

1 October 2007

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

**By Electronic Lodgement**

Dear Sir,

**Re: Announcement of Takeover Offer for Travel.com.au Limited**

Wotif.com Holdings Limited (**Wotif.com**) today announced that it intends to make an offer (**Offer**) to acquire all the outstanding shares in Travel.com.au Limited (**TVL**) by way of an off-market takeover bid.

**Details of Offer**

Wotif.com's Offer provides TVL's shareholders with a choice of two alternative forms of consideration:

- \$0.50 in cash for each TVL share (**All Cash Alternative**); or
- between 0.0893 and 0.1042 Wotif.com shares per TVL share (**All Shares Alternative**). The actual number of Wotif.com shares that will issue and the implied value under this All Shares Alternative is set out below under the heading "All Shares Alternative".

This offer values TVL at approximately \$49.8 million<sup>1</sup>.

Wotif.com's Offer is subject to the conditions set out in **Annexure 1** which include (among others):

- Wotif.com acquiring 90% of TVL shares;
- receipt of all regulatory approvals (including any approval required from the Travel Compensation Fund);
- no restraint that adversely affects Wotif.com's Offer;
- certain conduct of business conditions (i.e. no material acquisitions, disposals or changes in the conduct of business);

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<sup>1</sup> Assuming 99.607 million TVL shares outstanding, and excluding the value of any unexercised options.

- no prescribed occurrences;
- no material adverse change; and
- TVL holding all licences and permits necessary for the conduct of its business (notwithstanding the change in control resulting from the Offer).

Wotif.com's Offer will extend to any new TVL shares issued during the Offer period due to the exercise of TVL options in accordance with their terms.

**Wotif.com's Offer Provides Significant Value for TVL Shareholders and is Superior to Webjet Proposal**

Wotif.com's Offer (under the All Cash Alternative) is \$0.50 per TVL share, or a 9.5% premium to the implied value of Webjet's proposal<sup>2</sup> (based on Webjet's closing price on 28 September 2007).

On all past trading metrics Wotif.com's offer is superior to the proposal put forward by Webjet, as demonstrated below:

Trading Period	Wotif.com's Cash Offer	WEB Offer <sup>2</sup>	Outcome
TVL's closing share price 5 September 2007	<b>42.9% premium</b>	30.4% premium	<b>Wotif.com's offer superior</b> ✓
TVL's 1 Month VWAP prior to 6 September 2007	<b>61.4% premium</b>	47.4% premium	<b>Wotif.com's offer superior</b> ✓
TVL's 3 Month VWAP prior to 6 September 2007	<b>52.3% premium</b>	39.1% premium	<b>Wotif.com's offer superior</b> ✓

In addition to Wotif.com's Offer being at a premium to the Webjet proposal, it is also considered superior for the following reasons:

- it provides TVL shareholders with the ability to accept either cash or all shares to suit their own personal circumstances;
- it combines the TVL business with Australasia's leading online accommodation operation and provides TVL shareholders with the opportunity to join the leading accommodation player; and
- Wotif.com's range of product will enhance TVL's accommodation offering.

Robbie Cooke, Wotif.com's Chief Operating Officer, said

"Wotif.com's offer provides substantial financial benefits to Travel.com.au Limited's shareholders. Our offer is superior to the Webjet alternative in a number of respects. Most significantly our offer provides a higher price but also gives Travel.com.au's shareholder full flexibility to accept either 100% cash for their shares or to retain a shareholding in the combined group.

We are excited about the opportunities that will arise from combining both companies - we will be able to significantly enhance Travel.com.au's accommodation offering and will be able to explore avenues to leverage off Travel.com.au's other travel products. The opportunities to build on the combined group's suite of brands will present benefits for customers and suppliers alike."

<sup>2</sup> Based on Webjet's closing share price on 28 September 2007 of \$1.55, its offer has an implied value of \$0.4565 per TVL share.

The transaction is expected to generate attractive synergies, with a range of operational and administrative cost savings and complementary revenue opportunities expected for the combined group. This is expected to see EPS accretion for the 2009 financial year, being the first full year after the acquisition. TVL shareholders who accept the All Shares Alternative will be able to participate in these benefits alongside existing Wotif.com shareholders.

