

Webjet Limited

ABN 68 002 013 612

Half-Year Financial Report

Half-Year Ended 31 December 2009

Corporate Information

Directors

Allan Nahum (Non Executive Chairman)
David Clarke (Executive Managing Director)
John Lemish (Executive Operations Director)
Steven Scheuer (Non Executive Director)
John Guscic (Non Executive Director)
Christopher Newman (Non Executive Director)
Don Clarke (Non Executive Director)

Company Secretary

John Viegas

Registered Office

Level 9
492 St Kilda Road
Melbourne Vic 3004

Solicitors

Minter Ellison
525 Collins Street
Melbourne Vic 3000

Bankers

ANZ Bank
420 St Kilda Road
Melbourne Vic 3004

Share Registry

Computershare
Level 5
115 Grenfell Street
Adelaide SA 5000

Auditors

BDO
248 Flinders Street
Adelaide SA 5000

Internet Address

www.webjet.com.au

**Webjet Limited – Half-Year Report
And Controlled Entities**

CONTENTS

	<u>Page</u>
Half-Year Condensed Financial Statements	
Directors' Report	3
Condensed Consolidated Statement of Comprehensive Income	5
Condensed Consolidated Statement of Financial Position	6
Condensed Consolidated Statement of Changes In Equity	7
Condensed Consolidated Statement of Cash Flows	8
Notes to the Condensed Financial Statements	9
Managing Director and Financial Controller Sign Off	11
Directors' Declaration	12
Auditor's Independence Declaration	13
Independent Auditor's Review Report	14

Directors' Report

Review of Operations

The directors of Webjet Limited submit herewith the financial report of the company and its controlled entities for the half-year ended 31 December 2009. In order to comply with the provisions of the *Corporation Act 2001*, the directors report as follows:

Directors

The names and details of the company's directors in office during the half-year and until the date of this report are as follows:

Allan Nahum, FCA, FICD, AAISA (Non Executive Chairman)
David Clarke (Executive Managing Director)
John Lemish, B.Ec (Executive Operations Director)
Steven Scheuer, B.Bus (Acc) (Non Executive Director)
John Guscic, B.Ec, MBA (Non Executive Director)
Christopher Newman, B.Ec, B.Comm (Non Executive Director)
Don Clarke LLB (Hons) (Non Executive Director)

Review of Operations

The half year ended 31 December 2009 has provided a consolidated profit of \$5.197M (after providing for income tax) compared to a profit (after income tax) for 2008 of \$3.701M, an increase of 40.42%.

The profit before tax for the half year increased from \$5.003M to \$7.27M, an increase of 45.31%.

Gross transaction values increased for the half year to 31 December 2009 to \$248.0M compared to \$181.6M the previous year, an increase of 36.56%.

The transaction volumes are particularly encouraging given the global economic environment and are evidence of the continued consumer acceptance of Webjet's high level of customer service, product offering and a carefully targeted aggressive marketing campaign as foreshadowed in the company's previous annual report.

A final dividend of \$0.03 per share and a special dividend of \$0.005 per share both fully franked totalling \$2.627M was paid on 8 October 2009. An interim dividend of \$0.05 per share fully franked totalling \$3.786M has been declared and is payable 14 April 2010.

Trading profits have seen a positive net cash flow from operating activities of \$3.307M and has resulted in liquid cash assets of \$31.469M. The \$31.469M liquid cash assets comprises of \$21.448M in bank floating rate notes, classified as current other financial assets in the balance sheet, combined with \$10.021M in cash on hand and in bank.

The calculated effective rate of taxation for the half year is 28.5%.

Directors' Report

Review of Operations cont.

Whilst it is neither possible nor prudent to make forecasts given the global economic environment, we are again encouraged by the strong start to calendar year 2010.

Auditor's Independence Declaration

A copy of the independence declaration by the lead auditor under section 307C can be found on page 13 of the half-year financial report.

Rounding of amounts to nearest thousand dollars

The company satisfies the requirements of Class Order 98/0100 issued by the Australian Securities and Investments Commission relating to "rounding off" of amounts in the directors' report and the financial report to the nearest thousand dollars. Amounts have been rounded off in the directors' report and financial report in accordance with that Class Order.

