



helloworld

2015 Half Year
Results



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Elizabeth Gaines
CEO

2015 Half Year Review

- Total Transaction Value (TTV) of \$2.3 billion
- Adjusted EBITDAI ⁽¹⁾ of \$10.6 million
- Loss before tax of \$0.2m, up 95% from 1H14
- Positive momentum continues

(1) Adjusted EBITDAI is earnings before interest expense, tax, share-based payments, defined benefit expense, depreciation, amortisation and impairment adjusted for significant and/or unusual items of revenue or expense. Adjusted EBITDAI 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. A reconciliation of Adjusted EBITDAI to Loss before tax is contained in the Appendix to this announcement.

Key Achievements



Profiling our brand



Product aligned with Agents' & Consumers' needs



Training to promote trust and traction



Investing in Omni-channel strategy to secure future growth



Increased profitability for Wholesale and Travel Management



Profiling our brand

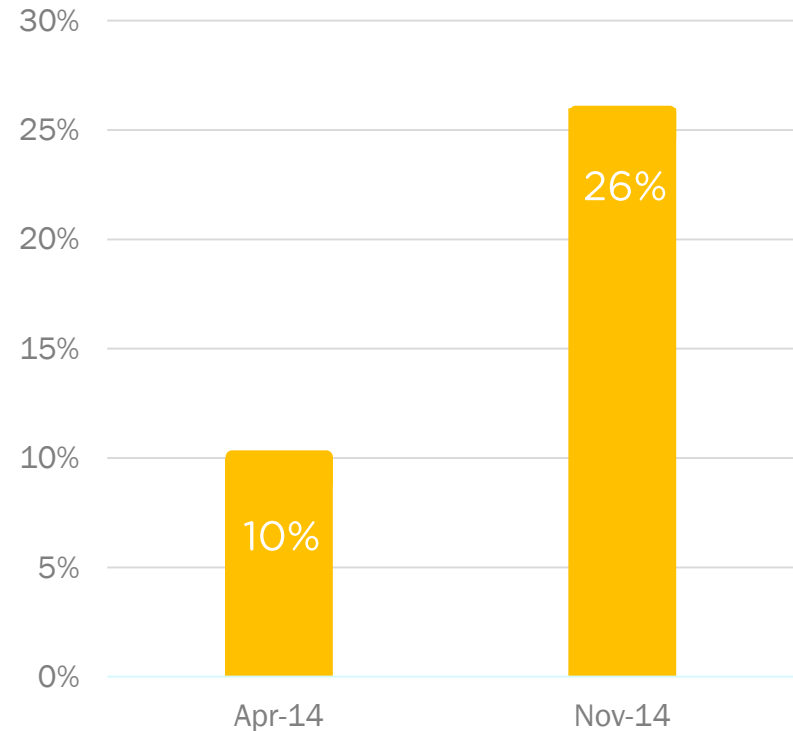
- Brand awareness more than doubled, driven by marketing investment in *helloworld*
- Succeeded in our goal of creating bricks and mortar network of high-calibre agents
- Store transformations continue apace

Brand awareness more than doubled



- *helloworld* brand awareness has grown substantially
- In November 2014, 1 in 4 Australian Travellers were aware of the brand representing a significant increase from April 2014, when 1 in 10 Australian Travellers were aware of the brand

