

ASX ANNOUNCEMENT

Wotif.com Holdings Limited ABN 41 093 000 456

Wednesday 27 February 2013

Results for the Half Year ended 31 December 2012

Pursuant to Listing Rule 4.2A, please find attached for immediate release the following information with respect to the half year ended 31 December 2012:

- Media Release;
- Half Year Report (including Appendix 4D, Directors' Report and Financial Report).

In accordance with the Australian Securities and Investments Commission Practice Note No.61, the documents required by Section 302 of the *Corporations Act 2001* will not be lodged separately with the Australian Securities and Investment Commission.

For further information or to arrange an interview with Scott Blume (Group CEO) or Gordon Timm (Chief Financial Officer):

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MEDIA RELEASE

Wotif.com Holdings Limited ABN 41 093 000 456

Wednesday 27 February 2013

Wotif.com Holdings Limited

Half year after tax profit \$27.5 million

Australia's leading online travel company, Wotif.com Holdings Limited, today announced a profit after tax of \$27.5 million for the six months to 31 December 2012. This result is down 4.6% on the corresponding period last year, primarily attributable to increased costs from strategic investment in online marketing, web maintenance and headcount.

The Group sold \$532 million of accommodation (excluding GST) in the six month reporting period, with a total of 3.5 million room nights which was 4% down on the corresponding period and 3% up on the second half of 2012.

Summary of Results

	H1 FY2013	H1 FY2012	% Change H1 FY13 vs H1 FY12
Accommodation TTV	\$531.947m	\$539.096m	Down 1%
Flights & Other TTV	\$62.955m	\$56.530m	Up 11%
Total Transaction Value	\$594.902m	\$595.626m	0%
Revenue:			
- Accommodation	\$63.642m	\$64.771m	Down 2%
- Flights and Other	\$6.963m	\$6.299m	Up 11%
- Interest	\$2.628m	\$2.900m	Down 9%
Total	\$73.233m	\$73.970m	Down 1%
Profit before Depreciation, Amortisation and Taxation	\$40.972m	\$43.536m	Down 6%
Depreciation	\$(1.784)m	\$(1.617)m	Up 10%
Amortisation of IT Development Costs	\$(0.296)m	\$(0.803)m	Down 63%
Other Amortisation	\$(0.017)m	\$(0.030)m	Down 43%
Profit Before Tax	\$38.875m	\$41.086m	Down 5%
Income Tax	\$(11.369)m	\$(12.256)m	Down 7%
Net Profit After Tax	\$27.506m	\$28.830m	Down 5%

EPS (cents)	13.0 cents	13.6 cents	Down 5%
Interim Dividend	11.5 cents	11.5 cents	0%

Total transaction values were flat compared with the prior corresponding period. Modest gains in Australia/New Zealand accommodation and solid gains in Australian flights were offset by falls in Asia and Rest of the World accommodation volumes. Total transaction values were up 5% on the immediately preceding six months to 30 June 2012.

Revenues and margins closely followed the transaction value trends. Total revenues were down 1% for the corresponding period.

The overall profit result was impacted by increased operating expenditure from greater investment in marketing, web maintenance and headcount costs, with total operating costs up by 6%. Headcount costs primarily related to the hotel product, search and customer service teams.

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MEDIA RELEASE

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Half Year Snapshot

- Wotif.com was ranked as the number one Travel Agency site in Australia, on a monthly basis, by independent ratings agency Hitwise
- 10% of all Australian accommodation was sold by the Wotif Group¹
- Wotif.com brand recognition in Australia continues above 60% and above 30% in New Zealand
- Over 1.5 million visitors a month from mobile, delivering 9% of Wotif.com room nights
- 25,000+ hotels and accommodation venues (up 26%) working directly with the Group in 69 countries. Almost 50% of this increase relates to Asian properties
- Flights operations continue to grow, with a year-on-year growth in total transaction value of 14% to \$59.5 million
- Interim dividend (fully franked) of 11.5 cents

Commentary

The Wotif Group this morning announced a half year after tax profit of \$27.5 million, down 4.6% on the same half last year.

