

20 February 2008

The Manager
Company Announcements Office
ASX Limited
4th Floor, 20 Bridge Street
SYDNEY NSW 2000

By Electronic Lodgement

Dear Sir,

**Re: Market Release - Results for Announcement to the Market
for the Half Year ended 31 December 2007**

Pursuant to Listing Rule 4.2A, please find attached for immediate release the following information with respect to the half year ended 31 December 2007:

- 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 will not be lodged separately with the Australian Securities and Investment Commission.

Yours faithfully



Robbie Cooke
Managing Director
Wotif.com Holdings Limited

Media Release

Wotif.com Holdings Limited announces half year results

Half year profit up 43%

Brisbane – 20 February 2008, Wotif.com (www.wotif.com), Australasia's leading accommodation website, today announced a record half-year profit of \$17.1 million, representing a 43% increase over the prior year.

Highlights

- Strong revenue growth to \$41.1 million, up 32%
- NPAT of \$17.1 million, up 43%
- 6 cent dividend declared (fully franked)
- Continued trend of strong margin improvement - Net Profit Before Tax % of total revenue 60.3% (excluding option expenses) (up from 57%)
- More than 3.2 million user sessions per month (up from 2.5 million)
- 22% increase in the number of room nights sold
- 4.9% increase in average value of rooms sold

Summary of Results*

	H1 FY2008	H1 FY2007	% Change from Prior Corresponding Period
Total Revenue	\$41.062m	\$31.045m	32%
Net Profit before Depreciation, Amortisation and Taxation	\$26.172m	\$18.752m	40%
NPBT	\$24.317m	\$17.047m	43%
NPBT Margin (including option expenses)	59.2%	54.9%	-
NPBT Margin (excluding option expenses)	60.3%	57.0%	-
NPAT	\$17.064m	\$11.897m	43%

* for more detail see Appendix A

Commentary

Wotif.com Holdings Limited, Australasia's leading online accommodation site, achieved a record half-year profit of \$17.1 million (up 43%) for the 6 months to 31 December 2007. This result was driven by a 22% increase in room nights sold across the 44 countries available on Wotif.com's website.

The Company announced a fully franked 6 cent interim dividend per share. Shareholders registered on the books on 7 March 2008 will be entitled to this dividend, which will be paid on 28 March 2008.

Wotif.com's Managing Director and CEO, Robbie Cooke, commenting on the result said, "The first 6 months of the 2008 financial year has seen the Wotif.com team produce another very strong result. We sold a record 2.2 million room nights (up 22%), and improved room rate yields by delivering an average 4.9% uplift in room rates. Our results demonstrate the continuing strong migration to the online environment as more and more consumers recognise the convenience, simplicity and value achieved from booking their accommodation needs online".

"It is particularly pleasing to note that the 42% increase in our after-tax profit (up to \$17.1 million) was driven off the back of a 32% increase in revenues. This strong rotation of revenue to profit clearly demonstrates the efficiencies that the Wotif.com model is able to achieve as scale increases. With our operating margin now sitting at 60% (up from 57%), we are well positioned to maximise returns for our shareholders from future sales growth."

He continued, "Having now successfully completed our takeover of travel.com.au Limited, we are focussed on integrating the operations of both organisations. The growth achieved by the travel.com.au team in the last 6 months is impressive with a 52% increase in TTV (total transaction value)".

Wotif.com's takeover of travel.com.au Limited closed on 31 January 2008 and compulsory acquisition of the outstanding travel.com.au Limited shares is under way. Cooke noted that TVL had, for the 6 months to 31 December 2007, increased its TTV to \$67.688 million (up 52%), increased operating revenues to \$7.486 million (up 42%) and achieved EBITDA of \$805,659 (before once-off transaction costs of \$1.443 million).¹ "We are excited by the potential opportunities arising from the travel.com.au acquisition and believe the business is now well placed to benefit from the growing online flights, hotels and corporate markets."