Brand Awareness Survey¹

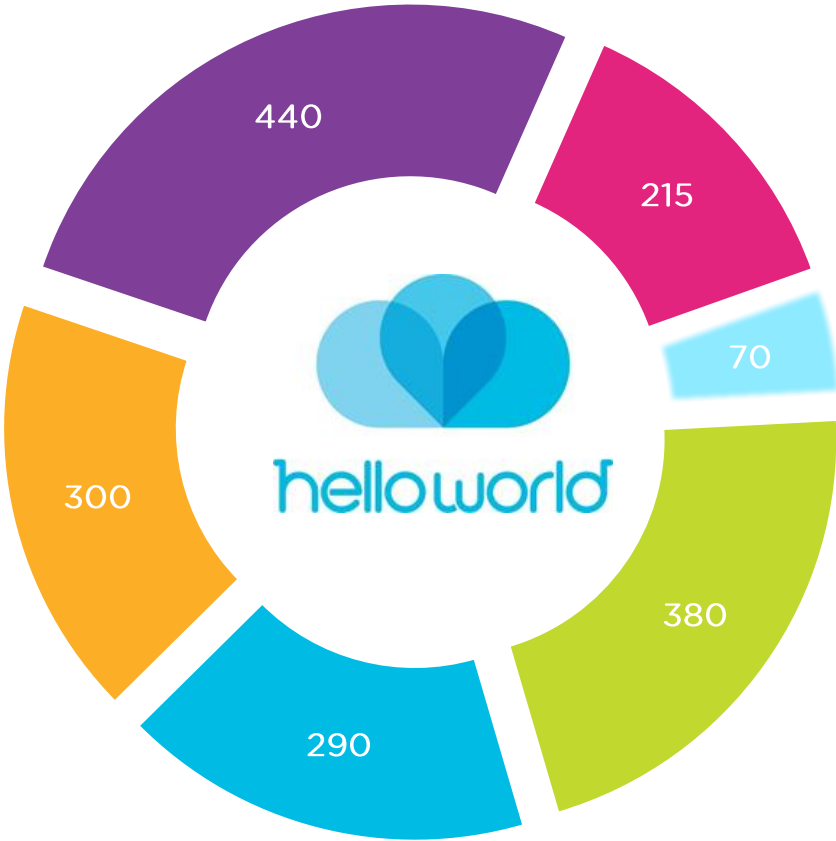


1. Surveys were conducted of over 1,200 holiday decision makers in Australia aged 25+ who intend to pay (for transport and/or accommodation) to go on holiday, domestically or internationally, in the next 12 months. Nationally representative quotas were set by age, sex and location; and the data was post-weighted to the target population.

A bricks and mortar network of high-calibre agents...



- helloworld Associate/Corporate
- helloworld Branded
- helloworld Affiliate
- Concorde Agency Network
- New Zealand
- Other Brands



- Delivering for our Agents across our Franchise, Associate and Affiliate models is our priority

...with store transformations continuing apace



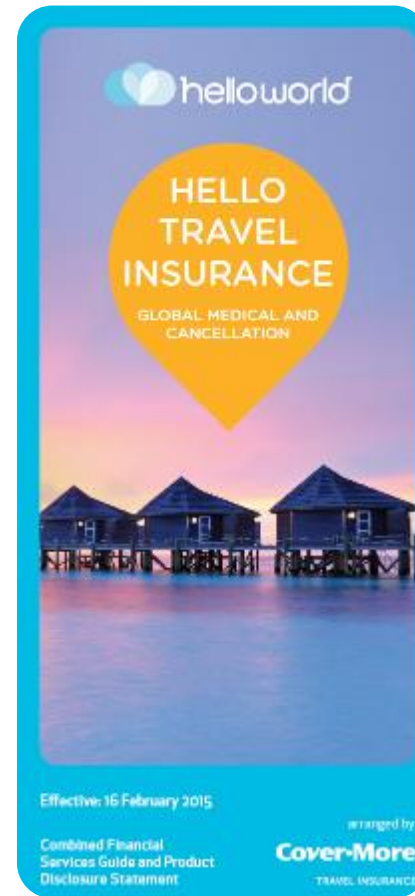
- Refresh of *helloworld* stores now complete
- Ambassador store rollout continues, with 32 stores now complete and 30 to be completed by the end of 2015

Images of *helloworld* Ambassador store Fountain Gate (VIC)

Product Aligned with Agents' & Consumers' Needs



- Covermore selected as sole preferred provider of travel insurance product
- Consolidated supply and support of vital higher margin product
- Flexibility and capability to better meet consumer needs and enhance sales of agents



