Appendix 4E
Preliminary final report
30 June 2007

Name of Entity:	ABN Reference:
WEBJET LIMITED	**68 002 013 612**

1. Results for announcement to the market

Key Information	Current period 2007 $ (000's)	Previous corresponding period 2006 $ (000's)		% Change	Amount of change $ (000's)
Revenues from ordinary activities	17,495	11,892	up	47%	5,603
Profit from ordinary activities before tax attributable to members	5,263	3,505	up	50%	1,758
Income tax (expense) / benefit	(1,267)	(1,130)	up	12%	137
Profit from ordinary activities after tax attributable to members	3,996	2,375	up	68%	1,621
Net Profit for the period attributable to members	3,996	2,375	up	68%	1,621

The Company proposes to pay a maiden dividend of two cents per share (unfranked) out of current year's profits. The dividend will be paid on October 15th 2007.

2. NTA backing

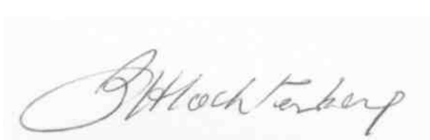
	Current period	Previous corresponding period
Net tangible asset backing per ordinary security	$0.258	$0.074

3. Commentary on the financial results

See attached Managing Director's Report

4. Preliminary final report – financial details

Refer to attached audited financial report



……………………………………………. Date: 1 August 2007

(Deputy Chairman)
Bernard Lochtenberg

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1 August 2007

Chairman's Report

The 2006 – 2007 financial year has again been a very good year for your company. Although the travel industry continues to experience significant change Webjet has continued its market share growth. This is reflected in the strong income and net profit results detailed in David Clarke's managing director report.

The company's significant growth resulted in the expansion of the senior management team with appointments of a chief financial officer, chief technology officer, investor relations manager and online marketing manager. Costs as a percentage of sales have been maintained at an appropriate level.

With robust generation of cash flow during the year the board decided on a number of capital management actions concurrent with the buyback of Galileo shares and the 1:4 share consolidation. This involved a declaration of a maiden, unfranked dividend of 2c per share on the new consolidated shares.

Priority continues to be given to technology development which is critical to the company's future. This is illustrated in the launch of PLANITONEARTH, the new customer oriented means of planning an integrated journey.

The board welcomed Mr Chris Newman as a director in December 2006 and together with management and staff face the future with energy and enthusiasm.

Ben Lochtenberg
Deputy Chairman

Managing Director's Report

ANNUAL RESULTS TO 30 JUNE 2007

- **TTV up 45% to $250M**
- **NPAT up 67% to $4M**

Webjet today announced the following results for the year ended 30 June 2007.

	2007 $M	**2006** $M	**+ %** approx
TTV	**250**	**172**	**45**
Income (excl interest)	15.9	11.5	38
Interest	1.6	0.4	300
Total Revenue	17.5	11.9	47
EBITDA	3.7	3.4	9
EBIT	3.7	3.1	19
NPBT	5.3	3.5	50
Tax	1.3	1.1	18
NPAT	**4.0**	**2.4**	**67**
EPS (basic)	4.96¢	3.76¢ post-consolidation 0.94¢ pre-consolidation	

(all rounded to nearest $100k)

Commenting Webjet managing director David Clarke said,

"Webjet is delighted to announce a 67% increase in net profit.

As a consequence of a pre-alerted aggressive marketing campaign during the year, Webjet added, in this year at a TTV level, approximately $78M an amount equivalent to the total turnover in financial year ended 2005. **This increase of 45%** on the previous year to 30 June 2006 represents a growth rate many times that of the Australian travel industry and is reflective of a dramatic increase in the company's market footprint and active customer database.

Results for year ended 30 June 2007

Income: % stable

Webjet has successfully navigated the progressive changes to airline agency commissions during 06/07. Although the full year has shown a very slight decline in percentage income to TTV compared with last year, the second half to June 07 has been stable and on current indications we expect margins at a gross profit level to be stable in 07/08. Webjet's business model is uniquely balanced with a high component of service fee income. It should be noted, however, that as Webjet's business mix continues to change higher unit value transactions may cause small deviations and variations in the percentage of gross profit relative to TTV.

To some degree this has already occurred in 06/07 and is not reflective of price discounting and simply a product of business mix.

Costs: economy of scale

Although marketing costs in total increased from $2.7M last year to $4.9M this year, (83%) the total spend, as a percentage of TTV, fell within its control band percentage as indicated to the market, of approximately 2%. This increase in expenditure, which was carefully controlled, took into account that the company, during the financial year, would earn substantially greater interest earnings which would be used in part to offset the aggressive market development cost and the expectation that moving forward into 07/08 greater economies of scale and total marketing costs would show some compression (to approximately 1.8%) and the model would be essentially rebalanced reflective of the change in interest earnings.

This strategy, as advised to our annual general meeting last year, whilst distorting like for like EBITDA comparisons, has successfully catapulted our TTV base and provides the capacity to continue to derive ongoing economies of scale and enhances our capability of sustaining appropriate market development at a lower ongoing percentage cost.

For the full year total costs, inclusive of marketing, were $12.2M compared to $8.4M the previous year, or excluding marketing, a total of $7.3M compared with $5.7M, an increase of 28% reflective of substantially greater economies of scale.

Strategy and guidance 07/08

Webjet considers the current outlook for 07/08, in the absence of any external significant events, will be a satisfactory trading environment. However, travel demand is always sensitive relative to disposable consumer dollars.

This is in turn particularly impacted by:

- Interest rates and mortgage repayment impact
- The fundamental price of travel in its own right
- Bowser petrol price shock
- Consumer confidence and in particular within the Australian context, the current buoyancy of the stock market.

It is clearly impossible for us to predict the outcome of those key components during 07/08 and as such we do not consider it prudent or possible at this stage to make any formal forecasts. However, in order to provide some guidance on the impact of the variable components of our operating model, we have tabulated the half year trends in 06/07 along with a model on the possibility that turnover may increase by approximately 32% in 07/08.

Webjet is currently providing market guidance on the following key indicators:

	07			08
	1H	**2H**	**FY**	**Model**
TTV $M	117	133	250	331
Total revenue	8.1	9.4	17.5	22.3
EBITDA	1.3	2.4	3.7	6.4
EBIT	1.3	2.4	3.7	6.2
Interest	0.8	0.8	1.6	1.1
PBT	2.1	3.2	5.3	7.2
NPAT	1.1	2.9	4.0	5.2
Income/TTV%	6.9	7.1	7.0	6.7
Costs/TTV%	5.2	4.7	4.9	4.6
EBITDA/Income%	15.8	25.6	21.1	28.6

Within that framework and subject to a continuation of satisfactory trading circumstances, the model shows:

- A TTV increase to $331M
- An EBITDA of $6.4M (compared with $3.7M)
- A profit before tax of $7.2M (compared with $5.3M)
- A net profit after tax of $5.2M (compared to $4M)

The model, if it is achieved on this basis, shows a further compression in operating costs, including marketing, to a resultant 4.6% of TTV. Within that a compression of marketing costs from 2% to approximately 1.8%.

It is important to note that the model does not assume an even distribution between first half and second half and significant variations are possible between quarters and half years.

Marketing strategy 07/08

Within the controlled percentage, Webjet will continue an aggressive marketing campaign in the Australian region. This will include the continued substantial promotion of PLANITONEARTH, extensive online advertising initiatives and a continuation of physical media with an evolutionary brand development being launched at the beginning of August under the banner, *Webjet: Experience the Wonder.*

This campaign, which will feature national television, magazine and newspaper inserts and advertisements, is designed to add a further dimension to the brand's market footprint and to attach to it a set of values which associate the brand with international travel in all of its forms and capitalises on our domestic market footprint.

We currently expect the international component of our turnover to increase to approximately 35% of TTV in 07/08 compared to approximately 30% in 06/07.

Webjet's hotel sales and car sales continue to build strongly.

During 06/07 Webjet has, according to Hitwise, regularly held the #1 Australian Travel Agent Internet Site position as measured by page views.

Capital management

Webjet has successfully completed the selective buyback, as authorised by its shareholders, of the GIW shareholding which was transacted at a discount to market.

Shares on issue have been consolidated on a 4:1 basis.

A maiden dividend of 2c per share, unfranked, has been declared on the consolidated capital. **Future dividends are expected to be in the range of 60-70% of net profit after tax.** It is expected that dividends will attract substantial franking credits in future.

Webjet has indicated that subject to deliberations in relation to acquisitions, it is intended that up to 5% of capital is bought back from time to time, on-market, during 07/08.

At this juncture, strategic acquisitions appropriate to the business model remain under intensive investigation. The company's cash reserves as at 30 June 2007 after completing the GIW buyback were $20.1M which provides substantial flexibility in consideration of these matters."

David Clarke
Managing Director
Webjet Limited

For further information contact David Clarke on (03) 9828 9754 or David Turner 0414 417 041
Webjet – Australia's Multi Award Winning Online Travel Service
http://www.webjet.com.au/About_us/Awards.html

Webjet Limited

ABN 68 002 013 612

and Controlled Entities

Annual Financial Report

For the Year Ended 30 June 2007

Webjet Limited
ABN 68 002 013 612
and Controlled Entities

For the Year Ended 30 June 2007

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Corporate Information

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Independent Audit Report to the Members of Webjet Limited

Report on the Financial Report

We have audited the accompanying financial report of Webjet Limited, which comprises the balance sheet as at 30 June 2007, and the income statement, statement of changes in equity and cash flow statement for the year ended on that date, a summary of significant accounting policies, other explanatory notes and the directors' declaration for both Webjet Limited (the company) and the consolidated entity as set out on pages 20 to 61. The consolidated entity comprises the company and the entities it controlled at the year's end or from time to time during the financial year.

Directors' Responsibility for the Financial Report

The directors of the company are responsible for the preparation and fair presentation of the 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 control relevant to the preparation and fair presentation of the 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. In Note 1, the directors also state, in accordance with Accounting Standard AASB 101 *Presentation of Financial Statements,* that compliance with the Australian equivalents to International Financial Reporting Standards ensures that the financial report, comprising the consolidated financial statements and notes, complies with International Financial Reporting Standards.

Auditor's Responsibility

Our responsibility is to express an opinion on the financial report based on our audit. We conducted our audit in accordance with Australian Auditing Standards. These Auditing Standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance whether the financial report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial report in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Independence

In conducting our audit, we have complied with the independence requirements of the Corporations Act 2001. We confirm that the independence declaration required by the Corporations Act 2001, provided to the directors of Webjet Limited on 1 August 2007 would be in the same terms if provided to the directors as at the date of this auditor's report.

Auditor's Opinion on the Financial Report

In our opinion the financial report of Webjet Limited is in accordance with the Corporations Act 2001, including:

(a) giving a true and fair view of the company's and consolidated entity's financial position as at 30 June 2007 and of their performance for the year ended on that date; and

(b) complying with Australian Accounting Standards (including the Australian Accounting Interpretations) and the Corporations Regulations 2001*;* and

(c) the consolidated financial statements and notes also comply with International Financial Reporting Standards as disclosed in Note 1.

BDO Kendalls (SA)
Chartered Accountants

Gregory R Wiese
Partner

1 August 2007

Your directors present their report on the company and its controlled entities for the financial year ended 30 June 2007.

1 Directors

The names and details of the company's directors in office during the financial year and until the date of this report are as follows. Directors were in office for the entire period unless otherwise stated.

(a) Names, qualifications, experience and special responsibilities

Allan Nahum	FCA, FICD, AAISA (Non Executive Chairman)
Experience	Former partner in the Melbourne based accounting and consulting firm HLB Mann Judd, with extensive experience in the profession as a business consultant. He has worked in the travel industry as an Auditor and Consultant for over 30 years.
Interest in Shares and Options	660,426 Ordinary shares; 62,500 Options over Ordinary shares
Dr Bernard Lochtenberg	BE (Hons), D Phil, FTSE, HON LLD (Melb) (Non Executive Deputy Chairman)
Experience	Former Chairman of Orica Limited and Mental Health Research Institute. Former Director of Capral Aluminium Limited and Director of Melbourne University Private Ltd.
Interest in Shares and Options	203,995 Ordinary shares; Nil Options over Ordinary shares
David Clarke	(Executive Managing Director)
Experience	Held senior management positions with the Jetset travel group from 1977 to 1995. He is regarded as pioneering the introduction of wholesale packaging through distribution access in Australia and overseas, the development of an integrated franchise structure and one of the highest ranking travel brands in Australia in the 1990's. He has worked closely with most major airlines, including Qantas, British Airways, Ansett Australia, United Airlines and others over 25 years and is internationally recognised in the travel industry.
Interest in Shares and options	15,444 Ordinary shares; 1,000,000 Options over Ordinary shares
John Lemish	BEc (Executive Operations Director)
Experience	With over 25 years experience in the travel industry, he has a wealth of operational experience. He was extensively involved in international operations in the UK and Europe, North America and Asia, and was responsible for the international buying of hotels and land suppliers globally.
Interest in Shares and Options	2,172,087 Ordinary shares; 750,000 Options over Ordinary shares
Steven Scheuer	BBus (Acc) (Non Executive Director)
Experience	After spending a number of years in public accounting practice, he established his own manufacturing and importing business using strong and well known clothing brand labels throughout Australia and New Zealand.
Interest in Shares and Options	6,349,786 Ordinary shares; Nil Options over Ordinary shares
John Guscic	BEc, MBA (Non Executive Director)
Experience	Currently MD, Pacific region for Travelport (formerly Cendant TDS), John is responsible for Travelport's major brands - Galileo, and GTA. He has been instrumental in identifying and shaping new business ventures; forging strong, strategic relationship and managing both multinational and local customer retention and growth. Prior to Travelport, John founded his own successful strategic consultancy advising Internet start-ups.
Interest in Shares and Options	54,450 Ordinary shares; Nil Options over Ordinary shares

Christopher Newman	BEc, BComm (Non Executive Director – Appointed 1 December 2006)
Experience	Has had extensive experience over many years in investment analysis, stockbroking, mergers and acquisitions, and was instrumental in the original public listing of our company.
Interest in Shares and Options	1,323,404 Ordinary shares; Nil Options over Ordinary shares
Other Directorships (past and current)	Gunns Limited, Coneco Limited, Austereo Group Limited and Prime Financial Group Limited.

(b) Meetings of Directors

During the financial year, 17 meetings of directors (excluding committees of directors) were held. Attendances by each director during the year were as follows:

	Directors' Meetings		Committee Meetings			
			Audit Committee		Remuneration Committee	
	Number eligible to attend	Number attended	Number eligible to attend	Number attended	Number eligible to attend	Number attended
Allan Nahum	17	15	2	2	1	1
Bernard Lochtenberg	17	16	2	2	1	1
David Clarke	17	17	-	-	-	-
John Lemish	17	14	-	-	-	-
Steven Scheuer	17	13	2	2	1	1
John Guscic	17	12	-	-	-	-
Chris Newman	8	8	1	1	-	-

2 General information

(a) Company Secretary

The following person held the position of company secretary at the end of the financial year:

Peter O'Sullivan, B Ec (Acc), CPA (Appointed 23 March 2007)

Has over 15 years senior financial management experience gained across retail, sport, IT and travel in both Australia and overseas.

