our major shareholder Galileo (Cendant Travel Distribution Services) has produced a product which we consider to be the best of its type in the world.

At a local level we are seeing clear evidence of:

- A high level of customer acceptance of the product
- An increased level of booking conversions relative to site visits
- Substantial evidence of a very high level of repeat business

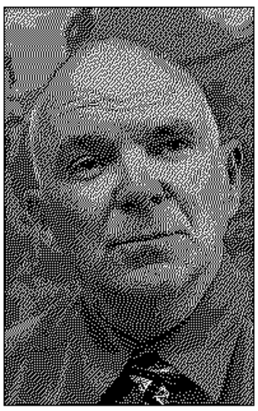
The TSA has also provided us with an operating platform which has enabled us to increase turnover and throughput so far without additional operating staff resources.

Product

In addition to the substantial expansion of the product range which occurred during the 2003 year, your company has further expanded its international air fare range, brought together and aggregated and facilitated easy comparison of all domestic fares in the domestic market, and is now in the final stages of what will be a dramatic expansion of our local Australian hotel accommodation range, particularly relating to last minute offers.

This expanded product base will form the building blocks for the next stage of the TSA development which will culminate in the release of automatic packaging in the Australian market.

This facility will enable the automatic combination of best air fares with best hotel deals in one simple transaction and provide for a mechanism of value added sales to the existing customer base which, if successful, will lead to a higher unit value sale per passenger, better customer value, and a point of differentiation relative to airline sites, and other competitors.



David Clarke

Managing Director
Webjet Ltd

Marketing activity

As indicated the company carefully managed its marketing advertising during the year relative to the overall travel market and a conservative cost strategy prior to the introduction of the TSA.

Subsequent to the launch of the TSA the marketing strategy has been further refined, and following a successful pilot program during April, May and June relating to sophisticated online advertising, the key strategy moving into 2004/2005 is:

- Tactical billboard site advertising
- A continued but reduced presence in the Qantas Inflight magazine
- A continuation of tactical advertising in specialist magazines
- Specially negotiated National 10 television campaigns supplemented by promotional leveraged program initiatives on the National 7 network

In a general sense the advertising spend for 2004/2005 will be approximately 50% in the physical media and 50% online. We consider it essential that a balance is maintained between the two channels and that the continuing development of the physical trust mark is a critical ingredient in our going forward strategy.

Airlines and internet activities

Airlines have continued to take a direct and aggressive approach to the development of business on the internet.

Their combined initiatives indelibly underline the continuing and strategic importance of the internet as a distribution channel which provides airlines and other suppliers with reduced distribution costs and provide the customer with convenience, control and choice at a competitive price.

As we foreshadowed in last year's report, Webjet's model provides a set of values that no single airline site can provide. We bring together competing airlines. We bring together competing land suppliers. And uniquely, we aggregate these products to provide a customer experience which is not available from any individual airline.

The consequence of these arrangements is an increased concentration on aggregate value and the provisioning of a range of products where the value is not just in the individual price of an airline ticket or the individual price of a hotel room, but in the aggregate value of a convenient comparison, a wide range of availabilities and choice and effectively the provisioning of a one stop shop.

Following the introduction of the TSA Webjet has progressively increased a range of service or transaction fees which has been well accepted by our customer base and the aggregation of these fees provides Webjet with a degree of insulation and protection from likely continued reductions in source commission paid by airlines.

We consider it is likely that over the next year there will be yet further change to airline commissions paid to travel agents and internet operators and our basic business strategies predict an acceleration of that trend over the next two years. Whilst this trend to lower commissions paid by airlines has become a global phenomena and was predicted by Webjet during the development period of the TSA, there are a number of strategic issues revolving around this matter that are yet to be resolved and we do not believe the market has reached a position of distribution balance and that there will be considerable instability and unpredictability associated with the structure during the next 12 months.

We expect to be in extensive dialogue with all main Australian carriers during this period and to work collaboratively in structuring an economic model which is sustainable and appropriately reflects the values which Webjet brings to the distribution of travel products.

This will be a significant challenge.

Key challenges

We expect to be in extensive dialogue with all main Australian carriers during this period and to work collaboratively in structuring an economic model which is sustainable and appropriately reflects the values which Webjet brings to the distribution of travel products.

Your company is committed to an aggressive growth strategy during 2004/2005.

We will of course continue to monitor that strategy relative to:

- The overall general travel market
- The economic return on our marketing strategies and marketing expenditure
- The maintenance of undiminished quality control and customer service

The strategic challenges in the year ahead are:

- Maintaining appropriate gross profit margins
- Increasing the unit value of sale to our existing customer base
- The development of the customer base
- The exploration of commercial alliances in relation to which a number of opportunities are currently under intensive examination

As shareholders are aware, under our Subscription Agreement with Harvey World Travel Ltd, Webjet has granted Harvey World Travel Ltd a number of options which if taken up will lead to the additional subscription of substantial equity.

The structural development of your company during 2003/2004 has been immensely complex. We have in that year completed an extraordinary technological project on time and on budget, we have entered into a strategic and extremely important equity association with Harvey World Travel Ltd and we have put in place key building blocks which should enable us to develop our business and our shareholder value in the best possible manner.