Training to Promote trust and traction



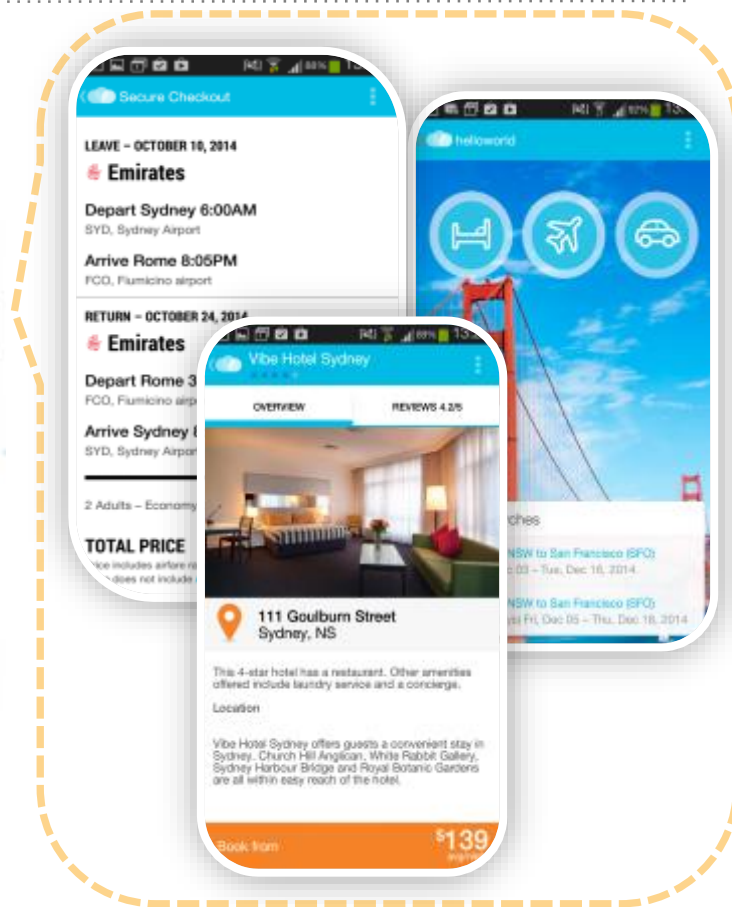
- Ensure consumers continue to value and trust us:
 - Profiling our agents' and network's expertise and experience
 - *helloYou* customer service training rolling out nationwide
- Further building on our engagement
 - Overwhelmingly positive sentiment from close to 1,000 Owners, Managers and frontline consultants attending recent Helloworld conferences



Omni-channel strategy on track to secure future growth



- Investing in technology to drive productivity and profitability
- Sustained investment in building helloworld.com.au:
 - TTV growth of 155% from July 14 to Dec' 14
 - Broader product options and enriched consumer experience
 - Across mobile, tablet and desktop devices
 - Initial investment has impacted 1H15 result



Increased Profitability for Wholesale & Travel Management



Travel Management

- Adjusted EBITDAI improved 229% on pcp to \$1.8M
- QBT appointed sole provider of travel management to Whole of Australian Government (WoAG) Dec' 14
 - Total of 142 agencies; initial period of 4 years

Wholesale

- Adjusted EBITDAI improved 81% on pcp to \$3.8M
- Rebranding of our Asia specialist, Travel Indochina, to Insider Journeys better reflects increasing demand of “insider experiences”



Outlook

- Focus on maintaining momentum of *helloworld's* growing brand presence, topline growth and increased profitability
- Forecast results reflect on-going investment in marketing, building helloworld.com.au and subdued consumer sentiment in Australia
- Combined factors see the Group currently tracking to deliver an Adjusted EBITDAI in the range of \$25 - \$30 million
- On-track to deliver a Profit before tax in FY15

Outlook

Confident that we have a strong platform for future growth supported by targeted omni-channel strategy

- Will continue to evaluate different distribution channels and monitor trends for future opportunities
- Will achieve growth through continued investment in targeted marketing to drive increased traffic to our network, supported by a strong digital offering