In commenting on the result Scott Blume, Wotif's Group CEO, said:

"The results reflect a combination of factors and mixed performance by the individual lines of business. Both Australia and New Zealand Accommodation (up 1% in revenue) and Flights and other (up 11% in revenue) were positive performances in a generally lacklustre domestic retail environment and given the continuing strength of the Australia dollar, which continues to stimulate international travel.

These relatively solid performances were however offset by decline in accommodation revenue in Asia and the rest of the world (down 19% in revenue for the corresponding period).

Our Group margins continue to hold at around the same levels as the prior corresponding period. As announced at the Annual General Meeting in October 2012 we have started to increase our commission from hotel suppliers to 11% with effect from 1 January 2013 and this initiative is on track and is being phased in as existing supplier contracts expire. When this initiative is finalised we will continue to be lowest cost of distribution for our hotel suppliers compared to comparable online players."

The Group's reported result also included further investment in the business in technology, headcount and marketing costs so as to position the Company for further growth. In commenting on this, Blume said:

¹ Based on Australian Bureau of Statistics data

MEDIA RELEASE

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"We will continue to invest in developing our people, sites and systems to enable the next phase of our growth and continue to ensure that our customers have an outstanding onsite and support experience with our teams."

After commencing in the new role on 21 January and in commenting on the business, he said:

"After being immersed in the business for six weeks it is very clear that we have an outstanding business, culture and team. The fact that we sell 1 in every 10 hotel rooms in Australia speaks for itself. Over the coming months I will be working with the team on ways in which we can leverage our significant internal intellectual property in the online space for further growth to the benefit of all our stakeholders."

An 11.5 cent interim dividend per share was announced by the Company on releasing its results.

-ends-

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WOTIF.COM HOLDINGS
LIMITED

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Wotif.com Holdings Limited and our group companies (Wotif Group or Group) operate leading online travel brands around the world, with emphasis on the Asia Pacific region.

We provide both leisure and business customers alike with a highly convenient booking service for all their travel needs. Our services are simple to use, value-driven, and provide a wide range of choice whether for accommodation, flights, car rental, cruises, insurance, experiences, travel packages or tours.

Our Group includes eight leading travel brands, as well as more than 100 other travel-related websites.

We strive to be the first choice for business and leisure consumers with a particular focus on those travelling to, from and within the Asia Pacific region. We work as partners with our travel suppliers, providing a cost-effective distribution platform for their products and sell approximately 7 million room nights annually on their behalf. With each brand offering unique advantages and access to different target markets, our travel and accommodation supply partners can tailor their online marketing and distribution strategies to suit their needs.

Since launching in 2000, we have grown to be a truly international company, employing staff in 18 countries on five continents. Our head office is in Australia, and we have additional offices in New Zealand, Thailand, Singapore, Indonesia, Hong Kong, China, Malaysia, and the United Kingdom. We listed on the Australian Securities Exchange in June 2006, trading under the ASX code "WTF".

In 2008 the Company's operations expanded with the takeover of travel.com.au Limited and the purchase of the businesses conducted by Asia Web Direct (HK) Limited. Wotif Group's operations today include the following businesses:



WOTIF.COM

- **Accommodation**

As Australasia's leading accommodation website, Wotif.com has been at the forefront of the online accommodation revolution since 2000.

This fun lifestyle brand has a broad range of hotels, international and domestic flights, holiday packages, travel insurance, car hire, gifts and experiences that differentiate it from other travel websites.

- **Flights**

Our unique display allows you to quickly see and compare options at a glance. Booking is then a few clicks away and seats are confirmed in an instant. All flight bookings score a \$20 Wotif.com accommodation voucher.

live every
lastminute.com.au

LASTMINUTE.COM.AU

This fun lifestyle brand has a broad range of hotels, international and domestic flights, holiday packages, travel insurance, car hire, gifts and experiences that differentiates it from other travel websites.



ASIA WEB DIRECT

Asia Web Direct is positioning itself as the premier booking and information source for travel destinations in Asia, providing rich content, inspirational imagery, guest reviews, downloadable guides and an easy-to-use booking service.



ARNOLD

The ARNOLD Corporate system is a customisable online booking platform for the Australasian market that allows large corporates and small-to-medium businesses alike to manage their own travel needs.



TRAVEL.COM.AU

As a full service travel agency, travel.com.au focuses on the leisure travel market and is committed to giving Australian travellers more for their travel budget.