Cooke noted that the acquisition of travel.com.au and the pending transaction with Asia Web Direct will significantly lift user traffic across the network of sites owned within the Group. Wotif.com achieved 3.2 million user sessions per month (up from 2.5 million sessions in December 2006). Travel.com.au achieved almost 1.1 million user sessions per month in the first half of 2008, while Asia Web Direct achieved approximately 3 million user sessions per month in the same period. "The sheer number of customers visiting the enlarged Group's network of sites will provide our hotelier partners with an excellent opportunity to further market their properties and drive sales," he said.

1 TVL will be consolidated into the Wotif.com Group with effect from 21 December 2007

Appendix A

	H1 FY2008	H1 FY2007	% Change from Prior Corresponding Period
Total Transaction Value	\$319.410m	\$250.642m	Up 27%
Revenue:			
- Accommodation	\$37.853m	\$28.874m	Up 31%
- Interest	\$3.175m	\$2.149m	Up 48%
- Other	\$0.034m	\$0.022m	Up 55%
Total	\$41.062m	\$31.045m	Up 32%
Net Profit before Depreciation, Amortisation and Taxation	\$26.172m	\$18.752m	Up 40%
Depreciation	\$(0.259)m	\$(0.125)m	Up 107%
Amortisation of IT Development Costs	\$(1.596)m	\$(1.580)m	Up 1%
Net Profit Before Tax	\$24.317m	\$17.047m	Up 43%
Income Tax	\$(7.253)m	\$(5.150)m	Up 41%
Net Profit After Tax	\$17.064m	\$11.897m	Up 43%
EPS (cents)	8.39 cents	5.86 cents	Up 43%
Interim Dividend (fully franked)	6 cents	5 cents	-

-ends-

About Wotif.com

Wotif.com sells accommodation online in over 44 countries.

Our great rates, broad accommodation range, easy-to-use site and 24/7 Customer Service Centre have made us the most popular way for business and leisure travellers in Australia and New Zealand to book accommodation online. Every month our site attracts almost 3.2 million user sessions, with customers making over 200,000 bookings through our 28-day booking window.

We launched in Brisbane, Australia, in March 2000 and now have offices in Canada, Malaysia, New Zealand, Singapore and the United Kingdom to support our growing international presence. Wotif.com is listed on the ASX, trading under the code WTF.

For further information, or to arrange an interview with Robbie Cooke (Managing Director and CEO) or Craig Dawson (Chief Financial Officer):

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WOTIF.COM HOLDINGS LIMITED
ACN 093 000 456

HALF YEAR REPORT

PERIOD ENDED 31 DECEMBER 2007

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

SECTION A
**APPENDIX 4D
HALF YEAR REPORT**
**WOTIF.COM HOLDINGS LIMITED (WTF)
ABN 41 093 000 456**
Statutory Results

Reporting Period: From 1 July to 31 December 2007
 Previous Corresponding Period: From 1 July to 31 December 2006

Results for Announcement to the Market
• Key Information

	Reporting Period	Previous Corresponding Period	% Change Increase/(Decrease)
Revenue from ordinary activities	\$41.062m	\$31.045m	32%
Profit from ordinary activities after tax attributable to members	\$17.064m	\$11.897m	43%
Net profit/(loss) for the period attributable to members	\$17.064m	\$11.897m	43%

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
2008 interim dividend declared 20 February 2008 (payable 28 March 2008)	6 cents	6 cents
Record date for determining entitlements to the interim dividend	7 March 2008	

Net Tangible Assets per Security

	Reporting Period \$	Previous Corresponding Period \$
Net tangible assets per security	(0.12)	0.12

Control Gained or Lost Over Entities

Refer note 8 accompanying the Financial Statements.

Financial Information

This Appendix 4D should be read in conjunction with the Half Year Report for the half year ended 31 December 2007 as set out on pages 3 to 19.

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 2007:

	Date Paid/ Payable	Amount per Security	Franked Amount per Security	Amount per Security of Foreign Sourced Dividend	Amount
FY2007 Final Dividend	15 October 2007	8 cent	8 cent	0.00 cents	\$16,256,323
FY2008 Interim Dividend	28 March 2008	6 cents	6 cents	0.00 cents	\$12,254,521

Dividend Reinvestment Plans

The Company does not operate a Dividend Reinvestment Plan.

