

Webjet Limited

ABN 68 002 013 612

Half-Year Financial Report

Half-Year Ended 31 December 2008

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

Rod Brandenburg

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 Kendalls
248 Flinders Street
Adelaide SA 5000

Internet Address

www.webjet.com.au

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

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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 2008. 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 2008 has provided a consolidated profit of \$3.701M (after providing for income tax) compared to a profit (after income tax) for 2007 of \$2.870M, an increase of 29%.

The profit before tax for the half year increased from \$4.014M to \$5.003M, an increase of 25%.

Gross transaction values increased for the half year to 31 December 2008 to \$181.6M compared to \$157.6M the previous year, an increase of 15%.

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 fully franked totalling \$2.255M was paid on 9 October 2008. An interim dividend of \$0.025 per share and a special dividend of \$0.005 per share fully franked totalling \$2.249M has been declared and is payable 16 April 2009.

Trading profits have seen a positive net cash flow from operating activities of \$2.659M and has resulted in cash on hand totalling \$11.448M. Webjet has \$16.443M in bank floating rate notes, classified as current other financial assets in the balance sheet, combined with \$11.448M in cash on hand and in bank, has \$27.891 in liquid cash assets.

The calculated effective rate of taxation for the half year is 26%.

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 2009.

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:

A handwritten signature in black ink, appearing to read 'Allan Nahum', with a long horizontal flourish extending to the right.

Allan Nahum
Chairman

Melbourne, 3 February 2009

Consolidated Income Statement

Half-year ended 31 December 2008

	Half Year 31 Dec 2008 \$ (000's)	Half Year 31 Dec 2007 \$ (000's)
Revenue		
Fees	12,400	10,685
Other Income	449	206
Interest income	1,122	714
	<u>13,971</u>	<u>11,605</u>
Employee benefits	(2,682)	(2,410)
Marketing expenses	(3,450)	(2,969)
Technology expenses	(710)	(498)
Operating expenses	(1,281)	(1,020)
Administrative expenses	(223)	(208)
Options expenses	(193)	(108)
Directors' fees	(121)	(100)
Depreciation, amortization and impairments	(141)	(94)
Other expenses	(167)	(184)
	<u>(8,968)</u>	<u>(7,591)</u>
Profit before income tax	5,003	4,014
Income tax expense	(1,302)	(1,144)
	<u>3,701</u>	<u>2,870</u>
Profit attributable to members of the parent entity after tax		
Earnings Per Share:		
Basic earnings per share (cents per share)	4.94	3.85
Diluted earnings per share (cents per share)	4.94	3.63

The above Consolidated Income Statement should be read in conjunction with the accompanying notes.

Consolidated Balance Sheet

As at 31 December 2008

	Note	31 Dec 2008 \$ (000's)	30 Jun 2008 \$ (000's)
Current assets			
Cash and cash equivalents		11,448	21,049
Trade and other receivables		1,205	969
Other financial assets	2	16,443	6,873
Other assets		96	378
Total current assets		29,192	29,269
Non-current assets			
Property, plant and equipment		805	825
Deferred tax assets		2,704	2,782
Intangible assets		4,759	4,153
Total non-current assets		8,268	7,760
TOTAL ASSETS		37,460	37,029
Current liabilities			
Trade and other payables		3,083	3,826
Other liabilities		70	172
Current tax liabilities		792	1,549
Provisions		519	500
Total current liabilities		4,464	6,047
Non-current liabilities			
Deferred tax liabilities		1,145	963
Provisions		33	15
Total non-current liabilities		1,178	978
TOTAL LIABILITIES		5,642	7,025
NET ASSETS		31,818	30,004
EQUITY			
Contributed equity	3	23,244	23,069
Reserves		1,242	1,049
Retained earnings		7,332	5,886
TOTAL EQUITY		31,818	30,004

The above Consolidated Balance Sheet should be read in conjunction with the accompanying notes.

Consolidated Statement of Changes in Equity

Half-year ended 31 December 2008

Half-year ended 31 December 2008	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
Changes				
Profit 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

Half-year ended 31 December 2007	Ordinary Shares (000's)	Retained Earnings/ (Accumulated Losses) (000's)	Option Reserve (000's)	Total (000's)
Equity as at 1 July 2007	22,194	(487)	1,092	22,799
Changes				
Profit for the period	-	2,870	-	2,870
Issue of shares	921	-	-	921
Cost of share placement	(19)	-	-	(19)
Dividends paid	-	(1,501)	-	(1,501)
Transfers to and from reserves				
Options exercised	174	-	(174)	-
Recognition of share based payments				
Options granted	-	-	108	108
Sub-total	1,076	1,369	(66)	2,379
Equity as at 31 December 2007	23,270	882	1,026	25,178

The above Consolidated Statement of Changes in Equity should be read in conjunction with the accompanying notes.