### **All Shares Alternative**

In the All Shares Alternative, the actual number of shares which a TVL shareholder will receive if they accept the Offer and it becomes unconditional will depend on the volume weighted average price of Wotif.com shares (**WTF VWAP**) over a 10 trading day period commencing on the trading day after the earlier of the date on which the Offer becomes unconditional and the last day of the offer period.

The number of shares to be issued under the All Shares Alternative is calculated as \$0.50 divided by the WTF VWAP, subject to a minimum of 0.0893 Wotif.com shares if the WTF VWAP is \$5.60 or more, and a maximum of 0.1042 Wotif.com shares if the WTF VWAP is \$4.80 or less (subject in each case to the effects of rounding<sup>3</sup>).

The implied value of the Offer for the All Shares Alternative under a range of WTF VWAPs is shown below:

WTF VWAP		Wotif.com Shares		Implied value of the offer
\$4.70	x	0.1042	=	\$0.4896
\$4.80	x	0.1042	=	\$0.5000
\$4.90	x	0.1020	=	\$0.5000
\$5.00	x	0.1000	=	\$0.5000
\$5.10	x	0.0980	=	\$0.5000
\$5.20	x	0.0962	=	\$0.5000
\$5.30	x	0.0943	=	\$0.5000
\$5.40	x	0.0926	=	\$0.5000
\$5.50	x	0.0909	=	\$0.5000
\$5.60	x	0.0893	=	\$0.5000
\$5.70	x	0.0893	=	\$0.5089

### **Transaction Funding**

Depending on the ultimate form of consideration chosen by TVL shareholders, the transaction will result in the issue of up to 10.4 million Wotif.com shares<sup>4</sup> or total cash consideration of up to A\$49.8 million. Cash consideration will be funded from Wotif.com's existing cash balances.

Wotif.com has appointed Investec Bank (Australia) Limited as its financial adviser and Clayton Utz as its legal adviser for this transaction.

<sup>3</sup> If under the offer a TVL shareholder would otherwise be entitled to a fraction of a Wotif.com share in respect of their parcel of TVL shares, the TVL shareholder's entitlement to Wotif.com shares will be rounded in accordance with the Offer (fractions of 0.5 or greater will be rounded up; fractions of less than 0.5 will be rounded down).

<sup>4</sup> Assuming the maximum number of Wotif.com shares issued under the All Shares Alternative of 0.1042 Wotif.com shares per 1 TVL share

For personal use only

Yours faithfully

A handwritten signature in blue ink, appearing to read 'Robbie Cooke', with a stylized flourish above the name.

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

*For more information please contact Robbie Cooke, Chief Operating Officer, on (07) 3512 9965*

## ANNEXURE 1 - BID CONDITIONS

### 1. Minimum acceptance condition

Before the end of the Offer Period, Wotif.com and its associates have relevant interests in that number of TVL Shares which is equal to at least 90% of the number all TVL Shares.

### 2. No restraining orders

Between the date of the Announcement Date and the end of the Offer Period:

- (a) there is not in effect any preliminary or final decision, order or decree issued by a Public Authority; or
- (b) no application is made to any Public Authority (other than by any member of the Wotif.com group), or action or investigation is announced, threatened or commenced by a Public Authority in consequence of or in connection with the Offer,

(other than a determination by ASIC or the Takeovers Panel in exercise of the powers and discretions conferred by the *Corporations Act*), which restrains or prohibits (or if granted could restrain or prohibit), or otherwise materially adversely impacts upon, the making of the Offer or the completion of any transaction contemplated by the Offer (whether subject to conditions or not) or the rights of Wotif.com in respect of TVL and the TVL Shares to be acquired under the Offer, or requires the divestiture by Wotif.com of any TVL Shares, or the divestiture of any assets of the TVL group or of the Wotif.com group or otherwise.