Associates and Joint Ventures

N/A

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 2007

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DIRECTORS' REPORT

The Directors of Wotif.com Holdings Limited (**Company** or **Wotif.com**) submit their report for the half year ended 31 December 2007.

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
G T Wood
R A C Brice
A B R Smith
D E Warneke
R M S Cooke (appointed 23 October 2007)

Review and Results of Operations

Wotif.com's operating revenue for the 6 months to 31 December 2007 was \$41.062m (H1 FY2007: \$31.045m). This result was driven by:

- a 22% growth in the number of room nights sold on the website, delivering a total of 2,218,000 room nights sold (H1 FY2007: 1,825,000 room nights sold); and
- an increase in the average value of rooms sold to \$144 (net GST/VAT) per room night in the 6 months to 31 December 2007 (H1 FY2007: \$137), representing a 4.9% increase.

This revenue growth delivered consolidated net profit after tax of \$17.064m (H1 FY2007: \$11.897m). This represents an increase of 43% compared to the 6 months ended 31 December 2006.

Operating expenses (excluding amortisation of IT Development Costs and depreciation) were \$14.890m (H1 FY2007 \$12.293m), up 21% reflecting:

- increased credit card commission costs associated with the increase in accommodation sold in the reporting period (H1 FY2008: \$4.730m, H1 FY2007: \$3.908m);
- increased employee costs (H1 FY2008: \$4.443m; H1 FY2007: \$3.765m); and
- web maintenance costs (H1 FY2008: \$1.937m; H1 FY2007: \$1.200m).

IT Development Costs increased marginally to \$1.596m (H1 FY2007: \$1.580m).

Dividends

On 20 February 2008, the Directors declared a dividend of 6 cents fully franked. The dividend will be paid on 28 March 2008.

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 6) 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 2007. This Auditor's Independence Declaration forms part of this Directors' Report.

DIRECTORS' REPORT

Signed in accordance with a resolution of Directors.

On behalf of the Directors:



R D McIlwain
Director

Brisbane
20 February 2008



R M S Cooke
Director

AUDITOR'S INDEPENDENCE DECLARATION



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Australia

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PO Box 7878
Waterfront Place
Brisbane QLD 4001

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 2007, 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 large, stylized handwritten signature of the Ernst & Young firm, written in black ink.

Ernst & Young

A handwritten signature in black ink, appearing to read 'Mike Reid'.

Mike Reid
Partner

18 February 2008

Liability limited by a scheme approved under
Professional Standards Legislation.

INCOME STATEMENT
for the Half Year ended 31 December 2007

	Note*	Consolidated	
		December 2007 \$'000	December 2006 \$'000
TOTAL TRANSACTIONAL VALUE		319,410	250,642
Accommodation revenue		37,853	28,874
Interest received	4	3,175	2,149
Other revenue	4	34	22
Total revenue		41,062	31,045
Advertising and marketing expenses		2,744	2,024
Business development expenses		2,114	1,732
Operations and administration expenses	4	11,887	10,242
Total expenses		16,745	13,998
PROFIT BEFORE INCOME TAX		24,317	17,047
Income tax expense		(7,253)	(5,150)
NET PROFIT ATTRIBUTABLE TO MEMBERS OF THE PARENT ENTITY		17,064	11,897
EARNINGS PER SHARE		December 2007 per share	December 2006 per share
Basic earnings per share		8.39 cents	5.86 cents
Diluted earnings per share		8.29 cents	5.73 cents

* The accompanying notes form part of these financial statements.