I would particularly like to acknowledge the quite extraordinary contribution made to these projects during the year by our special associates: White Advertising & Beyond, our corporate solicitors Minters in Melbourne, Microsoft Australia, Mac Media, and more recently, our new associate Amplify. The combination of these resources has been quite unique and the level of commitment and enthusiasm which they have brought to bear on your company's business is beyond price.

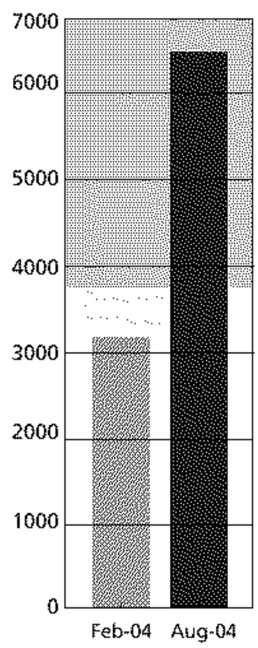
As always the challenges going forward are difficult, the balances are fragile and the ingredients are as always, subtle.

Again the risks are no less than the opportunities.

Within that context and with great enthusiasm we again guarantee to you as our owners to continue to focus all of our resources and determination to the delivery of shareholder value.

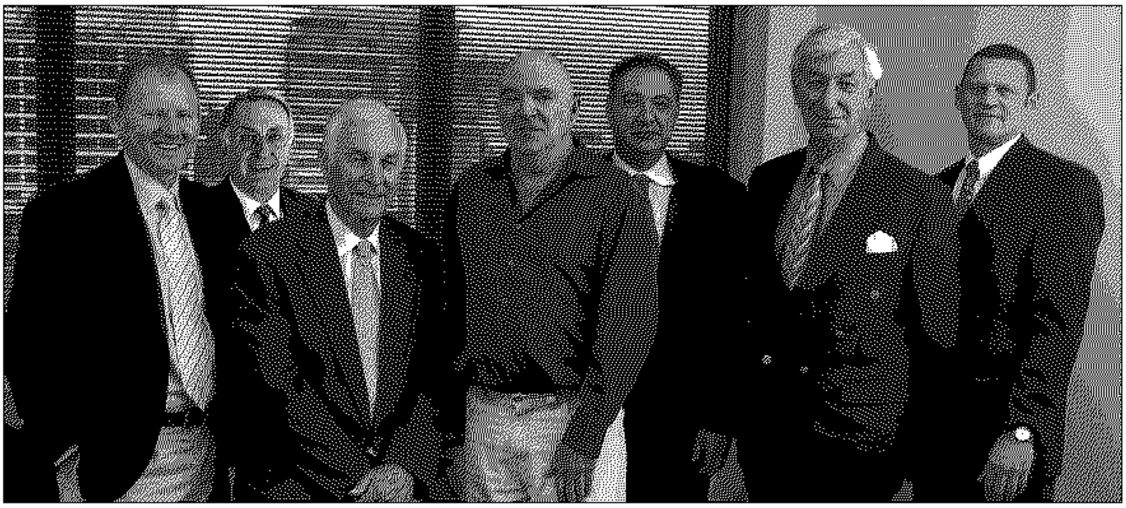
Richard Noon (Company Secretary), Dean Maidment (Business Development Manager) and Customer Service Staff.

New Monthly Members



David Clarke Managing Director - Webjet Ltd

Board and Management



L-R:
Timothy Dodds,
Norm Fricker,
Ben Lochtenberg,
David Clarke,
Steven Scheuer,
Allan Nahum,
John Lemish.

Allan Nahum *FCA, FICD, AIM, AISA, AIAA*
(Non Executive Chairman)
Former partner in the Melbourne based accounting and consulting firm HLB Mann Judd, with extensive experience in the profession as a business consultant. He has worked in the travel industry as an Auditor and Consultant for over 20 years.

Dr Ben Lochtenberg *BE (Hons), D.Phil, FTSE.*
(Non Executive Deputy Chairman)
Former Chairman of Orica Limited and Mental Health Research Institute. Former Director of Capral Aluminium Limited. Chairman of Melbourne University Private Ltd and a Member of Council at the University of Melbourne.

David Clarke *(Managing Director)*
Held senior management positions with the Jetset travel group from 1977 to 1995. He is regarded as pioneering the introduction of wholesale packaging through distribution access in Australia and overseas, the development of an integrated franchise structure and one of the highest ranking travel brands in Australia in the 1990's. He has worked closely with most major airlines, including Qantas, British Airways, Ansett Australia, United Airlines and others over nearly 20 years and is internationally recognised in the travel industry.

John Lemish *(Operations Director)*
With over 20 years experience in the travel industry, John Lemish has a wealth of operational experience. John was extensively involved in international operations in the UK and Europe, North America and Asia, and was responsible for the international buying of hotels and land suppliers in all countries globally.