Consolidated Cash Flow Statement

Half-year ended 31 December 2008

	Half Year 31 Dec 2008 \$ (000's)	Half Year 31 Dec 2007 \$ (000's)
Cash from operating activities:		
Receipts from customers	13,164	11,424
Payments to suppliers and employees	(9,666)	(8,002)
Interest received	935	714
Income tax paid	(1,774)	(145)
Total cash provided by operating activities	2,659	3,991
Cash flows from investing activities:		
Acquisition of property, plant and equipment	(121)	(227)
Acquisition of intangible assets	(606)	(217)
Acquisition of floating rate notes	(9,453)	-
Net cash used in investing activities	(10,180)	(444)
Cash flows from financing activities:		
Proceeds from the issue of share capital	393	921
Payment for share buy-back	(218)	-
Payment of transaction costs	-	(19)
Dividends paid	(2,255)	(1,501)
Net cash used in financing activities	(2,080)	(599)
Net (decrease)/increase in cash and cash equivalents	(9,601)	2,948
Cash and cash equivalents at beginning of period	21,049	20,125
Cash and cash equivalents at end of period	11,448	23,073

The above Consolidated Cash Flow Statement should be read in conjunction with the accompanying notes.

1 Basis of Preparation half year report

This general purpose financial report for the interim half-year reporting period ended 31 December 2008 has been prepared in accordance with Australian Accounting Standard 134 "Interim Financial Reporting" and the Corporations Act 2001.

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 fair value basis of accounting has been applied.

This interim report does not include all the notes of the type normally included in an annual financial report and therefore 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. Accordingly, this interim financial report is to be read in conjunction with the annual report for the year ended 30 June 2008 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.

The same accounting policies and methods of computation have generally been followed in this interim financial report as compared with the most recent annual financial report.

2 Other financial assets

	31 Dec 2008	30 Jun 2008
	\$	\$
	(000's)	(000's)
Available for sale investments carried at fair value:		
<i>Current</i>		
Floating rate notes	16,443	6,873
Total	16,443	6,873

3 Equity Securities Issued

	2008	2007	2008	2007
	Shares	Shares	\$	\$
	(000's)	(000's)	(000's)	(000's)
Exercise of options under the Employee option plan	300,000	750,000	393	921
Total	300,000	750,000	393	921

4 Dividends paid or provided for on ordinary shares

	2008	2007
	\$	\$
	(000's)	(000's)
Ordinary Shares		
Dividends paid during the half-year	2,255	1,501

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 Segment information

The consolidated entity operated in one business segment being internet-based travel booking services. The consolidated entity operates in one geographical segment being Australia.

7 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.

8 Post balance date events

An interim dividend of \$0.025 per share and a special dividend of \$0.005 per share fully franked totaling \$2,249 thousand has been declared and is payable 16 April 2009.

Managing Director and Chief Financial Officer Sign Off

The Managing Director and Chief Financial Officer 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 2008, 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 2008, 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 2008 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: 3 February 2009

Rod Brandenburg
Chief Financial Officer
Date: 3 February 2009

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 2008 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 blue ink, appearing to read 'Allan Nahum', with a long horizontal flourish extending to the right.

Allan Nahum
Chairman

Dated: 3 February 2009

Auditor's Independence Declaration

As lead auditor for the review of Webjet Limited for the half-year ended 31 December 2008, I declare that to the best of my knowledge and belief, there have been:

- (i) no contraventions of the auditor independence requirements as set out in 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 Kendalls (SA)

Chartered Accountants

3 February 2009

Adelaide

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 balance sheet as at 31 December 2008, and the condensed income statement, condensed statement of changes in equity and condensed cash flow statement 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 in order for the disclosing entity to lodge the half-year financial report with the Australian Securities and Investments Commission.

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 control 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 an Interim Financial Report 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 disclosing entity's financial position as at 31 December 2008 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.

Independent Auditor's Review Report

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 2008 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 Kendalls (SA)
Chartered Accountants

Gregory R Wiese
Partner

3 February 2009
Adelaide