webjet limited

Webjet Limited

ABN 68 002 013 612

Interim Report

Half-Year Ended 31 December 2014

Corporate Information

Directors

David Clarke (Non-Executive Chairman)

John Guscic (Executive Managing Director)

Don Clarke (Non-Executive Deputy Chairman)

Allan Nahum (Non-Executive Director- Resigned 26 November 2014)

Steven Scheuer (Non-Executive Director)

Roger Sharp (Non-Executive Director)

Brad Holman (Non-Executive Director)

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Company Secretary
Michael Sheehy
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Melbourne Vic 3004

Solicitors
Minter Ellison
525 Collins Street
Melbourne Vic 3001

Auditors
BDO
Level 7, BDO Centre
420 King William Street
Adelaide SA 5000

Bankers
National Australia Bank
Level 30, 500 Bourke Street
Melbourne Vic 3000

HSBC Bank Australia Limited
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Sydney NSW 2000

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Directors' Report

The directors of Webjet Limited submit herewith the financial report of the company and its controlled entities for the half-year ended 31 December 2014.

Directors

The names of the directors of the company during or since the end of the half-year are:

David Clarke (Non-Executive Chairman)

John Guscic (Executive Managing Director)

Don Clarke (Non-Executive Deputy Chairman)

Allan Nahum (Non-Executive Director- Resigned 26 November 2014)

Steven Scheuer (Non-Executive Director)

Roger Sharp (Non-Executive Director)

Brad Holman (Non-Executive Director)

Review of Operations

During the six-month period to 31 December 2014, Webjet completed the €19m acquisition of SunHotels, funded by a hedged Euro Loan facility. Legal and due diligence costs associated with this acquisition were $1.0m.

During the six month period, the Company's total transaction value increased by $113m to $620m, representing an increase of 22% compared to the previous corresponding period. The net impact of the SunHotels acquisition and divestment of a controlling interest in Webjet Marketing North America LLC was a positive $46m contribution to the growth in total transaction value.

During the six month period, revenue increased by $6.0m to $58.2m, representing an increase of 11.5% compared to the previous corresponding period. The revenue margin of 9.4% (FY14: 10.3%) was influenced by the growth of the B2B business segment and a lower contribution from Zuji's Asian businesses during the six month period.

Excluding the $999,310 one-off SunHotels acquisition charge, operating costs increased $2.9m to $42.7m.

SunHotels' in-house developed IT B2B Hotel transaction platform and its property assets led to an increase in depreciation and amortisation for the six month period from $1.4m to $2.2m.

EBITDA for the six month period increased by $2.1m to $14.4m, representing an increase of 17.3% compared to the previous corresponding period. This includes the $1.0m one-off SunHotels acquisition charge. The B2C business segment (comprising the Webjet and Zuji businesses) contributed $11.1m and the B2B business segment (comprising the SunHotels and LOH businesses) contributed $3.3m. The B2C business segment results included a $0.4m loss associated with the start-up of Webjet Exclusives and a $0.6m loss from Zuji's Hong Kong and Singapore operations.

Profit before tax for the six month period increased by $0.8m to $12.1m, representing a 6.8% increase compared to the previous corresponding period. Excluding the $1.0m one-off SunHotels acquisition charge and the $0.7m contribution of Webjet Marketing USA that was included in the prior period's results, profit from the ongoing operations was up 23%.

Cash and equivalents were $57.5m at 31 December 2014 (2013: $45.4m). Client funds included in the cash and equivalents were $15.0m (2013: $9.5m). Operating cash flow (after tax) for the six month period was $8.1m, a $19.3m increase over the prior period comparative $11.2m cash outflow.

A final dividend of 7.25 cents per share fully franked totalling $5.76m was paid on 17 October 2014. An interim dividend of 6.25 cents per share (FY14: 6.25 cents) fully franked totalling $4.96m has been declared and will be payable on 15 April 2015.

Directors' Report

Auditor's Independence Declaration

A copy of the auditor's independence declaration as required under section 307C of the Corporations Act 2001 is set out on page 16.

Rounding of amounts

The company is of a kind referred to in Class Order 98/100, issued by the Australian Securities and Investments Commission, relating to the 'rounding off' of amounts in the directors' report and financial report. Amounts in the directors' report and financial report have been rounded off to the nearest thousand dollars in accordance with that Class Order.