GO DO

GoDo is a leading provider in the activities and "things to do" marketplace. Through its website (godo.com.au), leisure and tourism affiliates and online distribution channels, GoDo offers more than 2,500 activities across 12 categories.



LATESTAYS.COM

LateStays.com promotes last-minute accommodation deals, and is perfect for quick, simple and straightforward bookings, whether for the same day or six months in the future. Consumers can browse and book in English, Chinese, Indonesian, Japanese, Thai, Korean, Malaysian and Russian.

HALF YEAR REPORT

Wotif.com Holdings Limited ACN 093 000 456

Wednesday 27 February 2013

WOTIF.COM HOLDINGS LIMITED ACN 093 000 456

PERIOD ENDED 31 DECEMBER 2012

	Section
Appendix 4D	A
Half Year Directors' Report and Financial Report	B

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SECTION A

APPENDIX 4D HALF YEAR REPORT

WOTIF.COM HOLDINGS LIMITED (WTF)
ACN 093 000 456

Statutory Results

Reporting Period: From 1 July to 31 December 2012
Previous Corresponding Period: From 1 July to 31 December 2011

Results for Announcement to the Market

• Key Information

	Reporting Period	Previous Corresponding Period	% Change Increase/(Decrease)
Revenue from ordinary activities	\$73.233m	\$73.970m	(1.0)%
Profit from ordinary activities after tax attributable to members	\$27.506m	\$28.830m	(4.6)%
Net profit for the period attributable to members	\$27.506m	\$28.830m	(4.6)%

For commentary on the results refer to the Directors' Report, which forms part of the Half Year Report.

• Dividends - Ordinary Shares

	Amount per Security	Franked Amount per Security
2013 interim dividend determined 27 February 2013 (payable 28 March 2013)	11.5 cents	11.5 cents
Record date for determining entitlements to the interim dividend	8 March 2013	

Financial Information

This Appendix 4D should be read in conjunction with the Half Year Report for the half year ended 31 December 2012 as set out on pages 4 to 21.

Net Tangible Assets per Security

	Reporting Period \$	Previous Corresponding Period \$
Net tangible assets per security	0.02	0.03

Control Gained or Lost Over Entities

N/A

Foreign Entities

Foreign entities have been accounted for in accordance with Australian Accounting Standards.

Additional Dividend Information

Details of dividends declared and paid during or subsequent to the year ended 30 June 2012:

	Date Paid/ Payable	Amount per Security	Franked Amount per Security	Amount per Security of Foreign Sourced Dividend	Amount
FY2012 Final Dividend	10 October 2012	13.5 cents	13.5 cents	0.00 cents	\$28,593,399
FY2013 Interim Dividend	28 March 2013	11.5 cents	11.5 cents	0.00 cents	\$24,349,668

Dividend Reinvestment Plans

The Company does not operate a Dividend Reinvestment Plan.

Information on Audit or Review

The Half Year Report is based on accounts that have been subject to a review.

SECTION B

WOTIF.COM HOLDINGS LIMITED
ACN 093 000 456

HALF YEAR FINANCIAL REPORT
PERIOD ENDED 31 DECEMBER 2012

	Page
Directors' Report	5
Auditor's Independence Declaration	7
Income Statement	8
Statement of Comprehensive Income	9
Statement of Financial Position	10
Statement of Cash Flows	11
Statement of Changes in Equity	12
Notes to the Financial Statements	13
Directors' Declaration	19
Review Report	20

DIRECTORS' REPORT

The Directors submit their report on Wotif.com Holdings Limited (**Company**) and the entities it controlled at the end of, or during, the 6 months ended 31 December 2012 (collectively the **Group**).

Directors

The names of the Directors of the Company in office during the half year and until the date of this Report are set out below. Directors were in office for the entire period unless otherwise stated.

