GROWTH DELIVERED, GROWTH ACCELERATING

20 August 2015

Webjet Limited today announced its full year results for the year ended 30 June 2015. Key highlights include

- **TTV up 31%**
- **Revenue up 21%**
- **EBITDA up 20% (underlying EBITDA up 41%)**
- **Final dividend of 7.25 cents declared**
- **All businesses demonstrating growth**
    - **Webjet reported record TTV each month and continues to gain market share**
    - **ZUJI returned to profitability in 2H15**
    - **Lots of Hotels delivered strong EBITDA contribution in just over 2 years since start up**
    - **SunHotels successfully integrated and poised for growth**
    - **$3 Million investment initiative to accelerate growth in B2B**

RESULTS SUMMARY

Full Year Ended 30 June 2015	FY15 $m	FY14 $m	Inc. / (Dec.) $m	 %
TTV	1,266	967	299	31.0%
Revenue	119.1	98.6	20.5	20.8%
EBITDA	27.9	23.3	4.6	19.7%
EBIT	23.2	20.5	2.7	13.1%
PBT	23.2	21.1	2.1	10.0%
NPAT	17.5	19.1	(1.6)	(8.5%)
EPS (cents)				
- Basic	21.9	24.2	(2.3)	(9.5%)
- Diluted	21.9	24.2	(2.2)	(9.3%)
Margins				
Revenue Margin	9.4%	10.2%	(0.8%)	
EBITDA Margin	23.4%	23.6%	(0.2%)	
Marketing % TTV	1.7%	2.1%	(0.4%)	
Effective Tax rate	24.5%	9.3%	15.3%	

Total Transaction Value (TTV) for the year was $1,266 million, an increase of 31% compared to the previous corresponding period. This was driven by record monthly TTV reported for the Webjet business, the acquisition of the SunHotels business in July 2014, and the accelerated growth of Lots of Hotels.

Reported EBITDA was $27.9 million, up 20% compared to the previous corresponding period. Adjusting for the $1.4 million gain on sale of a controlling interest in Webjet Marketing USA in FY14 and the one off $1.1 million costs associated with acquisition of SunHotels and $1.9 million loss on foreign exchange depreciation that impacted SunHotels in FY15, underlying EBITDA was $30.9 million, an increase of 41% compared to the previous corresponding period. This growth was largely due to the strong performance of the Webjet business, as well as EBITDA contributions from the B2B division through both Lots of Hotels and SunHotels.

Profit before tax (PBT) was up 10% to $23.2 million. The company had higher interest expense in FY15 as a result of borrowings associated with the acquisition of SunHotels. Net Profit after tax (NPAT) was down 8.5% to $17.5 million due to a higher effective tax rate. This was due to higher earnings being generating in Australia and Europe during FY15, as well as the recognition of tax deferred assets in FY14 that reduced the tax rate for that period. Going forward, we expect the effective tax rate to be around 20%.

The company's Managing Director, John Guscic said:

> "We are delighted to have achieved our EBITDA growth objectives for both the B2C and B2B divisions. This outstanding result is due to the strong performances by all of our businesses during the year.
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> The Webjet business reported record TTV for each month in FY15. Our ongoing focus on exceptional service and delivering our customers greater convenience and choice has allowed us to continue to gain market share. We continue to see strong growth in international transactions with international now accounting for 34% of Webjet TTV and 12% of bookings. After a difficult first half which saw both TTV and margin pressures in Zuji's Asian operations, we saw a return to profitability for the ZUJI business in the second half of the financial year. While competitive pressures remain in Asia, we have been able to take actions to stimulate demand and increase revenues.
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> Our B2B businesses continue to deliver exceptional growth, accounting for 23% of our underlying EBITDA in FY15. We saw strong contributions from both Lots of Hotels and SunHotels. Lots of Hotels continues its impressive growth trajectory. The second half was seasonally impacted by the timing of key holidays, as well as increased costs in preparation for accelerating growth in the next financial year. July and August typically deliver one-third of the full year EBITDA for Lots of Hotels. For July and August FY16 YTD, we have delivered an 80% increase in TTV compared to the same time last year.
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> SunHotels is now fully integrated into our B2B platform and all key new hires are in place and focused on penetrating key new European markets in FY16. The SunHotels business was impacted by a one off $1.9 million foreign exchange depreciation charge in the second half. We have taken appropriate steps to limit any further foreign exchange charges and do not expect this charge to recur."

B2C DIVISION

Webjet

- TTV up 24% compared to the previous period.
- Underlying EBITDA up 11%; comparable EBITDA (after adjusting for costs incurred in FY15 that were not made in FY14) was up 20%. Adjustments include $1.2 million in employee incentive payments due to strong performance of business and $0.7 million loss in relation to the start-up of the Exclusives business.
- We extended our lead as the #1 OTA brand in Australia.
- Bookings increased 17% compared to the previous period – domestic bookings increased 14% and international increased 35%.
- Packages, travel and car insurance all grew strongly during the period. Cruise and hotels performed in line with expectations.