This report is made in accordance with a resolution of directors.

On behalf of the Directors

David Clarke
Chairman

Melbourne, 18 February 2015

Consolidated income statement

For the half-year ended 31 December 2014

		Consolidated	
		Half-year ended	
		31-Dec-14	31-Dec-13
	Note	**$ (000's)**	$ (000's)
Revenue		**55,992**	50,033
Investment income		**566**	474
Other gains and losses		**2,190**	2,132
		58,748	52,639
Share of associates losses		**(41)**	-
Employee benefits		**(13,074)**	(11,547)
Depreciation, amortisation and impairments		**(2,184)**	(1,371)
Marketing expenses		**(11,078)**	(11,347)
Operating expenses		**(11,792)**	(11,634)
Options expenses		**(10)**	(103)
Technology expenses		**(3,302)**	(2,437)
Administrative expenses		**(2,351)**	(1,004)
Finance costs		**(683)**	(82)
Directors' fees		**(248)**	(227)
Other expenses		**(894)**	(1,563)
Business acquisition costs	6	**(1,000)**	-
Profit Before Tax		**12,091**	11,324
Income tax expense		**(2,971)**	(2,272)
Profit for the period		**9,120**	9,052
Profit attributable to:			
Owners of the parent		**9,120**	9,173
Non-controlling interests		**-**	(121)
		9,120	9,052
Earnings per share:			
Basic (cents per share)		**11.49**	11.55
Diluted (cents per share)		**11.47**	11.49

Notes to the consolidated financial statements are included on pages 10-14

Consolidated statement of comprehensive income

For the half-year ended 31 December 2014

	Consolidated	
	Half-year ended	
	31-Dec-14 $ (000's)	31-Dec-13 $ (000's)
Profit for the period	**9,120**	9,052
Items that will not be reclassified subsequently to profit or loss		
Changes in the fair value of the profit and cross currency interest rate swap	**(981)**	-
Items that may be reclassified subsequently to profit or loss		
Exchange difference on translating foreign operations	**4,101**	304
Other comprehensive income for the period, net of income tax	**-**	-
Total comprehensive income for the period	**12,240**	9,356
Total comprehensive income attributable to:		
Owners of the parent	**12,240**	9,433
Non-controlling interests	**-**	(77)
	12,240	9,356

Notes to the consolidated income statements are included on pages 10-14

Webjet Limited
And Controlled Entities
Interim Report

Consolidated balance sheet

For the half-year ended 31 December 2014

		Consolidated	
		Half-year ended	
	Note	31-Dec-14 $ (000's)	30-Jun-14 $ (000's)
Current assets			
Cash and cash equivalents		57,523	51,792
Trade and other receivables		31,653	20,308
Current tax asset		-	1,881
Other assets		6,390	4,131
Total current assets		95,566	78,112
Non-current assets			
Investments in associates		161	175
Other financial assets		255	255
Property, plant and equipment		8,567	3,047
Deferred tax assets		4,767	4,800
Intangible assets		69,783	42,829
Total non-current assets		83,533	51,106
Total assets		179,099	129,218
Current liabilities			
Trade and other payables		55,714	43,266
Borrowings	4	4,000	-
Other financial liabilities		378	416
Current tax liabilities		2,901	1,544
Provisions		2,580	2,175
Other liabilities		1,875	1,712
Total current liabilities		67,448	49,113
Non-current liabilities			
Deferred tax liabilities		3,401	2,970
Borrowings	4	23,143	-
Provisions		317	288
Derivative financial instruments	5	1,158	-
Other liabilities		7,853	7,563
Total non-current liabilities		35,872	10,821
Total liabilities		103,320	59,934
Net assets		75,778	69,284
Equity			
Issued capital		40,179	40,179
Reserves		4,948	1,818
Retained earnings		30,651	27,287
Equity attributable to owners of the parent		75,778	69,284
Non-controlling interests		-	-
Total equity		75,778	69,284