2 General information (continued)

(b) Principal Activities

The principal activities of entities within the consolidated entity during the financial year were that of an electronic manager and marketer of travel and related services utilising the internet and other mediums.

There have been no significant changes in the nature of those activities during the financial year.

3 Business Review

(a) Operating Results

The consolidated profit of the consolidated entity after providing for income tax amounted to $ 4.0 million.

(b) Review of Operations

The year ended 30 June 2007 has produced a profit before tax of $5.3 million (2006: $3.5 million). During the year the company has experienced a growth in total transaction values of $78 million (from $172m to $250m).

The year demonstrates the economic success of Webjet's increasing market footprint in our total transaction values which have increased 45% relative to the same period last year. The results demonstrate the potential leverage of Webjet's low cost base, tightly controlled marketing expenditure and deliberately focused business plan.

	2007 $m	2006 $m	2005 $m	2004 $m
TTV	250	172	77	21
NPBT	5.3	3.5	0.7	(1.1)
Operating cash flow	6.7	4.3	1.4	(0.9)

(c) Dividends Paid or Recommended

No dividends were paid during the financial year. A 'maiden dividend' of two cents per share (unfranked) shall be paid on 15 October 2007 for the financial year ended 30 June, 2007.

4 Other Items

(a) Significant Changes in State of Affairs

During the financial year, Webjet Limited purchased 27,299,446 ordinary shares (pre consolidation) off-market from G.I.W. Holdings for cash consideration of $8.4m. Following the acquisition, the shares were cancelled.

4 Other Items (continued)

(b) Adoption of Australian Equivalents to IFRS - Reporting

As a result of the introduction of Australian equivalents to International Financial Reporting Standards (AIFRS) in 2006, the company's financial report has been prepared in accordance with those standards.

(c) After Balance Day Events

No matters or circumstances have arisen since the end of the financial year which significantly affected or may significantly affect the operations of the consolidated entity, the results of those operations or the state of affairs of the consolidated entity in future financial years.

(d) Future Developments - Unreasonable Prejudice

Likely developments in the operations of the consolidated entity and the expected results of those operations in future financial years have not been included in this report as the inclusion of such information is likely to result in unreasonable prejudice to the consolidated entity.

(e) Auditor's Independence Declaration

The auditor's independence declaration for the year ended 30 June 2007 has been received and can be found on page 62 of the financial report which forms part of the Directors' Report.

(f) Environmental Issues

The consolidated entity's operations are not regulated by any significant environmental regulation under a law of the Commonwealth or of a State or Territory.

(g) Non-audit Services

The Board of Directors, in accordance with advice from the Audit and Risk Committee, is satisfied that the provision of non-audit services during the year is compatible with the general standard of independence for auditors imposed by the *Corporations Act 2001*. The directors are satisfied that the services disclosed below did not compromise the external auditor's independence as the nature of the services provided do not compromise the general principles relating to auditor independence as set out in the Institute of Chartered Accountants in Australia and CPA Australia's Professional Statement F1: Professional Independence.

The following fees for non-audit services were paid/payable to the external auditors during the year ended 30 June 2007:

	2007				
	Deloitte	DTT (formerly BDO Melbourne)	BDO Kendalls (SA)	Related Practice of BDO Kendalls (SA)	Total
	$	$	$	$	$
Tax compliance services	3,000	210	7,650	-	10,860
Accounting advice and reports	-	-	-	-	-
Taxation advice on research and development	473	-		3,500	3,973
	3,473	210	7,650	3,500	14,833

4 Other Items (continued)

(h) Indemnification of officers and auditors

During the financial year, the company paid a premium in respect of a contract insuring the directors of the company (as named above), the company secretary and all executive officers of the company and any related body corporate against a liability incurred as such a director, secretary or executive officer to the extent permitted by the Corporations Act 2001. The contract of insurance prohibits the disclosure of the nature of the liability and the amount of the premium.

The company has not otherwise, during or since the end of the financial year, indemnified or agreed to indemnify an officer or auditor of the company or of any related body corporate against a liability incurred as such an officer or auditor.

(i) Rounding of Amounts

The company satisfies the requirements of Class Order 98/0100 issued by the Australian Securities and Investments Commission relating to 'rounding off' of amounts in the directors' report and the financial report to the nearest thousand dollars. Amounts have been rounded in accordance with that Class Order.

5 Financial Report

(a) Financial Position

The net assets of the consolidated entity decreased by $3.6m during the financial year to $22.8m (2006: $26.4m). The decrease has largely resulted from the following factors:

- Strong cash flows from operating activities, increasing from $4.3m in 2006 to $6.7m in 2007; offset by
- $8.4m off-market share buy-back.

6 Remuneration Report

(a) Remuneration Report

This report details the nature and amount of remuneration for each director of Webjet Limited, and for the executives receiving the highest remuneration.

(b) Remuneration Philosophy and Policy

The consolidated entity's remuneration policy seeks to ensure:

1. That it is able to attract and retain management and operating staff with a particular and specialised mix of marketing, commercial and technical skills appropriate for its business plan. This blend of skills is sought from a competitive environment where there is limited supply.
2. That remuneration is competitive with the appropriate incentives for continued employment, which, in turn, is an important component in the protection of the company's intellectual property which provides part of the company's competitive edge.
3. That the interests of management and general operating staff reflect a close alignment with the interests of shareholders.

The company has accordingly, in place, a range of incentive programs at all levels, relative to certain KPIs which relate to quality standards, cost management and budget achievement.

The company does not subscribe, at senior level, to the philosophy of excessive 'at risk components' at a cash salary level and considers a more appropriate methodology is to limit the 'at risk component' to a meaningful but not excessive level. Put more succinctly, it considers total employment should be 'at risk' if performance does not deliver prescribed results.

The company monitors remuneration levels through industry comparisons, intelligence and comparative data of publicly listed companies and takes external specific advice from specialists when considered necessary.

The company operates an employee share plan and a tax deferred executive share plan and has in place shareholder authorised option plans.

6 Remuneration Report (continued)

Service and Employment Agreements

The following table sets out the key elements of senior executive agreements.

	Agreement date	Term (yrs)	Notice Period	Termination Payment	Base salary including Superannuation $	Cash Salary At Risk $	Possible cash total $	Options
D Clarke*	1 Apr 2006	3	12 months	12 months in lieu of notice	450,000	27,000	477,000	Refer Note 6(k)
R Noon	7 Mar 2007	3	6 months	6 months in lieu of notice	275,000	75,000	350,000	Refer Note 6(k)
J Lemish	1 Apr 2006	3	6 months	6 months in lieu of notice	190,000	50,000	240,000	Refer Note 6(k)
D Maidment	1 Jul 2006	3	6 months	6 months in lieu of notice	175,000	50,000	225,000	Nil
P O'Sullivan	1 Sep 2006	3	6 months	6 months in lieu of notice	180,000	40,000	220,000	Nil

* The Board may consider the package of D Clarke at any time and discuss its quantum and composition.

(c) Nomination and Remuneration Committee

The Board monitors and reviews the performance of executive directors (including the Managing Director) as well as the performance of key senior management. The Board receives regular updates on the performance of Webjet as a whole. The Chairman of the Company endeavours to implement change at a Board level to incorporate recommendations that flow out of this review process. The company has in place a Nomination and Remuneration Committee which seeks to ensure that the Company's remuneration levels are appropriately aimed at delivering maximum benefit for the Company. The Nomination and Remuneration Committee has responsibility for ensuring that the company:

- Has coherent remuneration policies and practices to attract and retain executives and directors who will create value for shareholders;
- Observes those remuneration policies and practices; and
- Fairly and responsibly rewards executives having regard to the performance of Webjet, the performance of the executives and the general pay environment.

(d) Remuneration Structure

The current members of the Nomination and Remuneration Committee are the independent directors Bernard Lochtenberg (Chairman), Allan Nahum and Steven Scheuer. The Committee receives external assistance and advice to assist it in determining appropriate levels of remuneration for the directors of the Company.

6 Remuneration Report (continued)

(e) Senior Management and Executive Director Remuneration

Objective

The company aims to reward executives with a level and mix of remuneration commensurate with their position and responsibilities within the company and so as to:

- reward executives for company, business unit and individual performance against targets set by reference to appropriate benchmarks;
- align the interests of executives with those of shareholders;
- link reward with the strategic goals and performance of the company; and
- ensure total remuneration is competitive by market standards.

Structure

Remuneration consists of the following key elements:

- fixed remuneration; and
- incentive remuneration in the form of options, bonuses and tax deferred shares.

The proportion of fixed remuneration and variable remuneration is established for each executive by the Managing Director in consultation with the Nomination and Remuneration Committee. The proportion of fixed remuneration and variable remuneration is established for the Managing Director by the Nomination and Remuneration Committee.

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(f) Non-executive Director Remuneration

Objective

The Board seeks to set aggregate remuneration at a level which provides the company with the ability to attract and retain directors of the highest calibre, whilst incurring a cost which is acceptable to shareholders.

Structure

When setting fees for individual directors, account is taken of the responsibilities inherent in stewardship of the consolidated entity and the demands made of directors in the discharge of their responsibilities.

The remuneration of non-executive directors for the period ended 30 June 2007 is detailed in Table 1 on page 11 of this report.

(g) Fixed Remuneration

Objective

The level of fixed remuneration is set so as to provide a base level of remuneration which is both appropriate to the position and is competitive in the market. Fixed remuneration is reviewed annually by the Nomination and Remuneration Committee and the process consists of a review of company-wide, business unit and individual performance, relevant comparative remuneration in the market and internal and, where appropriate, external advice on policies and practices.

Structure

Senior executives are given the opportunity to receive their fixed (primary) remuneration as either cash or superannuation. It is intended that the manner of payment chosen will be optimal for the recipient without creating undue cost for the company.

The fixed remuneration component of the three most highly remunerated executives is detailed in Table 2 on page 12.

6 Remuneration Report (continued)

(h) Variable Remuneration - Short Term and Long Term Incentive

Objective

The company has implemented a share plan with the objective to do any or all of the following:

- provide shares to eligible employees who are considered to be key to the future success of the company as a long term incentive in order to retain the services of those eligible employees in the future;
- provide a means by which eligible employees may acquire shares in the company as part of their future remuneration;
- provide shares to eligible employees as a retention strategy; and
- recognise and reward performance of eligible employees and their contribution to the future success of the company by providing shares to those eligible employees.

Structure

Incentive grants to executives are delivered in the form of options and tax deferred shares.

6 Remuneration Report (continued)

(i) Table 1: Director Remuneration for the Year Ended 30 June 2007

	Short –term benefits		Post employment benefits	Share-based payments	
	Salary & Fees $	Bonus $	Superannuation $	Equity Options (i) $	Total $
Allan Nahum					
2007	**32,492**	**-**	**44,591**	**69,423**	**146,506**
2006	-	-	102,830	81,867	184,697
Dr Bernard Lochtenberg					
2007	**40,000**	**-**	**-**	**-**	**40,000**
2006	36,973	-	-	-	36,973
David Clarke					
2007	**314,700**	**10,000**	**78,000**	**13,401**	**416,101**
2006	211,931	20,000	24,000	38,321	294,252
John Lemish					
2007	**77,387**	**20,000**	**105,113**	**6,701**	**209,201**
2006	132,798	-	52,492	19,160	204,450
Steven Scheuer					
2007	**19,495**	**-**	**6,755**	**-**	**26,250**
2006	16,961	-	1,526	-	18,487
Christopher Newman					
2007	**9,557**	**-**	**860**	**-**	**10,417**
2006	-	-	-	-	-
John Guscic					
2007	**11,468**	**-**	**1,032**	**-**	**12,500**
2006	-	-	-	-	-
Timothy Dodds (resigned 9 February 2006)					
2007	**-**	**-**	**-**	**-**	**-**
2006	8,366	-	753	-	9,119
Total remuneration: specified directors					
2007	**505,099**	**30,000**	**236,351**	**89,525**	**860,975**
2006	407,029	20,000	181,601	139,348	747,978

6 Remuneration Report (continued)

(j) Table 2: Remuneration of the Three^ Named Executives Who Receive the Highest Remuneration for the Year Ended 30 June 2007

	Short –term benefits	Post employment benefits	Share-based payments		
	Salary & Fees $	Superannuation $	Equity Deferred shares $	Equity Options (i) $	Total $
Dean Maidment					
2007	**137,615**	**12,385**	**14,803**	**-**	**164,803**
2006	123,853	11,147	56,265	-	191,265
Peter O'Sullivan					
2007	**122,324**	**11,009**	**44,805**	**-**	**178,138**
2006	-	-	-	-	-
Richard Noon					
2007	**136,462**	**105,000**	**14,803**	**241,408**	**497,673**
2006	131,667	40,000	56,265	48,651	276,583
Peter Burton*					
2007	**-**	**-**	**-**	**-**	**-**
2006	116,973	10,527	18,069	-	145,569
Total remuneration: specified executives					
2007	**396,401**	**128,394**	**74,411**	**241,408**	**840,614**
2006	372,493	61,674	130,599	48,651	613,417

i) From 1 July 2004, options granted as part of senior manager remuneration have been valued using a binomial option pricing model, which takes account of factors including the option exercise price, the current level and volatility of the underlying share price, the risk-free interest rate, expected dividends on the underlying share, current market price of the underlying share and the expected life of the option.

* For the year ended 30 June 2007, the remuneration of Peter Burton did not qualify within the top three executives.

^ There are only three employees who meet the definition of key management personnel for the purpose of this report.

(k) Table 3: Options Outstanding as at 30 June 2007

	Grant date	Grant number	Vest	Fair value per option at grant date $
D Clarke (a)	10 Nov 2004	250,000	31 Mar 2006	0.0504
J Lemish (a)	10 Nov 2004	375,000	31 Mar 2006	0.0504
D Clarke (a)	10 Nov 2004	750,000	31 Mar 2007	0.0568
J Lemish (a)	10 Nov 2004	375,000	31 Mar 2007	0.0568
A Nahum (b)	2 Nov 2005	62,500	1 Nov 2007	1.0522
R Noon - Tranche 1 (c)	7 Mar 2006	750,000	1 Sep 2007	0.2812
R Noon - Tranche 2 (c)	7 Mar 2006	1,000,000	1 Sep 2008	0.2420
R Noon - Tranche 3 (c)	7 Mar 2006	1,250,000	1 Sep 2009	0.3500
TOTAL		**4,812,500**		

6 Remuneration Report (continued)

Prices of options issued prior to January 2006 were calculated using a binomial pricing model applying the following inputs:

Options issued prior to January 2006 using a expected volatility of 25%, historical volatility of 38%, risk free interest rate of 5.4% and an expected life of the options (where applicable) of 5.4 and 6.4 years.

