

23 October 2006

The Manager  
Company Announcements Office  
Australia Stock Exchange Limited  
4<sup>th</sup> Floor, 20 Bridge Street  
SYDNEY NSW 2000

**By Electronic Lodgement**

Dear Sir,

**Re: Market Release - Chairman's Address**

In accordance with Listing Rule 3.13.3 please find attached for release to the market copies of the Chairman's and Managing Director's addresses to be given at the Company's Annual General Meeting today.

Yours faithfully



Robbie Cooke  
Chief Operating Officer/Company Secretary  
Wotif.com Holdings Limited

**WOTIF.COM HOLDINGS LIMITED**  
**Chairman's and Managing Director's Addresses**  
**First Annual General Meeting of Shareholders**  
**to be held on 23 October 2006 at 2.30 pm**

Before moving to the formal items of business, Graeme Wood and I would like to briefly discuss the Company's performance over the 2006 financial year and its outlook for the current year.

**Chairman's Address**

The 2006 financial year was a very successful one for Wotif.com with the Company:

- maintaining its focus on driving growth;
- delivering strong financial results exceeding the commitments outlined in our Prospectus;
- implementing a host of new features on our site enhancing our customers' and suppliers' experiences;
- achieving our listing on the ASX.

It was particularly pleasing that our operational focus and momentum were sustained notwithstanding all the distractions and changes that inevitably flow from undertaking the work necessary to move into the listed environment. This is borne out by our results which saw:

- total transaction values increase by 44% to reach \$362.9M;
- operating profits and net profit before tax jumping by 38% and 36% respectively, comfortably exceeding Prospectus forecast issued only 2 months before the end of the year.

Graeme Wood will provide more detail on Wotif.com's results shortly.

The remarkable story of Wotif.com is a combination of a simple idea that has been translated into a modern day success through an effective business model.

These results demonstrate that Wotif.com is more than an aggregator of distressed accommodation. It has penetrated the accommodation booking market using non-traditional means. The Company's marketing, brand awareness and promotional strategies have taken Wotif.com beyond being a subversive alternative to the

mainstream accommodation booking options. Alliances with market-leading internet search engines, and the growing awareness amongst business travellers that they can control their accommodation requirements will underpin future growth. No longer is Wotif.com seen only as an inexpensive and convenient option for personal travel alone.

Wotif.com's ability to create solid and valued relationships with its suppliers is a function of its simple and efficient business model which exposes suppliers and their offerings to more than 2 million user sessions each month. This relationship relies on the mutual benefits available to accommodation houses and users from being able to access the wide variety of accommodation options in a single location.

The Wotif.com business model is not showing any signs of fatigue. The Board has no intention of relying only on significant steps in organic growth to realise the Company's potential. We will continue to invest in the Company's technical capabilities by developing the systems required to support accommodation suppliers, new territories and new markets. Our intention is to create and foster an environment in which innovation is transformed into outcomes that offer real value to our suppliers, our customers and our staff.

These values are part of the Wotif.com investment. Combining them with a simple and uncluttered approach to business remains an important part of ensuring that profit margins are protected and improved as the business grows.

In the future, we are confident that the growing reliance on the internet for routine commercial transactions will continue to favour the Wotif.com business model. The combination of these trends and Wotif.com's leading position in its market segment will reinforce and strengthen the investment proposition which attracted shareholders in the first instance.

The success of Wotif.com has been underwritten by the dedication and performance of the entire Wotif.com team. I would like to thank all staff for their drive, enthusiasm and commitment to our success. I would also like to thank my fellow Board members for their assistance over the year.

I would particularly like to thank Kevin Fitzpatrick. Kevin was the first chairman of Wotif.com and has been a member of the Board since listing. Kevin has played a significant role in guiding the Company's success since its formation. Kevin has advised me that he intends stepping down from the Board in the next couple of months, and so, on behalf of the whole Board and all our staff, I would like to thank Kevin for his role at Wotif.com and wish him all the best. We have commenced our search for a new director and would expect to provide information on this in the following months.

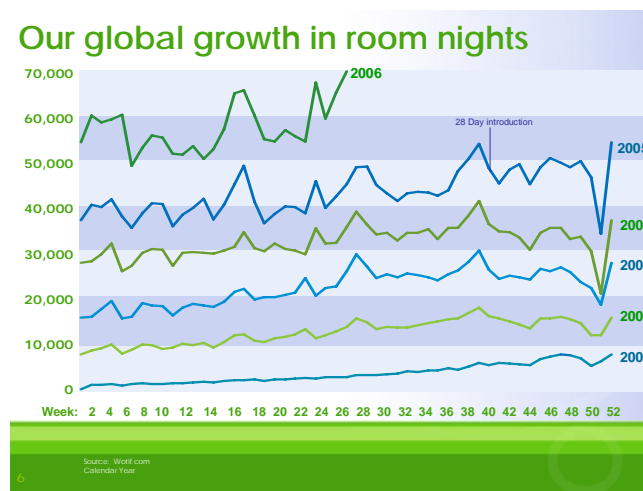
I would now like to hand over to Graeme Wood for a brief overview of the Company's performance.