Notes to the consolidated financial statements are included on pages 10-14

Consolidated statement of cash flow

For the half-year ended 31 December 2014

		Consolidated	
		Half-year ended	
	Note	**31-Dec-14 $ (000's)**	31-Dec-13 $ (000's)
Cash from operating activities			
Receipts from customers		71,265	60,683
Payments to suppliers and employees		(63,514)	(69,322)
Interest and other costs of finance paid		(683)	(82)
Interest received		516	424
Income tax paid		491	(2,889)
Net cash provided by/(used in) operating activities		8,074	(11,186)
Cash from investing activities			
Payments for property, plant and equipment		(764)	(1,409)
Payment for acquisition of subsidiary, net of cash acquired	6	(20,352)	-
Purchase of intangibles		(2,133)	(3,519)
Dividends received		50	50
Net cash used in investing activities		(23,198)	(4,878)
Cash flows from financing activities			
Payments for share buy-back			-
Payment for dividends		(5,756)	(5,558)
Proceeds from borrowings		27,143	-
Net cash provided by/(used in) financing activities		21,387	(5,558)
Net increase in cash and cash equivalents		6,263	(21,622)
Cash and cash equivalents at the beginning of the financial year		51,792	66,812
Effects of exchange rate changes on the balance of cash held in foreign currencies		(532)	231
Cash and cash equivalents at the end of the financial year		57,523	45,421

Notes to the consolidated financial statements are included on pages 10-14

Consolidated statement of changes in equity

For the half-year ended 31 December 2014

	Share capital	Equity-settled employee benefits reserve	AFS reserve	Cross Currency Interest Rate Swap Hedge Reserve	Foreign currency translation reserve	Retained earnings	Total attributable to owners of the parent	Non-controlling interests	Total
	$'000	$'000			$'000	$'000	$'000	$'000	$'000
Balance at 1 July 2013	40,179	465	-	-	1,522	18,645	60,811	(68)	60,743
									-
Profit for the year	-	-	-	-	-	9,173	9,173	(121)	9,052
Other comprehensive income for the year, net of income tax	-	-	-	-	260	-	260	44	304
Total comprehensive income for the year	-	-	-	-	260	9,173	9,433	(77)	9,356
Transactions with owners in their capacity as owners									
Difference arising on disposal of interest in a subsidiary	-	-	-	-	-	(76)	(76)	145	69
Recognition of share based payments	-	103	-	-	-	-	103	-	103
Payment of dividends	-	-	-	-	-	(5,558)	(5,558)	-	(5,558)
Sub-total	-	103	-	-	260	3,539	3,902	68	3,970
Balance at 31 December 2013	**40,179**	**568**	**-**	**-**	**1,782**	**22,184**	**64,713**	**-**	**64,713**
Balance at 1 July 2014	40,179	748	55	-	1,015	27,287	69,284	-	69,284
Profit for the year	-	-	-	-	-	9,120	9,120	-	9,120
Other comprehensive income for the year, net of income tax	-	-	-	(981)	4,101	-	3,120	-	3,120
Total comprehensive income for the year	-	-	-	(981)	4,101	9,120	12,240	-	12,240
Transactions with owners in their capacity as owners									
Difference arising on disposal of interest in a subsidiary	-	-	-	-	-	-	-	-	-
Recognition of share based payments	-	10	-	-	-	-	10	-	10
Payment of dividends	-	-	-	-	-	(5,756)	(5,756)	-	(5,756)
Sub-total	-	10	-	(981)	4,101	3,364	6,494	-	6,494
Balance at 31 December 2014	**40,179**	**758**	**55**	**(981)**	**5,116**	**30,651**	**75,778**	**-**	**75,778**

Notes to the consolidated financial statements are included on pages 10-14

Notes to the consolidated financial statements

For the half-year ended 31 December 2014

1 Basis of preparation of half-year report

This general purpose consolidated interim financial report for the half-year ended 31 December 2014 has been prepared in accordance with AASB 134 *Interim Financial Reporting* and the *Corporations Act 2001.*

The historical cost basis has been used, except for certain non-current assets and financial instruments that are measured at revalued amounts or fair values. The directors consider that the carrying amounts of financial assets and financial liabilities recognised in the consolidated financial statements approximate their fair values.

The consolidated interim financial report does not include notes of the type normally included in an annual financial report. Accordingly, this report is to be read in conjunction with the most recent annual financial report and any public announcements made by Webjet Limited during the interim reporting period in accordance with the continuous disclosure requirements of the Corporations Act 2001.

