



2 August 2017

WEBJET ANNOUNCES ACQUISITION OF JACTRAVEL AND CAPITAL RAISING

Key highlights

- Acquisition of JacTravel, a market leading European B2B travel business, with c.£400 million in total transaction value (“TTV”)
- Transformational to Webjet’s B2B business (“WebBeds”), creating the #2 B2B player globally and the #2 B2B player in the important European market¹
- Represents a step change in WebBeds’ scale, with directly contracted hotel relationships increasing from c.10,000 to c.17,000², plus highly complementary hotel chain relationships and access to a heavily invested technology platform
- Acquisition price of £200 million represents 10.5x FY17 EBITDA³ and estimated to be at least c.25% EPS accretive in FY17 on a pro-forma basis⁴, and with no allowance for synergies
- Attractive earnings growth profile of combined group, to be further enhanced via synergies and revenue opportunities to leverage JacTravel and WebBeds inventory offerings across each other’s distribution networks
- Strong senior management team, with continuing management to receive Webjet shares

Acquisition

Webjet today announced it has entered into a binding agreement to acquire JacTravel Group (Holdings) Limited (“JacTravel”) (“Acquisition”) for an enterprise value of £200 million. The

¹ Based on TTV and management estimates.

² As at 24 June 2017, JacTravel had c.10,000 directly contracted hotels, of which c.7,000 are unique and c.3,000 overlap with Webjet’s existing inventory.

³ Based on EBITDA for the 12 months to 30 June 2017 as set out in the unaudited management accounts of JacTravel, adjusted by Webjet management based on its due diligence and to exclude non-recurring items and align to Australian Accounting Standards.

⁴ Based on the 12 months to 30 June 2017 per unaudited management accounts for Webjet and JacTravel. Calculation before amortisation of intangibles related to the acquisition and one-off transaction costs. In accordance with AASB 133, Webjet basic EPS for the year ending 30 June 2017 has been adjusted to reflect the bonus element in the Entitlement Offer. EPS accretion is dependent on the accounting treatment of the Thomas Cook agreement. Refer to Webjet’s ASX announcement (dated 28 July 2017) and Webjet’s investor presentation (pages 16 and 21, as of today’s date).

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Acquisition will be funded by a fully underwritten accelerated pro rata non-renounceable entitlement offer ("**Entitlement Offer**"), cash and debt funding and an issue of new Webjet shares to continuing management shareholders and the existing private equity owner of JacTravel ("**Vendor Share Placement**").

JacTravel is a market leading global B2B travel business based in Europe. Operating a multi-brand strategy via JacTravel and TotalStay, the company connects an extensive range of suppliers with travel providers and specialises in both multi-channel hotel distribution and tailored tours to inbound traveler groups visiting Europe. JacTravel has market leading positions in its core segments and is one of the largest independent platforms in Europe by TTV, with strong presence in key international cities.

Webjet's Managing Director, John Guscic said: *"The acquisition of JacTravel is transformational to WebBeds, creating the #2 B2B player globally and the #2 B2B player in the important European market.*

JacTravel is highly complementary to WebBeds' existing portfolio in terms of geography, product and customer mix, with an operating footprint that fills a key gap in our current offering, being Tier 1 European cities, whilst increasing the breadth and depth of WebBeds' existing position across Asia, the Americas and Middle East.

In addition, bringing JacTravel under our broader Webjet banner and leveraging its inventory into WebBeds' existing distribution network will provide deepened room night allocations, opportunities to realise synergies and accelerate growth of WebBeds globally."

For the 12 months ended 30 June 2017, JacTravel generated TTV of £398 million (A\$657 million⁵) and EBITDA of £19 million (A\$32 million⁵). The Acquisition purchase price is £200 million (A\$330 million⁵) to be paid in cash and new Webjet shares. The purchase price represents 10.5x FY2017 EBITDA and the Acquisition is estimated to be materially EPS accretive in FY17 on a pro-forma basis, before synergies:

- c.25% EPS accretive⁶ based on Webjet's accounting treatment of the Thomas Cook agreement
- c.35% EPS accretive⁷ based on the proposed accounting treatment of the Thomas Cook agreement as notified by BDO, Webjet's auditor

