Helloworld Limited

1H16

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Agenda

1. Overview
2. Our Business
   (pre- and post-merger)
3. Financial Performance
4. Growth and Outlook

1H16 Results Overview

	AOT 1H16 (Unaudited)
TTV $2,431m — 5% on 1H15	TTV $204.2m — 8% on 1H15
Revenue $139.0m — 0% on 1H15	Revenue $31.5m — 10% on 1H15
EBITDA $8.1m — 3% on 1H15	EBITDA $11.2m [1] — 24% on 1H15

- TTV up mainly due to Travel Management and Retail segments
- Revenue stable but impacted by competitive pressures
- Continued focus on cost control
- Costs in 1H16 impacted by merger costs
- AOT merger approved by shareholders in Jan 2016.

[1] Excludes a one-off revenue item of $1.8m. Including the one-off item, Revenue is $33.3m and EBITDA is $13.0m for the six months to 31 December 2015

Benefits of merger with AOT Group Ltd

- Integrated travel group
  - Broader range of products and services
  - Increased scale and earnings
- Expected to be earnings per share accretive
- Transaction costs of $2.1 million at 31 December 2015
  - Expect additional $2.1 million transaction costs to complete merger in 2H16
- Benefits to start in FY17 including a run rate pre-tax cost saving of $7.6 million per annum (estimated) to be achieved by 30 June 2017
- One-off costs of implementation to achieve annual savings of approximately $2 million to be incurred this year

Helloworld's breadth of businesses

AFFILIATE

Merger significantly strengthens HLO

Helloworld's strengths

Scale & Diversity

- Pro forma historical FY15 rev for enlarged HLO $333.7m
- Pro forma historical FY15 EBITDAI (1) $41.4m
- Investment diversity leveraged to inbound tourism growth with enhanced operations

Inbound Travel

- AOT Group a leading provider in Australia, NZ, South Pacific

Enhanced Govt & Corp Services & Wholesale Offerings

- AOT's strong history in supporting Govt and Corporate
- The merged group will service both Air and Land for WoAG
- Wholesale to benefit from improved commercial arrangements and inventory allocation

Larger, More Competitive

- Larger network in Australia, NZ, globally with broader range
- Lower costs of operation
- Broader range of products and services

Additional Expertise & Stability

- Strong management team and new sector expertise
- Approximately 2000 staff

Material Financial Benefits

- Pretax cost savings of $7.6m per annum by FY17

(1) EBITDAI is earnings before interest expense, tax, share-based payments, depreciation, amortisation and impairment

A unique and diverse value proposition for ALL agents

BRANDED
AUSTRALIA & NEW ZEALAND [1]

BRANDED MODEL
helloworld EXPERTS IN EVERYWHERE

INDEPENDENT
AUSTRALIA & NEW ZEALAND

CORPORATE MODEL
helloworld FOR BUSINESS

ASSOCIATE MODEL
a member of helloworld

helloworld | AMERICAN EXPRESS TRAVEL

INDEPENDENT MODEL
AFFILIATE

concorde agency network

JUNE 15: **285**
DEC 15: **290**

JUNE 15: **1410**
DEC 15: **1341**

[1] As at February 2016, there are 53 *helloworld* rebranded stores in New Zealand, increasing Branded footprint to 343