This report is made in accordance with a resolution of the Board of Directors and is signed for and on behalf of the directors by:



Allan Nahum
Chairman

Melbourne, 27 January 2010

Condensed Consolidated Statement of Comprehensive Income

For the half-year ended 31 December 2009

	Consolidated	
	Half-year ended	
	31 Dec 2009	31 Dec 2008
	\$ (000's)	\$ (000's)
Revenue		
Fees	17,223	12,400
Other Income	414	449
Interest income	802	1,122
	18,439	13,971
Employee benefits	(3,136)	(2,682)
Marketing expenses	(3,618)	(3,450)
Technology expenses	(806)	(710)
Operating expenses	(2,705)	(1,281)
Administrative expenses	(250)	(223)
Options expenses	-	(193)
Directors' fees	(122)	(121)
Depreciation, amortization and impairments	(152)	(141)
Other expenses	(380)	(167)
	(11,169)	(8,968)
Profit before tax	7,270	5,003
Income tax expense	(2,073)	(1,302)
Profit for the period	5,197	3,701
Other comprehensive income	-	-
Total comprehensive income for the period	5,197	3,701
Earnings Per Share:		
Basic earnings per share (cents per share)	6.90	4.94
Diluted earnings per share (cents per share)	6.90	4.94

Notes to the condensed consolidated financial statements are included on pages 9 to 10.

Condensed Consolidated Statement of Financial Position

As at 31 December 2009

Consolidated

	31 Dec 2009	30 Jun 2009
Note	\$ (000's)	\$ (000's)
Current assets		
Cash and cash equivalents	10,021	9,534
Trade and other receivables	2,303	1,503
Other financial assets	21,448	21,362
Other assets	147	143
Total current assets	33,919	32,542
Non-current assets		
Other financial assets	200	-
Property, plant and equipment	853	853
Deferred tax assets	2,570	2,684
Intangible assets	5,785	5,210
Total non-current assets	9,408	8,747
TOTAL ASSETS	43,327	41,289
Current liabilities		
Trade and other payables	2,793	3,942
Other liabilities	11	20
Current tax liabilities	1,187	1,550
Provisions	664	588
Total current liabilities	4,655	6,101
Non-current liabilities		
Deferred tax liabilities	1,452	1,280
Provisions	44	36
Total non-current liabilities	1,496	1,316
TOTAL LIABILITIES	6,151	7,417
NET ASSETS	37,176	33,872
EQUITY		
Contributed equity	3 24,261	23,569
Reserves	1,285	1,243
Retained earnings	11,630	9,060
TOTAL EQUITY	37,176	33,872

Notes to the condensed consolidated financial statements are included on pages 9 to 10.

Condensed Consolidated Statement of Changes in Equity

For the half-year ended 31 December 2009

Consolidated	Ordinary Shares (000's)	Retained Earnings/ (Accumulated Losses) (000's)	Option Reserve (000's)	Total (000's)
Equity as at 1 July 2009	23,569	9,060	1,243	33,872
Profit for the period	-	5,197	-	5,197
Total comprehensive income for the period	-	5,197	-	5,197
Issue of shares (exercise of options)	734	-	-	734
Share buy back	-	-	-	-
Dividends paid	-	(2,627)	-	(2,627)
Transfer to and from reserves				
Options exercised	(42)	-	42	-
Sub-total	692	2,570	42	3,304
Equity as at 31 December 2009	24,261	11,630	1,285	37,176

Consolidated	Ordinary Shares (000's)	Retained Earnings/ (Accumulated Losses) (000's)	Option Reserve (000's)	Total (000's)
Equity as at 1 July 2008	23,069	5,886	1,049	30,004
Profit for the period	-	3,701	-	3,701
Total comprehensive income for the period	-	3,701	-	3,701
Issue of shares	393	-	-	393
Share buy back	(218)	-	-	(218)
Dividends paid	-	(2,255)	-	(2,255)
Recognition of share based payments				
Options granted	-	-	193	193
Sub-total	175	1,446	193	1,814
Equity as at 31 December 2008	23,244	7,332	1,242	31,818

Notes to the condensed consolidated financial statements are included on pages 9 to 10.

