



webjet limited

Webjet Limited

ABN 68 002 013 612

Interim Report

Half-Year Ended 31 December 2015

**Webjet Limited
And Controlled Entities
Interim Report**

Corporate Information

Directors

David Clarke (Non-Executive Chairman)
John Guscic (Managing Director)
Don Clarke (Non-Executive Deputy Chairman)
Steven Scheuer (Non-Executive Director)
Roger Sharp (Non-Executive Director)
Brad Holman (Non-Executive Director)

Registered Office	Share Registry
Level 2 509 St Kilda Road Melbourne Vic 3004 Phone: (03) 9820 9214 Email: webjet@webjet.com.au	Computershare Investor Services Pty Ltd Level 5 115 Grenfell Street Adelaide SA 5000 Phone: (08) 8236 2300

Principal Administrative Office	Company Secretary
Level 2 509 St Kilda Road Melbourne Vic 3004	Michael Sheehy Level 2 509 St Kilda Road Melbourne Vic 3004

Solicitors	Auditors
Minter Ellison 525 Collins Street Melbourne Vic 3001	BDO Level 7, BDO Centre 420 King William Street Adelaide SA 5000

Bankers	Internet Address
National Australia Bank Level 30, 500 Bourke Street Melbourne Vic 3000	www.webjet.com.au
HSBC Bank Australia Limited Level 32, 580 George Street Sydney NSW 2000	

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**Webjet Limited
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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 2015.

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 (Managing Director)

Don Clarke (Non-Executive Deputy Chairman)

Steven Scheuer (Non-Executive Director)

Roger Sharp (Non-Executive Director)

Brad Holman (Non-Executive Director)

Principal activities

The principal activity of the Consolidated Entity is the provision of online travel booking. The Consolidated Entity's business consists of a B2C division (comprising the Webjet and ZUJI brands) and a B2B division (comprising the Lots of Hotels and SunHotels brands).

Review of Operations

During the six month period, the company generated growth in total transaction value (TTV) of \$176 million from \$620 million to \$796 million, representing a 28% increase over the previous period comparative. By business segment, B2C TTV increased by \$111 million (22%) and B2B increased by \$65 million (53%).

Revenue for the six-month period increased by \$15.6 million to \$73.8 million, representing a 27% increase. The revenue margin expressed as a percentage of TTV at 9.3% was in line with expectations and the 9.4% previous period comparative. By business segment, the B2C revenue increased by \$10.1 million (22%) representing a 9.3% of TTV margin (1H 15: 9.3%) and B2B revenue increased by \$5.5m (47%) at 9.2% of TTV margin (1H 15: 9.6%).

The 27% increase in operating costs to \$55.6 million included B2B expansion costs of \$3 million. By business segment, operating costs for B2C increased by \$6.3 million (18%) to \$41.6 million (1H 15: \$35.3 million) and B2B increased by \$5.5 million (66%) to \$14.0 million (1H 15: \$8.5 million).

EBITDA increased by \$3.7 million to \$18.2 million, representing a 26% increase over the previous period comparative. By business segment, the B2C division's EBITDA increased by 34% to \$14.9 million and the EBITDA for B2B, which included expansion costs, was \$3.3m in line with the previous period comparative (1H 15: \$3.3 million).

Depreciation and amortisation increased by \$0.7 million to \$2.9 million (1H 15: \$2.2 million). By business segment, B2C increased by \$0.2 million to \$1.5 million and B2B increased by \$0.5 million to \$1.3 million.

Financing costs for 1H 16 were \$0.6 million (1H 15 \$0.7 million).

Profit before tax increased by \$3.4 million (28%) to \$15.5 million (1H 15: \$12.1 million). Tax expense includes \$836,274 that relates to the prior period. Excluding this prior period adjustment the tax expense for the 6-month period was \$3,995,160, representing 25.7% of the profit before tax (1H 15: 24.6%). Net profit after tax was \$10.7 million (1H 15: \$9.1 million).

The B2B expansion during the six month period led to a \$16.0 million increase in trade receivables and a \$4.8 million increase in trade payables. Cash and equivalents were \$69.6 million (1H 15: \$57.5 million). Client funds included in cash and equivalents were \$12.0 million (1H 15: \$15.0 million).

Directors' Report

Changes in state of affairs

There were no significant changes in the state of affairs of the Consolidated Entity during the financial six month period.

Future developments

Further information on likely developments in the operations of the Consolidated Entity and the expected results of those operations has not been included in this financial report because the directors believe it would be likely to result in unreasonable prejudice to the Consolidated Entity.

Subsequent events

There has not been any other matter or circumstance occurring subsequent to the end of the financial six month period that has significantly affected, or may significantly affect, the operations of the Consolidated Entity, the results of those operations, or the state of affairs of the Consolidated Entity in future financial six month periods.