Steven Scheuer *B.Bus, (Non Executive Director)*
After spending a number of years in public accounting practice, he established his own manufacturing and importing business using strong and well known clothing brand labels throughout Australia and New Zealand. He holds a Bachelor of Business (Accounting) degree.

Timothy Dodds *B.Comm. CA*
(Non Executive Director Appointed 29 July 2004)
Finance director of Harvey World Travel Limited. He has over 25 years experience in the travel and tourism industry. He is a Chartered Accountant and Registered Tax Agent. A former manager of a Sydney suburban motel and an owner of a retail lighting business. He also serves on all joint venture company boards of Harvey World Travel Limited.

Norm Fricker
(Non Executive Director Appointed 29 July 2004)
Has over 30 years experience in service industries. He has held senior management positions in Brambles Industries Limited and was an executive director of that company with responsibilities in Australia and Europe, including several board positions in a number of joint venture companies. Mr Fricker was formerly an executive general manager of Qantas Airways Limited with responsibility for a number of operating divisions. He is Chairman of Harvey World Travel Limited, a Director of Waste Management New Zealand Ltd and former Chairman of Strathfield Group Ltd.

Richard Noon
FCPA, CTFP (Snr), B.Bus, Grad Dip (Acc)
(Company Secretary)
Has worked in most areas of the travel industry, from hotels (Hilton and Sheraton), airlines (Pan Am), retail and tour wholesaling (Jetset Tours) to airfare consolidation (Concorde Travel). He also worked for Citibank Australia as Vice President Cash Management.

Dean Maidment *B.Bus*
(Business Development Manager)
With a background of over 15 years in Financial Analysis, travel operations, accounting, technology, project development and general business development, Dean has responsibility for the implementation and development of Webjet's strategic alliances.

Peter Burton *B.Sc (UnivNSW), M.Sc (Berkeley)*
(Head of Technology)
Peter Burton has a background of over 20 years in travel technology and was responsible for the development of one of the leading wholesale reservation systems and the earliest interfaces with the world global distribution systems. Prior to that, Peter was a senior associate of a major Sydney consulting group involved in the travel industry, insurance industry and ancillary manufacturing industries.

Dr Denis Fitzsimmons *(Technical Consultant)*
Dr Denis Fitzsimmons B Sc, PhD (London) M.A.C.S. of Technology Strategy Connections, has international technology experience in airline reservations systems, most recently with Sabre Decision Technologies, Dallas, Texas, USA. He was previously involved with the Jetset groups from 1988 to 1998 working on a sophisticated globally distributed reservation system, and from 1982 to 1988 was a Senior commercial Software Consultant with CPS Consulting Pty Ltd.

Important Information about this Concise Report

IMPORTANT INFORMATION FOR MEMBERS

The Directors' Report, Concise Financial Report and Auditor's Statement contained within this document represent a Concise Report.

Copies of the full financial report are available free of charge. Please refer to the back cover for details.

The Concise Report contained within this document has been derived from the full financial report of Webjet Limited for the financial year ended 30 June 2004 and cannot be expected to provide as full an understanding of the financial performance, financial position and financing and investing activities of the consolidated entity as the full financial report.

Directors' Report

Interests in the shares and options of the company and related bodies corporate

As at the date of this report, the interests of the directors in the shares and options of Webjet Limited were:

	Ordinary Shares	Options over Ordinary Shares
Allan Nahum	2,606,704	500,000
Bernard Lochtenberg	300,000	500,000
David Clarke	1,030,744	1,000,000
John Lemish	5,088,350	1,000,000
Steven Scheuer	24,899,143	500,000

EARNINGS PER SHARE	Cents
Basic loss per share	0.70
Diluted loss per share	0.68

DIVIDENDS

No dividends were paid or declared since the start of the financial year. No recommendation for payment of dividends has been made.

CORPORATE INFORMATION

Nature of operations and principal activities

The principal activities during the year of entities within the consolidated entity were that of an electronic manager and marketer of travel and related services, utilising the internet and other mediums.

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

Employees

The consolidated entity employed 14.5 (EFT) employees as at 30 June 2004 (2003:15 employees).

REVIEW AND RESULTS OF OPERATIONS

Year ended 30 June 2004 has produced a consolidated loss of $1.142m (2003 loss $1.684m).

As advised in our Annual Report for 2003 the travel operations in Australia were adversely affected in that year by a series of external events including the Bali terrorism incident, the outbreak of hostilities in the Gulf, followed in turn by SARS in Asia. We indicated at that time that the impact of those events had led to the deferment of travel plans. The year ended June 2004 has seen a progressive restoration of travel demand particularly in the half year ended 30 June 2004. On current indications that growth in available business has increased further for the commencement of the new financial year 1 July 2004.