Condensed Consolidated Statement of Cash Flows

For the half-year ended 31 December 2009

	Consolidated	
	Half-year ended	
	31 Dec 2009	31 Dec 2008
	\$ (000's)	\$ (000's)
Cash from operating activities:		
Receipts from customers	16,828	13,164
Payments to suppliers and employees	(12,088)	(9,666)
Interest received	716	935
Income tax paid	(2,149)	(1,774)
Total cash provided by operating activities	3,307	2,659
Cash flows from investing activities:		
Acquisition of property, plant and equipment	(152)	(121)
Acquisition of intangible assets	(575)	(606)
Acquisition of floating rate notes	-	(9,453)
Acquisition of other financial assets	(200)	-
Net cash used in investing activities	(927)	(10,180)
Cash flows from financing activities:		
Proceeds from the issue of share capital	734	393
Payment for share buy-back	-	(218)
Payment of transaction costs	-	-
Dividends paid	(2,627)	(2,255)
Net cash used in financing activities	(1,893)	(2,080)
Net increase/(decrease) in cash and cash equivalents	487	(9,601)
Cash and cash equivalents at beginning of period	9,534	21,049
Cash and cash equivalents at end of period	10,021	11,448

Notes to the condensed consolidated financial statements are included on pages 9 to 10.

Notes to the Condensed Financial Statements

1 Significant accounting policies

Statement of compliance

This general purpose financial report for the interim half-year reporting period ended 31 December 2009 has been prepared in accordance with AASB 134 *Interim Financial Reporting* and the *Corporations Act 2001*. Compliance with AASB 134 ensures compliance with International Financial Reporting Standard IAS 34 *Interim Financial Reporting*. The half-year report does not include notes of the type normally included in an annual financial report and shall be read in conjunction with the most recent annual financial report and any public announcements made by Webjet Limited during the interim reporting period in accordance with the continuous disclosure requirements of the Corporations Act 2001.

Basis of preparation

The financial report has been prepared on an accrual basis and is based on historical costs modified by the revaluation of selected non-current assets, and financial assets and financial liabilities for which the fair value basis of accounting has been applied. All amounts are presented in Australian dollars, unless otherwise noted.

The company is a company of the kind referred to in ASIC Class Order 98/0100, dated 10 July 1998, and in accordance with that Class Order amounts in the directors' report and the half-year financial report are rounded off to the nearest thousand dollars, unless otherwise indicated.

The accounting policies and methods of computation adopted in the preparation of the half-year financial report are consistent with those adopted and disclosed in the company's 2009 annual financial report for the financial year ended 30 June 2009, except for the impact of the Standards and Interpretations described below. These accounting policies are consistent with Australian Accounting Standards and with International Financial Reporting Standards.

The company has adopted all of the new and revised Standards and Interpretations issued by the Australian Accounting Standards Board that are relevant to their operations and effective for the current reporting period.

New and revised Standards and Interpretations effective for the current reporting period that are relevant to the company include:

- AASB 8 *Operating Segments*
- AASB 101 *Presentation of Financial Statements*.

2 Segment information

The company has adopted AASB 8 *Operating Segments* and AASB 2007-3 *Amendments to Australian Accounting Standards arising from AASB 8* with effect from 1 January 2009. AASB 8 requires operating segments to be identified on the basis of internal reports about components of the company that are regularly reviewed by the chief operating decision maker in order to allocate resources to the segment and to assess its performance. The consolidated entity operated in one business segment being internet-based travel booking services in Australia.

Notes to the Condensed Financial Statements (Continued)

3 Equity Securities Issued

	31 Dec 2009	31 Dec 2008	31 Dec 2009	31 Dec 2008
			\$	\$
	Shares	Shares	(000's)	(000's)
Exercise of options under the Employee option plan	670,000	300,000	734	393
Total	670,000	300,000	734	393

4 Dividends paid or provided for on ordinary shares

	31 Dec 2009	31 Dec 2008
	\$	\$
	(000's)	(000's)
Ordinary Shares		
Dividends paid during the half-year	2,627	2,255

5 Contingent assets and liabilities

Since the last annual reporting date, there has been no material change of any contingent liabilities or contingent assets.

6 Rounding of amounts

The company satisfies the requirements of Class Order 98/0100 issued by the Australian Securities and Investments Commission relating to "rounding off" of amounts in the directors' report and the financial report to the nearest thousand dollars. Amounts have been rounded off in the directors' report and financial report in accordance with that Class Order.

7 Post balance date events

An interim dividend of \$0.05 per share fully franked totaling \$3.786M has been declared and is payable 14 April 2010.