BALANCE SHEET
as at 31 December 2007

		Consolidated	
		December 2007	June 2007
	Note*	\$'000	\$'000
CURRENT ASSETS			
Cash and cash equivalents	5	107,957	104,363
Trade and other receivables		5,060	1,922
TOTAL CURRENT ASSETS		113,017	106,285
NON-CURRENT ASSETS			
Deferred tax assets		291	560
Available-for-sale investments		903	950
Property, plant and equipment		5,609	3,987
Intangible assets		60,480	-
TOTAL NON-CURRENT ASSETS		67,283	5,497
TOTAL ASSETS		180,300	111,782
CURRENT LIABILITIES			
Trade and other payables	8	138,611	77,281
Interest-bearing liabilities		118	-
Income tax payable		4,021	4,453
Provisions		1,058	506
TOTAL CURRENT LIABILITIES		143,808	82,240
NON-CURRENT LIABILITIES			
Interest-bearing liabilities		191	-
Provisions		158	104
TOTAL NON-CURRENT LIABILITIES		349	104
TOTAL LIABILITIES		144,157	82,344
NET ASSETS		36,143	29,438
EQUITY			
Contributed equity	7	7,399	1,846
Retained earnings		27,356	26,549
Reserves		1,388	1,043
TOTAL EQUITY		36,143	29,438

* The accompanying notes form part of these financial statements.

CASH FLOW STATEMENT
for the Half Year ended 31 December 2007

	Consolidated	
	December 2007	December 2006
Note *	\$'000	\$'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Receipts from customers	347,804	274,120
Payments to suppliers and employees	(318,885)	(248,258)
Interest received	3,209	2,303
Income taxes paid	(7,392)	(4,211)
Net cash flows from operating activities	<u>24,736</u>	<u>23,954</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Payments for plant and equipment	(1,132)	(141)
Payments for web development	(1,596)	(1,580)
Redemption of term deposit	-	15,000
Acquisition of subsidiary, net of cash acquired	(2,811)	-
Acquisition of investment	(28)	-
Net cash flows from investing activities	<u>(5,567)</u>	<u>13,279</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from issue of shares	681	-
Dividends paid	(16,256)	(2,031)
Net cash flows from financing activities	<u>(15,575)</u>	<u>(2,031)</u>
Net increase in cash held	<u>3,594</u>	<u>35,202</u>
Cash and cash equivalents at beginning of period	<u>104,363</u>	<u>56,433</u>
Cash and cash equivalents at end of period 5	<u>107,957</u>	<u>91,635</u>

* The accompanying notes form part of these financial statements.

STATEMENT OF CHANGES IN EQUITY
for the Half Year ended 31 December 2007

Consolidated	Ordinary Shares \$'000	Retained Earnings \$'000	Employee Equity Benefit Reserve \$'000	Investment Reserve \$'000	Foreign Currency Translation Reserve \$'000	Total Equity \$'000
At 1 July 2007	1,846	26,549	1,088	(35)	(10)	29,438
Currency translation differences	-	-	-	-	(50)	(50)
Investment movement	-	-	-	(75)	-	(75)
Income tax	-	-	-	22	-	22
Total income and expense for the period recognised directly in equity	-	-	-	(53)	(50)	(103)
Net profit for the period	-	17,064	-	-	-	17,064
Total income/(expense) for the period	-	17,064	-	(53)	(50)	16,961
Equity transactions:						
Dividends paid	-	(16,257)	-	-	-	(16,257)
Share-based payment	-	-	448	-	-	448
Share issue	681	-	-	-	-	681
Shares to be issued	4,872	-	-	-	-	4,872
At 31 December 2007	7,399	27,356	1,536	(88)	(60)	36,143

Consolidated	Ordinary Shares \$'000	Retained Earnings \$'000	Employee Equity Benefit Reserve \$'000	Investment Reserve \$'000	Foreign Currency Translation Reserve \$'000	Total Equity \$'000
At 1 July 2006	1,760	12,340	-	(80)	21	14,041
Currency translation differences	-	-	-	-	(12)	(12)
Investment movement	-	-	-	29	-	29
Total income and expense for the period recognised directly in equity	-	-	-	29	(12)	17
Net profit for the period	-	11,897	-	-	-	11,897
Total income/(expense) for the period	-	11,897	-	29	(12)	11,914
Equity transactions:						
Share-based payment	-	-	633	-	-	633
Dividends paid	-	(2,031)	-	-	-	(2,031)
At 31 December 2006	1,760	22,206	633	(51)	9	24,557

NOTES TO THE FINANCIAL STATEMENTS

1. CORPORATE INFORMATION

The Financial Report of Wotif.com Holdings Limited (**Company** or **Wotif.com**) for the half year ended 31 December 2007 was authorised for issue in accordance with a resolution of Directors made on 20 February 2008.

