

# **Webjet Limited**

ABN 68 002 013 612

**Half-Year Financial Report**

**Half-Year Ended 31 December 2011**

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

## **Corporate Information**

### **Directors**

David Clarke (Non Executive Chairman)  
John Guscic (Executive Managing Director)  
Don Clarke (Non Executive Deputy Chairman)  
Richard Noon (Executive Director)  
Steven Scheuer (Non Executive Director)  
Allan Nahum (Non Executive Director)  
Christopher Newman (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**

St George Bank  
530 Collins Street  
Melbourne VIC 3000

### **Share Registry**

Computershare  
Level 5  
115 Grenfell Street  
Adelaide SA 5000

### **Auditors**

BDO  
Level 7  
420 King William St  
Adelaide SA 5000

### **Internet Address**

[www.webjet.com.au](http://www.webjet.com.au)

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

**CONTENTS**

	<u>Page</u>
<b>Half-Year Condensed Financial Statements</b>	
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	12
Directors' Declaration	13
Auditor's Independence Declaration	14
Independent Auditor's Review Report	15

## **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 2011. 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:

David Clarke (Non Executive Chairman)

Don Clarke LLB (Hons) (Non Executive Deputy Chairman)

John Guscic, B.Ec, MBA (Executive Managing Director)

Richard Noon FCPA, CTFP (Snr), B.Bus, Grad Dip (Acc) (Executive Director)

Steven Scheuer, B.Bus (Acc) (Non Executive Director)

Allan Nahum, FCA, FICD, AAISA (Non Executive Director)

Christopher Newman, B.Ec, B.Comm (Non Executive Director)

### **Review of Operations**

The half year ended 31 December 2011 has provided a trading profit of \$5.88M (after providing for income tax) compared to a trading profit (after income tax) for 2010 of \$5.03M, an increase of 17.0%.

The profit before tax for the half year increased from \$7.00M to \$8.50M, an increase of 21.4%.

Gross transaction values increased for the half year to 31 December 2011 to \$369M compared to \$285M the previous year, an increase of 29.5%.

A final dividend of \$0.06 per share fully franked totalling \$4.43M was paid on 7 October 2011. An interim dividend of \$0.06 per share fully franked totalling \$4.37M has been declared and is payable 12 April 2012.

Trading profits have seen a positive net cash flow from operating activities of \$5.37M and has resulted in cash on hand totalling \$25.23M. Webjet has \$8M in bank floating rate notes, classified as current other financial assets in the statement of financial position, combined with \$25.23M in cash on hand and in bank, has \$33.23M in liquid cash assets.

The calculated effective rate of taxation for the half year is 30.8%

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

**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 2012.

**Auditor's Independence Declaration**

A copy of the independence declaration by the lead auditor under section 307C can be found on page 14 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.

Signed in accordance with a resolution of directors made pursuant to s.306(3) of the *Corporations Act 2001*.

On behalf of the Directors



David Clarke  
Director

Melbourne, 8 February 2012

## Condensed Consolidated Statement of Comprehensive Income

For the half-year ended 31 December 2011

	Consolidated	
	Half-year ended	
	31 Dec 2011 \$ (000's)	31 Dec 2010 \$ (000's)
<b>Revenue</b>		
Service revenue	28,162	20,470
Investment income	890	1,098
	<b>29,052</b>	<b>21,568</b>
Share of associates' losses	(324)	-
Employee benefits	(4,345)	(3,558)
Marketing expenses	(6,488)	(4,453)
Technology expenses	(733)	(767)
Operating expenses	(6,933)	(4,863)
Options expenses	(125)	-
Administrative expenses	(353)	(263)
Directors' fees	(172)	(131)
Depreciation, amortisation and impairments	(311)	(213)
Other expenses	(771)	(321)
	<b>(20,555)</b>	<b>(14,569)</b>
Profit before tax	8,497	6,999
Income tax expense	(2,613)	(1,968)
<b>Profit for the period</b>	<b>5,884</b>	<b>5,031</b>
Other comprehensive income		
Exchange difference on translating foreign operations	10	(155)
<b>Total comprehensive income for the period</b>	<b>5,894</b>	<b>4,876</b>
Profit attributable to:		
Owners of the parent	6,043	5,165
Non-controlling interests	(159)	(134)
	<b>5,884</b>	<b>5,031</b>
Total comprehensive income attributable to:		
Owners of the parent	6,025	5,007
Non-controlling interests	(131)	(131)
	<b>5,894</b>	<b>4,876</b>
Earnings Per Share:		
Basic earnings per share (cents per share)	8.17	6.69
Diluted earnings per share (cents per share)	8.16	6.63

Notes to the condensed consolidated financial statements are included on pages 9 to 11.