Managing Director and Financial Controller Sign Off

The Managing Director and Financial Controller of Webjet Limited state that:

1. With regard to the integrity of the financial statements of Webjet Limited for the half-year ended 31 December 2009, that having made appropriate enquiries, in our opinion:
 - (a) the financial records of Webjet Limited and of the entities for whom financial statements are required to be included in its consolidated financial statements (the Consolidated Entity) for the half-year have been properly maintained in accordance with section 286 of the Corporations Act 2001; and
 - (b) the financial report of Webjet Limited, being the financial statements and notes for the half-year, present a true and fair view, in all material respects of the financial position and performance of the Consolidated Entity in accordance with section 305 of the Corporations Act 2001 and comply with relevant accounting standards, in all material respects, in accordance with section 304 of the Corporations Act 2001.
2. With regard to the risk management and internal compliance and control systems of Webjet Limited in operation as at 31 December 2009, that having made appropriate enquiries, within the context described in point 3 below, to the best of our knowledge and belief.
 - (a) The statements made in 1(b) 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.
 - (b) The risk management and internal compliance and control systems to the extent they relate to financial reporting are operating effectively, in all material respects.
 - (c) Nothing has come to our attention since 31 December 2009 that would indicate any material change to the statements made in 1(a) and 1(b) above, and
3. The statements made in (2) above regarding the risk management and internal compliance and control systems are made within the following context.
 - (a) These statements provide a reasonable, but not absolute, level of assurance and do not imply a guarantee against adverse events or more volatile outcomes arising in the future.
 - (b) The design and operation of the risk management and internal compliance and control systems relating to financial reporting has been assessed primarily through the use of declarations by process owners who are responsible for those systems.



David Clarke
Managing Director
Date: 27 January 2010



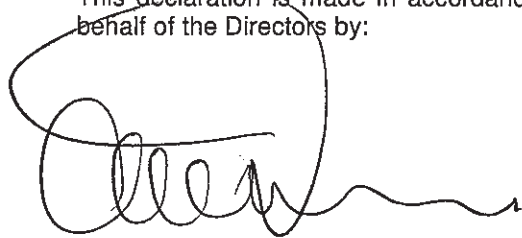
John Viegas
Financial Controller
Date: 27 January 2010

Directors' Declaration

The directors of the company declare that:

1. the financial statements and notes, as set out on pages 5 to 10, are in accordance with the Corporations Act 2001 and:
 - (a) comply with Accounting Standards and the Corporations Regulations 2001; and
 - (b) give a true and fair view of the consolidated entity's financial position as at 31 December 2009 and of the performance for the half-year ended on that date.
2. in the directors' opinion, there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.

This declaration is made in accordance with a resolution of the Board of Directors and is signed for and on behalf of the Directors by:


A handwritten signature in black ink, consisting of a large, stylized initial 'A' followed by a series of loops and a long horizontal stroke ending in a small hook. Below the signature is a horizontal line with an arrowhead pointing to the right.

Allan Nahum
Chairman

Dated: 27 January 2010

Auditor's Independence Declaration

DECLARATION OF INDEPENDENCE

BY GREGORY R WIESE

To the Directors of Webjet Limited

As lead auditor for the review of Webjet Limited for the half-year ended 31 December 2009, I declare that to the best of my knowledge and belief, there have been:

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

This declaration is in respect of Webjet Limited and the entities it controlled during the period.



Gregory R Wiese

Partner

BDO (SA)

22 January 2010

Adelaide, South Australia

INDEPENDENT AUDITOR'S REVIEW REPORT

To the members of Webjet Limited

Report on the Half-Year Financial Report

We have reviewed the accompanying half-year financial report of Webjet Limited, which comprises the condensed statement of financial position as at 31 December 2009, and the condensed statement of comprehensive income, condensed statement of changes in equity and condensed statement of cash flows for the half-year ended on that date, a statement of accounting policies, other selected explanatory notes and the directors' declaration of the consolidated entity comprising the disclosing entity and the entities it controlled at the half-year end or from time to time during the half-year.

Directors' Responsibility for the Half-Year Financial Report

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

Auditor's Responsibility

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

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

Independence

In conducting our review, we have complied with the independence requirements of the *Corporations Act 2001*. We confirm that the independence declaration required by the *Corporations Act 2001* would be in the same terms if it had been given to the directors at the time that this auditor's review report was made.

Conclusion

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

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

BDO (SA)

Chartered Accountants

A handwritten signature in blue ink, appearing to read 'Gregory R Wiese'.

Gregory R Wiese
Partner

27 January 2010