The expected life of the options is based on historical data and is not necessarily indicative of exercise patterns that may occur. The expected volatility reflects the assumption that the historical volatility is indicative of future trends, which may also not necessarily be the actual outcome.

Notes

(a) These options vest on the dates indicated as long as the employee remains in employment of the consolidated entity until the vesting date.

(b) There are no vesting conditions attaching to these options.

(c) For options granted to Richard Noon, the company sought independent advice from Benson Partners as to the valuation. The valuation outlined above was provided by Benson's in a report dated 21 July 2006

In valuing the options, Benson's utilised the following inputs: expected volatility of 50%; historical volatility of 52.88%; Australian Government risk free interest rates for a 6 month, 2, 3 and 4 year periods; expected life of the option between 23 and 47 months and an expected dividend of 0.5 cents per share (pre consolidation). The expected dividend is for input purposes only and is not an indication of Webjet's future dividend policy.

These options are subject to the following terms and conditions:

	Tranche 1	**Tranche 2**	**Tranche 3**
Grant date	7 Mar 2006	7 Mar 2006	7 Mar 2006
Vesting date	1 Sep 2007	1 Sep 2008	1 Sep 2009
Expiry date	31 Aug 2012	31 Aug 2013	31 Aug 2014
Grant date share price	$0.35	$0.35	$0.35
- post consolidation	*$1.40*	*$1.40*	*$1.40*
Exercise price	$0.3071	$0.3279	vwap 30 days pre 30/6/08
- post consolidation	*$1.2284*	*$1.3115*	*vwap 30 days pre 30/6/08*
Vesting conditions	50% vest if achieves Board approved group budget for the year ended 30 June 2007	50% vest if achieves Board approved group budget for the year ended 30 June 2008	50% vest if achieves Board approved group budget for the year ended 30 June 2009
	50% vest if remains in employment on 30 June 2007	50% vest if remains in employment on 30 June 2008	50% vest if remains in employment on 30 June 2009

6 Remuneration Report (continued)

(l) Table 4: Tax Deferred Shares Granted as Part of Remuneration for the Year Ended 30 June 2007

	Grant date	Grant number	Value per tax deferred share at grant date $	Exercised number	Value per tax deferred share at exercise date $	Value at date tax deferred share lapsed $
P O'Sullivan	1 Sep 2006	37,500	1.36	n/a	n/a	n/a

(m) Table 5: Tax Deferred Shares Granted as Part of Remuneration for the Year Ended 30 June 2005

	Grant date	Grant number	Value per tax deferred share at grant date $	Exercised number	Value per tax deferred share at exercise date $	Exercise Date	Value at date tax deferred share lapsed $
R Noon	10 Nov 2004	537,500	0.32	437,500	1.34	16/08/2006	n/a
D Maidment	10 Nov 2004	537,500	0.32	437,500	1.40	31/10/2006	n/a

Vesting date:

	1 Aug 2005	1 Aug 2006	1 Aug 2007
R Noon	250,000	187,500	100,000
D Maidment	250,000	187,500	100,000
P O'Sullivan	-	-	37,500

The above share plan carries with it 'vesting conditions' which must be fulfilled by the individual prior to release. Conditions are as follows:

Dean Maidment (Marketing Manager) - achievement of the Board approved group budget

Peter O'Sullivan (Chief Financial Officer) - achievement of the Board approved group budget

Richard Noon (Chief Executive Officer) - achievement of the Board approved group budget

A 'trading lock' has been applied to the share plan, preventing transferring or sale of shares until removed by the company's share plan committee.

(n) Table 6: Shares Issued on Exercise of Options for the Year Ended 30 June 2007

	Shares issued Number	Paid per share $	Unpaid per share $
D Clarke	500,000	0.6997	-
A Nahum	62,500	0.2668	-
TOTAL	**562,500**		

6 Remuneration Report (continued)

7 Options

(a) Un-issued Shares Under Option

At the date of this report, the un-issued ordinary shares of Webjet Limited under option are as follows:

Grant Date	Date of Expiry	Exercise Price	Number under Option
10 Nov 2004	30 Mar 2011	0.6997	625,000
10 Nov 2004	30 Mar 2012	1.3365	1,125,000
2 Nov 2005	31 Oct 2008	0.2668	62,500
7 Mar 2006	31 Aug 2012	1.2284	750,000
7 Mar 2006	31 Aug 2013	1.3115	1,000,000
7 Mar 2006	31 Aug 2014	vwap *	1,250,000
			4,812,500

* vwap is the variable weighted average share price in the 30 days preceding vesting date

(b) Options Exercised During the Year

During the year ended 30 June 2007, the following ordinary shares of Webjet Limited were issued on the exercise of options. No further shares have been issued since that date. No amounts are unpaid on any of these shares.

Grant Date	Exercise Price	Number of Shares Issued
10 Nov 2004	0.6997	500,000
2 Nov 2005	0.2668	62,500
		562,500

Signed in accordance with a resolution of the directors made pursuant to s.298 (2) of the Corporations Act 2001.

On behalf of the directors

B Lochtenberg

Director:..

Bernard Lochtenberg

1 August 2007

Webjet Limited

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and Controlled Entities

Corporate Governance Statement

The Board of Directors is responsible for corporate governance of the company and its controlled entities. The Board considers good corporate governance a matter of high importance and aims for best practice in the area of corporate governance. This section describes the main corporate governance practices of the company.

In reviewing the corporate governance structure of Webjet, the Board have reviewed and considered the ASX Corporate Governance Councils' recommendations. Comment is made where key principles are not followed due to the size and nature of Webjet.

Board Responsibilities

The Board's key responsibilities are:

* oversight of the operation of the group including establishing, reviewing and changing corporate strategies;
* ensuring that appropriate internal control, reporting, risk management and compliance frameworks are in place;
* appointing, removing, reviewing and monitoring the performance of the Managing Director to whom the Board have delegated the day to day management of the group;
* approval of the annual report (including the accounts), the budget and the business plan of the group;
* regular (at present at least monthly) review of the group's performance against the budget and the business plan;
* approving material contractual arrangements including all major investments and strategic commitments;
* making decisions concerning the group's capital structure, the issue of any new securities and the dividend policy;
* establishing and monitoring appropriate committees of the Board including the audit and risk committee and the remuneration committee;
* reporting to shareholders; and
* ensuring the company's compliance with all legal requirements including the ASX Listing Rules.

Structure of Board

The maximum number of directors provided for by the Company's constitution is seven and the Company currently has seven directors on the Board. A director may be appointed by resolution passed at a general meeting or, in the case of casual vacancies, by the directors.

Potential additions to the Board are carefully considered by the Board prior to being nominated to shareholders or appointed as casual vacancies. The skills, experience and expertise of each of the directors are set out in the 'Board and Management Section' of the Annual Report.

The Board currently has four independent directors being Allan Nahum (Chairman), Bernard Lochtenberg (Deputy Chairman), Chris Newman and John Guscic. The current Board is sufficiently balanced to protect the interests of shareholders.

The Company facilitates and pays for directors and Board committee members to obtain professional independent advice if they require it.

Code of Conduct

Webjet has a Code of Conduct as well as a number of internal policies and operating procedures aimed at providing guidance to directors, senior management and employees on the standards of personal and corporate behaviour required of all Webjet personnel. The Code of Conduct covers specific issues such as trading in Company securities by directors, officers and employees and also provides guidance on how to deal with business issues in a manner that is consistent with the Company's responsibilities to its shareholders.

Audit and Risk Committee

The Board has appointed an Audit and Risk Committee that operates under a charter approved by the Board.

The Committee provides a direct link between the Board and the external audit function. The Committee is responsible for reviewing and reporting to the Board that:

- the system of internal control which management has established effectively safeguards the assets of the consolidated entity;
- accounting records are properly maintained in accordance with statutory requirements;
- financial information provided to shareholders is accurate and reliable; and
- the external audit function is effective.

The Committee is responsible for the appointment of the external auditor and ensures that the incumbent firm (and the responsible service team) has suitable qualifications and experience to conduct an effective audit. The external audit partner will be required to rotate every five balance dates in accordance with Clerp 9 requirements.

The Audit and Risk Committee meets regularly to review the half-year and annual results of Webjet, and to review the audit process, and those representations made by management in support of monitoring Webjet's commitment to integrity in financial reporting. The Chief Financial Officer, Managing Director and the external auditors are invited to attend meetings of the Committee at the discretion of the Committee.

The members of the Audit and Risk Committee at the date of this annual report are the following non-executive directors of the Company: Chris Newman (Chairman of the Committee), Bernard Lochtenberg and Allan Nahum.

Business Risk Management

The Company endeavours at all times to minimise and effectively manage risk. The Audit and Risk Committee reviews the control systems and policies of the Company in relation to risk management on an ongoing basis and maintains a diagrammatic representation of the key operating and control systems of the company.

The Audit and Risk Committee reviews key matters of business risk management and ensures appropriate measures are in place to protect the assets of the Company including the security of its software, the security of its premises and the appropriate provisioning of insurance policies.

In addition, the Audit and Risk Committee regularly provides specific advice or recommendations to the Board regarding the existence and status of business risks that the Company faces.

Nomination and Remuneration Committee Charter

The Nomination and Remuneration Committee is a committee of the Board of directors of Webjet Limited. The role of the Nomination and Remuneration Committee is not an executive role. The role of the Committee is to help the Board achieve its objective to ensure the company:

- has a Board of an effective composition, size and commitment to adequately discharge its responsibilities and duties;
- has coherent remuneration policies and practices to attract and retain executives and directors who will create value for shareholders;
- observe those remuneration policies and practices; and
- fairly and responsibly reward executives having regard to the performance of the group, the performance of the executives and the general pay environment.

The Nomination and Remuneration Committee is responsible for:

- identifying and recommending to the Board, nominees for membership of the Board;
- identifying and assessing the necessary and desirable competencies and characteristics for Board membership and regularly assessing the extent to which those competencies and characteristics are represented on the Board;
- developing and implementing processes to identify and assess necessary and desirable competencies and characteristics for Board members; and
- ensuring succession plans are in place to maintain an appropriate balance of skills on the Board and reviewing those plans.

Executive remuneration and incentive policies and practices are performance based and aligned with the group's vision, values and overall business objectives. In effect, the committee must give appropriate consideration to the Company's performance and objectives, employment conditions and remuneration relativities.

Disclosure

The company's policy is that shareholders are informed of all major developments that impact on the Company. The Company treats its continuous disclosure obligations seriously and has a number of internal operating policies and principles (including the Code of Conduct referred to above) that are designed to promote responsible decision-making and timely and balanced disclosure.

The Board is ultimately responsible for ensuring compliance by senior management and employees of the Company with the Company policies and therefore requires that senior management and employees have an up to date understanding of ASX listing requirements. The Company also ensures that the directors and senior management obtain timely and appropriate external advice where necessary.

The Company currently places all relevant announcements made to the market including all past annual reports together with related information on its website: www.webjet.com.au/About_us/About_Us2_TSA.html

Additionally, the Company ensures that its external auditor is represented at the annual general meeting to answer shareholder questions about the conduct of the audit and the preparation of the auditor's report.

Performance and Remuneration

The Board reviews the performance of the executive directors including the Managing Director as well as the performance of key senior management. The Board receives regular updates of the performance of the group as a whole.

The Chairman of the Company endeavours to implement change at a Board level to incorporate recommendations that flow out of this review process.

As previously stated, the Company has in place a Nomination and Remuneration Committee which seeks to ensure that the company's remuneration levels are appropriate and aimed at delivering the maximum benefit for the Company.

The current members of the Nomination and Remuneration Committee are Steven Scheuer and the two independent directors Bernard Lochtenberg (Chairman) and Allan Nahum. The Committee receives external assistance and advice to assist it in determining appropriate levels of remuneration for the directors of the Company.

Remuneration details of each of the directors and senior management are set out in the 'Remuneration Report' section of the Directors' Report.

Webjet Limited

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and Controlled Entities

Managing Director and Chief Financial Officer Declaration

The Managing Director and Chief Financial Officer of Webjet Limited declare that:

1. With regard to the integrity of the financial statements of Webjet Limited for the financial year ended 30 June 2007, that having made appropriate enquiries, in our opinion:

   (a) the financial records of Webjet Limited and of the entities whose financial statements are required to be included in its consolidated financial statements (the consolidated entity) for the financial year have been properly maintained in accordance with section 286 of the Corporations Act 2001; and

   (b) the financial reports of Webjet Limited and of the consolidated entity, being the financial statements and notes thereto, present a true and fair view, in all material respects of the financial position and performance of Webjet Limited and of the consolidated entity in accordance with section 297 of the Corporations Act 2001 and comply with relevant accounting standards, in all material respects, in accordance with section 296 of the Corporations Act 2001.

2. With regard to the risk management and internal compliance and control systems of Webjet Limited and the consolidated entity in operation as at 30 June 2007, that having made appropriate enquiries, within the context described in point 3 below, to the best of our knowledge and belief:

   (a) The statements made in 1(b) above regarding the integrity of the financial reports is founded on a sound system of risk management and internal compliance and control systems which, in all material respects, implement the policies adopted by the Board of Directors.

   (b) The risk management and internal compliance and control systems to the extent they relate to financial reporting are operating effectively, in all material respects.

   (c) Nothing has come to our attention since 30 June 2007 that would indicate any material change to the statements made in 1(a) and 1(b) above, and

3. The statements made in (2) above regarding the risk management and internal compliance and control systems are made within the following context:

   (a) These statements provide a reasonable, but not absolute, level of assurance and do not imply a guarantee against adverse events or more volatile outcomes arising in the future.

   (b) The design and operation of the risk management and internal compliance and control systems relating to financial reporting has been assessed primarily through the use of declarations by process owners who are responsible for those systems.

Dated 1 August 2007

....
David Clarke (Managing Director)

....
Peter O'Sullivan (Chief Financial Officer/Company Secretary)

Webjet Limited

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Directors' Declaration

The directors of the company declare that:

1. In the directors' opinion, the financial statements and notes, as set out on pages 21 to 61, are in accordance with the Corporations Act 2001 and:

   (a) comply with Accounting Standards and the Corporations Regulations 2001; and

   (b) give a true and fair view of the financial position as at 30 June 2007 and of the performance for the year ended on that date of the company and the Consolidated Entity;

2. That the directors have been given the declarations required by s.295A of the Corporations Act 2001; and

3. In the directors' opinion, there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.

Signed in accordance with a resolution of directors made pursuant to s.295 (5) of the Corporations Act 2001.

