



SEALINK TRAVEL GROUP LIMITED
ACN 109 078 257

DECEMBER 2008 UNAUDITED HALF-YEAR REPORT TO SHAREHOLDERS.

Dear Shareholder,

Summary

The SeaLink Travel Group has had an excellent first half for the 2008/9 financial year with strong sales growth (up 11% on last year), increased traffic across all sectors (ferry, coach and travel packaging) and an excellent contribution from the New Zealand operation. As a result, net profit after tax for the 6 months rose 65% from \$2.282 million in 2007 to \$3.765 million for 2008. Profit budgets have been exceeded both in Australia and New Zealand. January, 2009 has seen a continuation of the increased revenue trend. It should be remembered however that the 2007 results in Australia were strongly affected by the devastating fires that occurred on Kangaroo Island in December, 2007. Earnings fell significantly and remained low for some time thereafter.

The result was also abnormally affected by a capital profit on the sale of 440 King William Street, Adelaide through the demerger process. The net profit on the sale was \$948,000 after tax. Clearly, this was a windfall profit which is not recurrent and not part of the core business.

Half Year in Review

The 2008 half year has been exceptional for SeaLink considering world economic conditions. It has been aided by the following:

- Decreasing fuel prices.
- An increase in the trend to self-drive holidays as opposed to overseas travel.
- The cessation in May, 2008 of the Wirrina to Kingscote ferry service.
- A successful tender for the charter of the BK Subritzky (NZ) for a six- month contract.
- Temporary suspension for part of the period to a competitor on the Waiheke ferry route in New Zealand.

On the back of these key contributory factors, EBITDA for the half year rose by over 35% despite extensive slipping costs expended in Australia as part of SeaLink's ongoing preventative maintenance program. The strong earnings stream allowed us to further reduce debt over the period. This has lowered our ongoing finance expenses. Lower prevailing interest rates now being experienced will also help further reduce finance costs in the immediate future.

During the period, the Group acquired the Premier Coachlines Day Tour business, which has been merged into our Adelaide Sightseeing division. We also completed the upgrade of the ferry holding berth at Cape Jervis. Our new reservation system, QuickTravel, which has now been successfully released and implemented into several client sites, continues its development. We are targeting to have QuickTravel installed in our Australian operations by July, 2009. This new system will provide SeaLink with material cost savings through new efficiencies.

The demerger of Teriga Ltd, the owner of the Adelaide properties, was completed in July, 2008. SeaLink is now well placed to move to being a listed company when the share market conditions improve. This objective remains a high priority for our Group and we continue to explore various options in this area.

Dividends

With the strong half-year profit result, SeaLink Travel Group was able to increase its interim dividend up from \$1.2m (paid January, 2008) to \$1.3m (paid January, 2009) representing an interim dividend of 2.6 cents per share for the 2008/09 half year. This is up 8.3% in comparison to the previous half-year dividend.

Outlook

As a high priority, the Group continues to search for acquisition opportunities which meet agreed investment criteria. We have undertaken due diligence on several opportunities, however none have met our strict investment criteria to date. We are continuing to seek opportunities and have certain possibilities in our sights.

From a development perspective, there are two major projects under consideration:

- We are progressing our plans for a new Passenger terminal at Penneshaw to improve the quality of our customer experience, and
- Costings are being compiled in relation to relocating our coach facilities to a new location at Penneshaw where we have acquired land.

The current world economic environment brings all businesses a level of uncertainty regarding future revenue streams. To date, SeaLink has performed strongly and forward bookings remain at solid levels. We are closely monitoring our performance and remain in a position to react to any negative trends that may emerge and to take advantage of any positive opportunities that may arise.

On behalf of the Sealink Travel Group Board, I would like to express our appreciation to all the staff, customers and suppliers - the key people in our continued success.



Giuliano Ursini
Chairman



Jeff Ellison
Managing Director

CONSOLIDATED FINANCIAL PERFORMANCE	6 months to 30 December 2008 \$000's	6 months to 30 December 2007 \$000's
Sales Revenue	28,877	25,906
Other Revenue	397	859
Gross Income	29,274	26,765
Direct Operating Expenses	(20,586)	(19,116)
Administration Expenses	(3,611)	(2,859)
Marketing Expenses	(542)	(820)
Finance Expense	(657)	(782)
Operating Profit Before Income Tax Expense	3,878	3,188
Abnormal: Profit on Sale of Building	948	-
	4,826	3,188
Income Tax Expense	(1,061)	(906)
Net Profit After Income Tax Expense	3,765	2,282
Earnings Per Share (cents per share)	7.5	4.6
Net Tangible Assets Per Share (cents per share)	22.3	19.7