### 3. Material Adverse Change

Before the end of the Offer Period there not having occurred, been announced or becoming known to Wotif.com (whether or not becoming public) any event, change or condition which has had, or is reasonably likely to have, a material adverse effect on the operations, assets or liabilities, material contracts (taken as a whole), business or condition (financial or otherwise), profitability or prospects of the TVL group (taken as a whole) since 30 June 2007 (except for any event, change or condition that may arise as a consequence of the announcement or consummation of the Offer), including where it becomes known to Wotif.com that information publicly filed by TVL or any of its subsidiaries, is or is likely to be incomplete, incorrect or untrue or misleading.

### 4. Dividends or Other Distributions

That between the date of the announcement of the Offer and the end of the Offer Period, TVL does not:

- (a) declare or pay any dividends; or
- (b) otherwise make any distribution of capital or profits to any TVL shareholder, whether by way of a reduction of capital or otherwise and whether by way of a cash distribution or an in specie distribution of assets.

### 5. Prescribed Occurrences

No Prescribed Occurrence occurs between the Announcement Date and the end of the Offer Period.

**6. Licences and Permits including Domain Names**

At the end of the Offer Period TVL holds, and is reasonably likely to continue to hold, on commercial terms and conditions not materially less favourable to TVL than at the date of the Offer, all licenses and permits necessary or desirable for the conduct of its business, including the right to sole use of the domain names www.lastminute.com.au, www.lastminute.co.nz and www.travel.com.au.

**7. Regulatory approvals**

Before the end of the Offer Period, Wotif.com has obtained any Regulatory Approval required in respect of its intended ownership of TVL and its operation of the business of TVL (including, but not limited to any approval required from the Travel Compensation Fund).

**8. No material acquisitions, disposals or changes in the conduct of business**

Neither TVL nor any subsidiary of TVL, other than in the ordinary course of business:

- (a) acquires, offers to acquire or agrees to acquire one or more companies or assets (or an interest in one or more companies or assets) for an amount in aggregate greater than \$500,000;
- (b) disposes, offers to dispose or agrees to dispose of one or more companies or assets (or an interest in one or more companies or assets) for an amount in aggregate greater than \$500,000;
- (c) enters into, offers to enter into or announces that it proposes to enter into any joint venture or partnership, involving a commitment of greater than \$500,000;
- (d) incurs, commits to or brings forward the time for incurring or grants to another person a right the exercise of which would involve TVL or a subsidiary of TVL incurring or committing to any capital expenditure or liability in respect of one or more related items of greater than \$500,000; or
- (e) discloses (without having disclosed to ASX or to Wotif.com prior to the date of this agreement) the existence of any matter described in sub-paragraphs (a) to (d) above, or announces an intention or proposal to do anything described in sub-paragraphs (a) to (d) above.

**9. No material change of control rights**

Between the Announcement Date and the end of the Offer Period (each inclusive), there is no person having any rights, being entitled to have any rights, alleging an entitlement, or expressing or announcing an intention (whether or not that intention is stated to be a final or determined decision of that person) in all cases whether subject to conditions or not, as a result of any change of control event in respect of TVL (including Wotif.com acquiring shares in TVL) or any of its subsidiaries or assets, to:

- (a) terminate or alter any contractual relations between any person and TVL or any of its subsidiaries (for this purpose an alteration includes without limitation an alteration of the operations of a contract, whether or not that altered operation is provided for under the existing terms of the contract);
- (b) require the termination, modification or disposal (or offer to dispose) of any interest or asset, corporate body, joint venture or other entity; or
- (c) accelerate or adversely modify the performance of any obligations of TVL or any of its subsidiaries under any agreements, contracts or other legal arrangement,

provided that this condition 9 will only be breached to the extent that the relevant right, entitlement or intention in paragraphs (a), (b) or (c) if exercised or carried out would have a material adverse effect on TVL or any of its subsidiaries.

**10. No untrue statements to ASX or ASIC**

Wotif.com does not become aware that any document filed by or on behalf of TVL, or by or on behalf of any person in relation to TVL, with ASX, ASIC or anywhere in the public domain contains a statement which is incorrect or misleading in a material particular or from which there is a material omission.