The cash consideration for the Acquisition will be funded by the proceeds of the Entitlement Offer and A\$145 million of existing cash reserves and debt funding. In addition, approximately 2.7 million new Webjet shares will be issued to continuing management shareholders and the private equity vendor of JacTravel at an issue price of A\$10.94 per share, representing c.9% of the purchase price. The shares issued under the Vendor Share Placement will represent approximately 2% of Webjet's issued capital after completion of the Entitlement Offer. They will be subject to escrow for a period of 18 months for continuing management and 6 months for the private equity owner of JacTravel. Following the acquisition, Pro-forma Net Debt / FY17 EBITDA

⁵ Based on GBP:AUD conversion rate of 1.65 as at 1 August 2017.

⁶ Based on Webjet's existing accounting treatment of the Thomas Cook agreement, as presented in its 1H'17 financial report and as set out in Webjet's announcement to the ASX, dated 28 July 2017.

⁷ Based on the proposed accounting treatment of the Thomas Cook agreement as notified by Webjet's auditor, BDO, set out in Webjet's announcement to the ASX (dated 28 July 2017) and further details of which are set out in Webjet's investor presentation (pages 16 and 21, as of today's date).

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will be less than $0.5x^8$, which ensures continued balance sheet strength and capacity to pursue further growth opportunities.

The acquisition is expected to complete on 31 August 2017.

Entitlement Offer

The Entitlement Offer is a fully underwritten accelerated pro rata non-renounceable entitlement offer, to raise approximately A\$164 million.

Under the Entitlement Offer, eligible shareholders are invited to subscribe for 1 new Webjet share for every 6 existing Webjet shares ("**Entitlement**") held as at 7:00pm (Sydney time) on Monday, 7 August 2017 ("**Record Date**").

The offer price of A\$10.00 per new share represents an 8.6% discount to the theoretical ex-rights price of A\$10.94 on 1 August 2017⁹.

Approximately 16.4 million new Webjet shares will be issued under the Entitlement Offer. New shares will rank equally with existing shares.

Institutional Entitlement Offer

Eligible institutional shareholders will be invited to participate in the Entitlement Offer for institutional shareholders ("**Institutional Entitlement Offer**") which is being conducted today, Wednesday, 2 August 2017 and tomorrow, Thursday, 3 August 2017.

Eligible institutional shareholders can choose to take up all, part or none of their Entitlement. Institutional Entitlements cannot be traded on market or transferred.

Institutional Entitlements that eligible institutional shareholders do not take up by the close of the Institutional Entitlement Offer, and institutional Entitlements that would otherwise have been offered to ineligible institutional shareholders, will be offered to new and existing institutional investors concurrently with the Institutional Entitlement Offer.

Webjet's shares will remain in a trading halt pending completion of the Institutional Entitlement Offer.

Retail Entitlement Offer

Eligible retail shareholders in Australia and New Zealand will be invited to participate in the Entitlement Offer for retail shareholders ("**Retail Entitlement Offer**") at the same offer price and offer ratio as the Institutional Entitlement Offer. The Retail Entitlement Offer will open on Thursday, 10 August and close at 5:00pm on Tuesday, 22 August. Eligible retail shareholders may also apply for New Shares in excess of their Entitlement up to a maximum of 50% of their Entitlement.

Further details about the Retail Entitlement Offer will be set out in the retail offer booklet, which Webjet expects to lodge with the ASX and despatch on Thursday, 10 August.

Entitlements cannot be traded on the ASX or transferred. Eligible shareholders who do not take

⁸ Based on the 12 months to 30 June 2017 per unaudited management accounts for Webjet continuing operations and the 12 months to 30 June 2017 per unaudited management accounts for JacTravel, with JacTravel EBITDA constructed from unaudited management accounts, adjusted by Webjet management based on its due diligence and to exclude non-recurring items and aligned to Australian Accounting Standards. Net debt calculation excludes A\$21.2 million of restricted client funds. Pro-forma net debt calculation is dependent on the accounting treatment of the Thomas Cook agreement.

⁹ The TERP is a theoretical price at which WEB shares trade immediately after the ex-date for the Entitlement Offer and prior to the Vendor Share Placement. TERP is calculated by reference to Webjet's closing price of A\$11.10 on 1 August 2017.

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up their Entitlement under the Entitlement Offer in full or in part, will not receive any value in respect to those Entitlements not taken up.