R D McIlwain
R M S Cooke (resigned 11 January 2013)
G T Wood
R A C Brice
A B R Smith
K J Gaffney

Review and Results of Operations

	H1 FY2013	H1 FY2012	% Change H1 FY13 vs H1 FY12
Accommodation TTV*	\$531.947m	\$539.096m	Down 1%
Flights & Other TTV*	\$62.955m	\$56.530m	Up 11%
Total Transaction Value	\$594.902m	\$595.626m	0%
Revenue:			
- Accommodation	\$63.642m	\$64.771m	Down 2%
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- Interest	\$2.628m	\$2.900m	Down 9%
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Other Amortisation	\$(0.017)m	\$(0.030)m	Down 43%
Profit Before Tax	\$38.875m	\$41.086m	Down 5%
Income Tax	\$(11.369)m	\$(12.256)m	Down 7%
Net Profit After Tax	\$27.506m	\$28.830m	Down 5%

EPS (cents)	13.0 cents	13.6 cents	Down 5%
Interim Dividend	11.5 cents	11.5 cents	0%

* Total Transactional Value (TTV) represents the price at which accommodation, flights, package and other travel-related services have been sold excluding all travel taxes and GST across the Consolidated Entity's operations. TTV does not represent revenue in accordance with Australian Accounting Standards.

The Group's operating revenue for the 6 months to 31 December 2012 was down 1% on prior corresponding period and up 3% on the 6 month period ending 30 June 2012 (H2 FY12 \$71.339m).

Accommodation revenue was down 2% on a corresponding half basis and up 4% on a sequential half basis (H2 FY12: \$61.365m).

Revenue from "Flights and Other" was up 11% on corresponding half.

Interest revenue was down 9% on corresponding half, resulting from lower interest rates.

DIRECTORS' REPORT

The Group's revenue outcomes were influenced by:

- a 4% decrease in the number of room nights sold across the Group over H1 FY12 and a 3% increase over H2 FY12 (room nights: H1 FY13: 3.50m; H1 FY12: 3.63m; H2 FY12: 3.40m)
- a 3% increase in the average value of rooms sold on Wotif.com on a corresponding half basis (H1 expense FY13: \$155.49 ; H1 FY12 \$151.36). On a Group basis, room rates were up 2% (H1 FY13: \$151.80; H1 FY12 \$148.21); and
- a 10% increase in the number of flights booked across the Group (H1 FY13: 86,565; H1 FY12 79,000 flights).

Operating expenses (excluding amortisation of IT Development Costs and depreciation) were up 6% reflecting:

- an 8% increase in web maintenance costs resulting from increased support and maintenance (H1 FY13: \$5.741m; H1 FY12: \$5.296m);
- an 8% increase in business development expenses resulting primarily from increased head count (H1 FY13: \$5.326m; H1 FY12: \$4.951m);
- an 8% increase in advertising and marketing expenses, largely attributable to increased search engine marketing spend (H1 FY13: \$9.274m; H1 FY12: \$8.554m); and
- a 5% reduction in credit card commission resulting from improved merchant service fees (H1 FY13: \$6.508m; H1 FY12: \$6.841m).

Information Technology (IT) Development Costs of \$0.296m were amortised in the reporting period (H1 FY12: \$0.803m). An amount of \$3.263m (H1 FY12: \$1.617m) in IT Development Costs was capitalised in the period. This results from the Group consistently applying its stated accounting policy for IT Development Costs, and thus capitalising a number of more significant infrastructure type projects and amortising these costs over the useful life of the relevant projects. This approach accords with the method disclosed in the Group's FY12 Half Year and Full Year Financial Reports.

Net profit after tax of \$27.506m produced in the half-year represented a 5% decrease when compared to the 6 months ending 31 December 2011.

Dividends

On 27 February 2013, the Directors determined a dividend of 11.5 cents fully franked. The dividend will be paid on 28 March 2013.

Rounding of Amounts

The Company is of a kind referred to in Class Order 98/0100, issued by the Australian Securities and Investments Commission, relating to the "rounding off" of amounts in the Directors' Report and Financial Report. Amounts are rounded off to the nearest thousand dollars.

Auditor's Independence Declaration

Attached (see page 7) is a copy of the Auditor's Independence Declaration provided under section 307C of the *Corporations Act 2001* in relation to the review for the half year ended 31 December 2012. This Auditor's Independence Declaration forms part of this Directors' Report.

Signed in accordance with a resolution of Directors.