Dividends

The final dividend for the six month period ended 30 June 2015 of \$0.0725 per share fully franked to 100% was paid on 15 October 2015. The total payment was \$5.87 million. An interim dividend for the six month period ended 31 December 2015 of \$0.065 per share fully franked totaling \$5.26 million, representing an increase of 0.25 cents compared to the interim dividend paid last year, has been declared by the directors for payment on 14 April 2016.

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, 17 February 2016

Consolidated income statement

For the half-year ended 31 December 2015

		Consolidated	
		Half-year ended	
	Note	31-Dec-15 \$ (000's)	31-Dec-14 \$ (000's)
Revenue		72,198	55,992
Investment income		807	566
Other gains and losses		1,579	2,190
		74,584	58,748
Share of associates losses		(20)	(41)
Employee benefits		(18,837)	(13,074)
Depreciation, amortisation and impairments		(2,875)	(2,184)
Marketing expenses		(12,987)	(11,078)
Operating expenses		(14,627)	(11,792)
Options expenses		(59)	(10)
Technology expenses		(4,048)	(3,302)
Administrative expenses		(2,253)	(2,351)
Finance costs		(560)	(683)
Directors' fees		(231)	(248)
Other expenses		(2,565)	(894)
Business acquisition costs	7	-	(1,000)
Profit before tax		15,522	12,091
Income tax expense	4	(4,831)	(2,971)
Profit for the period		10,691	9,120
Profit attributable to:			
Owners of the parent		10,691	9,120
Non-controlling interests		-	-
		10,691	9,120
Earnings per share:			
Basic (cents per share)		13.24	11.49
Diluted (cents per share)		13.21	11.47

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

Consolidated statement of comprehensive income

For the half-year ended 31 December 2015

	Consolidated	
	Half-year ended	
	31-Dec-15	31-Dec-14
	\$ (000's)	\$ (000's)
Profit for the period	10,691	9,120
<i>Items that may be reclassified subsequently to profit or loss</i>		
Exchange difference on translating foreign operations	743	4,101
Changes in the fair value of derivatives	(1,114)	(981)
Other comprehensive income for the period, net of income tax	-	-
Total comprehensive income for the period	10,320	12,240
Total comprehensive income attributable to:		
Owners of the parent	10,320	12,240
Non-controlling interests	-	-
	10,320	12,240

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

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Consolidated balance sheet

For the half-year ended 31 December 2015

	Consolidated	
	31-Dec-15 \$ (000's)	30-Jun-15 \$ (000's)
Current assets		
Cash and cash equivalents	69,550	76,230
Trade and other receivables	50,724	34,764
Derivative financial assets	-	309
Other assets	3,797	6,426
Total current assets	124,071	117,729
Non-current assets		
Other receivables	6 1,464	-
Investments in associates	90	104
Other financial assets	265	265
Property, plant and equipment	8,813	8,087
Deferred tax assets	4,258	4,421
Intangible assets	74,438	72,214
Total non-current assets	89,328	85,091
Total assets	213,399	202,820
Current liabilities		
Trade and other payables	78,021	73,199
Borrowings	4,000	4,000
Derivative financial liabilities	5 25	-
Current tax liabilities	4,782	4,065
Provisions	4,084	4,101
Other liabilities	2,564	2,213
Total current liabilities	93,476	87,578
Non-current liabilities		
Deferred tax liabilities	3,277	1,989
Borrowings	19,143	21,143
Provisions	324	354
Derivative financial liabilities	5 1,074	466
Other liabilities	7,586	8,835
Total non-current liabilities	31,404	32,787
Total liabilities	124,880	120,365
Net assets	88,519	82,455
Equity		
Issued capital	44,329	42,779
Reserves	5,358	5,670
Retained earnings	38,832	34,006
Equity attributable to owners of the parent	88,519	82,455
Non-controlling interests	-	-
Total equity	88,519	82,455

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

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Consolidated statement of cash flow