On behalf of the Directors

Director: ....
Bernard Lochtenberg

1 August 2007

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Income Statement

For the Year Ended 30 June 2007

		Consolidated Entity		Company	
		2007	2006	**2007**	2006
		$	$	**$**	$
	Note	**(000's)**	(000's)	**(000's)**	(000's)
Revenue					
Fees		**15,715**	11,345	**-**	-
Other Income		**180**	188	**-**	-
Interest income		**1,600**	359	**1,220**	104
Royalties		**-**	-	**2,187**	1,534
	15	**17,495**	11,892	**3,407**	1,638
Reversal of previous impairment write-down	7	**-**	-	**-**	4,550
Employee benefits		**(3,363)**	(2,284)	**-**	-
Options expense		**(495)**	(408)	**-**	-
Depreciation, amortisation and impairments		**(71)**	(265)	**-**	(230)
Marketing expenses		**(4,918)**	(2,683)	**-**	-
Operating expenses		**(1,342)**	(1,046)	**-**	-
Technology expenses		**(855)**	(567)		
Administrative expenses		**(765)**	(710)	**-**	-
Directors fees		**(185)**	(167)	**-**	-
Professional fees		**(238)**	(257)	**-**	-
Profit before income tax expense		**5,263**	3,505	**3,407**	5,958
Income tax (expense) / benefit	16(a)	**(1,267)**	(1,130)	**(833)**	(395)
Profit attributable to members of the Company		**3,996**	2,375	**2,574**	5,563
Earnings Per Share:					
Basic earnings per share (cents per share)*		**4.96**	3.76		
Diluted earnings per share (cents per share)*		**4.65**	3.48		

* Basic earnings per share and diluted earnings per share are calculated based on consolidated ordinary shares issued.

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Balance Sheet

As At 30 June 2007

		Consolidated Entity		Company	
		2007	2006	**2007**	2006
		$	$	**$**	$
ASSETS	**Note**	**(000's)**	(000's)	**(000's)**	(000's)
Current assets					
Cash and cash equivalents	2	**20,125**	23,064	**17,754**	17,990
Trade and other receivables	3	**995**	1,278	**205**	66
Other assets	5	**100**	85	**-**	-
Total current assets		**21,220**	24,427	**17,959**	18,056
Non-current assets					
Trade and other receivables	3	**-**	-	**-**	1,883
Other financial assets	7	**-**	-	**5,568**	5,568
Property, plant and equipment	4	**514**	158	**-**	-
Deferred tax assets	8	**562**	1,319	**412**	888
Intangible assets	6	**3,641**	2,459	**3,641**	2,452
Total non-current assets		**4,717**	3,936	**9,621**	10,791
TOTAL ASSETS		**25,937**	28,363	**27,580**	28,847
LIABILITIES					
Current liabilities					
Trade and other payables	9	**1,834**	1,313	**3,779**	403
Current tax liabilities	10	**159**	-	**-**	-
Provisions	11	**195**	129	**-**	-
Total current liabilities		**2,188**	1,442	**3,779**	403
Non-current liabilities					
Deferred tax liability	8	**809**	458	**809**	452
Provisions	11	**141**	86	**-**	-
Total non-current liabilities		**950**	544	**809**	452
TOTAL LIABILITIES		**3,138**	1,986	**4,588**	855
NET ASSETS		**22,799**	26,377	**22,992**	27,992
EQUITY					
Contributed equity	12	**22,194**	30,155	**22,194**	30,155
Reserves	13	**1,092**	705	**1,092**	705
Accumulated losses		**(487)**	(4,483)	**(294)**	(2,868)
TOTAL EQUITY		**22,799**	26,377	**22,992**	27,992

The accompanying notes form part of the financial statements

Webjet Limited

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Statement of Changes in Equity

For the Year Ended 30 June 2007

2007	**Company**				
	Ordinary Shares			**Option Reserve**	
	(Note 12)	**Accumulated Losses**	**General Reserve**	**(Note 13)**	**Total**
	$	**$**	**$**	**$**	**$**
	(000's)	**(000's)**	**(000's)**	**(000's)**	**(000's)**
Equity as at beginning of year	**30,155**	**(2,868)**	-	**705**	**27,992**
Changes					
Profit for the year	-	**2,574**	-	-	**2,574**
Non Cash Issue	**8**	-	-	-	**8**
Transaction costs	**(63)**	-	-	-	**(63)**
Share buy-back	**(8,380)**	-	-	-	**(8,380)**
Share issue (exercise of options)	**366**	-	-	-	**366**
Transfers to and from reserves					
Options exercised	**108**	-	-	**(108)**	**-**
Recognition of share-based payments					
Options granted	-	-	-	**495**	**495**
Sub-total	**(7,961)**	**2,574**	-	**387**	**(5,000)**
Equity as at 30 June 2007	**22,194**	**(294)**	-	**1,092**	**22,992**

2006	**Company**				
	Ordinary Shares			**Option Reserve**	
	(Note 12)	**Accumulated Losses**	**General Reserve**	**(Note 13)**	**Total**
	$	**$**	**$**	**$**	**$**
	(000's)	**(000's)**	**(000's)**	**(000's)**	**(000's)**
Equity as at beginning of year	13,162	(8,431)	56	636	5,423
Changes					
Profit for the year	-	5,563	-	-	5,563
Shares issued during the year	15,618	-	-	-	15,618
Non Cash Issue	800	-	-	-	800
Debenture conversion	200	-	-	-	200
Transaction costs	(20)	-	-	-	(20)
Transfers to and from reserves					
Options issued	56	-	(56)	-	-
Options exercised	339	-	-	(339)	-
Recognition of share-based payments					
Options granted	-	-	-	408	408
Sub-total	16,993	5,563	(56)	69	22,569
Equity as at 30 June 2006	30,155	(2,868)	-	705	27,992

Webjet Limited

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and Controlled Entities

Statement of Changes in Equity

For the Year Ended 30 June 2007

2007	Consolidated Entity				
	Ordinary Shares			Option Reserve	
	(Note 12)	Accumulated Losses	General Reserve	(Note 13)	Total
	$	$	$	$	$
	(000's)	(000's)	(000's)	(000's)	(000's)
Equity as at beginning of year	**30,155**	**(4,483)**	-	**705**	**26,377**
Changes					
Profit attributable to members of the company		**3,996**	-	-	**3,996**
Non cash issue	**8**	-	-	-	**8**
Transaction costs	**(63)**	-	-	-	**(63)**
Share buy-back	**(8,380)**	-	-	-	**(8,380)**
Share issue (exercise of options)	**366**	-	-	-	**366**
Transfers to and from reserves					
Options exercised	**108**	-	-	**(108)**	**-**
Recognition of share-based payments					
Options granted	-	-	-	**495**	**495**
Sub-total	**(7,961)**	**3,996**	**-**	**387**	**(3,578)**
Equity as at 30 June 2007	**22,194**	**(487)**	-	**1,092**	**22,799**

2006	Consolidated Entity				
	Ordinary Shares			Option Reserve	
	(Note 12)	Accumulated Losses	General Reserve	(Note 13)	Total
	$	$	$	$	$
	(000's)	(000's)	(000's)	(000's)	(000's)
Equity as at beginning of year	13,162	(6,858)	56	636	6,996
Changes					
Profit attributable to members of the company	-	2,375	-	-	2,375
Shares issued during the year	15,618	-	-	-	15,618
Non cash issue	800	-	-	-	800
Debenture conversion	200	-	-	-	200
Transaction costs	(20)	-	-	-	(20)
Transfers to and from reserves					
Options exercised	56	-	(56)	-	-
Options exercised	339			(339)	-
Recognition of share-based payments					
Options granted	-	-	-	408	408
Sub-total	16,992	2,375	(56)	69	19,381
Equity as at 30 June 2006	30,155	(4,483)	-	705	26,377

Webjet Limited

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Statement of Cash Flows

For the Year Ended 30 June 2007

	Note	Consolidated Entity		Company	
		2007 $ (000's)	2006 $ (000's)	2007 $ (000's)	2006 $ (000's)
Cash from operating activities:					
Receipts from customers		**17,296**	10,162	**-**	-
Payments to suppliers and employees		**(12,007)**	(6,144)	**-**	-
Interest received		**1,460**	277	**1,080**	39
Net cash provided by operating activities	23(a)	**6,749**	4,295	**1,080**	39
Cash flows from investing activities:					
Acquisition of property, plant and equipment	4(a)	**(420)**	(152)	**-**	-
Acquisition of intangible assets	6(a)	**(1,189)**	(219)	**(1,189)**	(219)
Loans from controlled entities- receipt		**-**	-	**7,952**	-
Loans to controlled entities - proceeds from repayments		**-**	-	**-**	1,472
Net cash provided by investing activities		**(1,609)**	(371)	**6,763**	(1,253)
Cash flows from financing activities:					
Proceeds from the issue of share capital		**364**	15,618	**364**	15,618
Payment for share buy-back		**(8,380)**	-	**(8,380)**	-
Payment of transaction costs		**(63)**	(20)	**(63)**	(20)
Net cash provided by financing activities		**(8,079)**	15,597	**(8,079)**	15,597
Net increase in cash and cash equivalents held		**(2,939)**	19,521	**(236)**	16,889
Cash and cash equivalents at beginning of year		**23,064**	3,543	**17,990**	1,102
Cash and cash equivalents at end of financial year	2	**20,125**	23,064	**17,754**	17,990

1 Statement of Significant Accounting Policies

(a) General information

The financial report is a general purpose financial report that has been prepared in accordance with Australian Accounting Standards, Urgent Issues Group Interpretations, other authoritative pronouncements of the Australian Accounting Standards Board and the Corporations Act 2001.

The financial report covers the consolidated entity of Webjet Limited and controlled entities, and Webjet Limited as an individual Company. Webjet Limited is a listed public company, incorporated and domiciled in Australia.

Australian Accounting Standards include Australian equivalents to International Financial Reporting Standards (AIFRS). Compliance with AIFRS ensures that the consolidated financial statements and notes of Webjet Limited comply with International Financial Reporting Standards (IFRS). The parent entity financial statements and notes also comply with IFRS except that it has elected to apply the relief provided to parent entities in respect of certain disclosure requirements contained in AASB 132 *Financial Instruments: Disclosure and Presentation.*

The financial statements were authorised for issue by the directors on 1 August 2007.

The following is a summary of the material accounting policies adopted by the consolidated entity in the preparation of the financial report. The accounting policies have been consistently applied, unless otherwise stated.

(b) Basis of Preparation

Reporting Basis and Conventions

The financial report has been prepared on an accruals basis and is based on historical costs modified by the revaluation of selected non-current assets, and financial assets and financial liabilities for which fair value basis of accounting has been applied. Cost is based on the fair values of the consideration given in exchange for assets.

(c) Principles of Consolidation

The consolidated financial statements are prepared by combining the financial statements of all entities that comprise the consolidated entity, being the company and its subsidiaries. Consistent accounting policies are applied in the preparation and presentation of the consolidated financial statements.

In preparing these consolidated financial statements, all inter-company balances and transactions, amortisation and unrealised profits arising within the consolidated entity are eliminated in full. A controlled entity is an entity Webjet Limited has the power to control the financial and operating policies of so as to obtain benefits from its activities.

(d) Comparative Figures

Where required by Accounting Standards, comparative figures have been adjusted to conform to changes in presentation for the current financial year.

Statement of Significant Accounting Policies (continued)

(e) Property, Plant and Equipment

Each class of property, plant and equipment is carried at cost or fair value less, where applicable, any accumulated depreciation and impairment losses.

Plant and equipment

Plant and equipment are measured at cost less accumulated depreciation and impairment losses. Cost includes expenditure that is directly attributable to the acquisition of the item.

Depreciation

The depreciable amount of all fixed assets is depreciated on a diminishing value basis so as to write off the net cost or other revalued amount of each asset over its expected life to its estimated residual value. The estimated useful lives, residual values and depreciation methods are reviewed at the end of each annual reporting period.

The depreciation rate used for each class of depreciable asset is:

Class of Asset	
Office furniture and equipment	15%
Computer equipment and software	40%

(f) Cash and Cash Equivalents

Cash and cash equivalents include cash on hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within short-term borrowings in current liabilities on the balance sheet.

(g) Intangibles

The Travel Service Aggregator (TSA) (internet booking platform) and licences are initially recognised at cost. The related benefits have an indefinite life. The portion which carries an indefinite life is capitalised at $3.6m representing the framework of the internet booking platform.

Expenditure during the research phase of a project is recognised as an expense when incurred. Development costs are capitalised only when technical feasibility studies identify that the project will deliver future economic benefits and these benefits can be measured reliably.

The Company assessed the probability of expected future economic benefits using reasonable and supportable assumptions that represent management’s best estimate of foreseeable economic conditions.

Statement of Significant Accounting Policies (continued)

(h) Amortisation

The useful lives of the intangible assets are reviewed on an annual basis and the useful life is altered if estimates have changed significantly.

Gains or losses on the disposal of intangible assets are determined as the difference between the net disposal proceeds and the carrying amount of the asset, and are recognised in the income statement as other operating income or other operating costs, respectively.

(i) Employee Benefits

(i) Wages, salaries and annual leave
Liabilities for wages, salaries and annual leave expected to be settled within 12 months of the reporting date are recognised in respect of employee's services up to the reporting date and measured at the amounts expected to be paid when the liabilities are settled. Liabilities for wages and salaries are included as part of other payables and liabilities for annual leave are included as part of the provision for employee benefits.

(ii) Long Service Leave
The liabilities for long service leave are recognised in the provision for employee benefits and measured as the present value of expected future payments to be made in respect of services provided by employees up to the reporting date using the projected unit credit method. Consideration is given to expected future wage and salary levels, experience of employee departures and periods of service. Expected future payments are discounted using market yields at the reporting date on national government bonds terms to maturity and currency that match, as closely as possible, the estimated future cash outflows

(j) Contributed Equity

Ordinary shares are classified as equity.

Incremental costs directly attributable to the issue of new shares or options or costs associated with share buy-back are shown in equity as a deduction, net of tax, from the proceeds.

If the entity reacquires its own equity instruments, eg as the result of a share buy-back, those instruments are deducted from equity and the associated shares are cancelled. No gain or loss is recognised in the profit or loss and the consideration paid including any directly attributable incremental costs (net of income taxes) is recognised directly in equity.

Earnings per share

(i) Basic earnings per share
Basic earnings per share is calculated by dividing the profit attributable to equity holders of the company, excluding any costs of servicing equity other than ordinary shares, by the weighted average number of ordinary shares outstanding during the financial year, adjusted for bonus elements in ordinary shares issued during the year.

(ii) Diluted earnings per share
Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to take into account the after income tax effect of interest and other financing costs associated with dilutive potential ordinary shares and the weighted average number of shares assumed to have been issued for no consideration in relation to dilutive potential ordinary shares.

Statement of Significant Accounting Policies (continued)

(k) Share-based Payment Transactions

The consolidated entity operates a number of share-based compensation plans. These include both a share option arrangement and a tax deferred share scheme. The bonus element over the exercise price of the employee services rendered in exchange for the grant of shares and options are recognised as an expense in the income statement. The total amount to be expensed over the vesting period, for equity settled share-based payments granted after 7 November 2002 that were unvested as of 1 January 2005, is determined by reference to the fair value of the share options granted.