Key dates*

Trading halt and announcement of Offer	Wednesday, 2 August
Institutional Entitlement Offer and Institutional Bookbuild opens	Wednesday, 2 August
Institutional Entitlement Offer and Bookbuild closes	Thursday, 3 August
Trading halt lifted and announcement of results of Institutional Entitlement Offer	Friday, 4 August
Record date for determining Entitlements to subscribe for new shares under the Entitlement Offer	Monday, 7 August (7:00pm)
Retail offer booklet despatched and Retail Entitlement Offer opens	Thursday, 10 August
Settlement of Institutional Entitlement Offer	Friday, 11 August
Allotment and normal trading of new shares under the Institutional Entitlement Offer	Monday, 14 August
Retail Entitlement Offer closes	Tuesday, 22 August (5:00pm)
Allotment of new shares under the Retail Entitlement Offer	Wednesday, 30 August
Quotation and normal trading of new shares issued under the Retail Entitlement Offer	Thursday, 31 August
Settlement of Vendor Share Placement	Thursday, 31 August

* All dates and times are indicative only and subject to change. Unless otherwise specified, all times and dates refer to Australian Eastern Standard Time. Webjet reserves the right to amend any or all of these dates and times subject to the Corporations Act, the ASX Listing Rules and other applicable laws. In particular, Webjet reserves the right to extend the closing date for the Retail Entitlement Offer and to accept late applications under the Retail Entitlement Offer without prior notice. Any extension of the closing date will have a consequential effect on the allotment date for new shares under the Retail Entitlement Offer. Any changes to the timetable will be posted on Webjet's website at www.webjet.com.au.

Additional details

Further details of the Acquisition, Entitlement Offer and Vendor Share Placement are set out in the Investor Presentation pack provided to the ASX today. The pack contains important information including key risks and foreign selling restrictions with respect to the Entitlement Offer.

Credit Suisse and UBS acted as Webjet's joint financial advisers, joint lead managers and underwriters to the Entitlement Offer. DLA Piper acted as Webjet's legal adviser.

For more information, please contact:

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Important notices

This notice may not be released or distributed in the United States. This notice does not constitute an offer to sell, or a solicitation of an offer to buy, securities in the United States. The Entitlements and the new shares to be offered and sold in the Entitlement Offer have not been, and will not be, registered under the US Securities Act of 1933 (the "US Securities Act") or the securities laws of any state or other jurisdiction of the United States, and may not be offered or sold, directly or indirectly, in the United States unless they are offered and sold pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the US Securities Act and applicable US state securities laws.

This announcement contains certain forward looking statements and comments about future events, including Webjet's expectations about the financial and operating performance of its businesses, the acquisition of JacTravel, the timetable and outcome of the Entitlement Offer and the use of proceeds thereof. Forward looking statements can generally be identified by the use of forward looking words such as, "expect", "anticipate", "likely", "intend", "should", "could", "may", "predict", "plan", "propose", "will", "believe", "forecast", "estimate", "target" and other similar expressions within the meaning of securities laws of applicable jurisdictions. Indications of, and guidance or outlook on, future earnings or financial position or performance are also forward looking statements. Forward looking statements involve inherent risks and uncertainties, both general and specific, and there is a risk that such predictions, forecasts, projections and other forward looking statements will not be achieved. A number of important factors could cause Webjet's actual results to differ materially from the plans, objectives, expectations, estimates and intentions expressed in such forward looking statements and many of these factors are beyond Webjet's control. Refer to the various risks factors in Appendix D under "Key Risks" of the investor presentation entitled "Acquisition of JacTravel and Capital Raising" released to the ASX today. Forward looking statements are provided as a general guide only, and should not be relied on as an indication or guarantee of future performance and involve known and unknown risks, uncertainty and other factors, many of which are outside the control of Webjet. As such, undue reliance should not be placed on any forward looking statement. Past performance information given in this announcement is given for illustrative purposes only and is not necessarily a guide to future performance and no representation or warranty is made by any person as to the likelihood of achievement or reasonableness of any forward looking statements, forecast financial information or other forecast. Nothing contained in this announcement is to be relied upon as, a promise, representation, warranty or guarantee as to the past, present or the future performance of Webjet.

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