On behalf of the Directors:



R D McIlwain
Chairman

Brisbane
27 February 2013

AUDITOR'S INDEPENDENCE DECLARATION



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Auditor's Independence Declaration to the Directors of Wotif.com Holdings Limited

In relation to our review of the financial report of Wotif.com Holdings Limited for the half-year ended 31 December 2012, to the best of my knowledge and belief, there have been no contraventions of the auditor independence requirements of the *Corporations Act 2001* or any applicable code of professional conduct.

A stylized, handwritten signature of 'Ernst & Young' in black ink.

Ernst & Young

A handwritten signature in black ink, appearing to read 'Alison de Groot'.

Alison de Groot
Partner
27 February 2013

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under Professional Standards Legislation

Page 7

INCOME STATEMENT

for the Half Year ended 31 December 2012

		Consolidated	
		December 2012	December 2011
	Note *	\$'000	\$'000
Revenue			
Accommodation revenue		63,642	64,771
Flights and other revenue		6,963	6,299
Interest received		2,628	2,900
Total revenue		73,233	73,970
Expenses			
Advertising and marketing expenses		9,274	8,554
Business development expenses		5,326	4,951
Operational and administration expenses	4	19,758	19,379
Total expenses		34,358	32,884
PROFIT FROM CONTINUING OPERATIONS BEFORE INCOME TAX		38,875	41,086
Income tax expense		11,369	12,256
PROFIT FOR THE PERIOD		27,506	28,830

**Earnings per share from profit from continuing
operations attributable to the ordinary equity holders of
the parent:**

	December 2012 per share	December 2011 per share
Basic earnings per share	12.99 cents	13.64 cents
Diluted earnings per share	12.95 cents	13.62 cents

* The accompanying notes form part of these financial statements.

STATEMENT OF COMPREHENSIVE INCOME
for the Half Year ended 31 December 2012

	Consolidated	
	December 2012 \$'000	December 2011 \$'000
Note *		
Profit for the period	27,506	28,830
Other Comprehensive Income		
Items that may be reclassified to profit or loss		
Foreign currency translation	(411)	669
Other comprehensive income for the period, net of tax	(411)	669
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	27,095	29,499

* The accompanying notes form part of these financial statements.

STATEMENT OF FINANCIAL POSITION
as at 31 December 2012

		Consolidated	
		December 2012	June 2012
	Note*	\$'000	\$'000
CURRENT ASSETS			
Cash and cash equivalents	5	150,926	140,871
Trade and other receivables		6,409	8,481
TOTAL CURRENT ASSETS		157,335	149,352
NON-CURRENT ASSETS			
Receivables		139	138
Investment in joint venture		109	163
Property, plant and equipment		17,026	18,140
Investment property		3,579	3,579
Deferred tax assets		7,110	7,222
Intangible assets and goodwill		92,905	89,797
TOTAL NON-CURRENT ASSETS		120,868	119,039
TOTAL ASSETS		278,203	268,391
CURRENT LIABILITIES			
Trade and other payables		170,993	157,330
Income tax payable		4,791	7,734
Provisions		1,688	1,399
TOTAL CURRENT LIABILITIES		177,472	166,463
NON-CURRENT LIABILITIES			
Interest-bearing loans and borrowings		98	112
Deferred tax liabilities		2,693	2,685
Provisions		748	649
TOTAL NON-CURRENT LIABILITIES		3,539	3,446
TOTAL LIABILITIES		181,011	169,909
NET ASSETS		97,192	98,482
EQUITY			
Contributed equity	7	30,001	30,001
Retained earnings		65,443	66,530
Reserves		1,748	1,951
TOTAL EQUITY		97,192	98,482

* The accompanying notes form part of these financial statements.

STATEMENT OF CASH FLOWS
for the Half Year ended 31 December 2012

	Consolidated	
	December 2012	December 2011
Note*	\$'000	\$'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Receipts from customers (inclusive of GST)	652,409	641,823
Payments to suppliers and employees (inclusive of GST)	(597,560)	(586,088)
Interest received	2,683	2,866
Interest paid	-	-
Income taxes paid	(14,189)	(10,596)
Net cash flows from operating activities	43,343	48,005
CASH FLOWS FROM INVESTING ACTIVITIES		
Payments for property, plant and equipment	(832)	(943)
Payments for web development	(3,063)	(1,617)
Contribution to joint venture	(52)	(96)
Net cash flows used in investing activities	(3,947)	(2,656)
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from issue of shares	-	1,054
Dividends paid	(28,593)	(26,405)
Net cash flows used in financing activities	(28,593)	(25,351)
Net increase in cash and cash equivalents	10,803	19,998
Net foreign exchange differences	(748)	546
Cash and cash equivalents at beginning of period	140,871	133,531
Cash and cash equivalents at end of period	150,926	154,075

* The accompanying notes form part of these financial statements.