The company successfully introduced the TSA (internet booking platform) in January 2004. Subsequent to its introduction there has been a number of improvements in:

- Booking conversion rate relative to internet site sessions.
- A progressive build in turnover leading to record billing months, in July and August 04 (Nearly 100% up on 2003)
- Indicators suggest a high level of consumer acceptance and repeat business.
- As advised to the market on 27 July cash use has slowed and over the last four quarters the trend has been:

Quarter to 30/9/03	31/12/03	31/3/04	30/6/04
(287,000)	(297,000)	(176,000)	(46,000)

Gross transaction values have also recovered to the extent that the quarter ended 30 June 2004 produced gross transactions of $5.9m compared with $4.9m for the same quarter ended June 2003 (an increase of approximately 20%) and for the commencement of the new financial year the month of July 2004 produced gross transaction values of $3.04m, an increase of over 65% relative to July 2003. That trend has continued for August.

The company considers that the TSA provides an integrated booking environment which should prove strategically significant in a domestic travel environment in Australia which has undergone substantial change with the introduction of low cost carrier models and will also provide a strong foundation for the sale of value added products both domestically and internationally to Webjet's customer base.

Directors' Report continued

Shareholder Returns

	2004	2003	2002	2001
Basic loss per share (cents)	0.70	1.25	1.35	2.07

SIGNIFICANT CHANGES IN THE STATE OF AFFAIRS

During the year Webjet entered into major agreements with Harvey World Travel Limited which was advised to the market on 15 April 2004.

The agreements, subsequently approved by Webjet's shareholder at a General Meeting of shareholders held on 12 July 2004 included:

- A licensing by Webjet to Harvey World Travel Limited of the Travel Services Aggregator (TSA) technology platform for internet bookings.
- The entering into the membership of Harvey World Travel Group by Webjet which is expected to result in benefits to Webjet through the group buying power of Harvey World Travel Limited. Further economic savings relating to the negotiation of airline and supplier arrangements and associated matters.
- An equity subscription by Harvey World Travel Limited of an initial 11% holding in Webjet Ltd for a consideration of $840,000 with options to take a further 26% equity over the prescribed time. Webjet considers that the arrangements will produce a strategic alliance of significant strength in the Australian market and will provide Webjet with a strategic development partner which will materially enhance Webjet's ability to capitalise on opportunities in a rapidly changing travel environment in the Australia region and potentially other parts of the world where its expertise in online travel retailing maybe further developed.

The result of the transaction will be to strengthen Webjet's balance sheet.

SIGNIFICANT EVENTS AFTER THE BALANCE DATE

Subsequent to June 30 and relative to the subsequent events in footnote 3to the accounts the company has successfully completed the first two performance hurdles in relation to the deployment of the software for use in Harvey World Travel's operations and has in accordance with the subscription agreement issued two tranches of shares:

- 7m shares on 21 July 04 at $0.04c per share.
- 7m shares on 26 July 04 at $0.04c per share.

The company has also issued 56,000,000 options for $56,000 pursuant to the subscription agreement. The company has received the funds in relation to these issues.

From these funds the company has paid $440,000 to creditor Microsoft in accordance with its agreement.

LIKELY DEVELOPMENTS AND EXPECTED RESULTS

Likely developments in the operation of the economic entity and the expected results from those operations have not been included in this report. The inclusion of such information may result in unreasonable prejudice to the economic entity.

ENVIRONMENTAL REGULATION AND PERFORMANCE

The company's operations are not regulated by any significant environmental regulation under a law of the Commonwealth or of a State or Territory.

SHARE OPTIONS

Unissued shares

Since the end of the financial year, the company granted options as follows:

1,500,000 options over unissued ordinary shares exercisable from 1 July 2005 to 1 July 2008 at $Nil exercise price.

* 79,000,000 options issued over ordinary shares to Harvey World Travel Limited, 23,000,000 exercisable at $0.04 per option exercisable as detailed in Note 3and 56,000,000 exercisable at discounts to the weighted average share price exercisable as detailed in Note 3

No options have been granted or shares issued by virtue of the excercise of an option during the financial year. At the date of this report there are 86,910,000 outstanding options to acquire ordinary shares as follows:

Number of options	Grant date	Vesting date	Expiry date	Weighted average exercise price
2,910,000	15 Nov 02	30 Apr 04	30 Apr 05	$ 0.6784
3,500,000	18 Nov 02	18 May04	18 May05	$ 0.6670
1,500,000	01 Jul 04	01 Jul 05	01 Jul 08	$ -
23,000,000	24 Jul 04	*	*	$ 0.0400
56,000,000	24 Jul 04	*	*	*

INDEMNIFICATION AND INSURANCE OF DIRECTORS AND OFFICERS

The company has not during, or since the end of, the financial year, in respect of any person who is or has been an officer of the company or auditor of the company:

- indemnified or made relevant agreement for indemnifying against a liability incurred as an officer or auditor, including costs and expenses in successfully defending legal proceedings; or
- paid or agreed to pay a premium in respect of a contract insuring against a liability incurred as an officer or auditor for the costs or expenses to defend legal proceedings with the exception of the following;

During the financial year, a subsidiary of the company has paid premiums to insure each of the following directors, senior executives and consultants against liabilities for costs and expenses which maybe incurred by them, in defending any legal proceedings arising out of their conduct while acting in the capacity of director of any company in the group, other than conduct involving a wilful breach of duty in relation to the company,

Allan Nahum	Ben Lochtenberg
David Clarke	John Lemish
Steven Scheuer	Richard Noon

The contract of insurance contains a confidentiality clause and hence the amount of the premium cannot be disclosed.

