



corporate travel management

Half Year Results 2011

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Agenda

Group Performance – Highlights

Travelcorp Acquisition

Financial Performance

Key Initiatives

Looking Forward



Group Performance - Highlights

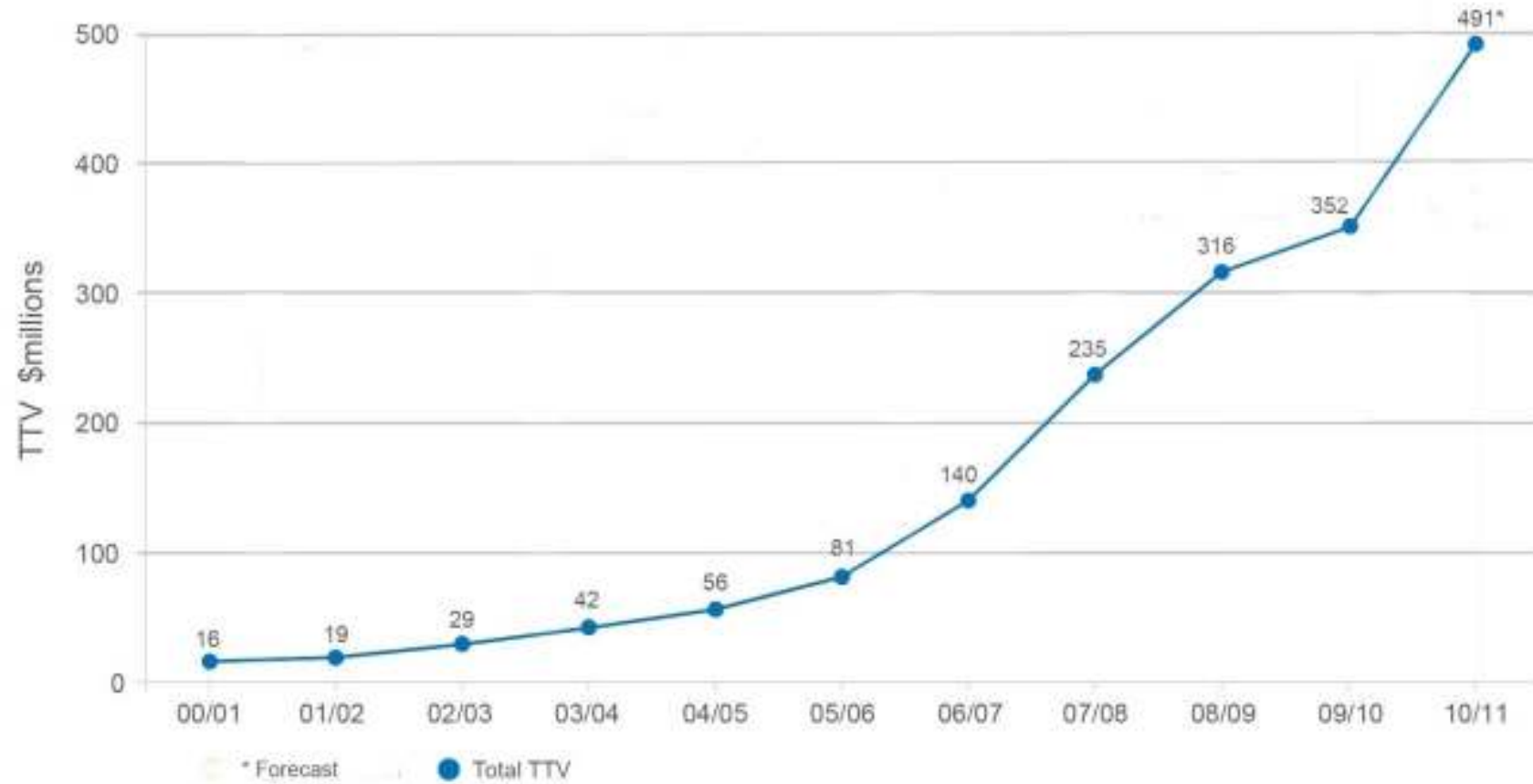
- **Record maiden interim result**
 - TTV \$222.3m +33% pcp
 - Fee revenue A\$20.52 million +36% pcp
 - NPAT \$3.31million +128% pcp
 - **Underlying NPAT \$3.4m* +134% pcp**
- **Expect to exceed full year forecast profit by around 10%-20%**
- **Underlying NPAT forecast now \$7.75m to \$8.5m (upgrade from prospectus forecast of \$7.1m)**

** 1H2011 includes one-off after tax share sell-down costs of 88K as per prospectus*



Ten Year Growth History (TTV)