STATEMENT OF CHANGES IN EQUITY
for the Half Year ended 31 December 2012

Consolidated	Ordinary shares \$'000	Employee equity benefits reserve \$'000	Foreign currency translation reserve \$'000	Retained earnings \$'000	Total equity \$'000
At 1 July 2012	30,001	5,269	(3,318)	66,530	98,482
Profit for the period	-	-	-	27,506	27,506
Other comprehensive income	-	-	(411)	-	(411)
Income tax	-	-	-	-	-
Total comprehensive income for the halfyear	-	-	(411)	27,506	27,095
Transactions with owners in their capacity as owners:					
Share-based payment	-	221	-	-	221
Income tax	-	(13)	-	-	(13)
Dividends paid	-	-	-	(28,593)	(28,593)
At 31 December 2012	30,001	5,477	(3,729)	65,443	97,192

Consolidated	Ordinary shares \$'000	Employee equity benefits reserve \$'000	Foreign currency translation reserve \$'000	Retained earnings \$'000	Total equity \$'000
At 1 July 2011	28,947	5,544	(5,239)	59,280	88,532
Profit for the period	-	-	-	28,830	28,830
Other comprehensive income	-	-	669	-	669
Income tax	-	-	-	-	-
Total comprehensive income for the halfyear	-	-	669	28,830	29,499
Transactions with owners in their capacity as owners:					
Shares issued	1,054	-	-	-	1,054
Share-based payment	-	489	-	-	489
Income tax	-	29	-	-	29
Dividends paid	-	-	-	(26,405)	(26,405)
At 31 December 2011	30,001	6,062	(4,570)	61,705	93,198

* The accompanying notes form part of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS

1. CORPORATE INFORMATION

The Financial Report of Wotif.com Holdings Limited (**Company**) for the half year ended 31 December 2012 was authorised for issue in accordance with a resolution of Directors made on 27 February 2013.

Wotif.com Holdings Limited is a company limited by shares incorporated in Australia, whose shares are publicly traded on the Australian Securities Exchange.

The Company's and its controlled entities' (the **Consolidated Entity** or **Group**) operations and principal activity is the provision of online travel booking services.

Wotif.com Holdings Limited is the ultimate Australian parent and the ultimate parent in the Consolidated Entity.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The Half Year Financial Report does not include all notes of the type normally included within 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 a full financial report.

The Half Year Financial Report should be read in conjunction with the Annual Report of Wotif.com Holdings Limited for the year ended 30 June 2012.

It is also recommended that the Half Year Financial Report be considered together with any public announcements made by Wotif.com Holdings Limited and its controlled entities during the half year ended 31 December 2012 in accordance with the continuous disclosure obligations of the ASX listing rules.

(a) Basis of preparation

The Half Year Financial Report is a general purpose financial report, which has been prepared in accordance with the requirements of the *Corporations Act 2001*, applicable Accounting Standards including AASB 134 *Interim Financial Reporting* and other mandatory professional requirements. The Half Year Financial Report has been prepared on a historical cost basis.

The Half Year Financial Report is presented in Australian dollars and all values are rounded to the nearest thousand dollars (\$'000) unless otherwise stated under the option available to the Company under ASIC Class Order 98/0100. The Company is an entity to which the Class Order applies.

(b) Significant accounting policies

This Half Year Financial Report has been prepared adopting the identical accounting policies as those adopted in the Annual Financial Statements for the year ended 30 June 2012.

New standards and amendments to standards mandatory for the first time for the financial year beginning 1 July 2012 have been adopted. The adoption of these standards had no material financial impact on the current period or any prior period and is not likely to affect future periods.