PROCEEDINGS ON BEHALF OF COMPANY

No person has applied for leave of Court to bring proceedings on behalf of the company or intervene in any proceedings to which the company is a party for the purpose of taking responsibility on behalf of the company for all or part of those proceedings. The company was not a party to any such proceedings during the year.

DIRECTORS' AND OTHER OFFICERS' EMOLUMENTS

Remuneration policy

When setting fees for individual directors, account is taken of the responsibilities inherent in the stewardship of the economic entity and the demands made of directors in the discharge of their responsibilities.

Details of the nature and amount of each element of the emolument of each director of the company and each of the five executive officers of the company and the consolidated entity receiving the highest emolument for the financial year are as follows:

Directors' Report continued

The emoluments of each director of Webjet Limited are as follows:

	Annual Emoluments		Long Term Emoluments	Total
	Salary	Directors Fees	Superannuation	
	$	$	$	$
Allan Nahum	-	18,333	-	18,333
Bernard Lochtenberg	-	15,417	-	15,417
David Clarke	151,106	-	15,864	166,970
John Lemish	118,736	-	27,334	146,070
Steven Scheuer	-	7,066	636	7,702
Timothy Dodds	-	-	-	-
Norm Fricker	-	-	-	-

Emoluments of the five most highly paid executive officers of the company and the consolidated entity are as follows:

	Annual Emoluments	Long Term Emoluments	Total
	Salary	Superannuation	
	$	$	$
David Clarke	151,106	15,864	166,970
John Lemish	118,736	27,334	146,070
Dean Maidment	123,853	11,147	135,000
Peter Burton	112,401	18,641	131,042
Richard Noon	10,703	963	11,666

Notes

(i) The elements of emoluments have been determined on the basis of the cost to the company and the consolidated entity.

(ii) Executives are those directly accountable and responsible for the operational management and strategic direction of the company and the consolidated entity.

(iii) No options were issued to directors or executives in the current year. All options previously received vested immediately, therefore the total value of these options granted and remaining unexercised have been included in remuneration disclosures previously. Consequently there is no requirement to amortise the fair value over the vesting period and to disclose this as part of director and executive emoluments.

(iv) Richard Noon is included in the most highly paid executive officers as he commenced part-time employment on 29 April 2004.

DIRECTORS' MEETINGS

The numbers 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
Number of meetings held:	16	4	5
Number of meetings attended:			
Allan Nahum	16		5
Bernard Lochtenberg	11	4	5
David Clarke	16		
John Lemish	14		
Steven Scheuer	12	4	5
Timothy Dodds (Appointed 29 July 2004)	-		
Norm Fricker (Appointed 29 July 2004)	-		

CORPORATE GOVERNANCE

The company's corporate governance statement is contained in the full version of the annual report.

Discussion and analysis - Financial Statements

For a financial analysis of the Financial Performance, Financial Position and Cash Flows for the year, refer to the Managing Director's Report.

Consolidated Statement of Financial Performance

YEAR ENDED 30 JUNE 2004

	Notes	Economic Entity 2004 $	2003 $
REVENUE FROM ORDINARY ACTIVITIES	6	**1,475,603**	1,437,596
Depreciation and amortisation expenses		**(43,330)**	(80,086)
Salaries and employee benefits expense		**(957,841)**	(921,712)
Website hosting expenses		**(434,960)**	(376,688)
Marketing expenses		**(400,906)**	(679,346)
Rent		**(158,640)**	(146,446)
Directors' fees		**(41,452)**	(51,097)
Professional fees		**(126,882)**	(286,803)
Web and software development		-	(145,475)
Insurance		**(44,204)**	(40,622)
Telephones		**(71,353)**	(62,432)
Doubtful debts		**(99,489)**	(40,000)
Listing and registry fees		**(48,558)**	(51,413)
Stationery		**(16,215)**	(14,090)
Other expenses from ordinary activities		**(173,448)**	(225,553)
LOSS FROM ORDINARY ACTIVITIES BEFORE INCOME TAX EXPENSE		**(1,141,675)**	(1,684,167)
INCOME TAX EXPENSE RELATING TO ORDINARY ACTIVITIES		-	-
LOSS FROM ORDINARY ACTIVITIES AFTER INCOME TAX EXPENSE		**(1,141,675)**	(1,684,167)
NET LOSS		**(1,141,675)**	(1,684,167)
TOTAL CHANGES IN EQUITY OTHER THAN THOSE RESULTING FROM TRANSACTIONS WITH OWNERS AS OWNERS ATTRIBUTABLE TO MEMBERS OF WEBJET LIMITED		**(1,141,675)**	(1,684,167)
Basic loss per share (cents per share)		0.70	1.25
Diluted loss per share (cents per share)		0.68	1.24

The Consolidated Statement of Financial Performance is to be read in conjunction with the Notes to the Financial Statements.