Fair value is measured by use of a binomial model. The expected life used in the model has been adjusted, based on management's best estimates for the effects of non-transferability, exercise restrictions, and continued employment.

The fair value determined at grant date of the equity-settled share-based payments is expensed on a straight-line basis over the vesting period, based on the consolidated entity's estimates of shares that will eventually vest.

(l) Income Tax

The charge for current income tax expense is based on the profit for the year adjusted for any non-assessable or disallowed items. It is calculated using the tax rates that have been enacted or are substantially enacted by the balance sheet date.

Deferred tax is accounted for using the balance sheet liability method in respect of temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. No deferred income tax will be recognised from the initial recognition of an asset or liability, excluding a business combination, where there is no effect on accounting or taxable profit or loss.

Deferred tax is calculated at the tax rates that are expected to apply to the period when the asset is realised or liability is settled. Deferred tax is credited in the income statement except where it relates to items that may be credited directly to equity, in which case the deferred tax is adjusted directly against equity.

Deferred income tax assets are recognised to the extent that it is probable that future tax profits will be available against which deductible temporary differences can be utilised.

The amount of benefits brought to account or which may be realised in the future is based on the assumption that no adverse change will occur in income taxation legislation and the anticipation that the consolidated entity will derive sufficient future assessable income to enable the benefit to be realised and comply with the conditions of deductibility imposed by the law.

The companies in the consolidated entity have not entered into a tax consolidated group.

(m) Revenue

Revenue from commission and booking fees on the sale of airline tickets and travel packages is recognised when the booking is made by the customer, payment has been received from the customer and the ticket has been issued.

The company does not carry the credit risk associated with the ticket sale. There is no credit risk associated with the service fee as the amount is received from the customer at the time of booking and is non-refundable. There is a credit risk associated with commissions, which are accrued on a ticketed basis (that is the consolidated entity has discharged it's obligation as an agent), but are generally only received once the customer has obtained the service from the third party service provider.

Interest revenue is recognised on a proportional basis taking into account the effective yield on financial assets.

The royalty income is recognised as a set fee at the time a booking is made. The royalty is paid by Webjet Marketing Pty Ltd to Webjet Ltd in accordance with a licence agreement.

All revenue is stated net of the amount of goods and services tax (GST).

Statement of Significant Accounting Policies (continued)

(n) Leases

Operating lease payments are recognised as an expense on a straight-line basis over the term of the relevant lease.

(o) Functional and Presentation Currency

The functional currency of each group entity is measured using the currency of the primary economic environment in which that entity operates. The consolidated financial statements are presented in Australian dollars which is the Company's functional and presentation currency.

(p) Financial Assets

Investments are initially measured at fair value net of transactions costs. Subsequent to initial recognition, investments in subsidiaries are measured at cost.

Other financial assets are classified into the following specified categories: financial assets 'at fair value through profit and loss', 'held-to-maturity' investments, 'available-for-sale' financial assets, and 'loans and receivables'. The classification depends on the nature and purpose of the financial assets and is determined at the time of initial recognition.

(i) Loans and receivables

Trade receivables, loans and other receivables are recorded at amortised cost less impairment.

(q) Financial Instruments Issued by the Company

Debt and equity instruments are classified as either liabilities or as equity in accordance with the substance of the contractual arrangement.

Transaction costs arising on the issue of equity instruments are recognised directly in equity as reductions in the proceeds of the equity instruments to which the costs relate. Transaction costs are the costs incurred directly in connection with the issue of those equity instruments and which would not have otherwise been incurred had those instruments not been issued.

Interest and dividends are classified as expenses or as distributions of profit consistent with the balance sheet classification of the related debt or equity instruments.

(r) Payables

Trade payables and other accounts payable are recognised when the consolidated entity becomes obliged to make future payments resulting from the purchase of goods and services.

Statement of Significant Accounting Policies (continued)

(s) Impairment of Assets

At each reporting date, the consolidated entity reviews the carrying value of its tangible and intangible assets to determine whether there is any indication that these assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the loss. Where the asset does not generate cash flows that are independent from other assets, the consolidated entity estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Intangible assets with indefinite useful lives are tested for impairment annually and whenever there is an indication that the asset may be impaired.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised in the profit or loss immediately.

Where an impairment loss subsequently reverses, the carrying amount of the asset (cash generating unit) is increased to the revised estimate of its recoverable amount, but only to the extent that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (cash generating unit) in prior years. A reversal of an impairment loss is recognised in profit and loss immediately.

(t) Goods and Service Tax

Revenues, expenses and assets are recognised net of the amount of goods and services tax (GST) except:

(i) where the amount of GST incurred is not recoverable from the taxation authority, it is recognised as part of the cost of acquisition of an asset or as part of an item of expense; or

(ii) for receivables and payables which are recognised inclusive of GST.

The net amount of GST recoverable from, or payable to, the taxation authority is included as part of receivables or payables.

Cash flows are included in the statement of cash flows on a gross basis. The GST component of cash flows arising from investing and financing activities which is recoverable from, or payable to, the taxation authority is classified as operating cash

(u) Critical Accounting Estimates and Judgments

The preparation of the financial report required the making of estimations and assumptions that affect the recognised amounts of assets, liabilities, revenues and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making judgments about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

The estimates and judgments that have a significant risk of causing an adjustment to the carrying value of assets and liabilities with the next financial year are discussed below.

(i) Key Estimates - Impairment

The consolidated entity assesses whether intangible assets with indefinite useful lives are impaired at least annually. These calculations involve an estimation of the recoverable amount of the cash generating units to which the intangible assets with indefinite useful lives are allocated.

Statement of Significant Accounting Policies (continued)

(v) Rounding of Amounts

The company satisfies the requirements of Class Order 98/0100 issued by the Australian Securities and Investments Commission relating to 'rounding off' of amounts in the directors' report and the financial report to the nearest thousand dollars. Amounts have been rounded off in the Directors' Report and financial report in accordance with that Class Order.

(x) New Accounting Standards and Interpretations

Certain new accounting standards and interpretations have been published that are not mandatory for 30 June 2007 reporting periods. The consolidated entity and the parent entity's assessment of the impact of these new standards and interpretations is set out below:

(i) Revised AASB 101 Presentation of Financial Statements

The revised AASB 101 is applicable to reporting periods commencing on or after 1 January 2007. The Consolidated entity has not adopted the standard early. Application of the standard will not affect any of the amounts recognised in the financial statements, but certain disclosures will no longer be required.

(ii) AASB 7 Financial Instruments: Disclosures and AASB 2005-10 Amendments to Australian Accounting Standards [AASB 132, AASB 101, AASB 114 AASB 117, AASB 133, AASB 139, AASB 1, AASB 4, AASB 1023 & AASB 1038]

AASB 7 and AASB 2005-10 are applicable to annual reporting periods beginning on or after 1 January 2007. The Consolidated entity has not adopted the standards early. Application of the standards will not affect any of the amounts recognised in the financial statements, but will impact the type of information disclosed in relation to the Consolidated entity and the parent entity's financial instruments.

(iii) AASB-I 10 Interim Financial Reporting and Impairment

AASB-I 10 is applicable to reporting periods commencing on or after 1 November 2006. The Consolidated entity has not recognised an impairment loss in relation to goodwill, investments in equity instruments or financial assets carried at cost in an interim reporting period but subsequently reversed the impairment loss in the annual report. Application of the interpretation will therefore have no impact on the Consolidated entity or the parents entity's financial statements.

2 Cash and Cash Equivalents

	Consolidated Entity		Company	
	2007	2006	**2007**	2006
	$	**$**	**$**	**$**
	(000's)	**(000's)**	**(000's)**	**(000's)**
Bank balances	**3,875**	1,364	**1,504**	290
Short-term deposits	**16,250**	21,700	**16,250**	17,700
	20,125	23,064	**17,754**	17,990

Cash at the end of the financial year as shown in the statement of cash flows is reconciled to items in the balance sheet as follows:				
Cash and cash equivalents	**20,125**	23,064	**17,754**	17,990
	20,125	23,064	**17,754**	17,990

3 Trade and Other Receivables

	Consolidated Entity		Company	
	2007	2006	**2007**	2006
	$	**$**	**$**	**$**
	(000's)	**(000's)**	**(000's)**	**(000's)**
CURRENT				
Trade receivables	**1,077**	1,328	**205**	66
Allowance for doubtful debts	**(82)**	(50)	**-**	-
	995	1,278	**205**	66

The average credit period for trade receivables is 30 to 60 days. Trade receivables are non interest bearing.

NON-CURRENT				
Amounts receivable from:				
- wholly-owned subsidiaries	**-**	-	**-**	1,883
	-	-	**-**	1,883

Legally, the inter-company receivable is at call, is non-interest bearing and therefore has not been measured at amortised cost. It is classified as a non-current receivable as the parent entity is not intending to call on this loan to the subsidiary in the next 12 months.

4 Property Plant and Equipment

	Consolidated Entity		Company	
	2007	2006	**2007**	2006
	$	$	**$**	$
	(000's)	(000's)	**(000's)**	(000's)
PLANT AND EQUIPMENT				
Office equipment				
At cost	**114**	102	**-**	-
Less accumulated depreciation	**(33)**	(25)	**-**	-
Total office equipment	**81**	77	**-**	-
Computer equipment and software				
At cost	**497**	96	**-**	-
Less accumulated depreciation	**(64)**	(15)	**-**	-
Total computer equipment and software	**433**	81	**-**	-
Plant and equipment				
At cost	**611**	198		
Less accumulated depreciation	**(97)**	(40)		
Total property, plant and equipment	**514**	158	**-**	-

4 Property Plant and Equipment (continued)

(a) Movements in Carrying Amounts

Consolidated Entity

	2007	2006	**2007**	2006	**2007**	2006
	Office Equipment	Office Equipment	**Computer Equipment & Software**	Computer Equipment & Software	**Total**	Total
	$	$	**$**	$	**$**	$
	(000's)	(000's)	**(000's)**	(000's)	**(000's)**	(000's)
Balance at the beginning of year	**77**	25	**81**	32	**158**	56
Additions	**18**	54	**402**	97	**420**	152
Disposals	**(5)**	-	**(1)**	(26)	**(6)**	(26)
Depreciation expense	**(9)**	(2)	**(49)**	(21)	**(58)**	(24)
Carrying amount at the end of year	**81**	77	**433**	81	**514**	158

5 Other Assets

	Consolidated Entity		**Company**	
	2007	2006	**2007**	2006
	$	**$**	**$**	**$**
	(000's)	**(000's)**	**(000's)**	**(000's)**
CURRENT				
Prepayments	**100**	85	**-**	-
	100	85	**-**	-

6 Intangible Assets

	Consolidated Entity		Company	
	2007	2006	**2007**	2006
	$ (000's)	**$ (000's)**	**$ (000's)**	**$ (000's)**
Development costs				
Cost	**55**	55	**-**	-
Accumulated amortisation and impairment	**(55)**	(48)	**-**	-
Net carrying value	**-**	7	**-**	-
Licences				
Cost	**4,225**	3,035	**4,225**	3,035
Accumulated amortisation and impairment	**(584)**	(584)	**(584)**	(584)
Net carrying amount	**3,641**	2,452	**3,641**	2,452
Total Intangibles	**3,641***	2,459	**3,641**	2,452

(a) Reconciliation Detailed Table

	Company Licences $ (000's)
Year ended 30 June 2007	
Opening balance	**2,452**
Acquisitions - cash	**1,189**
Amortisation	**-**
Balance at 30 June 2007	**3,641***

	Consolidated Entity		
	Licences $ (000's)	**Development costs $ (000's)**	**Total $ (000's)**
Year ended 30 June 2007			
Opening balance	**2,452**	**7**	**2,459**
Acquisitions – non cash	**-**	**-**	**-**
Acquisition – cash	**1,189**	**-**	**1,189**
Amortisation	**-**	**(7)**	**(7)**
Balance at 30 June 2007	**3,641***	**-**	**3,641**

* The cost represents Webjet's Travel Service Aggregator (TSA) (internet booking platform) and licences. The cost of the intangible carries an indefinite useful life.

7 Other Financial Assets

	Consolidated Entity		Company	
	2007 $ (000's)	2006 $ (000's)	**2007 $ (000's)**	2006 $ (000's)
Non-Current				
Investments in subsidiaries	**-**	-	**5,568**	5,568
	-	-	**5,568**	5,568
Opening balance	**-**	-	**5,568**	1,018
Reversal of impairment write-down	**-**	-	**-**	4,550
Closing balance	**-**	-	**5,568**	5,568

In the prior year, due to the improved financial performance and outlook of the operating subsidiary, the directors considered it appropriate to reverse the previously recognised impairment write-down of the investment in Webjet Marketing Pty Ltd of $4.55m. The carrying value of the investment in this subsidiary after the reversal of this write-down is $5.57m, and has been assessed on the basis of its value in use, using a discount rate of 25%.

8 Deferred Tax

	Consolidated Entity		Company	
	2007 $ (000's)	2006 $ (000's)	**2007 $ (000's)**	2006 $ (000's)
Deferred tax asset comprises of:				
- Deferred tax asset – temporary differences	**151**	94	**-**	-
- Deferred tax asset – tax losses (revenue)	**411**	1,225	**412**	888
	562	1,319	**412**	888
Deferred tax liability comprises of:				
- Deferred tax liability – temporary differences	**809**	458	**809**	452
	809	458	**809**	452
Net deferred taxes	**247**	861	**397**	436

8 Deferred Tax (continued)

Movement and Composition of Deferred Tax Asset:

Consolidated Entity	Opening Balance	Under/Over Provision	Charged to Income	Current year tax expense	Charged to Equity	Closing Balance
	$	$	$	$	$	$
	(000's)	(000's)	(000's)	(000's)	(000's)	(000's)
Gross deferred tax liabilities:						
- Accelerated capital allowances for tax purposes	(6)	-	6	-	-	-
- Licences	(452)	-	(357)	-	-	(809)
	(458)	-	(351)	-	-	(809)
Gross deferred tax assets:						
- Allowance for Doubtful Debts	15	-	10	-	-	25
- Accrual for superannuation, legal and audit fees	11	-	11	-	-	22
- Provision for employee benefits	65	-	36	-	-	101
- Expenses deductible over 5 years	3	-	-	-	-	3
	94	-	57	-	-	151
Gross deferred tax assets – tax losses (revenue)	1,225	39	-	(853)	-	411
Net deferred tax asset	861	39	(295)	(853)	-	(247)

Company	Opening Balance	Under/Over Provision '06	Charged to Income	Current year tax expense	Charged to Equity	Closing Balance
	$	$	$	$	$	$
	(000's)	(000's)	(000's)	(000's)	(000's)	(000's)
Gross deferred tax liabilities:						
- Licences	(452)	-	(357)	-	-	(809)
	(452)	-	(357)	-	-	(809)
Gross deferred tax assets:	-	-	-	-	-	-
Gross deferred tax assets – tax losses (revenue)	888	-	-	(476)	-	412
Net deferred tax asset	436	-	(357)	(476)	-	397

9 Trade & Other Payables

	Consolidated Entity		Company	
	2007	2006	**2007**	2006
	$ (000's)	$ (000's)	**$ (000's)**	$ (000's)
CURRENT				
Amounts payable to:				
-wholly owned subsidiaries	**-**	-	**3,554**	-
Trade payables	**1,021**	660		-
Other payables	**813**	653	**225**	403
	1,834	1,313	**3,779**	403

The average credit period on trade payables is 30 to 60 days. No interest is payable on trade payables.