The accounting policies adopted are consistent with those of the previous financial year and corresponding interim reporting period.

New and revised Standards and amendments thereof and Interpretations effective for the current half-year that are relevant to the company include:

AASB 2012 – 3 'Amendments to Australian Accounting Standards – Offsetting Financial Assets and Financial Liabilities [AASB 132]'
AASB 2013-3 'Amendments to AASB 136 – Recoverable Amount Disclosures for Non-Financial Assets'
AASB 2013-4 'Amendments to Australian Accounting Standards – Novation of Derivatives and Continuation of Hedge Accounting [AASB 139]'
AASB 2013-5 - Amendments to Australian Accounting Standards – Investment Entities [AASB 1, AASB 3, AASB 7, AASB 10, AASB 12, AASB 107, AASB 112, AASB 124, AASB 127, AAB 132, AASB 134 & AASB 139]'
AASB 2013 – 7 - Amendments to AASB 1038 arising from AASB 10 in relation to Consolidation and Interests of Policyholders [AASB 1038]
AASB 2014-1 - Amendments to Australian Accounting Standards – Part A – Annual June 2014 Improvements 2010-2013 and 2011-2013 Cycles

The application of the above standards and amendments has had no material impact on the disclosures or on the amounts recognised in the consolidated interim financial report.

2 Segment information

(a) Description of segments

Management has determined the operating segments and the segment information disclosed based on reports reviewed by the Managing Director that are used to make strategic decisions.

The Managing Director considers that all members of the group provide the same service, being Travel Bookings. However there are two distinct classes of customer; consumers and business. The reportable segments of the Consolidated Entity are – Business to Consumer Travel (B2C Travel) and Business to Business Travel (B2B Travel).

2 Segment information (cont'd)

(b) Segment information provided to the Managing Director

The segment information provided to the Managing Director for the period ended 31 December 2014 and 31 December 2013 is as follows:

	Half- year ended					
	31-Dec-14			31-Dec-13		
	B2C Travel $'000	B2B Travel $'000	Total $'000	B2C Travel $'000	B2B Travel $'000	Total $'000
Revenues from external customers	44,700	11,292	55,992	48,592	1,441	50,033
Interest Revenue	557	9	566	474	-	474
Depreciation and amortization	(1,312)	(872)	(2,184)	(1,313)	(58)	(1,371)
Losses of associates	(41)	-	(41)	-	-	-
Profit/(loss) before tax	10,159	1,932	12,091	11,793	(469)	11,324
Income tax expense	(2,656)	(316)	(2,971)	(2,272)	-	(2,272)
Profit/(loss) after tax	7,504	1,616	9,120	9,521	(469)	9,052
						-
Total assets	117,300	61,799	179,099	102,305	9,968	112,273
						-
Total liabilities	46,377	56,943	103,320	34,805	12,755	47,560

There are no sales between segments. The revenue from external customers reported to the Managing Director is measured in a manner that is consistent with that in the consolidated income statement.

The amounts provided to the Managing Director with respect to total assets and total liabilities are measured in a manner that is consistent with that of the consolidated balance sheet.

(c) Other segment information

Webjet Limited is domiciled in Australia. For the purposes of this disclosure, revenue is determined by location of the customer and assets are allocated based on the legal entity ownership of the asset. The amount of revenue and non-current assets in Australia is as follows:

	Revenue		Non-Current Assets[1]	
	Half-year ended		Half-year ended	
	31-Dec-14 $'000	31-Dec-13 $'000	31-Dec-14 $'000	31-Dec-13 $'000
Australia	36,976	34,882	45,603	40,196
All other countries	19,016	15,151	37,930	4,091
	55,992	50,033	83,533	44,287

[1] Non-current assets excluding financial assets and deferred tax assets.

3 Dividends paid

	Half-year ended		Half-year ended	
	31-Dec-14	31-Dec-14	31-Dec-13	31-Dec-13
	Cents per share	$'000	Cents per share	$'000
Fully paid ordinary shares				
Dividends paid	7.25	5,756	7.00	5,558

4 Borrowings

During the half year, the Group obtained a new unsecured long term bank loan amounting to $27,150,000. The loan bears interest at variable market rates and is carried at amortised cost over a 3 year maturity. The proceeds from the loan were used to fund the SunHotels acquisition. The first $2,000,000 bi-annually scheduled repayment is due on 15 January 2015.