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

The Company's operations and principal activity is the provision of an accommodation booking service online.

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 2007.

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 2007 in accordance with the continuous disclosure obligations arising under the *Corporations Act 2001*.

(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, except for available for sale investments, which have been measured at fair value.

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 Consolidated Financial Report has been prepared adopting the identical accounting policies as those adopted in the Annual Financial Statements for the year ended 30 June 2007 with the exception of revisions to Australian Accounting Standards (including Interpretations) that have occurred on or after 1 July 2007. These revisions have been assessed to require no change in accounting policies nor are they expected to result in any significant impact upon reported results.

(c) Basis of consolidation

The Half Year Consolidated Financial Statements comprise the financial statements of Wotif.com Holdings Limited and its subsidiaries as at 31 December 2007 (**Consolidated Entity**).

3. SEGMENT INFORMATION

For the purpose of segment information, revenue is determined by the location of the accommodation rather than the residency of the customer. Expenses are determined by the location in which they are incurred.

NOTES TO THE FINANCIAL STATEMENTS

Half year ended 31 December 2007 - by geographical region

	Aust ¹ \$'000	NZ ² \$'000	Asia ³ \$'000	UK/Europe \$'000	Nth America \$'000	Eliminations \$'000	Total \$'000
Accommodation revenue	31,567	2,779	2,035	1,218	254	-	37,853
Interest	2,549	471	137	18	-	-	3,175
Other	1,075	-	2	3	-	(1,046)	34
Total revenue	35,191	3,250	2,174	1,239	254	(1,046)	41,062
Expenses	12,610	1,124	1,201	782	219	(1,046)	14,890
Depreciation	256	-	3	-	-	-	259
Amortisation	1,596	-	-	-	-	-	1,596
Total expenses	14,462	1,124	1,204	782	219	(1,046)	16,745
Profit before income tax expense	20,729	2,126	970	457	35	-	24,317
Income tax expense	(6,176)	(638)	(291)	(137)	(11)	-	(7,253)
Net profit/(loss)	14,553	1,488	679	320	24	-	17,064
Assets	160,580	8,503	7,262	3,467	887	(399)	180,300
Liabilities	128,681	6,377	6,293	2,211	595	-	144,157

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

Half year ended 31 December 2006 - by geographical region

	Aust ¹ \$'000	NZ ² \$'000	Asia ³ \$'000	UK/Europe \$'000	Nth America \$'000	Eliminations \$'000	Total \$'000
Accommodation revenue	24,849	1,961	912	948	204	-	28,874
Interest	1,886	184	65	14	-	-	2,149
Other	747	-	3	-	-	(728)	22
Total revenue	27,482	2,145	980	962	204	(728)	31,045
Expenses	10,068	1,031	921	819	182	(728)	12,293
Depreciation	125	-	-	-	-	-	125
Amortisation	1,580	-	-	-	-	-	1,580
Total expenses	11,773	1,031	921	819	182	(728)	13,998
Profit before income tax expense	15,709	1,114	59	143	22	-	17,047
Income tax expense	(4,713)	(334)	(18)	(43)	(6)	(36)	(5,150)
Net profit/(loss)	10,996	780	41	100	16	(36)	11,897
Assets	82,433	6,214	3,525	2,782	587	-	95,541
Liabilities	60,528	4,721	3,249	2,081	405	-	70,984

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

4. REVENUE, INCOME AND EXPENSES

	Consolidated	
	December 2007 \$'000	December 2006 \$'000
(a) Specific Items		
Profit before income tax expense includes the following revenues and expenses whose disclosure is relevant in explaining the performance of the entity:		
(i) Revenue		
Interest received – other parties	3,175	2,149
(ii) Other Revenue		
Other income	34	22
	34	22
(iii) Operational and administration expenses		
Credit card commission	4,730	3,908
Amortization of IT development costs ¹	1,596	1,580
Web maintenance costs	1,937	1,200
Depreciation	259	125
Foreign exchange loss	973	82
Audit fees	79	33
Other expenses	2,313	3,314
Total Expenses	11,887	10,242

¹ This includes IT development wages and salary costs of \$1,596,000 (H1 FY2007: \$1,428,000) and IT development contractor costs of \$0 (H1 FY2007: \$152,000).