Consolidated Statement of Financial Position

AT 30 JUNE 2004

	Economic Entity 2004 $	Economic Entity 2003 $
CURRENT ASSETS		
Cash assets	**794,512**	1,843,083
Receivables	**243,373**	191,251
Other	**36,185**	43,758
TOTAL CURRENT ASSETS	**1,074,070**	2,078,092
NON-CURRENT ASSETS		
Property, plant and equipment	**70,761**	95,646
Intangible assets	**1,857,450**	576,294
TOTAL NON-CURRENT ASSETS	**1,928,211**	671,940
TOTAL ASSETS	**3,002,281**	2,750,032
CURRENT LIABILITIES		
Payables	**1,359,389**	816,534
Interest-bearing liabilities	**-**	135
Provisions	**68,321**	58,537
TOTAL CURRENT LIABILITIES	**1,427,710**	875,206
NON-CURRENT LIABILITIES		
Payables	**400,000**	-
TOTAL NON-CURRENT LIABILITIES	**400,000**	-
TOTAL LIABILITIES	**1,827,710**	875,206
NET ASSETS	**1,174,571**	1,874,826
EQUITY		
Contributed equity	**10,769,154**	10,327,734
Accumulated losses	**(9,594,583)**	(8,452,908)
TOTAL EQUITY	**1,174,571**	1,874,826

Consolidated Statement of Cash Flows

YEAR ENDED 30 JUNE 2004

	Economic Entity 2004 $	Economic Entity 2003 $
CASH FLOWS FROM OPERATING ACTIVITIES		
Receipts from customers	**1,304,340**	1,271,440
Payments to suppliers and employees	**(2,215,176)**	(3,050,596)
Interest received	**38,498**	54,211
NET CASH FLOWS FROM/(USED IN) OPERATING ACTIVITIES	**(872,338)**	(1,724,945)
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of plant and equipment	**(2,018)**	(6,973)
Payment for intangible assets	**(1,143,490)**	(251,001)
External contribution to development of software	**800,000**	-
NET CASH FLOWS FROM/(USED IN) INVESTING ACTIVITIES	**(345,508)**	(257,974)
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from issues of shares	**315,960**	1,785,000
Payment of share issue costs	**(146,550)**	(306,829)
Proceeds from issue of debentures	**-**	200,000
NET CASH FLOWS FROM/(USED IN) FINANCING ACTIVITIES	**169,410**	1,678,171
NET DECREASE IN CASH HELD	**(1,048,436)**	(304,748)
Add opening cash brought forward	**1,842,948**	2,147,696
CLOSING CASH CARRIED FORWARD	**794,512**	1,842,948

The Consolidated Statement of Financial Performance is to be read in conjunction with the Notes to the Financial Statements.

Notes to the Concise Financial Statements

30 JUNE 2004

1. BASIS OF PREPARATION OF THE CONCISE FINANCIAL REPORT

The concise financial report has been prepared in accordance with the requirements of the Corporations Act 2001 and Accounting Standard AASB 1039 "Concise Financial Reports".

Changes in accounting policies and estimates

The accounting policies adopted are consistent with those of the previous year.

2. SEGMENT INFORMATION

Segment products and locations

The economic entity operated in one business segment being internet-based travel booking services.

The economic entity operates in one geographical segment being Australia.

3. SUBSEQUENT EVENTS

The company entered into various arrangements with Harvey World Travel Limited on 12 July 2004 as approved by the majority of shareholders at a general meeting of shareholders. Under these arrangements, Harvey World Travel Limited is to subscribe for 21,000,000 shares in Webjet Limited. The first tranche of 7,000,000 shares was issued on 21 July 2004 for $0.04 per share. The second Tranche of 7,000,000 shares was issued on 26 July 2004 for $0.04 per share. The remaining tranche of 7,000,000 shares will be issued subject on satisfaction of various performance hurdles in relation to the deployment of the software for use in Harvey World Travel Limited's operations.

Also as part of the agreement, the following options were issued to Harvey World Travel Limited on 24July 2004:

> 23,000,000 options for 23,000,000 ordinary fully paid shares with an exercise price of $0.04 per option, expiring 180 days after the date of satisfaction by Webjet of deployment of the software in Harvey World Travel Limited's operations.
>
> 56,000,000 options issued for $56,000, exercisable in minimum tranches of 1,000,000 for an exercise price at varying discounts to the volume weighted average share price determined by the period from grant date when those tranches are exercised, expiring 5 years after the date of satisfaction by Webjet of the deployment of software in Harvey World Travel Limited's operations.

The financial effect of each of the above events has not been recognised.

4. GOING CONCERN

The financial report has been prepared on the basis of going concern despite a deficiency in net current assets in the economic entity of $353,640 (2003: Surplus $1,202,886). The directors believe that this basis is appropriate considering the following matters:

> The company has signed a subscription agreement with Harvey World Travel Limited subsequent to balance date for which a minimum capital injection of $616,000 and a maximum of $896,000 will be received over the next 12 months. The first tranche of $336,000 was received on 12 July 2004 and the second tranche of $280,000 was received on 27 July 2004; and
>
> The company will continue to reduce the cash deficit from trading.

