



6 June 2016

WEBJET ANNOUNCES ACQUISITION OF ONLINE REPUBLIC AND CAPITAL RAISING

Key highlights

- Acquisition of Online Republic, a market leading B2C business based in New Zealand with over NZ\$200 million in total transaction value
- Leverages Webjet's core capabilities into the attractive online car rental, motorhome and cruise segments
- Acquisition price of 7.0x FY16 pro-forma EBITDA¹ and estimated to be double-digit EPS accretive in FY16 on a pro-forma basis², before accounting for synergies
- Senior management of Online Republic to be retained, with vendors to receive Webjet shares for 22% of the purchase price
- Online Republic's earnings growth expected to be consistent with Webjet's B2C EBITDA CAGR target, enhanced over time with the benefit of Webjet's distribution and synergies

Webjet today announced it has entered into a binding agreement to acquire the Online Republic group of companies ("**Online Republic**") ("**Acquisition**"). The Acquisition will be funded by a fully underwritten accelerated non-renounceable entitlement offer ("**Entitlement Offer**") and an issue of new Webjet shares to the vendors ("**Vendor Share Placement**").

Acquisition

Online Republic is a market leading global online e-commerce group based in New Zealand. It specialises in online bookings of rental cars, motorhomes and cruises, together with an internally-developed search engine optimisation and digital marketing business. Online Republic has market leading positions in each of its core segments, with a #1 position globally in online motorhome rental bookings, a #1 position across Australia and New Zealand for online

¹ Based on pro-forma EBITDA for the 12 months to 31 March 2016, as set out in the unaudited Online Republic management accounts, adjusted by Webjet based on their due diligence.

² Based on the 12 months to 30 June 2016 for Webjet and the 12 months to 31 March 2016 for Online Republic. Calculation before amortisation of intangibles related to the acquisition and one-off transaction costs.

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cruise bookings, and #2 for online car rental bookings across Australia and New Zealand³.

Webjet's Managing Director, John Guscic said: *"The acquisition of Online Republic represents a unique opportunity to leverage Webjet's core capabilities into the attractive online car rental, cruise and motorhome segments.*

Online Republic is highly complementary to Webjet's existing portfolio, enabling our business to further expand its offering in car rental and cruise and enter the high growth motorhome rental market.

In addition, bringing Online Republic under our broader Webjet banner will provide the opportunity to accelerate growth of the brands globally. We see significant opportunities in applying the benefit of our marketing and branding expertise, together with our scale, to drive market share gains across Online Republic's respective segments.

This is an exciting opportunity for Webjet, enabling us to broaden our product offering and deepen our footprint, enhancing our proposition for our customers."

For the 12 months ended 31 March 2016, Online Republic generated total transaction value of NZ\$229 million, revenue of NZ\$40 million and pro-forma EBITDA of NZ\$12 million, with over 90% of bookings generated outside of New Zealand⁴. The Acquisition purchase price is NZ\$85 million to be paid in cash and new Webjet shares. The purchase price represents 7.0 times pro-forma FY2016 EBITDA⁴ and the Acquisition is estimated to be double-digit EPS accretive on a FY2016 pro-forma basis⁵, before accounting for synergies.

The cash consideration of the Acquisition will be funded via a fully underwritten Entitlement Offer to eligible Webjet shareholders. In addition, approximately 2.8 million new Webjet shares will be issued to the Online Republic vendors at an issue price of A\$6.21 per share, representing 22% of the purchase price. The shares issued under the Vendor Share Placement will represent approximately 3% of Webjet's issued capital after completion of the Entitlement Offer and will be subject to escrow for a period of 15 months⁶.

Entitlement Offer

The Entitlement Offer is a fully underwritten pro rata accelerated non-renounceable entitlement offer with a retail over-subscription facility, to raise approximately A\$72 million.

Under the Entitlement Offer, eligible shareholders are invited to subscribe for 1 new Webjet share for every 6.25 existing Webjet shares ("**Entitlement**") held as at 7:00pm (Sydney time) on Wednesday, 8 June 2016 ("**Record Date**").

The offer price of A\$5.60 per new share represents a 10% discount to the theoretical ex-rights price of A\$6.21 on 3 June 2016⁷.

³ Online Republic management estimates based on booking numbers for online travel agents that operate only online.

⁴ Based on pro-forma EBITDA for the 12 months to 31 March 2016, as set out in the unaudited Online Republic management accounts, adjusted by Webjet based on their due diligence.

⁵ Based on the 12 months to 30 June 2016 for Webjet and the 12 months to 31 March 2016 for Online Republic. Calculation before amortisation of intangibles related to the acquisition and one-off transaction costs.

⁶ Of the 2.8 million shares issued under the Vendor Share Placement, 0.2 million shares will not be subject to escrow restrictions. Shares escrowed are subject to early release to allow a compulsory acquisition following a takeover offer or pursuant to a court ordered scheme of arrangement.

⁷ 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\$6.31 on 3 June 2016.

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Approximately 12.9 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 Monday, 6 June 2016 and tomorrow, Tuesday, 7 June 2016.

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 eligible institutional shareholders who apply for new shares in excess of their Entitlement, as well as to certain other eligible institutional investors who bid into the institutional bookbuild being conducted 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 Tuesday 14 June and close at 5:00pm on Friday, 24 June. Eligible retail shareholders may also apply for additional new shares in excess of their Entitlement up to a maximum of 100% of their Entitlement. Applications in the retail over-subscription facility will be scaled back to the extent that applications exceed the retail shortfall.

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 Tuesday 14 June.

Entitlements cannot be traded on the ASX or transferred. Eligible shareholders who do not take 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	Monday 6 June
Institutional Entitlement Offer and institutional bookbuild closes	Tuesday 7 June
Trading halt lifted and announcement of results of Institutional Entitlement Offer	Wednesday 8 June
Record date for determining Entitlements to subscribe for new shares under the Entitlement Offer	Wednesday 8 June (7:00pm)
Retail offer booklet despatched and Retail Entitlement Offer opens	Tuesday 14 June
Settlement of Institutional Entitlement Offer	Wednesday 15 June
Allotment and normal trading of new shares under the Institutional Entitlement Offer	Thursday 16 June
Settlement of Vendor Share Placement	Tuesday 21 June
Retail Entitlement Offer closes	5:00pm Friday 24 June
Allotment of new shares under the Retail Entitlement Offer	Friday 1 July
Quotation and normal trading of new shares issued under the Retail Entitlement Offer	Monday 4 July
Despatch of holding statements	Tuesday 5 July

* All dates and times are indicative only and subject to change. Unless otherwise specified, all times and dates refer to Melbourne 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.



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Webjet – Australia's Multi Award Winning Online Travel Service
http://www.webjet.com.au/About_us/Awards.html

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 performance of its businesses and the acquisition of Online Republic. 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 C under "Key Risks" of the investor presentation entitled "Acquisition of Online Republic 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.

The information contained in this announcement does not constitute investment or financial product advice (nor taxation, accounting or legal advice), is not a recommendation to acquire Webjet shares and is not intended to be used or relied upon as the basis for making an investment decision. This announcement has been prepared without taking into account the investment objectives, financial position or needs of any individuals. Before making any investment decisions, prospective investors should consider the appropriateness of the information having regard to their own investment objectives, financial situation and needs and should seek legal, accounting and taxation advice appropriate to their jurisdiction. Webjet is not licensed to provide investment or financial product advice in respect of Webjet shares. Cooling off rights do not apply to the acquisition of Webjet shares pursuant to the Entitlement Offer.