10 Current Tax Liabilities

	Consolidated Entity		Company	
	2007	2006	**2007**	2006
	$ (000's)	$ (000's)	**$ (000's)**	$ (000's)
Current tax liabilities	**159**	-	-	-
	159	-	-	-

11 Provisions

	Consolidated Entity		Company	
	2007	2006	**2007**	2006
	$	**$**	**$**	**$**
	(000's)	**(000's)**	**(000's)**	**(000's)**
Employee benefits – Current*	**195**	129	**-**	-
Employee benefits - Non-current**	**141**	86	**-**	-
	336	215	**-**	-

Note: * Employee benefit (current) represents the carrying value at end of year for staff annual leave entitlements. Staff are awarded 4 weeks annual leave per annum (David Clarke is entitled to 6 weeks per annum).

** Employee benefits (non-current) represents carrying value at end of year for long service leave entitlements. Entitlement is structured as 13 weeks leave after 15 years service. David Clarke, John Lemish and Dean Maidment are entitled to 13 weeks leave after 10 years service.

12 Contributed Equity

2007: 74,274,608 Ord shares (after share consolidation, 4:1 ratio)	**22,194**	30,155	**22,194**	30,155
2006: 321,724,774 Ord shares				
Total	**22,194**	30,155	**22,194**	30,155

(a) Ordinary Shares

Effective 1 July 1988, the Corporations legislation in place abolished the concepts of authorised capital and par value shares. Accordingly, the Company does not have authorised capital nor par value in respect of its issued shares.

Ordinary shares participate in dividends and the proceeds on winding up of the Company in proportion to the number of shares held.

At the shareholders meetings, each ordinary share is entitled to one vote when a poll is called, otherwise each shareholder has one vote on a show of hands.

(b) Movement in Ordinary Shares

	Consolidated Entity		Company	
	No.	$	No.	$
Balance 1 July 2005	**232,175,328**	13,162,499	**232,175,328**	13,162,499
- Exercise of employee share options @ $0.00 on 27 July 2005	**1,500,000**	-	**1,500,000**	-
- David Clarke - exercise of options: 5,000,000 shares @ $0.05 per share on 6 September 2005	**5,000,000**	250,000	**5,000,000**	250,000
- John Lemish - exercise of options: 2,500,000 shares @ $0.05 per share on 19 September 2005	**2,500,000**	125,000	**2,500,000**	125,000
- Tax deferred share plan on 7 November 2005	**250,000**	-	**250,000**	-
- Issue to Galileo on 25 January 2006 @ $0.3442 per share on conversion of debentures	**581,058**	200,000	**581,058**	200,000
- Issue to Galileo on 25 January 2006 @ $0.0337 per share (refer Note 22(b)	**23,718,388**	800,000	**23,718,388**	800,000
- Issue to Harvey World Travel Group Limited on 8 June 2006 @ $0.2722 per share	**56,000,000**	15,242,528	**56,000,000**	15,242,528
- Transfer from General Reserve	**-**	56,000	**-**	56,000
- Transfer from Option Reserve	**-**	339,000	**-**	339,000
- Cost of share placement	**-**	(20,445)	**-**	(20,445)
Balance 30 June 2006	**321,724,774**	30,154,582	**321,724,774**	30,154,582
- Tax deferred share plan on 13 July 2006	**175,500**	-	**175,500**	-
- Tax exempt share scheme on 13 July 2006	**27,604**	8,000	**27,604**	8,000
- Tax deferred share plan on 8 September 2006	**185,000**	-	**185,000**	-
- David Clarke – exercise of options: 2,000,000 shares @ $0.17493 per share on 21 November 2006	**2,000,000**	349,860	**2,000,000**	349,860
- Allan Nahum – exercise of options: 250,000 shares @ $0.0667 per share on 23 February 2007	**250,000**	16,675	**250,000**	16,675
- Tax deferred share plan on 8 June 2007	**35,000**	-	**35,000**	-
- GIW Holdings – off-market share buy-back: 27,299,446 shares @ $0.3070 per share on 14 June 2007	**(27,299,446)**	(8,379,897)	**(27,299,446)**	(8,379,897)
- Transfer from Option Reserve	**-**	107,825	**-**	107,825
- Cost of share buy-back	**-**	(63,098)	**-**	(63,098)
Balance 25 June 2007	**297,098,432**	22,193,947	**297,098,432**	22,193,947
Share consolidation, 4:1 basis	**74,274,608**		**74,274,608**	
Balance 30 June 2007	**74,274,608**	22,193,947	**74,274,608**	22,193,947

(c) Share buy-back

On 14 June 2007 the company purchased and cancelled 27,299,446 ordinary shares from G.I.W. Holdings CV off-market in order to simplify the company's capital structure. The selective buy-back and cancellation was approved by shareholders at a general meeting of shareholders on 7[t] June 2007. The shares were acquired at an average price of 30.7 cents per share. The total cost of $8.4m was deducted from shareholders equity.

Transaction costs relating to the share buy-back and share consolidation were deducted from shareholders' equity.

(d) Share consolidation

On 25 June 2007 the company consolidated its ordinary share capital on a 4 to 1 basis in order to simplify the company's capital structure. The consolidation was approved by shareholders at a general meeting of shareholders on 7 June 2007. The number of ordinary shares on issue reduced from 297,098,432 to 74,274,608.

13 Reserves

(a) Option Reserve 2007: $ 1.092 m (2006: $0.0705m)

The option reserve arises on the grant of shares options to directors and executives under various share option schemes. Amounts are transferred out of the reserves and into issued capital when the options are exercised. Further information about shares-based payments is made in Note 17.

14 Earnings per Share

(a) Reconciliation of Earnings to Profit or Loss

	Consolidated Entity	
	2007	2006
	$	$
	(000's)	(000's)
Profit	**3,996**	2,375
Earnings used to calculate basic EPS	**3,996**	2,375
Earnings used in calculation of dilutive EPS	**3,996**	2,375

(b) Weighted average number of ordinary shares (diluted):

	Consolidated Entity	
	2007	2006
	No.	No.
Weighted average number of ordinary shares outstanding during the year used in calculating basic EPS	**80,562,076***	63,374,971
Weighted average number of options outstanding	**5,050,514***	5,066,977
Weighted average number of debentures	**-**	83,179
Weighted average number of ordinary shares outstanding during the year used in calculating dilutive EPS	**85,612,590***	68,525,127

i) Shares shown on a post consolidation basis.

15 Revenue

	Consolidated Entity		Company	
	2007	2006	**2007**	2006
	$	**$**	**$**	**$**
Operating activities	**(000's)**	**(000's)**	**(000's)**	**(000's)**
- fees	**15,715**	11,345	**-**	-
- other income	**180**	188	**-**	-
- interest income	**1,600**	359	**1,220**	104
- royalties	**-**	-	**2.187**	1,534
Total Revenue	**17,495**	11,892	**3,407**	1,638

16 Income Tax Expense / (Benefit)

(a) The Components of Tax Expense / (Benefit) Comprise:

	Consolidated Entity		Company	
	2007	2006	**2007**	2006
	$	$	**$**	$
	(000's)	(000's)	**(000's)**	(000's)
Current tax expense	**1,011**	1,135	**476**	358
Adjustments recognised in the current year in relation to the current tax of prior years	**-**	(31)	**-**	(14)
Deferred tax expense relating to the origination and reversal of temporary differences	**357**	26	**357**	50
Unused tax losses and tax offsets not recognised as deferred tax assets	**(57)**	-	**-**	-
	-	-	**-**	-
Benefit arising from previously unrecognised tax losses, tax credits or temporary differences as at 30 June 2006	**(44)**	-	**-**	-
Total tax expense / (benefit)	**1,267**	1,130	**833**	395

16 Income Tax Expense / (Benefit) (continued)

(b) The prima facie income tax expense/(benefit) on pre-tax accounting profit from operations reconciles to the income tax expense in the financial statements as follows:

	Consolidated Entity		Company	
	2007 $ (000's)	2006 $ (000's)	**2007 $ (000's)**	2006 $ (000's)
Prima facie tax expense on profit before income tax at 30% (2006: 30%)	**1,579**	1,051	**1,022**	1,787
Add:				
Tax effect of:				
- other non-allowable items	**5**	-	**-**	-
- share options expensed during year	**148**	122	**-**	-
	1,732	1,174	**1,022**	1,787
Less:				
Tax effect of:				
- R&D tax incentives	**(411)**	(14)	**(189)**	(14)
- Reversal of previous impairment write-down	**-**	-	**-**	(1,365)
	1,321	1,160	**833**	409
(Over)/under provision of income tax in previous year	**(54)**	(30)	**-**	(14)
Income tax expense/(benefit)	**1,267**	1,130	**833**	395

	Consolidated Entity		Company	
	2007 $ (000's)	2006 $ (000's)	**2007 $ (000's)**	2006 $ (000's)
Aggregate amount of Research and development recognised as an expense during the period	**813**	719	**-**	-
	813	719	**-**	-

17 Share-based Payments (Equity Settled)

(a) Share-based Payment Arrangements

The following share-based payment arrangements existed at 30 June 2007.

The company continued to operate the directors' and employee share option plan during the year. Each option issued under the plan is convertible to one ordinary share. Exercise price of the options is determined in accordance with rules of the plan

There are no voting or dividend rights attached to the options or un-issued shares. The options are not quoted on the ASX.

Vesting and dividend rights are attached to the deferred share plan.

Information with respect to the number of options granted is as follows:

	2007			2006		
	Number of Options	Weighted Average Exercise Price $	Weighted Share Price at Exercise Date $	Number of Options	Weighted Average Exercise Price $	Weighted Share Price at Exercise Date $
Outstanding at the beginning of the year	5,375,000	**1.0385**	-	**18,500,000**	**1.2280**	-
Granted	-	-	-	**750,000**	**1.2280**	-
Granted	-	-	-	**1,000,000**	**1.3115**	-
Granted	-	-	-	**1,250,000**	**vwap 30 days to 30/6/08**	-
Granted	-	-	-	**125,000**	**0.2668**	-
Exercised	(562,500)	**0.6516**	-	**(16,250,000)**	**0.9611**	**1.3872**
Outstanding at year end	4,812,500	**1.1762****	-	**5,375,000**	**1.0385****	-
Exercisable at year end	1,750,000	**1.1091**	-	**1,125,000**	**0.6997**	-

* vwap means exercise price of these options is the variable weighted average share price in the month preceding exercise date.

** The weighted average exercise price for the closing balance has been calculated excluding 1,250,000 options with an exercise price to be determined by the volume weighted average share price in the 30 days prior to 30 June 2008.

17 Share-based Payments – (Equity Settled) (continued)

(b) Options Exercised

There were 562,500 options exercised during the year ended 30 June 2007. These options had a weighted average share price of $0.6516 at exercise date.

(c) Options Outstanding

The options outstanding at 30 June 2007 had an exercise price calculation in accordance to 30 day vwap at exercise date and a weighted average remained contractual life of 4.5 years. Exercise prices range from $0.2668 to vwap in respect of options outstanding at 30 June 2007.

(d) Options Issued

No options were issued during the year ending 30 June 2007. Options granted to Richard Noon in the prior year were independently valued by Benson Partners in a report dated 21 July 2006. These options are subject to the following terms and conditions:

	Tranche 1	Tranche 2	Tranche 3
Grant date	7 Mar 2006	7 Mar 2006	7 Mar 2006
Vesting date	1 Sep 2007	1 Sep 2008	1 Sep 2009
Expiry Date	31 Aug2012	31 Aug 2013	31 Aug 2014
Grant date share price	$0.35	$0.35	$0.35
- post consolidation	*$1.40*	*$1.40*	*$1.40*
Exercise price	$0.3071	$0.3279	vwap 30 days pre 30/6/08
- post consolidation	*$1.2284*	*$1.3115*	*vwap 30 days pre 30/6/08*
Vesting conditions	50% vest if achieves Board approved budget for the year ended 30 June 2007	50% vest if achieves Board approved budget for the year ended 30 June 2008	50% vest if achieves Board approved budget for the year ended 30 June 2009
	50% vest if remains an employee on 30 June 2007	50% vest if remains an employee on 30 June 2008	50% vest if remains an employee on 30 June 2009

(e) Weighted Average Fair Value of Options Granted

This price was calculated by using a binomial pricing model applying the following inputs:

Options issued prior to January 2006 using a expected volatility of 25%, historical volatility of 38%, risk free interest rate of 5.4% and an expected life of the options (where applicable) of 4.4 and 5.4 years.

The expected life of the options is based on historical data and is not necessarily indicative of exercise patterns that may occur. The expected volatility reflects the assumption that the historical volatility is indicative of future trends, which may also not necessarily be the actual outcome.

In valuing Richard Noon's options, Benson's utilised the following inputs: expected volatility of 50%; historical volatility of 52.88%; Australian Government risk free interest rates for 6 month, 2, 3 and 4 year periods; expected life of the option between 23 and 47 months and an expected dividend of 0.5 cents per share (pre consolidation). The expected dividend is for input purposes only and is not an indication of Webjet's future dividend policy

(f) Amount Included Under Employee Benefits Expense in Income Statement

Included under employee benefits expense in the income statement is $495K (2006: $408K), and relates, in full, to equity-settled share-based payment transactions.