AASB 101 *Presentation of Financial Statements* established a new requirement for entities to group items presented in other comprehensive income on the basis of whether they might be reclassified subsequently to profit or loss and those that will not. The adoption of AASB 101 had no effect on the financial position or performance of the Group.

Certain new accounting Standards and Interpretations have been published that are not mandatory for 31 December 2012 reporting periods and have not yet been applied in the financial report. The Directors believe that these new or amended Standards and Interpretations do not have any material financial effect on the financial statements presented.

NOTES TO THE FINANCIAL STATEMENTS

(c) Basis of consolidation

The Half Year Financial Statements comprise the financial statements of Wotif.com Holdings Limited and its subsidiaries as at 31 December 2012 (**Consolidated Entity**).

3. SEGMENT INFORMATION

Operating segments are identified and segment information disclosed on the basis of internal reports that are regularly provided to, or reviewed by, the Company's Chief Operating Decision Makers. The Company operates in the online travel industry. For management purposes, the Group is organised into one main operating segment which involves the provision of online travel booking services. All the Group's activities are interrelated and discrete financial information is reported to, and reviewed by, the Company's Chief Operating Decision Makers as a single element. Accordingly, all significant operating decisions are based upon analysis of the Group as one segment.

For the purpose of disclosure within the segment, revenue is split between "accommodation" and "flights and other" revenue. "Accommodation" revenue represents revenues from card fees, cancellation fees, credit card surcharges, commissions or payments for accommodation services.

"Flights and other" revenue represents revenues from a range of services including domestic and international airline ticket sales, segment rebates, airline overrides, income from the Arnold corporate booking service, car hire, travel insurance and other travel-related products.

For the purpose of segment information, revenue is determined by the location of the accommodation rather than the residency of the customer. All flights ticketing revenues are Australian based. With the consolidation of the Group's IT platforms and the integration of the Group's systems and inventory (both for accommodation and flights), any attempt to allocate these expenses by geography is no longer reliable. Therefore any allocation of expenses across these geographic lines would be an arbitrary exercise and accordingly in the period, no such allocation has been undertaken.

NOTES TO THE FINANCIAL STATEMENTS

Half year ended 31 December 2012 - geographical split of revenues

	Australia/ New Zealand ¹ \$'000	Asia ² \$'000	Rest of World \$'000	Eliminations \$'000	Total \$'000
Accommodation revenue	57,516	4,913	1,213	-	63,642
Flights and other revenue	6,419	690	235	(381)	6,963
Interest	2,574	54	-	-	2,628
Total revenue	66,509	5,657	1,448	(381)	73,233

Half year ended 31 December 2011 - geographical split of revenues

	Australia/ New Zealand ¹ \$'000	Asia ² \$'000	Rest of World \$'000	Eliminations \$'000	Total \$'000
Accommodation revenue	57,173	5,872	1,726	-	64,771
Flights and other revenue	5,412	976	367	(456)	6,299
Interest	2,806	66	28	-	2,900
Total revenue	65,391	6,914	2,121	(456)	73,970

1. The Australia /NZ geographic region includes accommodation booked at properties located within Australia, New Zealand, Cook Islands, Fiji, Vanuatu and Papua New Guinea and flights ticketed within Australia and New Zealand.
2. The Asian geographic region includes accommodation booked at properties located within Asia and French Polynesia.

4. REVENUE, INCOME AND EXPENSES

		Consolidated	
		December 2012	December 2011
		\$'000	\$'000
(a)	Total Transactional Value	594,902	595,626
	Total Transactional Value (TTV) represents the price at which accommodation, flights, package and other travel-related services have been sold excluding all travel taxes and GST across the Consolidated Entity's operations. TTV does not represent revenue in accordance with Australian Accounting Standards.		
(b)	Profit before income tax expense includes the following income and expenses whose disclosure is relevant in explaining the performance of the entity:		
(i)	Operational and administration expenses		
	Credit card commission	6,508	6,841
	Bank charges	306	244
	Amortisation of IT Development Costs	296	803
	Other amortisation	17	30
	Web maintenance costs	5,741	5,296
	Depreciation	1,784	1,617
	Foreign exchange loss & currency conversion fee	496	23
	(Gain) on disposal of property, plant and equipment	(2)	(9)
	Rent & outgoings	315	293
	Share-based payments expense	221	489
	Administration employment expenses including Directors' costs	2,249	2,520
	Other expenses	1,827	1,232
	Total	19,758	19,379
(ii)	Employee benefits expense		
	Wages and salaries (excluding IT development employees' wages and salaries capitalised)	13,360	12,949
	Share-based payments expense	221	489