### Managing Director's Address

Thanks Dick,

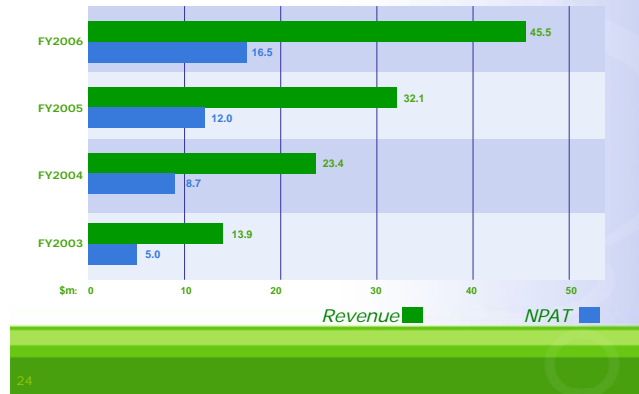
I would like to touch on the highlights of the year, the details of which are included in the Annual Report we recently mailed to you.

- The year saw us continue our pattern of strong growth in room night sales with more than 2.7 million room nights being sold on the site, delivering a 40% increase over the prior year.



- The total value of transactions processed on the site was up more than 44% on the prior year. Our total transaction value exceeded \$362 million, a record level. This was driven by the increase in room night sales and a 3.5% increase in the average value of rooms sold.
- We delivered a net profit after tax of \$16.5 million, which was up 37% on the prior year and exceeded Prospectus forecast by 5%.

## Performance since FY2003



- Our reported earnings per share were 8.1 cents, and on 16 October we paid a fully franked 1 cent dividend.
- At the time of floating, our shares were issued at \$2.00 and they closed on Friday at \$3.84, representing an increase of more than \$373 million in our market capitalisation.



The year saw us maintain our position as a market leader in innovation in the online accommodation market. Over the year we added functions and features to enhance the usability of our fast and easy-to-use website. The actions taken assisted in attracting the 24 million user sessions we achieved in FY2006. The more significant actions taken included:

- **28 days** - we expanded the range of dates displayed on our website by doubling the available inventory from 14 to 28 days' worth of deals. This change was made in October 2005 and was very favourably received by customers and suppliers alike.

- **Weekend search** - we provided an industry-first feature to enable our leisure customers to see four sets of weekend prices side by side. This provides the easiest way for customers to find the weekend with deals available at the best price. Since introduction, more than 16% of searches on the website have used this feature.
- **Property images** - we made it easier for our suppliers to show pictures of their properties on the website. This enhancement has meant suppliers can show more images, label them to show more information, and display them in two sizes. This enhancement was an instant success with more than 8,000 new images being uploaded in the first 3 days of the feature being added.
- **Flaming Deals** - we introduced a special promotional feature for our suppliers titled "flaming deals". This feature enables a property with an exceptional deal to be highlighted in our price matrix with highly visible red flames. It is a great way for customers to easily scan the page for these deals and encourages properties to compete for flames by offering Wotif.com exclusive rates.
- **Easier booking process** - usability has always been of prime importance to Wotif.com and we are always looking for ways to make it easier for customers to find the perfect deal. That led us to streamline the booking process, enhance some of the help and error information, reorganise our property pages to aid readability and highlight rows on our search results pages to make it easier to read across the price matrix.
- **Property types** - we added an advanced search filter to enable our customers to easily search for a specific property type, i.e. hotel, motel, self-catering apartment, cottage/cabin/house, backpacker hostel, B&B/ guesthouse, or tourist/caravan park.
- **Hotel details page** - our "hotel details" pages are a showcase for each property on the website. We changed these pages to provide more clarity in the information and offers presented. This included an aesthetic and functional overhaul to more clearly highlight cancellation policies, maps, deals and the features of each room, as well as providing more convenient steps into the booking process.

### **New Properties and Countries**

We maintained our focus on bringing more suppliers onto our site and this saw us add more than 500 new properties in the 2 months post Prospectus launch. We ended the year with 38 countries represented on the site.

## **Brand Recognition**

Our brand continues to be the most readily recognised online accommodation brand in Australasia, with brand awareness now over 41% in Australia. This awareness has been achieved with no traditional offline advertising but rather has been generated from word of mouth and public relations and online search initiatives. Our brand recognition was greatly assisted by the exposure associated with our float in June.

## **Performance FY2007**

As indicated at the time we released our full year results, we experienced strong room night sales growth\* in July and August 2006 compared to the same periods last year. This strong performance has continued in the year to date.

Our room night growth for the first quarter of FY2007 is up more than 50% on the same quarter last year. Any variation to this trend from the introduction of the 28 day booking window is not expected to be obvious until November sales results are available.

*\* based on room nights sold with a check-in date in the relevant period*