As at 31 December 2014, the contractual maturities of the group's borrowings were as follows:

Contractual maturities of financial liabilities at 31 December 2014	Less than 6 months	6-12 months	Between 1 and 2 years	Between 2 and 5 years	Over 5 years	Total contractual cash flows	Carrying amounts of assets/ (liabilities)
	$000's	$000's	$000's	$000's	$000's	$000's	$000's
Non-derivatives							
Borrowings	(3,023)	(2,511)	(5,402)	(19,742)	-	(30,679)	(27,143)

The new loan agreement also enforces the following covenants:

a. Operating leverage ratio must not exceed from loan 2.5:1 to 29 June 2015
b. Operating leverage ratio must not exceed 2.25:1 for the period 30 June 2015 until 29 June 2016
c. Operating leverage ratio must exceed 2:1 from 30 June 2016
d. Interest cover ratio must not be lower than 4:1 for the term of the loan

The group complied with these ratios throughout the reporting period.

5 Fair values of financial instruments

Webjet entered into a cross currency interest rate swap on 24 September 2014. This derivative is applied as a hedge against the translated net assets of the SunHotels investment. The cross currency interest rate swap is carried at fair value in the consolidated financial statements of Webjet Limited with gains and losses recognised in equity to the extent the hedge is effective. Any hedge ineffectiveness is recognised in profit and loss.

a. Recurring fair value adjustments

The following financial instruments are subject to recurring fair value measurements:

	Half-year ended	
	31-Dec-14	31-Dec-13
	$ 000's	$ 000's
Derivative liabilities		
Cross currency interest rate swap[1]	1,158	-

1. Webjet has entered cross interest rate swap to minimise foreign exchange rate risk arising from the SunHotels loan and investment. This derivative satisfies the requirements for hedge accounting.

b. Fair value hierarchy

AASB 13 Fair Value Measurement requires disclosure of fair value measurements by level in the fair value measurement hierarchy as follows:

- Level 1 - the instrument has quoted prices (unadjusted) in active markets for identical assets or liabilities
- Level 2 - a valuation technique is used using inputs other than quoted prices within level 1 that are observable for the financial instrument, either directly (i.e. as prices), or indirectly (i.e. derived from prices)
- Level 3 - a valuation technique is used using inputs that are not observable based on observable market data (unobservable inputs).

The valuation technique adopted to determine the fair value of this cross currency interest rate swap is discounted cash flow method. The fair value of this derivative is calculated as the present value of the estimated future cash flows based on observable yield curves. Hence this derivative falls within Level 2 of the fair value hierarchy.

6 Business Combinations

During the half year, Webjet Limited acquired 100% of SunHotels Group. SunHotels, established in 2002, is a substantial online hotel provider specialises in the provisioning of a wide range of hotels and transfers in open resort destinations selling into the major markets of Scandinavia and the UK. As such this acquisition will form an important cornerstone platform for the immediate extension of product sourcing and distribution opportunities underpinned by a fully owned and scalable technology platform which has been operational for over five years.

Goodwill has arisen from synergies expected to be achieved from the acquisition which include the utilization of the SunHotels proprietary software to operate the Groups' B2B business, and a trained and assembled workforce which does not meet the definition of a separately identifiable intangible asset.

None of the goodwill is expected to be deducted for tax purposes. At the end of the half year, the provisional balance is $10.38m. As at the date of this report, the deferred tax liabilities on the fair value adjustments is also provisional.