17 Share-based Payments – (Equity Settled) (continued)

(g) Employee Tax Deferred Share Plan (TDS)

Objective of share plan - the objective of the plan is to enable the company to do any or all of the following:

- Provide shares to eligible employees who are considered to be key to future success of the company as a long-term incentive in order to retain the services of those eligible employees in the future;
- Provide a means by which eligible employees may acquire shares in the company as part of their future remuneration;
- Provide the means by which eligible employees may continue to hold shares in the company with the benefit of available tax concessions;
- Provide shares to eligible employees as retention strategy; and
- Recognise and reward future performance of eligible employees and their contribution to the future success of the company by providing shares to those eligible employees.
- A 'trading lock' has been applied to the share plan, preventing transfer or sale of the tax deferred shares (TDS) until released by the Nomination and Remuneration Committee. All TDS have a $Nil exercise price. The vesting conditions on the TDS require the employee to be in continued employment to vesting date and meet certain performance conditions as set out below:

	Grant date	Vesting Date	Outstanding at beginning of year	Granted	Released	Outstanding at end of year	Value per TDS at grant date $	Convertible to unrestricted ordinary shares $	Performance based vesting conditions
Key Management Personnel:									
D Maidment	10/11/04	1/8/05	250,000	-	(250,000)		0.32		P&L on budget
D Maidment	10/11/04	1/8/06	187,500	-	(187,500)		0.32		P&L on budget
D Maidment	10/11/04	1/8/07	100,000	-	-	100,000	0.32	-	P&L on budget
R Noon	10/11/04	1/8/05	250,000	-	(250,000)		0.32		P&L on budget
R Noon	10/11/04	1/8/06	187,500	-	(187,500)		0.32		P&L on budget
R Noon	10/11/04	1/8/07	100,000	-	-	100,000	0.32	-	P&L on budget
P O'Sullivan	1/9/06	1/8/07	-	37,500	-	37,500	1.36	-	P&L on budget
Other Employees:									
Tranche 1	10/11/04	1/8/05	125,000	-	(100,000)	25,000	0.32	25,000	Various business objectives
Tranche 2	10/11/04	1/8/06	162,500	-	(62,500)	100,000	0.32	175,000	As above
Tranche 3	10/11/04	1/8/07	100,000	-		100,000	0.32	-	As above
Tranche 4	1/8/06	1/8/07	-	61,375	-	61,375	1.36	-	As above
TOTAL			**1,462,500**	**98,875**	**(1,037,500)**	**523,875**		**200,000**	

18 Key Management Personnel Compensation

(a) Key Management Personnel Names & Details & Total Compensation

Names and positions held of company directors and specified executives in office at any time during the financial year are:

Company Directors:

Allan Nahum	FCA, FICD, AAISA, (Non Executive Chairman)
Dr. Bernard Lochtenberg	BE (Hons), D Phil FTSE, HON LLD (Melb) (Non Executive Deputy Chairman)
David Clarke	(Executive Managing Director)
John Lemish	BEc (Executive Operations Director)
Steven Scheuer	BBus (Acc) (Non Executive Director)
John Guscic	BEc, MBA (Non Executive Director)
Christopher Newman	BEc, BComm (Non Executive Director) Appointed 1 December 2006

Other Key Management Personnel:

Dean Maidment	BBus (Acc) (Marketing Manager)
Peter O'Sullivan	BEc (Acc), CPA (Chief Financial Officer)
Richard Noon	FCPA, CTFP (Snr), B Bus, Grad Dip (Acc) (Chief Executive Officer)

There are only three employees who meet the definition of key management personnel for the purpose of this report.

The aggregate compensation of the key management personnel and directors of the consolidated entity and the company is set out below:

	Consolidated Entity		Company	
	2007	2006	**2007**	2006
	$	$	**$**	$
Short-term benefits	**931,500**	799,522	**-**	-
Post-employment benefits	**364,745**	243,275	**-**	-
Other long-term benefits	**-**	-	**-**	-
Termination benefits	**-**	-	**-**	-
Share-based payments- equity settled	**405,344**	318,598	**-**	-
	1,701,589	1,361,395	**-**	-

The compensation of each member of the key management personnel of the consolidated entity and company is set out in Notes 18(i) and 18(j).

18 Key Management Personnel Compensation (continued)

(b) Remuneration Philosophy and Policy

The consolidated entity's remuneration policy seeks to ensure

1. That it is able to attract and retain management and operating staff with a particular and specialised mix of marketing, commercial and technical skills appropriate for its business plan. This blend of skills is sought from a competitive environment where there is limited supply.
2. That remuneration is competitive with the appropriate incentives for continued employment, which in turn, is an important component in the protection of the company's intellectual property which provides part of the Company's competitive edge.
3. That the interests of management and general operating staff reflect a close alignment with the interests of shareholders.

The Company has accordingly in place a range of incentive programs at all levels, relative to certain KPIs which relate to quality standards, cost management and budget achievement.

However, the Company does not subscribe at senior level, to the philosophy of excessive 'at risk components' at a cash salary level and considers a more appropriate methodology is to limit the 'at risk component' to a meaningful but not excessive level. Put more succinctly, it considers total employment should be 'at risk' if performance does not deliver prescribed results.

The Company monitors remuneration levels through industry comparisons, intelligence and comparative data of publicly listed companies and takes external specific advice from specialists when considered necessary.

The Company operates an employee share plan and a tax deferred executive share plan and has in place shareholder authorised option plans.

(c) Nomination and Remuneration Committee

The Board monitors and reviews the performance of executive directors (including the Managing Director) as well as the performance of key senior management. The Board receives regular updates on the performance of Webjet as a whole. The Chairman of the Company endeavours to implement change at a Board level to incorporate recommendations that flow out the review process. The Company has in place a Nomination and Remuneration Committee which seeks to ensure that the Company's remuneration levels are appropriately aimed at delivering maximum benefit for the Company. The Nomination and Remuneration Committee has responsibility for ensuring that the company:

- has a Board of an effective composition, size and commitment to adequately discharge its responsibilities and duties;
- has coherent remuneration policies and practices to attract and retain executives and directors who will create value for shareholders;
- observes those remuneration policies and practices; and
- fairly and responsibly rewards executives having regard to the performance of the group, the performance of the executives and the general pay environment.

Also:

- identifying and recommending to the Board, nominees for membership of the Board;
- identifying and assessing the necessary and desirable competencies and characteristics for Board membership and regularly assessing the extent to which those competencies and characteristics are represented on the Board;
- developing and implementing processes to identify and assess necessary and desirable competencies and characteristics for Board members; and
- ensuring succession plans are in place to maintain an appropriate balance of skills on the Board and reviewing those plans.

(d) Remuneration Structure

The current members of the Nomination and Remuneration Committee are Steven Scheuer and the independent directors Bernard Lochtenberg (Chairman) and Allan Nahum. The Committee receives external assistance and advice to assist it in determining appropriate levels of remuneration for the directors of the Company.

18 Key Management Personnel Compensation (continued)

(e) Senior Management and Executive Director Compensation

Objective

The Company aims to reward executives with a level and mix of remuneration commensurate with their position and responsibilities within the Company and so as to:

- reward executives for Company, business unit and individual performance against targets set by reference to appropriate benchmarks;
- align the interests of executives with those of shareholders;
- link reward with the strategic goals and performance of the Company; and
- ensure total remuneration is competitive by market standards.

Structure

Remuneration consists of the following key elements:

- fixed remuneration; and
- incentive remuneration in the form of options, bonuses and tax deferred shares.

The proportion of fixed remuneration and variable remuneration is established for each executive by the Managing Director in consultation with the Nomination and Remuneration Committee. The proportion of fixed remuneration and variable remuneration is established for the Managing Director by the Nomination and Remuneration Committee.

(f) Non-executive director compensation

Objective

The Board seeks to set aggregate remuneration at a level which provides the company with the ability to attract and retain directors of the highest calibre, whilst incurring a cost which is acceptable to shareholders.

Structure

When setting fees for individual directors, account is taken of the responsibilities inherent in stewardship of the Consolidated Entity and the demands made of directors in the discharge of their responsibilities.

The remuneration of non-executive directors for the year ended 30 June 2007 is detailed in Note 18(i).

(g) Fixed Compensation

Objective

The level of fixed remuneration is set so as to provide a base level of remuneration which is both appropriate to the position and is competitive in the market. Fixed remuneration is reviewed annually by the remuneration committee and the process consists of a review of companywide, business unit and individual performance, relevant comparative remuneration in the market and internal and, where appropriate, external advice on policies and practices.

Structure

Senior executives are given the opportunity to receive their fixed (primary) remuneration as either cash or superannuation. It is intended that the manner of payment chosen will be optimal for the recipient without creating undue cost for the Company.

The fixed remuneration component of the three most highly remunerated executives is detailed in Note 18(j).

18 Key Management Personnel Compensation (continued)

(h) Variable Compensation - Short term and Long term Incentive

Objective

The company has implemented a share plan with the objective to do any or all of the following:

- Provide shares to eligible employees who are considered to be key to the future success of the company as a long term incentive in order to retain the services of those eligible employees in the future;
- Provide a means by which eligible employees may acquire shares in the company as part of their future remuneration;
- Provide shares to eligible employees as a retention strategy; and
- Recognise and reward performance of eligible employees and their contribution to the future success of the company by providing shares to those eligible employees.

Structure

Incentive grants to executives are delivered in the form of options and tax deferred shares.

(i) Company Directors' Compensation

2007	Short-term benefits		Post-employment benefits	Share-based payments – equity settled	Total
	Salary & Fees [d]	Cash Bonus[c]	Superannuation	Options [a], [b]	
	$	$	$	$	$
Allan Nahum	**32,492**	**-**	**44,591**	**69,423**	**146,506**
Dr Bernard Lochtenberg	**40,000**	**-**	**-**	**-**	**40,000**
David Clarke	**314,700**	**10,000**	**78,000**	**13,401**	**416,101**
John Lemish	**77,387**	**20,000**	**105,113**	**6,701**	**209,201**
Steven Scheuer	**19,495**	**-**	**6,755**	**-**	**26,250**
Christopher Newman	**9,557**	**-**	**860**	**-**	**10,417**
John Guscic	**11,468**	**-**	**1,032**	**-**	**12,500**
Timothy Dodds	**-**	**-**	**-**	**-**	**-**
Total	**505,099**	**30,000**	**236,351**	**89,525**	**860,975**

2006	Short-term benefits		Post-employment benefits	Share-based payments – equity settled	Total
	Salary & Fees [d]	Cash Bonus[c]	Superannuation	Options [a], [b]	
	$	$	$	$	$
Allan Nahum	-	-	102,830	81,867	184,697
Dr Bernard Lochtenberg	36,973	-	-	-	36,973
David Clarke	211,931	20,000	24,000	38,321	294,252
John Lemish	132,798	-	52,492	19,160	204,450
Steven Scheuer	16,961	-	1,526	-	18,487
Christopher Newman	-	-	-	-	-
John Guscic	-	-	-	-	-
Timothy Dodds	8,366	-	753	-	9,119
Total	407,029	20,000	181,601	139,348	747,978

18 Key Management Personnel Compensation (continued)

(i) Company Directors' Compensation (continued)

a. There are no service or performance conditions attaching to options issued to Allan Nahum. These options are issued for prior services rendered by Allan Nahum for which he received a lower remuneration than would have otherwise been the case if the company had engaged him on a totally commercial basis.

b. There is a service condition attaching to the options issued to David Clarke and John Lemish such that they must remain in continuous employment with the company from grant date to the vesting date for the options to vest. As at 30 June 2007, David Clarke holds 1,000,000 options and John Lemish holds 750,000 options that all vest on 31/3/08.

c. The cash bonus was paid to David Clarke in July 2006 and was for achievement of the Company's objectives during the financial year.

d. The salary, fees and related superannuation are the only fixed components of the directors.

(j) Other Key Management Personnel Compensation

2007	Short-term benefits	Post-employment benefits	Share-based payments – equity settled		Total
	Salary & Fees (c)	Superannuation	Options(a)	Deferred Shares(b)	
	$	$	$	$	$
Dean Maidment	**137,615**	**12,385**	**-**	**14,803**	**164,803**
Peter O'Sullivan	**122,324**	**11,009**	**-**	**44,805**	**178,138**
Richard Noon	**136,462**	**105,000**	**241,408**	**14,803**	**497,673**
Peter Burton*	**-**	**-**	**-**	**-**	**-**
Total	**396,401**	**128,394**	**241,408**	**74,411**	**840,614**

2006	Short-term benefits	Post-employment benefits	Share-based payments – equity settled		Total
	Salary & Fees (c)	Superannuation	Options(a)	Deferred Shares(b)	
	$	$	$	$	$
Dean Maidment	123,853	11,147	-	56,265	191,265
Peter O'Sullivan	-	-	-	-	-
Richard Noon	131,667	40,000	48,651	56,265	276,583
Peter Burton*	116,973	10,527	-	18,069	145,569
Total	372,493	61,674	48,651	130,599	613,417

* For the year ended 30 June 2007, the remuneration of Peter Burton did not qualify within the top three executives.

(a) The service and performance conditions for the options issued to R. Noon during the year are set out in Note 17(d).

(b) The service and performance conditions for the tax deferred shares are set out in Note 17(g).

(c) The salary, fees and related superannuation are the only fixed components of key management personnel compensation

18 Key Management Personnel Compensation (continued)

(k) Shares Issued on Exercise of Compensation Options

Options exercised during the year that were granted as remuneration in prior periods.

	No of Ordinary Shares Issued	Amount Paid per Share	Amount Unpaid per Share
		$	$
Company Directors			
David Clarke	500,000	0.6997	-
Allan Nahum	62,500	0.2668	-
	562,500		

(l) Compensation Options

	Granted No.	Grant Date	Fair Value per Option at Grant Date	Terms & Conditions for Each Grant: Exercise Price	First Exercise Date	Last Exercise/ Expiry Date
				$		
Allan Nahum	62,500	2/11/2005	1.3220	0.2668	01/11/07	31/10/08
Richard Noon	750,000	7/3/2006	0.2812	1.2284	01/09/07	31/08/12
Richard Noon	1,000,000	7/3/2006	0.2420	1.3115	01/09/08	31/08/13
Richard Noon	1,250,000	7/3/2006	0.3500	vwap	01/09/09	31/08/14

All options granted were issued for $Nil consideration and vest within one to four years of grant date and expire within one to five years of vesting. There are no service and performance criteria for the options issued to Allan Nahum. For the service and performance conditions attaching to Richard Noon's options, refer to Note 17(d).

18 Key Management Personnel Compensation (continued)

(m) Options and Rights Holdings

Options holdings:

	Balance 01/07/2006	Granted as Compensation	Options Exercised	Balance 30/06/2007	Total Vested	Total Exercisable	Total Unexercisable
Directors							
Allan Nahum	125,000	-	(62,500)	62,500	-	-	62,500
Dr Bernard Lochtenberg	-	-	-	-	-	-	-
David Clarke	1,500,000	-	(500,000)	1,000,000	250,000	250,000	750,000
John Lemish	750,000	-	-	750,000	375,000	375,000	375,000
Steven Scheuer	-	-	-	-	-	-	-
Chris Newman	-	-	-	-	-	-	-
John Guscic	-	-	-	-	-	-	-
Specified Executives							
Dean Maidment	-	-	-	-	-	-	-
Peter O'Sullivan	-	-	-	-	-	-	-
Richard Noon	3,000,000	-	-	3,000,000	-	-	3,000,000
Total	5,375,000	-	(562,500)	4,812,500	625,000	625,000	4,187,500

(n) Shareholdings

	Balance 01/07/2006	Received as Compensation	Options Exercised	Net Change Other*	Balance 30/06/2007
Directors					
Allan Nahum	597,926	-	62,500	-	660,426
Dr Bernard Lochtenberg	178,995	-	-	25,000	203,995
David Clarke	50,000	-	500,000	(534,557)	15,443
John Lemish	2,172,088	-	-	-	2,172,088
Steven Scheuer	6,349,786	-	-	-	6,349,786
Chris Newman	1,323,404	-	-	-	1,323,404
John Guscic	-	-	-	54,450	54,450
Specified Executives					
Dean Maidment	787,500	-	-	(70,000)	717,500
Peter O'Sullivan	-	-	-	-	-
Richard Noon	750,000	-	-	(175,000)	575,000
	12,209,699	**-**	**562,500**	**(700,107)**	**12,072,092**

* Net change other refers to shares purchased or sold during the financial year.