5. CASH AND CASH EQUIVALENTS

		Consolidated	
		December 2012	June 2012
		\$'000	\$'000
	Cash at bank	123,728	118,946
	Short-term deposits	5,392	5,589
	Client funds account	21,806	16,336
		150,926	140,871

6. DIVIDENDS PAID OR PROVIDED FOR ON ORDINARY SHARES

	Consolidated	
	December 2012 \$'000	December 2011 \$'000
(a) Dividends declared and paid during the half year on ordinary shares:		
Final franked dividend for 2012: 13.5 cents (2011 Final: 12.5 cents)	28,593	26,405
	28,593	26,405
(b) Dividends proposed and not recognised as a liability		
Interim franked dividend for 2013: 11.5 cents (2012 Interim: 11.5 cents)	24,350	24,350
	24,350	24,350

7. CONTRIBUTED EQUITY

	Consolidated	
	December 2012 \$'000	June 2012 \$'000
211,736,244 (June 2012: 211,736,244) fully paid ordinary shares	30,001	30,001
	30,001	30,001

8. EXECUTIVE SHARE OPTION PLAN

As part of the Executive Share Option Plan, the Company granted 260,100 performance rights to certain employees of the group on 23 October 2012. The rights vest in three equal tranches on 1 November 2015 and each anniversary of that date. There is no exercise price to be paid to vest the rights into shares. The rights are subject to non-market performance hurdles including continued employment and an EPS hurdle.

9. RELATED-PARTY DISCLOSURES

Marketing fee

During the reporting period marketing and promotional services have been provided by a company related to G T Wood (a Director). That company, Ollewood Pty Ltd, received \$21,800 (H1 FY12: \$21,800) from the Group based on normal commercial terms.

Holiday rental property listing

During the 6 month period ended 31 December 2012, the Wotif.com website included a property available for booking owned by RAC Brice (a director). The listing is subject to Wotif.com's standard supplier terms and conditions. Commission earned by Wotif.com during the 6 month period ended 31 December 2012 from this property was \$64. The total transaction value in relation to these bookings was \$700.

10. COMMITMENTS FOR EXPENDITURE

There have been no material changes to the commitments for expenditure disclosed in the Company's 2012 Annual Report.

11. SUBSEQUENT EVENTS

Subsequent to 31 December 2012, the Directors determined a dividend of 11.5 cents per ordinary share (total amount payable \$24.350m). This amount has not been recorded in the financial report at 31 December 2012.

DIRECTORS' DECLARATION

In accordance with a resolution of the Directors of Wotif.com Holdings Limited, we state that:

In the opinion of the Directors:

- (a) the financial statements and notes of the Consolidated Entity are in accordance with the *Corporations Act 2001*, including:
 - (i) giving a true and fair view of the financial position as at 31 December 2012 and the performance for the half year ended on that date of the Consolidated Entity; and
 - (ii) complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the Corporations Regulations 2001; and
- (b) there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

On behalf of the Board



R D McIlwain
Chairman

Brisbane
27 February 2013



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Independent Auditor's Review Report

To the members of Wotif.com Holdings Limited

Report on the Half-Year Financial Report

We have reviewed the accompanying half-year financial report of Wotif.com Holdings Limited (the Company), which comprises the statement of financial position as at 31 December 2012, the income statement, the statement of comprehensive income, statement of changes in equity and 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 company 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 company 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 controls as the directors determine are 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 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 2012 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 Wotif.com Holdings Limited and the entities it controlled during the half-year, 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 have given to the directors of the company a written Auditor's Independence Declaration, a copy of which is included in the Directors' Report.

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Page 20



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 Wotif.com Holdings 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 2012 and of its performance for the half-year ended on that date; and
- b) complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

A stylized, handwritten signature of 'Ernst & Young' in black ink.

Ernst & Young

A handwritten signature in black ink, appearing to read 'Alison de Groot'.

Alison de Groot
Partner
Brisbane
27 February 2013