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

**Condensed Consolidated Statement of Financial Position**

As at 31 December 2011

	<b>Consolidated</b>	
<b>Note</b>	<b>31 Dec 2011</b>	<b>30 Jun 2011</b>
	<b>\$ (000's)</b>	<b>\$ (000's)</b>
<b>Current assets</b>		
Cash and cash equivalents	25,233	31,626
Trade and other receivables	3,674	2,337
Other financial assets	8,008	9,194
Other assets	254	47
<b>Total current assets</b>	<b>37,169</b>	<b>43,204</b>
<b>Non-current assets</b>		
Investments in associates	-	30
Other financial assets	218	211
Property, plant and equipment	1,373	1,065
Deferred tax assets	2,803	2,662
Intangible assets	8,935	7,652
<b>Total non-current assets</b>	<b>13,329</b>	<b>11,620</b>
<b>Total assets</b>	<b>50,498</b>	<b>54,824</b>
<b>Current liabilities</b>		
Trade and other payables	11,575	11,045
Other financial liabilities	11	11
Current tax liabilities	922	1,029
Provisions	485	415
Other liabilities	82	55
<b>Total current liabilities</b>	<b>13,075</b>	<b>12,555</b>
<b>Non-current liabilities</b>		
Deferred tax liabilities	2,288	2,044
Provisions	22	10
<b>Total non-current liabilities</b>	<b>2,310</b>	<b>2,054</b>
<b>Total liabilities</b>	<b>15,385</b>	<b>14,609</b>
<b>Net assets</b>	<b>35,113</b>	<b>40,215</b>
<b>Equity</b>		
Issued capital	5	16,607
Reserves		24
Retained earnings		18,423
<b>Equity attributable to owners of the parent</b>		<b>35,054</b>
Non-controlling interests		59
<b>Total equity</b>		<b>35,113</b>

Notes to the condensed consolidated financial statements are included on pages 9 to 11.

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

**Condensed Consolidated Statement of Changes in Equity**

For the half-year ended 31 December 2011

	Issued capital \$'000	Retained earnings/ (losses) \$'000	Foreign currency translation reserve \$'000	Option reserve \$'000	Total attributable to owners of the parent \$'000	Non- controlling interests \$'000	Total \$'000
Balance at 1 July 2011	23,214	16,154	(83)	740	40,025	190	40,215
<b>Changes</b>							
Profit for the period	-	6,043	-	-	6,043	(159)	5,884
Other comprehensive income for the period	-	-	(18)	-	(18)	28	10
Total comprehensive income for the period	-	6,043	(18)	-	6,025	(131)	5,894
Share issue (exercise of options)	944	-	-	-	944	-	944
Buy-back of ordinary shares	(7,635)	-	-	-	(7,635)	-	(7,635)
Issue of new options	-	-	-	125	125	-	125
Payment of dividends	-	(4,430)	-	-	(4,430)	-	(4,430)
Options exercised	84	-	-	(84)	-	-	-
Forfeited options transferred to retained earnings	-	656	-	(656)	-	-	-
<b>Sub-total</b>	(6,607)	2,269	(18)	(615)	(4,971)	(131)	(5,102)
<b>Balance at 31 December 2011</b>	<b>16,607</b>	<b>18,423</b>	<b>(101)</b>	<b>125</b>	<b>35,054</b>	<b>59</b>	<b>35,113</b>
Balance at 1 July 2010	25,674	13,155	58	1,125	40,012	300	40,312
<b>Changes</b>							
Profit for the period	-	5,165	-	-	5,165	(134)	5,031
Other comprehensive income for the period	-	-	(158)	-	(158)	3	(155)
Total comprehensive income for the period	-	5,165	(158)	-	5,007	(131)	4,876
Share issue (exercise of options)	1,078	-	-	-	1,078	-	1,078
Payment of dividends	-	(4,241)	-	-	(4,241)	-	(4,241)
Options exercised	-	-	-	-	-	-	-
<b>Sub-total</b>	1,078	924	(158)	-	1,844	(131)	1,713
<b>Balance at 31 December 2010</b>	<b>26,752</b>	<b>14,079</b>	<b>(100)</b>	<b>1,125</b>	<b>41,856</b>	<b>169</b>	<b>42,025</b>