5. DIVIDENDS PAID OR PROVIDED FOR ON ORDINARY SHARES

No dividends were paid or declared since the start of the financial year. No recommendation for payment of dividends has been made.

	Economic Entity	
	2004	2003
	$	$
6. SALES REVENUE		
Revenues from ordinary activities		
Commission revenue	**1,158,687**	1,009,720
Commission revenue - hyperlink sales	**207,408**	205,665
Marketing support	**71,010**	168,000
Interest - other persons	**38,498**	54,211
Total revenues from ordinary activities	**1,475,603**	1,437,596

Directors' Declaration

In accordance with a resolution of the directors of Webjet Limited, I state that in the opinion of the directors:

(a) the concise financial report of the consolidated entity for the year ended 30 June 2004 is in accordance with Accounting Standard AASB 1039 "Concise Financial Reports"; and

(b) the financial statements and specific disclosures included in this concise financial report have been derived from the full financial report for the year ended 30 June 2004.

On behalf of the Board

Allan Nahum, Chairman

Melbourne, 25 August 2004

INDEPENDENT AUDIT REPORT TO THE MEMBERS OF WEBJET LIMITED

Scope

The concise financial report and directors' responsibility

The concise financial report comprises the statement of financial position, statement of financial performance, statement of cash flows and accompanying notes to the financial statements for the consolidated entity for the year ended 30 June 2004. The consolidated entity comprises both Webjet Limited(the company) and the entities it controlled during the year.

The directors of the company are responsible for preparing a concise that complies with Accounting Standard AASB 1039 "Concise Financial Reports", 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 concise financial report.

Audit approach

We conducted an independent audit on the concise financial report in order to express an opinion on it 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 concise 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 concise financial report is presented fairly in accordance with Accounting Standard AASB 1039 "Concise Financial Reports". We formed our audit opinion on the basis of these procedures, which included:

- testing that the information in the concise financial report is consistent with the full financial report, and
- examining, on a test basis, information to provide evidence supporting the amounts, discussion and analysis, and other disclosures in the concise financial report that were not directly derived from the full financial report.

We have also performed an independent audit of the full financial report of the company for the year ended 30 June 2004. Our audit report on the full financial report was signed on 25 August 2004, and was not subject to any qualification. For a better understanding of our approach to the audit of the full financial report, this report should be read in conjunction with our audit report on the full financial report.

Independence

We are independent of the company, and have met the independence requirements of Australian professional ethical pronouncements and the Corporations Act 2001. In addition to our audit of the full and concise financial report, we were engaged to undertake the services disclosed in the notes to the financial statements of the full financial report. The provision of these services has not impaired our independence.

Audit Opinion

In our opinion, the concise financial report of Webjet Limited complies with Accounting Standard AASB 1039 "Concise Financial Reports".

BDO

BDO **Robert D D Collie** Partner

Melbourne Date: 25 August 2004

Milestones

July 03

- Awarded Hitwise #3 online travel site for 2002 - 2003.

September 03

- Gross transaction values up 20% on previous quarter as brand builds.

November 03

- TSA goes through Beta testing and Focus groups in preparation for launch.

December 03

- Webjet customers get sneak previews of the TSA and what is to come.

January 04

- TSA is launched on time and on budget. A new era in Australian online travel begins.
- Macquarie Corporate is selected as complex managed hosting supplier.

January 04 continued...

- Devtest is appointed as ongoing developers of the TSA.
- Virgin Blue is integrated into TSA.

February 04

- On time completion of TSA by Microsoft sees Webjet and Galileo finalise strategic arrangements.
- TSA begins to deliver margin improvements as consumers see the benefits of online aggregation.
- Webjet.biz is launched to target corporate travelers.
- Webjet half year improves as losses and costs are both reduced.
- Strategic alliance with Harvey World Travel Ltd is announced.

April 04

- Management team strengthened as Richard Noon joins as Chief Financial Officer.

May 04

- Deloittes Fast 50 name Webjet among Australia's fastest growing technology based businesses.
- Jetstar is aggregated into TSA.
- Major hotel supply association is announced with Flairview travel, a member of the giant Cendant Group.

June 04

- Sales growth continues to accelerate as consumers discover the power of aggregating travel services online.
- Webjet extends market to New Zealand.

June 04 continued...

- Gross transaction values for the quarter reach 5.8 million with June at record 2.3 month for the month.