(iv) Employee benefits expense

Wages and salaries (including contractors in New Zealand and Canada)	4,443	3,765
Option expenses	448	633

5. CASH AND CASH EQUIVALENTS

	Consolidated	
	December 2007 \$'000	June 2007 \$'000
Cash at bank	79,027	70,616
Term deposits at call	28,930	33,747
	107,957	104,363

6. DIVIDENDS PAID OR PROVIDED FOR ON ORDINARY SHARES

	Consolidated	
	December 2007 \$'000	December 2006 \$'000
(a) Dividends declared and paid during the half year on ordinary shares:		
Final franked dividend for 2007: 8 cents (2006 Final: 1 cent)	16,257	2,031
	16,257	2,031
(b) Dividends proposed and not recognised as a liability		
Interim franked dividend for 2008: 6 cents (2007 Interim: 5 cents)	12,255	10,159
	12,255	10,159

7. CONTRIBUTED EQUITY

	Consolidated	
	December 2007 \$'000	June 2007 \$'000
203,544,638 (June 2007: 203,204,038) fully paid ordinary shares	2,527	1,846
936,750 shares to be issued (Note 8)	4,872	-
	7,399	1,846

8. BUSINESS COMBINATION

Acquisition of travel.com.au Limited

On 1 October 2007, Wotif.com Holdings Limited announced its intention to make an off-market takeover bid for 100% of travel.com.au Limited (**TVL**). TVL is a listed public company in Australia which operates the www.travel.com.au and www.lastminute.com.au websites which offer travel and lifestyle services as well as Arnold Travel Technology, a developer and supplier of online travel booking technology. The Bidder's Statement dated 7 November 2007 allowed for TVL shareholders to accept the offer from 15 November 2007 and provided for a minimum acceptance level of 75.1%.

On 21 December 2007, Wotif.com Holdings Limited announced that it had received acceptances of 82% from existing TVL shareholders and thus TVL is consolidated from this time. Subsequently, compulsory acquisition of all remaining stock began on 30 January 2008 following receipt of 97.5% acceptances.

The total cost of the combination and the fair value of purchased assets and liabilities has yet to be determined at reporting date, but is expected to be completed by 30 June 2008. Wotif.com Holdings Limited consolidated 100% of the recorded values of assets and liabilities of TVL at the date of acquisition, being:

	\$'000
Property, plant and equipment	749
Cash and cash equivalents	8,564
Trade receivables	1,844
Pre-payments	508
Intangible assets	7,814
Trade creditors and accruals	(11,346)

Interest-bearing liabilities	(309)
Provisions	<u>(633)</u>
Total	7,191
Goodwill/unallocated asset arising on acquisition	<u>52,666</u>
Total cost of the combination	<u>59,857</u>

The cash outflow at acquisition date is as follows:

Net cash acquired with the subsidiary	8,564
Cash paid to 31 December 2007	<u>(11,375)</u>
Net cash outflow	<u>(2,811)</u>

From the date of acquisition to 31 December 2007, TVL made a nominal contribution to the result of the Group.

If the combination had taken place at the beginning of the half year, the profit before tax for the Group would have been \$24,562,000 with total revenue of \$48,795,000.

Due to the consolidation of TVL, the following balances have been included in the balance sheet based on the estimation of the settlement amounts relating to the transaction:

\$43,612,000 in the Trade and other payables
\$ 4,872,000 in the Contributed equity

The total amount of cash payable and number of shares to be issued will not be known until the compulsory acquisition process is complete.