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Jenny Macdonald
CFO



Half Year Result

	1H15 \$m	1H14 \$m	Change %
Total Transaction Value (TTV)	2,307.5	2,524.9	-9%
Revenue	139.5	151.5	-8%
Operating Expenditure	(128.8)	(132.5)	3%
Adjusted EBITDAI ⁽¹⁾	10.6	19.0	-44%
Loss before tax	(0.2)	(3.9)	95%
Loss after tax	(0.7)	(4.7)	84%
Basic loss per share	(0.17) cents	(1.06) cents	84%
Diluted loss per share	(0.17) cents	(1.06) cents	84%

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Retail Segment

	1H15 \$m	1H14 \$m	Change %
Total Transaction Value (TTV)	1,724.2	1,861.8	-7%
Revenue	80.4	86.9	-7%
Operating expenses	(64.1)	(58.3)	-10%
Adjusted EBITDAI	16.3	28.5	-43%

- TTV and revenue decline of 7% reflects the reduction in the network of 8% compared to Dec 2013
- Like for like basis, TTV increased by 1%
- Increased operating expenses of 10% reflect improved agent incentives, investment in growing the *helloworld* brand and costs of establishing helloworld.com.au
- Strong platform for future growth, supported by a consolidated brand

Travel Management Segment

	1H15 \$m	1H14 \$m	Change %
Total Transaction Value (TTV)	282.4	283.0	0%
Revenue	18.9	18.1	4%
Operating expenses	(17.2)	(19.4)	11%
Adjusted EBITDAI	1.8	(1.4)	229%

- Travel management traded profitably in 1H15 with revenue margin increasing from 6.4% to 6.7%
- Stable TTV reflects a focus on customer retention and acquisition
- Benefit of the productivity initiatives resulted in operating costs reducing by 11%

Wholesale Segment

	1H15 \$m	1H14 \$m	Change %
Total Transaction Value (TTV)	300.9	380.1	-21%
Revenue	38.3	43.8	-13%
Operating expenses	(34.4)	(41.8)	18%
Adjusted EBITDAI	3.8	2.1	81%

- Wholesale segment has shown strong improvement in EBITDAI compared to 1H14
- 1H14 includes 3 months' trading for the ATS inbound business. Excluding the inbound business:
 - Adjusted EBITDAI increased by \$1.9m (101%)
 - Revenue margin increased from 11.0% to 12.7% reflecting a focus on pricing management
 - Operating costs decreased by 10% due to a continued focus on productivity improvement and operational efficiencies
 - Continued alignment of product mix to optimize results

Balance Sheet

	Dec 14 \$m	Jun 14 \$m
Cash	138.6	184.3
Other current assets	97.6	105.6
Intangible assets	362.5	360.5
Other non-current assets	30.3	32.9
Current Liabilities	(221.6)	(279.8)
Non-current Liabilities	(27.7)	(26.5)
Equity	379.7	377.0

Liquidity and Funding

	Dec 14 \$m	Jun 14 \$m
Total Facility available	96.7	96.4
Drawn Debt	(25.6)	(25.3)
Multi-option Facilities (incl. bank guarantees)	(10.3)	(9.9)
Headroom	60.8	61.2
Company cash	28.3	28.5
Client cash	110.3	155.8
Total cash	138.6	184.3

- Operating cash outflow for 1H15 of \$43m in line with seasonal trends compared to the previous period's cash outflow of \$54m
- Non-amortising facilities of \$81.7m available until April 2019 and additional amortising facilities of \$15m expiring by April 2019



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Appendices

Reconciliation of Adjusted EBITDAI to (Loss)/Profit Before Tax

	1H15 \$m	1H14 \$m
Adjusted EBITDAI ⁽¹⁾	10.6	19.0
Profit/(Loss) on disposal of investments	0.3	(5.4)
Business transformation costs	(1.0)	(9.2)
Share based payments and defined benefit expense	(0.9)	(0.9)
Costs relating to GST matter	(0.5)	(0.2)
CEO resignation costs	(0.2)	-
EBTIDAI	8.3	3.3
Depreciation and amortisation	(6.9)	(5.3)
Finance costs	(1.7)	(1.8)
Loss before income tax	(0.2)	(3.9)

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Thank you