



**Asiatravel.com Holdings Ltd.**

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## **Asiatravel FY2008 net profit attributable to shareholders increases by 22% to S\$5.5 million**

- ***Sales recorded a 22% increase to S\$85.7 million***
- ***Net Profit attributable to shareholders increased by 22% to \$5.5 million***
- ***Full Year Dividends at 2 cents per share, an increase of 45%***

**Singapore, 28 November 2008** – Asiatravel.com Holdings Limited (“Asiatravel” or “The Group”), a Pan-Asia online travel service provider, reported a 22% growth in net profit attributable to shareholders to S\$5.5 million for the full year ended 30 September 2008 (FY2008) on the back of a 22% increase in sales to S\$85.7 million.

### **Financial Highlights**

S\$ '000	For the financial year ended		
	30 Sep 08 (FY2008)	30 Sep 07 (FY2007)	% Change
Revenue	85,745	70,526	22%
Profit after tax	6,118	5,124	19%
Profit attributable to shareholders	5,509	4,524	22%
1 Half Dividend Per Ordinary Share (cents)	0.90	0.55	64%
2 Half Dividend Per Ordinary Share (cents)	1.10	0.85	29%



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FY 2008 has been a challenging year for the Group; it started with the sub-prime crisis in 2007 which led on to the financial turmoil and economic downturn that worsened in the fourth quarter. Economic impact aside, the travel industry in Asia is also beleaguered by several negative incidents in the likes of the snowstorm in Southern China, the earthquake in Sichuan, visa restrictions on travel to China during the Olympics, political instability in Malaysia, and political upheaval in Thailand. **Despite all these negative factors, the Group still managed to post 22% growth in both revenue and profit.**

The Group's remarkable growth in such challenging times can be attributed to the expansion strategy that the Group embarked upon this past year. The Group's efforts to expand its hotel destinations footprint and its transformation from a niche online hotel reservation service provider to a total online travel service provider have enabled the Group to gain new customers and improve booking conversion.

Another factor that helped the Group weathered the negative events is the resilience of the online travel channel. Executive Chairman, Mr Boh Tuang Poh says, "We believe the online travel channel will continue to be resilient and the shift from the offline to online channel for travel and hotel reservations will pick up pace further as more travelers go online for convenience and to search for bargains."

**The Group is therefore confident that it is in a strong position to weather the economic slowdown and any negative events that may surface during the new financial year.**

As in previous years, the Group is generous in rewarding shareholders with high dividend payout. For the second half of FY 2008, the Group is declaring a dividend of 1.1 cents per share to reward its shareholders, bringing the full year dividend for FY 2008 to 2.0 cents per share. The full year dividends amount to approximately 71% of the Group's profit attributable to shareholders.



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## **Operations Review**

The user-friendly, scalable, reliable and state-of-the-art booking engine of Asiatravel.com and its established brand, worldwide hotel destinations footprint, instant confirmation of flight reservations departing from 11 countries in Asia have strengthened its lure of customers to sustain the Group's growth momentum. Despite the global economic slowdown and many negative factors, the Group increased its online room night bookings by 22% year-on-year. Air ticket sales also recorded an increase of 30% in the fourth quarter from the preceding quarter.

The Group is now embarking on the demand side of its growth strategies. We will team up with partners who have notable and high traffic websites to reach new customers. Such partnership initiatives will enable us to leverage on the visitorship and user base of our partners' websites to acquire new customers without increasing our spending on marketing and advertising.

In addition the Group will continue to develop and enhance its booking platform to include multi-languages website to reach markets in Asia in their local languages. This will further enable us to reach more new potential customers.

## **Outlook**

The global economic slowdown will dampen the tourism and travel industry. Sporadic negative events such as political instability and natural calamity can also affect adversely on our business. To mitigate such negative impact, the Group will continue to improve upon its IT infrastructure, convenience and user-friendliness of its websites and portals, expand its hotel destinations footprint, develop new creative products, and strengthen its demand side strategy.



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Notwithstanding the decrease in consumer confidence in various countries in Asia as shown in a Consumer Confidence Index study conducted by Nielsen in October 2008, the young and urban middle class still consider going for overseas vacations as one of their preferred ways to spend their spare cash as reflected in response by 42% of Singaporeans (in the study). Such preference in expenditure over other options such as spending on clothing, new electronic gadgets, investment in shares and funds, etc. augurs well for the travel industry.

The Group is optimistic in working towards maintaining positive revenue and profit growth in the next few quarters.

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**About Asiatravel.com**

Asiatravel.com Holdings Ltd. is a Pan-Asia online travel reservation service provider. Through its user-friendly, information-intensive website (<http://www.asiatravel.com>), travelers can book hotel rooms from a database more than 50,000 hotels worldwide, book air tickets for flights departing from major cities in Asia to worldwide destinations. All these services can be done online and instantly confirmed even for last minute or same day travel. Asiatravel is also developing other stand-alone travel products such as travel insurance, cruise, golf and tour package with instant confirmation. These stand-alone products will eventually be integrated with our hotel and flight products to fully transform the Group into a total travel reservation service provider with instant confirmation anytime anywhere.

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