9. COMMITMENTS FOR EXPENDITURE

Other than as disclosed in Notes 8 and 11, there have been no material changes to the commitments for expenditure disclosed in the Company's 2007 Annual Report. As disclosed in TVL's 2007 annual report, a payment of \$2.375m is payable to Lastminute Network (UK) on 2 July 2008.

10. RELATED-PARTY DISCLOSURES

Wholly-owned Consolidated Entity transactions

The ultimate Australian parent entity in the wholly-owned Consolidated Entity is Wotif.com Holdings Limited.

During the half year various inter-company transactions were undertaken between companies in the wholly-owned Consolidated Entity. These transactions were undertaken on a no net margin basis. The effect of these transactions is fully eliminated on consolidation.

All inter-company balances, payable and receivable, are on an 'arm's length' basis with standard terms and conditions.

Other related-party transactions

Rent

Rent for the period of \$nil (H1 FY2007: \$124,242) was paid to a related unit trust (Standby Property Trust). The beneficiaries of the trust include R A C Brice (a Director), G T Wood (a Director), K M Fitzpatrick (a former Director), L Brazil (a former Director) and S Friend (a former executive of the Company). The rents have been determined on normal commercial terms.

Other

During the reporting period accounting and taxation services have been provided by Anthony Hallam Chartered Accountants \$nil (H1 FY2007: \$28,740). R A C Brice (a Director) acts as a consultant to

Anthony Hallam Chartered Accountants. Accounting fees are determined on normal commercial terms and conditions.

11. SUBSEQUENT EVENTS

On 4 February 2008, Wotif.com Holdings Limited announced it had entered into an agreement to acquire all the issued shares in Asia Web Direct (HK) Limited. Completion of the acquisition is conditional upon satisfactory due diligence investigations and is expected to occur before the end of March 2008.

The purchase price of \$34.2m is to be paid via a combination of Wotif.com shares (3,607,595 shares) and cash (\$17.1m).

Subsequent to 31 December 2007, the Directors declared a dividend of 6 cents per ordinary share (total amount payable \$12.255m). This amount has not been recorded in the financial report at 31 December 2007.

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) give a true and fair view of the financial position as at 31 December 2007 and the performance for the half year ended on that date of the Consolidated Entity; and
 - (ii) comply 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
Director



R M S Cooke
Director

Brisbane
20 February 2008



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To the members of Wotif.com Holdings Limited

Report on the Half-Year Financial Report Financial Report

We have reviewed the accompanying 31 December 2007 financial report of Wotif.com Holdings Limited and the entities it controlled during the period, which comprises the balance sheet as at 31 December 2007, and the income statement, cash flow statement and statement of changes in equity for the period ended on that date, other selected explanatory notes 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 Financial Report

The directors of the company are responsible for the preparation and fair presentation of the 31 December 2007 financial report in accordance with Australian Accounting Standards (including the Australian Accounting Interpretations) and the *Corporations Act 2001*. This responsibility includes establishing and maintaining internal controls relevant to the preparation and fair presentation of the 31 December 2007 financial report that is free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditor's Responsibility

Our responsibility is to express a conclusion on the 31 December 2007 financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410 *Review of an Interim 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 2007 and its performance for the period ended on that date; and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001* and other mandatory financial reporting requirements in Australia. As the auditor of Wotif.com Holdings Limited and the entities it controlled during the period, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

A review of the 31 December 2007 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.

Liability limited by a scheme approved under
Professional Standards Legislation.

REVIEW REPORT



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. The Auditor's Independence Declaration would have been expressed in the same terms if it had been given to the directors at the date this review report was signed.

Conclusion

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the interim financial report of Wotif.com Holdings Limited and the entities it controlled during the period, is not in accordance with the *Corporations Act 2001*, including:

- (i) giving a true and fair view of the consolidated entity's financial position as at 31 December 2007 and of its performance for the period ended on that date; and
- (ii) complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

A handwritten signature in cursive script that reads 'Ernst & Young'.

Ernst & Young

A handwritten signature in cursive script that reads 'Mike Reid'.

Mike Reid
Partner
Brisbane
20 February 2008