Notes to the condensed consolidated financial statements are included on pages 9 to 11.



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

**Condensed Consolidated Statement of Cash Flows**

For the half-year ended 31 December 2011

	<b>Consolidated</b>	
	<b>Half-year ended</b>	
	<b>31 Dec 2011</b>	<b>31 Dec 2010</b>
	<b>\$ (000's)</b>	<b>\$ (000's)</b>
<b>Cash from operating activities:</b>		
Receipts from customers	26,771	19,931
Payments to suppliers and employees	(19,600)	(13,360)
Interest received	819	1,098
Income tax paid	(2,618)	(2,361)
<b>Total cash provided by operating activities</b>	<b>5,372</b>	<b>5,308</b>
<b>Cash flows from investing activities:</b>		
Acquisition of property, plant and equipment	(593)	(206)
Acquisition of intangible assets	(1,309)	(459)
Acquisition of other financial assets	-	(76)
Proceeds from sale of available-for-sale financial assets	1,250	12,500
<b>Net cash used in investing activities</b>	<b>(652)</b>	<b>11,759</b>
<b>Cash flows from financing activities:</b>		
Proceeds from the issue of share capital	944	1,078
Dividends paid	(4,430)	(4,238)
Payment for share buy-back	(7,635)	-
<b>Net cash used in financing activities</b>	<b>(11,121)</b>	<b>(3,160)</b>
<b>Net increase/(decrease) in cash and cash equivalents</b>	<b>(6,401)</b>	<b>13,907</b>
Cash and cash equivalents at beginning of period	31,626	17,317
Effects of exchange rate changes on the balance of cash held in foreign currencies	8	-
<b>Cash and cash equivalents at end of period</b>	<b>25,233</b>	<b>31,224</b>

Notes to the condensed consolidated financial statements are included on pages 9 to 11.

## **Notes to the Condensed Consolidated Financial Statements**

**For the half-year ended 31 December 2011**

### **1 Significant accounting policies**

#### **Statement of compliance**

This general purpose financial report for the interim half-year reporting period ended 31 December 2011 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 condensed consolidated financial statements have been prepared on an accrual basis and are 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. 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 2011 annual financial report for the financial year ended 30 June 2011, 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.

### **2 Segment information**

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.

Information reported to the company's Managing Director for the purposes of resource allocation and assessment of performance is more specifically focused on the types of services provided and the geographical location of services provided. The company's reportable segments under AASB 8 are as follows:-

- Flight bookings – Australia and New Zealand (ANZ)
- Flight bookings – Other locations

The Australian & New Zealand reportable segment refers to transaction fee and other income derived from the transactions processed through the Australian and New Zealand Webjet websites.

The Other locations reportable segment refers to transaction fee and other income derived from the transactions processed through our other geographical Webjet websites, primarily based throughout Asia and USA.