ZUJI

- TTV was flat compared to the previous period due to market issues. TTV growth returned to the Asian operations during 2H15.
- EBITDA for the full year fell $0.4m to $1.6M, of which $1.5 million was in the second half, reflecting improvements made in that period. While margins in Asia remained under pressure, we were able to address pricing concerns and enhance market offerings, resulting in revenue and margin improvement.
- ZUJI Australia continued its strong performance reported in 1H15 with TTV growing at 30%.

B2B DIVISION

Lots of Hotels

- TTV up 70% since June 2014.
- $2.3 million EBITDA contribution for the period, an increase of $2.5 million compared to the same period last year.
- The business continued to increase its market share as the #3 player in the Middle East and Africa market. Ongoing expansion of our multi-supply aggregation approach continues to deliver greater inventory offerings for customers, and more customers are becoming increasingly embedded with the Lots of Hotels product and approach.
- 2H15 was impacted by the timing of key holidays (which fell earlier than the previous year) as well as increased costs associated with expanding the business to take advantage of growth opportunities in FY16.
- Strong growth is already coming through with TTV for July and August year to date 2016 up 80% compared to the same period in FY15.

SunHotels

- TTV was relatively flat compared to the previous period as the focus was on the successful bedding down and integration of the business into the B2B division.
- Underlying EBITDA was up 24% compared to the previous period, largely due to TTV margin improvement.
- 2H for the SunHotels business is seasonally slower than 1H due to the timing of peak European travel periods. 2H15 was also impacted by increased costs associated with expanding the salesforce by 10%.
- 6 key new target markets have been identified for FY16, with the team already gaining some traction.

- ***SunHotels foreign exchange (FX) depreciation charge***
    - Consistent with other operators in the region, at the time of acquisition SunHotels had no hedging in place due to the historically high correlation of Scandinavian currencies to the EUR. From October 2014, the Swedish and Norwegian currencies depreciated against the EUR by 5% and 10% respectively. At the same time, the EUR depreciated 15% against the USD. As a result, SunHotels suffered a $1.9 million FX loss during 2H15.
    - Appropriate strategies have since been put in place to limit any FX charges going forward – these include a comprehensive hedging

strategy now in place; changed supplier arrangements allowing payments in EUR; and expansion into several new EUR based currency markets thereby minimising the impact of adverse movements in Scandinavian currencies. As a result, we do not expect this FX charge to recur.

$3 million B2B Growth Investment

We continue to see real growth opportunities in the B2B space. We have been actively looking at various acquisitions opportunities however to date we have not found real value – either in asset quality or price.

While we continue to look for attractive acquisition opportunities, we are planning to accelerate growth opportunities in the B2B division by investing $3 million in the existing B2B business during FY16. The investment will focus on two main opportunities - establishing a new Lots of Hotels US operation, as well as increasing our directly contracted inventory offering within the SunHotels business.

Mr Guscic said:

> "We believe the geographically fragmented nature of the wholesale market in the US is well suited to our multi-supply aggregation model. An experienced senior B2B executive will run the business and focus on cross-selling our unified B2B inventory pool by offering Lots of Hotels and SunHotels inventory to US customers, as well as offering US hotel inventory to our Lots of Hotels and SunHotels customers.
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> As part of this growth initiative, we also intend to increase our directly contracted inventory in up to 12 key European markets for our SunHotels business.
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> We expect this investment to offer attractive returns. The $3 million investment will be fully paid off within 3 years and the EBITDA CAGR for the B2B division is expected to be more than 30% over 5 years, increasing our previously stated target of 20% EBITDA growth pa over 5 years. In addition to providing attractive financial returns, this approach allows us to retain considerable financial capacity in order to undertake further acquisitions."

DIVIDEND AND CAPITAL MANAGEMENT

- Cash balance of $76.2 million, including $18.3 million of client funds. The company generated cash and equivalents of $37.7 million during the year.
- Net equity of $82.5 million, up $13.2 million since June 2014.
- Strong balance sheet provides opportunities for further acquisitions.
- Fully franked final dividend of 7.25 cents has been declared, bringing the total dividend for FY15 to 13.5 cents.

TTV GROWTH FY16 YTD

All businesses are currently demonstrating strong TTV growth. For July and August 2016 year to date, SunHotels has experienced TTV growth of more than 10% compared to the previous corresponding period, while Webjet TTV has grown more than 15%, Zuji TTV more than 20%, and Lots of Hotels TTV more than 80%.

GUIDANCE

The company will provide full year guidance at its AGM on 11 November 2015.

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For further information contact John Guscic on (03) 9828 9754
Webjet – Australia's Multi Award Winning Online Travel Service
http://www.webjet.com.au/About_us/Awards.html