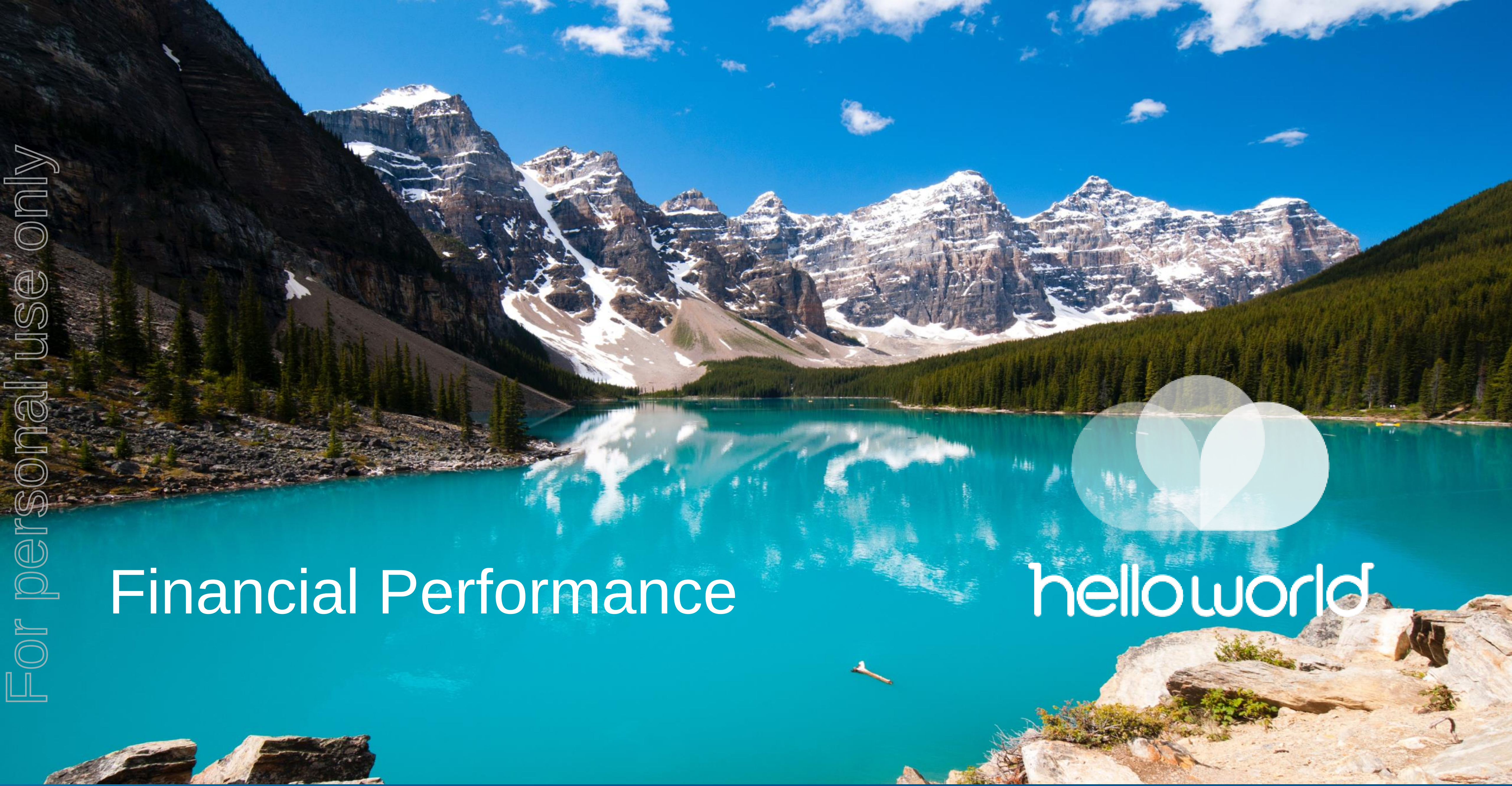
Future-proofing through technology

For our agents:

- Competitive Online presence
- helloworld.com.au app
- Productivity and margin optimisation

For our business:

- Omni-channel delivering for us and agents
- Tracked and optimised support for preferred suppliers



Financial Performance

Half Year Result

	1H16 $m	1H15 $m	Change %
Total Transaction Value (TTV) (1)	2,431.0	2,307.5	5%
Revenue	139.0	139.5	(0%)
Gross Margin	5.7%	6.0%	
EBITDA (2)	8.1	8.4	(3%)
Loss before tax	(1.0)	(0.2)	(409%)
Loss after tax attributable to members	(1.7)	(0.7)	(125%)
Basic loss per share	(0.38) cents	(0.17) cents	(124%)
Diluted loss per share	(0.38) cents	(0.17) cents	(124%)

No dividend declared

(1) Total Transaction Value (TTV) does not represent revenue in accordance with Australian Accounting Standards. TTV represents the price at which travel products and services have been sold across the Group, as agents for various airlines and other service providers, plus revenue from other sources. The Group's revenue is, therefore, derived from TTV. Total TTV does not represent the Group cash inflows as some transactions are settled directly between the customer and the supplier.