GROWTH HISTORY



Group Performance – CTM Highlights

Why? Key Drivers of the Business

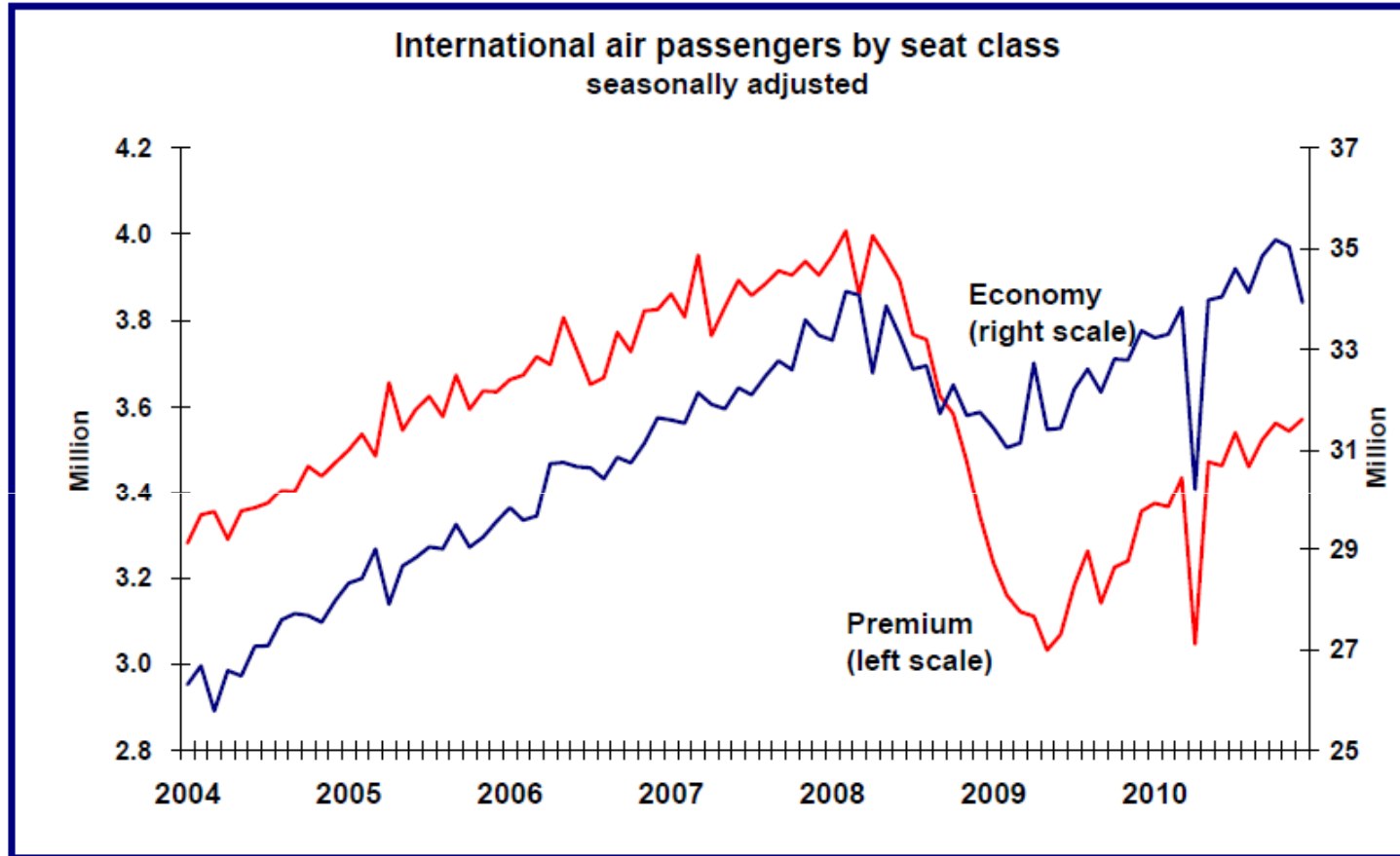
- **Organic growth.** Success in winning new clients combined with strong retention
- **Client profit contribution increasing** without compromising service levels or staff retention. Leveraging scale and efficiencies in product, systems and people.
- **Current client activity rebounded** vs. last year post GFC (refer next slide)

Summary:

- Strong momentum sets up solid full year result for CTM



Corporate Client Activity Still Down 15%



- Retail recovery already taken place in mid- calendar 2010
- Global premium (corporate) travel activity still down approximately 15% from pre-GFC highs.
- Greater opportunity for recovery in activity in corporate

* 2010 dip was the volcanic ash cloud



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- Settled on 3 January for \$11.125m
- Nil contribution to 1H2011 financials. Contribution is all in 2H2011
- Potential cash earn out of \$3.875m on achieving six month profit hurdles
- Further scrip earn out for out-performance

Highlights:

- Integration well in advance of ownership. Office moves completed in December 2010
- Executing synergy initiatives earlier than planned (support services, sales, fares desk etc)