## Notes to the Condensed Consolidated Financial Statements

For the half-year ended 31 December 2011

### 2 Segment information (continued)

#### Segment revenues and results

The following is an analysis of the company's revenue and results by reportable operating segment for the periods under review:

	Revenue		Segment profit	
	31 Dec 2011 \$'000	31 Dec 2010 \$'000	31 Dec 2011 \$'000	31 Dec 2010 \$'000
Flight bookings – ANZ	26,117	20,280	8,306	6,419
Flight bookings – Other locations	2,045	190	(699)	(267)
	<b>28,162</b>	20,470	<b>7,607</b>	6,152
Other revenue			890	847
Profit before tax			<b>8,497</b>	6,999
Income tax expense			<b>(2,613)</b>	(1,968)
Consolidated segment revenue and profit for the period	<b>28,162</b>	20,470	<b>5,884</b>	5,031

#### Segment assets and liabilities

	Segment assets	
	31 Dec 2011 \$'000	30 June 2011 \$'000
Flight bookings – ANZ	29,382	31,414
Flight bookings – Other locations	1,294	1,095
Other	19,822	22,315
Total segment assets	<b>50,498</b>	54,824
Consolidated total assets	<b>50,498</b>	54,824

	Segment liabilities	
	31 Dec 2011 \$'000	30 June 2011 \$'000
Flight bookings – ANZ	15,082	13,893
Flight bookings – Other locations	303	716
Other	-	-
Total segment assets	<b>15,385</b>	14,609
Consolidated total assets	<b>15,385</b>	14,609

## **Notes to the Condensed Consolidated Financial Statements**

For the half-year ended 31 December 2011

### **3 Equity Securities Issued**

	31 Dec 2011	31 Dec 2010	31 Dec 2011	31 Dec 2010
	Shares	Shares	\$(000's)	\$(000's)
Exercise of options under the Employee option plan	705,000	800,000	944	1,078
<b>Total</b>	<b>705,000</b>	<b>800,000</b>	<b>944</b>	<b>1,078</b>

### **4 Dividends paid**

	31 Dec 2011		31 Dec 2010	
	Cents per share	Total \$(000's)	Cents per share	Total \$(000's)
<b>Fully paid ordinary shares</b>				
Dividends paid during the half-year	6.0	4,430	5.5	4,238

### **5 Issuances, repurchases and repayments of equity securities**

Issued capital as at 31 December 2011 amounted to \$16,607,495 (72,914,803 ordinary shares).

During the half-year reporting period, the company issued 705,000 ordinary shares for \$943,969 on exercise of 705,000 share options issued under its executive share option plan.

During the half-year reporting period, the company repurchased 3,758,165 ordinary shares under its share buy-back scheme. The shares bought back during the period were cancelled immediately.

There were no other movements in the ordinary share capital or other issued share capital of the company in the current or prior half-year reporting period.

### **6 Contingent assets and liabilities**

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

### **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 Events after the reporting period**

An interim dividend of \$0.06 per share fully franked totalling \$4.37M has been declared and is payable 12 April 2012.

## **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 2011, 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 2011, 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 2011 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.



**John Guscic**  
Managing Director  
Date: 8 February 2012



**John Viegas**  
Financial Controller  
Date: 8 February 2012

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

**Directors' Declaration**

The directors declare that:

- (a) 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; and
- (b) in the directors opinion, the attached financial statements and notes thereto are in accordance with the *Corporations Act 2001*, including compliance with accounting standards and giving a true and fair view of the financial position and performance of the consolidated entity.

Signed in accordance with a resolution of the directors made pursuant to s.303(5) of the *Corporations Act 2001*.

On behalf of the Directors



David Clarke  
Director

Date: 8 February 2012

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



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**DECLARATION OF INDEPENDENCE BY PAUL GOSNOLD  
TO THE DIRECTORS OF WEBJET LIMITED**

As lead auditor for the review of Webjet Limited for the half-year ended 31 December 2011, I declare that to the best of my knowledge and belief, there have been:

- no contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the review; and
- 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.

**BDO (SA)**

A handwritten signature in blue ink that reads 'Paul Gosnold'. The signature is written in a cursive, flowing style.

Paul Gosnold  
Partner

7 February 2012

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## Webjet Limited – Half-Year Report

### And Controlled Entities



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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 2011, 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, notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration of the consolidated entity comprising the disclosing entity and the entities it controlled at the half-year's 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 of the half-year financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the half-year financial report that is free from material misstatement, whether due to fraud or error.

### 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 a 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 half-year 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 2011 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*, which has been given to the directors of Webjet Limited, would be in the same terms if given to the directors as at the time of this auditor's 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 2011 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)



Paul Gosnold  
Partner

8 February 2012