(2) EBITDA is earnings before interest expense, tax, depreciation and amortisation. EBITDA is a financial measure which is not prescribed by Australian Accounting Standards but is the measure used by the Board to assess the financial performance of the Group and operating segments.

Retail Segment

	1H16 $m	1H15 $m	Change %
Total Transaction Value (TTV)	1,751.5	1,724.2	2%
Revenue	78.9	80.4	(2%)
Gross Margin	4.5%	4.7%	
Operating expenses	(60.7)	(64.1)	5%
EBITDA	18.2	16.3	12%

- Competitive pressures required increased commission to agents which impacted revenue
- Continued focus on cost control leading to increased EBITDA

Travel Management Segment

	1H16 $m	1H15 $m	Change %
Total Transaction Value (TTV)	369.9	282.4	31%
Revenue	23.4	18.9	24%
Gross Margin	6.3%	6.7%	
Operating expenses	(19.9)	(17.1)	(16%)
EBITDA	3.5	1.8	94%

- Substantial improvement in EBITDA
- Significant growth driven by WoAG Contract (142 Fed Govt agencies)
- Improved efficiencies while maintaining excellent service levels

Wholesale Segment

	1H16 $m	1H15 $m	Change %
Total Transaction Value (TTV)	309.6	300.9	3%
Revenue	35.1	38.3	(8%)
Gross Margin	11.3%	12.7%	
Operating expenses	(35.1)	(34.8)	(1%)
EBITDA	0.0	3.5	(100%)

- Decreased revenue reflects competitive market pressures
- Consolidation of market a benefit but competition to continue

Corporate Segment

	1H16 $m	1H15 $m	Change %
Total Transaction Value (TTV)	0.0	0.0	0%
Revenue	1.6	1.8	(11%)
Operating expenses	(15.1)	(15.0)	(1%)
EBITDA	(13.5)	(13.2)	(2%)

- Relates to corporate costs that are not allocated to the operating segments

Balance Sheet

	1H16 $m	FY15 $m
Cash	140.1	176.1
Other current assets	96.6	106.9
Intangible assets	165.4	161.4
Other non-current assets	25.0	26.7
Current liabilities	(222.0)	(266.0)
Non-current liabilities	(30.0)	(27.6)
Equity	175.1	177.5

Liquidity and funding

	1H16 $m	FY15 $m
Total Facility available	95.5	96.0
Drawn Debt	(25.4)	(24.9)
Multi-option Facilities (incl. bank guarantees)	(11.8)	(10.3)
Headroom	58.3	60.8
Company cash	20.7	27.4
Client cash	119.4	148.7
Total cash	140.1	176.1

- Operating cash outflow for 1H16 of $30.6m has improved $12.5m from 1H15 (outflow of $43.1m). The improvement is due to a reduction of transformation costs and improved working capital management.
- Financing facilities are in place until 2019

Outlook

- Inbound tourism to grow
- Focus on Franchise, Associate and Affiliate Agents
- Merger expected to deliver synergies of $7.6 million per annum with approximately $2.0 million in one-off associated costs
- Merger benefits to drive advantage for Helloworld, agents and shareholders
  - Increased scale
  - Expansion into inbound travel
  - Improved wholesale margins
  - Enhanced travel management offering
  - Larger and more competitive offering
- More substantive guidance once merged identity embedded
- Merger costs total $4.2 million in FY16 – 2H16 $2.1 million to be booked

Outlook: Business Focus

1 Merger with AOT

- Focus on improving margins
- Consolidating advantages

2 Agent Focus

- More clearly articulating value proposition
- Agent engagement

3 Travel Management

- Leveraging WoAG
- Highlighting corporate benefits of scale

4 Cruise

- Forward bookings strong
- *hello* ScholarSHIP
- Capturing more share

5 Brand Awareness

- NZ rollout
- Ongoing build

6 Inbound

- Strong growth
- Asia

Thank you

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