Summary:

- Integration proceeding as planned (client & staff retention)
- Early days. Clarity in June quarter



CTM Profile Post–Travelcorp



- Over 340 FTE staff across Australia & New Zealand
- Corporate market share circa 7%
- Approx 600 clients, including 16 ASX100 companies, Aust & New Zealand's largest private companies
- Diversification. No client represents more than 5% of EBITDA
- No senior management bonus unless IPO forecast exceeded



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Comparative 1HFY11 Profit and Loss

	6 mths ended Dec 2009 \$'000	% of Income	6 mths ended Dec 2010 \$'000	% of Income
TTV	166,771		222,338	
Travel Income	15,064		20,523	
Yield % of TTV	9.0%		9.23%	
Operating Expenses	(12,529)	-83%	(15,421)	-75%
EBITDA	2,535	17%	5,102	25%
Depreciation & Amortisation	(334)		(346)	
EBIT	2,201		4,756	
Net Borrowing Costs	(132)		(123)	
NPBT	2,069	14%	4,633	23%
Tax	(621)		(1,326)	
NPAT statutory	1,448	9%	3,307	16%
Add: one-off After Tax Share Issue Costs as per prospectus			88	
NPAT Underlying	1,448	9 %	3,395	17%



Financial Performance Dissection

	1H2011 CTM only Actual	% of CTM IPO forecast Achieved	Full Year CTM only: IPO forecast	Travelcorp Acquisition: 2 nd half IPO contribution	Total FY2011 IPO Forecast
	(A)	(B)	(C)	(D)	= (C) + (D)
TTV	\$222.3m	49.4%	\$450.0m	\$41.7m	\$491.7m
Revenue	\$20.5m	51.8%	\$39.6m	\$3.8m	\$43.4m
EBITDA (EBITDA margin)	\$5.1m (25.7%)	53.1%	\$9.6m (24.2%)	\$1.4m (36.6%)	\$11.0m (25%)
NPBT	\$4.6m	52.2%	\$8.8m	\$1.4m	\$10.2m
Underlying NPAT	\$3.4m	55.0%	\$6.1m	\$1.0m	\$7.1m

- Underlying CTM strong 1st half - expect stronger 2nd half results
- Early days but Travelcorp on track with expectations



Balance Sheet Summary (\$m)

- Cash includes funds from capital raising
- No interest bearing debt
- Intangibles largely goodwill on acquisitions
- Strong working capital position
- 3 Jan 11 \$11.125m cash paid for acquisition of Travelcorp (re-classification from Cash to Goodwill)

As at 31 December 2010	\$m
Cash	20.7
Receivables and other	8.8
Total current assets	29.5
PP&E	1.3
Intangibles	12.2
Other	0.3
Total assets	43.3
Payables	5.8
Other current	3.1
Non current liabilities	1.0
Total liabilities	9.9
Net assets	33.3



Cash Flow Summary(\$m)

	6 months to Dec 2009	6 months to Dec 2010
EBITDA	2.5	5.1
Change in working capital	0.4	(0.5)
Income tax paid	(0.6)	(0.6)
Cash flows from operating activities	2.3	4.0
Capital expenditure	(0.2)	(0.2)
Other investing cash flows	0.0	(0.8)
Cash flow from investing activities	(0.2)	(0.9)
New equity/borrowing	0.0	18.5
Dividends paid	0.0	(0.8)
Repayment of borrowings	(1.3)	(2.0)
Cash flow from financing activities	(1.3)	15.7
Net increase in cash	0.8	18.8

- Strong operating cash flow
- All interest bearing debt paid post IPO
- Growing TTV means larger supplier payment accruals (-ve W.C.)
- Other investing cash flows relate to NZ acquisition
- Prospectus forecast FY11 final dividend of 5 cents payable in October 2011.
- \$11.125m cash used post 31Dec to acquire Travelcorp. Further earn-out (max \$3.875m cash)



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Key Initiatives FY2011

- **Key Focus Over Next 6 Months:**
 - Organic growth (new client wins & retention) to set up FY2012
 - Bedding down Travelcorp transition
 - Innovation – investment in client-facing products & tools to gain greater relevance
 - Productivity initiatives to create more time for our people to demonstrate highly personalised expertise
 - Continue to explore future acquisition opportunities



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Looking Forward-Factors Affecting Forecast Range

- **Underlying NPAT range \$7.75m to \$8.5m (upgrade from prospectus forecast of \$7.1m)**
- **QLD natural disasters flow-on to corporate activity**
 - Current client spend slightly down versus Oct-Nov 2010
 - Lower end of guidance range takes into account the possibility this slight decline in activity may continue through to June
- **Travelcorp**
 - Transition going to plan
 - Greater clarity in June quarter