(o) Service and Employment Agreements for Key Management Personnel

The following table sets out the key elements of key management personnel agreements.

	Agreement date	Term (yrs)	Notice Period	Termination Payment	Base salary including Superannuation $	Cash Salary At Risk $	Possible cash total $	Options
D Clarke*	1 Apr 2006	3	12 months	12 months in lieu of notice	450,000	27,000	477,000	Refer Note 18(k)
R Noon	13 Mar 2007	3	6 months	6 months in lieu of notice	275,000	75,000	350,000	Refer Note 18(k)
J Lemish	1 Apr 2006	3	6 months	6 months in lieu of notice	190,000	50,000	240,000	Refer Note 18(k)
D Maidment	1 Jul 2006	3	6 months	6 months in lieu of notice	175,000	50,000	225,000	Refer Note 18(k)
P O'Sullivan	1 Sep 2006	3	6 months	6 months in lieu of notice	180,000	40,000	220,000	Refer Note 18(k)

- The Board may consider the package of D Clarke at any time and discuss its quantum and composition.

19 Auditor's Remuneration

	Consolidated Entity		Company	
	2007 $ (000's)	2006 $ **(000's)**	**2007 $ (000's)**	2006 $ **(000's)**
Remuneration of the auditor of the company for:				
Audit services				
- Auditing or reviewing the financial report: BDO Kendalls (SA)	**43**	-	**-**	-
- Auditing or reviewing the financial report: non BDO Kendalls (SA) firm	**-**	42	**-**	-
Non audit services				
- Taxation compliance services: BDO Kendalls (SA)	**8**	-	**-**	-
- Taxation compliance services: non BDO Kendalls (SA) firm	**3**	9		
- Accounting advice and reports: non BDO Kendalls (SA) firm	**-**	3		
- Taxation advice on research and development: related practice of BDO Kendalls (SA)	**4**	-	**-**	-
- Taxation advice on research and development: non BDO Kendalls (SA) firm	**-**	10		
	58	64	**-**	**-**

20 Capital and Leasing Commitments

Operating Lease Commitments

	Consolidated Entity		Company	
	2007	2006	**2007**	2006
	$	**$**	**$**	**$**
	(000's)	**(000's)**	**(000's)**	**(000's)**
Rental expense on operating leases				
- minimum lease payments	**278**	143	**-**	-
	278	143		

20 Capital and Leasing Commitments (continued)

Non-cancellable operating leases contracted for but not capitalised in the financial statements

	Consolidated Entity		Company	
	2007	2006	**2007**	2006
	$	**$**	**$**	**$**
	(000's)	**(000's)**	**(000's)**	**(000's)**
Payable - minimum lease payments				
- not later than 12 months	**225**	278	**-**	-
- between 12 months and 5 years	**316**	463	**-**	-
	541	741	**-**	-

- The office lease is a non-cancellable lease with a four year term. Rent is payable monthly in advance. The lease contains two options for further periods of four years.
- The company also has various rental agreements for computer equipment which are fixed rent with terms of one to three years. Rental is payable monthly in advance.

21 Contingent Liabilities and Contingent Assets

There are no contingent liabilities or contingent assets requiring disclosure as at the date of this report.

22 Related Party Transactions

(a) Transactions with Related Parties

Amplify Services Pty Ltd, of which Richard Noon is a director, was paid a total of $1.55m of which $1.41m relates to third party search engine payments for entities such as Google and Yahoo, and $0.1m relates to consultancy search management and design services. Richard Noon is independent of any decision and contractual arrangements with Amplify.

	2007	2006
	$	$
	(000's)	(000's)
Amplify – consulting and management fees	**134**	134
Third party search engine – eg. Yahoo, Google	**1,413**	809
	1,547	943

(b) Wholly-owned Group Transactions

Loans

As at 30 June 2007 Webjet Limited owes Webjet Marketing Pty Ltd $3.55m (2006: Webjet Marketing Pty Ltd owed Webjet Limited $1.88m).

Royalty Payments

As at year end, both Webjet Limited and Webjet Marketing Pty Ltd have recognised a royalty payment due from Webjet Marketing Pty Ltd to Webjet Limited for $2.19m (2006: $1.04m).The royalty payment has been charged based upon a licence agreement between the entities.

(c) Normal Course of Business

These transactions are in the normal course of operations and are measured at the exchange amount, which is the amount of consideration established and agreed to by the related parties, and which in management's opinion is comparable to amounts that would have been paid to non-related parties.

23 Cash Flow Information

(a) Reconciliation of Cash Flow from Operations with Profit from Ordinary Activities after Income Tax

	Consolidated Entity		Company	
	2007 $ (000's)	2006 $ (000's)	2007 $ (000's)	2006 $ (000's)
Net profit for the year	**3,996**	2,375	**2,574**	5,563
Cash flows excluded from profit from ordinary activities attributable to operating activities				
Non-cash flows in profit from ordinary activities				
Reversal of previous impairment write-down	**-**	-	**-**	(4,550)
Amortisation of intangible assets	**7**	241	**-**	230
Depreciation of plant and equipment	**58**	24	**-**	-
Write off of assets	**6**	26	**-**	-
Share option and employee shares expense	**495**	408	**-**	-
Provision for doubtful debts	**31**	33	**-**	-
Changes in assets and liabilities, net of the effects of purchase and disposal of subsidiaries				
Decrease/(Increase) in trade and term receivables	**251**	(589)	**(2,327)**	(1,600)
(Increase)/decrease in prepayments	**(14)**	13	**-**	-
Increase in trade payables and accruals	**531**	582	**-**	-
(Increase)/decrease in deferred taxes	**1,108**	1,130	**833**	395
Increase in provisions	**121**	51	**-**	-
Increase in tax liability	**159**	-	**-**	-
Cash flow from Operating Activities	**6,749**	4,295	**1,080**	39

(b) Non-cash Financing and Investing Activities

Share Issues

There were no non-cash financing and investing activities during the period ending 30 June 2007.

24 Financial Instruments

(a) Financial Risk Management

The consolidated entity's financial instruments consist mainly of deposits with banks, local money market instruments, short-term investments, accounts receivable and payable, loans to and from subsidiaries, bills, and leases. The main purpose for non-derivative financial instruments is to provide finance for group operations.

The consolidated entity does not have any derivative financial instruments at 30 June 2007.

(i) Treasury Risk Management

A finance committee consisting of senior executives of the consolidated entity meet on a regular basis to analyse currency and interest rate exposure and to evaluate treasury management strategies in the context of the most recent economic conditions and forecasts.

(b) Interest Rate Risk

The consolidated entity's exposure to interest rate risk, which is the risk that a financial instrument's value will fluctuate as a result of changes in market interest rates and the effective weighted average interest rates on classes of financial assets and financial liabilities, is as follows:

	Weighted Average Effective Interest Rate		**Floating Interest Rate**	
	2007	2006	**2007**	2006
	%	%	**$ (000's)**	$ (000's)
Financial Assets:				
Cash	**6.23**	5.80	**20,125**	23,064
Receivables	**-**	-	**-**	-
Total Financial Assets			**20,125**	23,064
Financial Liabilities:				
Debentures	**-**	-	**-**	-
Trade and sundry creditors	**-**	-	**-**	-
Total Financial Liabilities	-	-	**-**	-

	Non-interest Bearing		Total	
	2007	2006	**2007**	2006
	$	$	**$**	$
	(000's)	(000's)	**(000's)**	(000's)
Financial Assets:				
Cash	**-**	-	**20,125**	23,064
Receivables	**1,077**	1,328	**1,077**	1,328
Total Financial Assets	**1,077**	1,328	**21,202**	24,392
Financial Liabilities:				
Debentures	**-**	-	**-**	-
Trade and sundry creditors	**1,834**	1,313	**1,834**	1,313
Total Financial Liabilities	**1,834**	1,313	**1,834**	1,313

(c) Credit Risk Management

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the consolidated entity. The consolidated entity has adopted a policy of only dealing with creditworthy counterparties. The consolidated entity does not require collateral in respect of financial assets. The consolidated entity exposure and the credit ratings of its counterparties are continuously monitored. The consolidated entity measures credit risk on a fair value basis.

The majority of the trade receivables are with debtors that operate in the travel industry. Specifically, the consolidated entity has a concentration of credit risk with companies in the airline industry, which at 30 June 2007 totalled $0.6m (2006: $0.8m).

The carrying amount of financial assets in the financial statements, net of any allowances for loss, represents the consolidated entity's maximum exposure to credit risk.

(d) Fair Values of Financial Instruments

The directors consider that the carrying amount of financial assets and financial liabilities recorded in the financial statements approximates their fair values.

The fair values of receivables and payables are determined in accordance with generally accepted pricing models based on discounted cash flow analysis. Transaction costs are included in the determination of net fair value.

(e) Liquidity Risk Management

The consolidated entity manages liquidity risk by maintaining adequate reserves and banking facilities by continuously monitoring forecast and actual cash flows and matching the maturity profiles of financial assets and liabilities.

25 Dividends

(a) Dividends Not Yet Recognised At Year End

	Company	
	2007	**2006**
	$	**$**
	(000's)	**(000's)**
Since year end, the directors have recommended the payment of a final dividend of 2 cents per fully paid ordinary share, unfranked. The aggregate amount of the proposed dividend expected to be paid on 15 October 2007 out of retained profits at 30 June 2007, but not recognised as a liability at year end, is:	**1,485**	-
	1,485	-

(b) Franking Account

	Consolidated Entity		Company	
	2007	2006	**2007**	2006
	$	**$**	**$**	**$**
	(000's)	**(000's)**	**(000's)**	**(000's)**
Franking credits available for subsequent financial years based on a tax rate of 30% (2006: 30%)	**159**	-	**-**	-
	159	-	**-**	-

The above amounts represent the balance of the franking account as at the end of the financial year, adjusted for:

(a) franking credit that will arise from the payment of the amount of the provision for income tax;
(b) franking debits that will arise from the payment of dividends recognised as a liability at the reporting date, and
(c) franking credits that will arise from the receipt of dividends recognised as receivable at the reporting date.

The consolidated amounts include franking credits that would be available to the parent entity if distributable profits of subsidiaries were paid as dividends.

The impact on the franking account of the dividend recommended by the directors since year end, but not recognised as a liability at year end is $nil since the proposed dividend is unfranked

26 Investments in Subsidiaries (Cost Method)

	Country of incorporation	% Ownership interest 2007	% Ownership interest 2006
Name			
Webjet Marketing Pty Ltd	Australia	100	100
^Planitonearth Pty Ltd	Australia	100	n/a
^^ Webjet Operations Pty Ltd	Australia	100	100

^ Planitonearth Pty Ltd was incorporated on the 11 May 2007

^^ Investment held by Webjet Marketing Pty Ltd

27 Company Details

Registered Office

The registered office of the public company is:

Webjet Limited
Level 9
492 St Kilda Road
Melbourne Vic 3004
Phone: (03) 9820 9214
Fax: (03) 9820 9258

28 Segment Information

Segment Products and Locations

The consolidated entity operated in one business segment being internet-based travel booking services.
The consolidated entity operates in one geographical segment being Australia.

29 Subsequent Events

A ‘maiden dividend’ of two cents per share (unfranked) has been recommended for payment on the 15 October 2007.

BDO Kendalls

BDO Kendalls (SA)
248 Flinders St
Adelaide SA 5000
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Phone 61 8 8223 1066
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info.adelaide@bdo.com.au
www.bdo.com.au

ABN 68 506 530 045

Auditor's Independence Declaration

Under s307C of the Corporations Act 2001

To the Directors of Webjet Limited and Controlled Entities

As lead auditor for the audit of Webjet Limited for the year ended 30 June 2007, I declare that to the best of my knowledge and belief, there have been no contraventions of:

(i) the auditor independence requirements of the Corporations Act in relation to the audit; and

(ii) any applicable code of professional conduct in relation to the audit.

This declaration is in respect of Webjet Limited and the entities it controlled during the period.

Gregory R Wiese
Partner
BDO Kendalls (SA)
Chartered Accountants

1 August 2007

ASX Additional Information

Additional information required by the Australian Stock Exchange Ltd and not shown elsewhere in this report is as follows. The information is current as at 31 July 2007.

(a) Distribution of equity securities

The number of shareholders, by size of holding, in each class of share are:

	Ordinary shares	
	Number of holders	Number of shares
1 - 1,000	**727**	**417,898**
1,001 - 5,000	**1,915**	**4,582,952**
5,001 - 10,000	**785**	**5,000,863**
10,001 - 100,000	**701**	**15,908,778**
100,001 and over	**65**	**48,364,117**
Total ordinary, employees & restricted classes of shares	**4,193**	**74,274,608**
The number of shareholders holding less than a marketable parcel of shares are:	**170**	**54,006**

(b) Twenty largest shareholders

The names of the twenty largest holders of quoted shares are:

		Listed ordinary shares	
		Number of shares	Percentage of ordinary shares
1	THORNEY HOLDINGS PTY LTD	8,386,146	11.29
2	MR STEVEN SCHEUER	6,224,785	8.38
3	ANZ NOMINEES LIMITED	4,777,216	6.43
4	INVIA CUSTODIAN PTY LTD	4,292,535	5.78
5	HSBC CUSTODY NOMINEES LIMITED	3,312,512	4.46
6	CITICORP NOMINEES PTY LTD	1,762,060	2.37
7	UBS NOMINEES PTY LTD	1,719,429	2.31
8	MR JOHN LEMISH	1,647,087	2.22
9	JP MORGAN NOMINEES LTD	1,452,818	1.96
10	BRINCLIFF PTY LTD	1,177,387	1.58
11	KING-ENG TAN	1,041,681	1.40
12	MR CHRIS CARR & MRS BETSY CARR	875,000	1.18
13	MR IAN STANLEY BOOTES & MRS KYLIE BOOTES	848,750	1.14
14	RIGI INVESTMENTS PTY LTD	682,865	0.92
15	MR DEAN MAIDMENT	617,500	0.83
16	WILDFLOWER INVESTMENTS PTY LTD	607,428	0.82
17	JDV LIMITED	534,234	0.72
18	MR JOHN LEMISH & MRS SUE LEMISH SUPER FUND	525,000	0.71
19	MR RICHARD ALLAN NOON	475,000	0.64
20	ROEMER NOMINEES PTY LTD	448,444	0.60
		41,407,877	**55.75**

(c) Voting rights

All ordinary shares (whether fully paid or not) carry one vote per share without restriction.