**11. Equal Access to Information**

At all times during the period from Announcement Date to the end of the Offer Period TVL promptly or in any event within 2 business days after request by Wotif.com provides to Wotif.com a copy of all information which is not generally available, within the meaning of the Corporations Act, relating to TVL or any subsidiary of TVL or any of their respective businesses or operations that has been provided either in the 6 months prior to the Announcement Date, or during the period from the Announcement Date to the end of the Offer Period by TVL or any subsidiary of TVL or any of their respective officers, employees, advisers or agents to any other person other than Wotif.com for the purpose of soliciting, encouraging or facilitating a proposal or offer by that person, or by any other person, in relation to a transaction under which:

- (a) any person together with its Associate may acquire voting power of 10% or more in TVL or any subsidiary of TVL whether by way of takeover bid, compromise or arrangement under Part 5.1 of the Corporations Act, or otherwise; or
- (b) any person may acquire, directly or indirectly including by way of joint venture, dual listed company structure, or otherwise any interest in all or a substantial part of the business or assets of TVL or any subsidiary of TVL; or
- (c) that person may otherwise acquire control of or merge or amalgamate with TVL or any subsidiary of TVL.

Definitions:

<b>Announcement Date</b>	the date on which Wotif.com publicly proposes to make offers under Takeover Bid.
<b>ASIC</b>	the Australian Securities and Investments Commission.
<b>ASX</b>	ASX Limited ACN 008 624 691 or the financial market it operates, as the context requires.
<b>Offer Period</b>	means the period that the Offer is open for acceptance.
<b>Public Authority</b>	any government or any governmental, semi-governmental, administrative, statutory or judicial entity, authority or agency, whether in Australia or elsewhere, including any self-regulatory organisation established under statute or any Stock Exchange.
<b>Prescribed Occurrence</b>	<p>the occurrence of any of the following events:</p> <ul style="list-style-type: none"><li>(a) TVL converts all or any of its shares into a larger or smaller number of shares;</li><li>(b) TVL or a subsidiary of TVL resolves to reduce its share capital in any way;</li><li>(c) TVL or a subsidiary of TVL:<ul style="list-style-type: none"><li>(i) enters into a buy-back agreement; or</li><li>(ii) resolves to approve the terms of a buy-back agreement under section 257C(1) or section 257D(1) of the Corporations Act;</li></ul></li><li>(d) TVL or a subsidiary of TVL issues shares, or grants an option over its shares or agrees to make such an issue or grant such an option;</li><li>(e) TVL or a subsidiary of TVL issues, or agrees to issue, convertible notes;</li><li>(f) TVL or a subsidiary of TVL disposes, or agrees to dispose, of the whole, or a substantial part, of its business or property,</li><li>(g) TVL or a subsidiary of TVL charges, or agrees to charge, the whole, or a substantial part, of its business or property;</li><li>(h) TVL or a subsidiary of TVL resolves that it be wound up;</li><li>(i) the appointment of a liquidator or provisional liquidator of TVL or of a subsidiary of TVL;</li><li>(j) the making of an order by a court for the winding up of TVL or of a subsidiary of TVL;</li><li>(k) an administrator of TVL, or of a subsidiary of TVL, being appointed under section 436A, 436B or 436C of the Corporations Act;</li><li>(l) TVL or a subsidiary of TVL executing a deed of company arrangement; or</li><li>(m) the appointment of a receiver, or a receiver and manager, in relation to the whole, or a substantial part, of the property of TVL or of a subsidiary of TVL.</li></ul>

<b>Regulatory Approval</b>	<ul style="list-style-type: none"><li>(a) any approval, consent, authorisation, registration, filing, lodgement, permit, franchise, agreement, notarisisation, certificate, permission, licence, direction, declaration, authority, waiver, modification or exemption from, by or with a Public Authority; or</li><li>(b) in relation to anything that would be fully or partly prohibited or restricted by law if a Public Authority intervened or acted in any way after lodgement, filing, registration or notification:<ul style="list-style-type: none"><li>(i) the expiry of any applicable period without intervention or action; or</li><li>(ii) the receipt of a statement in writing from the Public Authority that it does not intend to intervene or take action.</li></ul></li></ul>
<b>TVL Shares</b>	fully paid ordinary shares in the capital of TVL and all rights attaching to them.
<b>TVL</b>	travel.com.au Limited.
<b>Wotif.com</b>	Wotif.com Holdings Limited