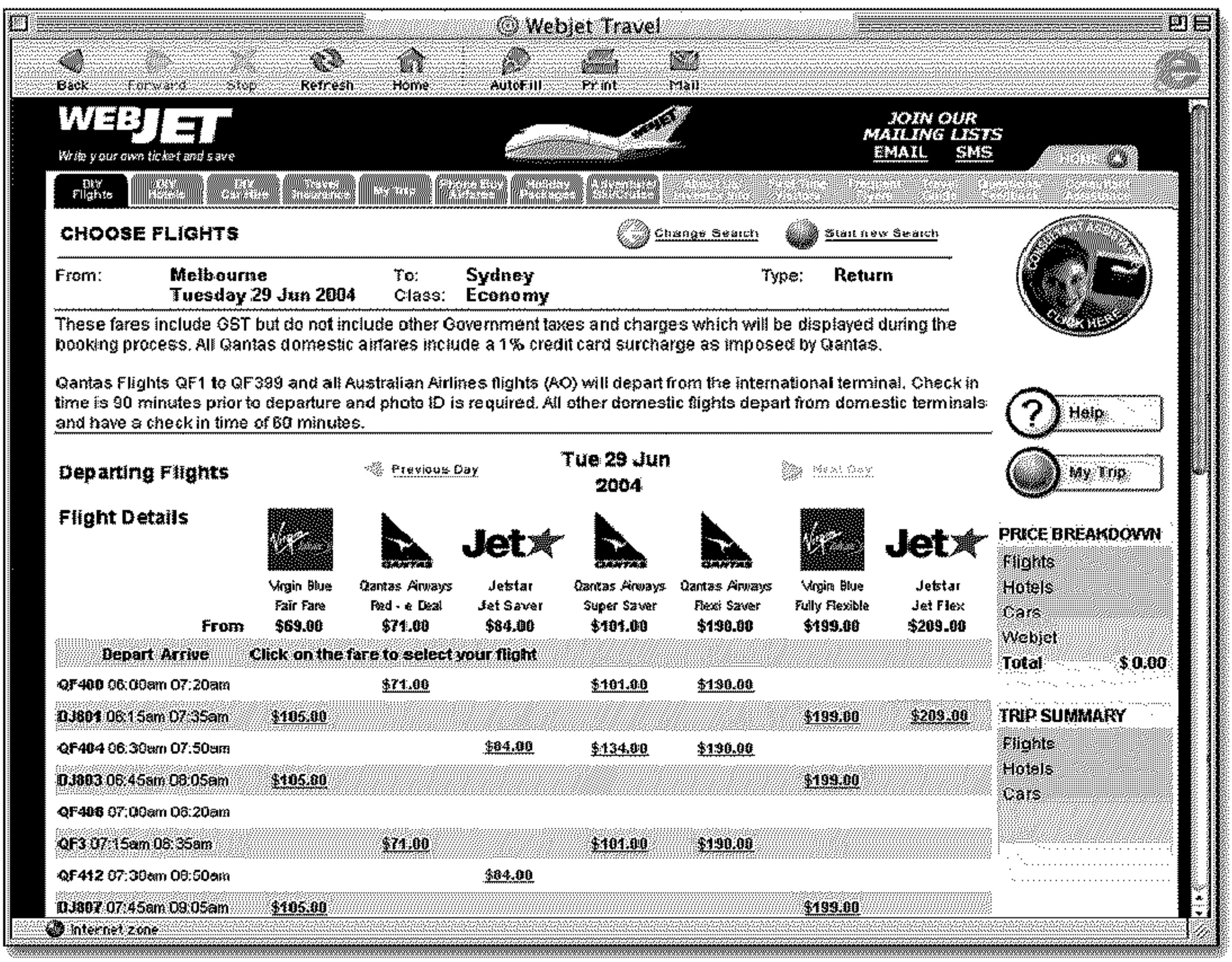
July 04

- Harvey World Travel Ltd equity and technology alliance ratified at July EGM.
- July gross transaction values continue to grow in excess of a record $3 million for the month.
- Site sessions and conversions also climb to record levels as consumers acceptance of TSA continues to gain momentum.

August 04

- Webjet sets new sales record as gross transactions values reach $3.8m for the month. (117% up on 2003)

Domestic Airfare Display



Corporate Directory

DIRECTORS:
Allan Nahum (Chairman)
Ben Lochtenberg (Deputy Chairman)
David Clarke (Managing Director)
John Lemish
Steven Scheuer
Norm Fricker
Timothy Dodds

SECRETARY AND CHIEF FINANCIAL OFFICER:
Richard Noon

REGISTERED OFFICE AND PRINCIPAL ADMINISTRATION OFFICE:
Level 5
492 St Kilda Road
Melbourne VIC 3004
Telephone: (03) 9820 9214
Facsimile: (03) 9820 9258

SHARE REGISTRY:
Computershare Investor Services
Level 5
115 Grenfell Street
Adelaide SA 5000
Telephone: 1300 556 161
Facsimile: (08) 8236 2305

AUDITORS:
BDO Chartered Accountants

BANKERS:
ANZ Bank Limited

SOLICITORS:
Minter Ellison

ADVERTISING CONSULTANTS:
White Advertising and Beyond

WEBSITE AND GRAPHIC DESIGN:
Mac Media Advertising

ASX CODE:
WEB

Webjet has included its accounts in this Annual Report in concise format. Full copies of the annual accounts are available by either:

- Logging onto webjet.com.au, under Investor Relations, or
- By request to our Head Office by telephoning 03 9820 9214, or
- Writing to Webjet Limited,
  Level 5, 492 St.Kilda Road, Melbourne, Victoria 3004 Australia, or
- Email to webjet@webjet.com.au

Please ensure that you provide precise address details.

WEBJET