Acquisition was effective from 1 July 2014 for €19m. Details of the net assets acquired, goodwill and purchase consideration are as follows:

SunHotels	**Fair value 1-Jul-14 AUD $000s**
Property, plant and equipment	5,136
Intangible Assets	12,746
Investments	58
Trade receivables	24,480
Cash and cash equivalents	5,618
Other receivables	1,789
Other assets	4,676
Net debt	(119)
Trade and other payables	(14,309)
Tax liabilities	(614)
Other liabilities	(23,876)
Net identifiable assets and liabilities	**15,585**
Goodwill on acquisition	10,383
Net assets acquired	**25,970**
Purchase consideration comprises:	
Cash paid	27,143
Purchase price adjustment	(1,173)
Total purchase consideration	**25,970**

a. Revenue and profit contribution

From the date of acquisition, SunHotels Group has contributed $7.3m to revenue and $1.8m to the net profit of the group.

b. Business acquisition costs

Legal fees, advisory costs, stamp duties and other acquisition-related costs of $999,310 have been included in the profit or loss.

c. Purchase price adjustment

The purchase price of $27,142,857 was subject to an agreed surplus cash net working capital calculation. According to this calculation, the purchase price was reduced by $1,173,186 and working capital increased by $894,180.

d. Acquired receivables

Identifiable assets acquired include trade and other receivables with a gross contractual and fair value of $24.5m. All amounts are expected to be collected.

e. Contingent liabilities

There are no contingent assets or liabilities requiring disclosure at the date of this report.

f. Provisional accounting

At the time the financial statements were authorised for issue, the group had not yet completed the accounting for the acquisition of SunHotels, accordingly the group has applied provisional accounting in the determination of the fair value of assets and liabilities acquired.

7 Contingent assets and liabilities

There are no contingent assets or liabilities requiring disclosure at the date of this report.

8 Events after the reporting period

On 18 February 2015, the directors declared an interim dividend of 6.25 cents per share fully franked totalling $4.96m to be paid to shareholders on 15 April 2015.

Directors' Declaration

The directors declare that:

(a) in the directors opinion, there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable; and

(b) in the directors' opinion, the attached financial statements and notes thereto are in accordance with the *Corporations Act 2001*, including compliance with accounting standards and giving a true and fair view of the consolidated entity's financial position as at 31 December 2014 and of its performance for the half-year ended on that date.

Signed in accordance with a resolution of the directors made pursuant to s.303 (5) of the *Corporations Act 2001*.

On behalf of the Directors

David Clarke
Chairman

Date: 18 February 2015

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DECLARATION OF INDEPENDENCE
BY MICHAEL HAYDON
TO THE DIRECTORS OF WEBJET LIMITED

As lead auditor for the review of Webjet Limited for the half-year ended 31 December 2014, I declare that, to the best of my knowledge and belief, there have been:

1. No contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the review; and
2. No contraventions of any applicable code of professional conduct in relation to the review.

This declaration is in respect of Webjet Limited and the entities it controlled during the period.

Michael Haydon
Director

BDO Audit (SA) Pty Ltd

Adelaide, 17 February 2015

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INDEPENDENT AUDITOR'S REVIEW REPORT
TO THE MEMBERS OF WEBJET LIMITED

Report on the Half-Year Financial Report

We have reviewed the accompanying half-year financial report of Webjet Limited, which comprises the consolidated balance sheet as at 31 December 2014, the consolidated income statement, consolidated statement of comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the half-year ended on that date, notes comprising a statement of accounting policies and other explanatory information, and the directors' declaration of the consolidated entity comprising the company and the entities it controlled at the half-year's end or from time to time during the half-year.

Directors' Responsibility for the Half-Year Financial Report

The directors of the company are responsible for the preparation of the half-year financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the half-year financial report that is free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express a conclusion on the half-year financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the *Corporations Act 2001* including: giving a true and fair view of the consolidated entity's financial position as at 31 December 2014 and its performance for the half-year ended on that date; and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*. As the auditor of Webjet Limited, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Independence

In conducting our review, we have complied with the independence requirements of the *Corporations Act 2001*. We confirm that the independence declaration required by the *Corporations Act 2001*, which has been given to the directors of Webjet Limited, would be in the same terms if given to the directors as at the time of this auditor's review report.

Conclusion

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the half-year financial report of Webjet Limited is not in accordance with the *Corporations Act 2001* including:

(a) giving a true and fair view of the consolidated entity's financial position as at 31 December 2014 and of its performance for the half-year ended on that date; and

(b) complying with Accounting Standard AASB 134 *Interim Financial Reporting* and *Corporations Regulations 2001*

BDO

BDO Audit (SA) Pty Ltd

Michael Haydon
Director

Adelaide, 18 February 2015