For the half-year ended 31 December 2015

		Consolidated	
		Half-year ended	
	Note	31-Dec-15 \$ (000's)	31-Dec-14 \$ (000's)
Cash from operating activities			
Receipts from customers		224,474	177,598
Payments to suppliers and employees		(215,702)	(169,844)
Net outflows from financial instruments		(152)	-
Interest and other costs of finance paid		(732)	(683)
Interest received		807	516
Income tax (paid) / refund		(2,663)	491
Net cash provided by / (used in) operating activities		6,032	8,074
Cash from investing activities			
Payments for property, plant and equipment		(663)	(764)
Purchase of intangibles		(3,557)	(2,132)
Payment for acquisition of subsidiary, net of cash acquired	7	-	(20,352)
Dividends received		-	50
Net cash used in investing activities		(4,220)	(23,198)
Cash flows from financing activities			
Payment for dividends		(5,865)	(5,756)
Payments for borrowings		(2,000)	-
Proceeds from borrowings		-	27,143
Advances for related party loans		(1,464)	-
Proceeds from the issue of equity instruments of the Company		1,550	-
Net cash provided by / (used in) financing activities		(7,779)	21,387
Net (decrease) / increase in cash and cash equivalents		(5,967)	6,263
Cash and cash equivalents at the beginning of the financial year		76,230	51,792
Effects of exchange rate changes on the balance of cash held in foreign currencies		(713)	(532)
Cash and cash equivalents at the end of the financial year		69,550	57,523

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

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Consolidated statement of changes in equity

For the half-year ended 31 December 2015

	Share capital	Equity-settled employee benefits reserve	AFS reserve	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 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
Balance at 1 July 2015	42,779	862	55	15	4,738	34,006	82,455	-	82,455
Profit for the year	-	-	-	-	-	10,691	10,691	-	10,691
Other comprehensive income for the year, net of income tax	-	-	-	(1,114)	743	-	(371)	-	(371)
Total comprehensive income for the year	-	-	-	(1,114)	743	10,691	10,320	-	10,320
Transactions with owners in their capacity as owners									
Issue of share capital	1,550	-	-	-	-	-	1,550	-	1,550
Recognition of share based payments	-	59	-	-	-	-	59	-	59
Payment of dividends	-	-	-	-	-	(5,865)	(5,865)	-	(5,865)
Sub-total	1,550	59	-	(1,114)	743	4,826	6,064	-	6,064
Balance at 31 December 2015	44,329	921	55	(1,099)	5,481	38,832	88,519	-	88,519

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 2015

1 Basis of preparation of half-year report

This general purpose consolidated interim financial report for the half-year ended 31 December 2015 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, unless otherwise stated.

Presentation of operating cash flows

In the consolidated statement of cash flows, receipts from customers and payments to suppliers are presented on a gross basis for the B2B business and on a net basis for the B2C business, representative of the flow of funds in the day to day operations. Refer to note 2 (a) below for description of segments.

Critical accounting judgement – net investment in foreign operation

For the purpose of determining whether the intercompany loans between entities within the Webjet Group in multiple currencies meet the criteria as part of the net investment in foreign operations as set out in AASB 121 'The effect of Changes in Foreign Exchange Rate', the directors have reviewed the Group's intercompany loan portfolios and have confirmed the settlement of various loans are neither planned nor likely to occur in the foreseeable future. Whilst the borrowing and lending parties remain wholly owned subsidiaries of the Webjet Group, there is no intention of the parties to either 'call upon' or 'repay' these loans and it is reasonably expected that these loans will be renewed at maturity. The designation of intercompany loans as part of the net investment in foreign operations is effective from 1 July 2015. As a result, the Group has recognised the exchange differences arising on the translation of the loans in other comprehensive income for the purpose of presenting the consolidated financial statements.

New, revised or amending Accounting Standards and Interpretations adopted

The consolidated entity has adopted all of the new, revised or amending Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') that are mandatory for the current reporting period.

Any new, revised or amending Accounting Standards or Interpretations that are not yet mandatory have not been early adopted.

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).

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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 2015 and 31 December 2014 is as follows:

	Half- year ended					
	31-Dec-15			31-Dec-14		
	B2C Travel \$'000	B2B Travel \$'000	Total \$'000	B2C Travel \$'000	B2B Travel \$'000	Total \$'000
Revenues from external customers	55,221	16,977	72,198	44,700	11,292	55,992
Interest revenue	775	32	807	557	9	566
Depreciation and amortisation	(1,539)	(1,336)	(2,875)	(1,312)	(872)	(2,184)
Losses of associates	(20)	-	(20)	(41)	-	(41)
Profit/(loss) before tax	13,737	1,785	15,522	10,159	1,932	12,091
Income tax expense	(4,537)	(294)	(4,831)	(2,656)	(316)	(2,971)
Profit/(loss) after tax	9,200	1,491	10,691	7,504	1,616	9,120
Total assets	125,853	87,546	213,399	117,300	61,799	179,099
Total liabilities	60,032	64,848	124,880	46,377	56,943	103,320

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-15 \$'000	31-Dec-14 \$'000	31-Dec-15 \$'000	31-Dec-14 \$'000
Australia	43,417	36,976	45,674	45,603
All other countries	28,781	19,016	39,131	37,930
	72,198	55,992	84,805	83,533

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

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3 Dividends paid

	Half-year ended		Half-year ended	
	31-Dec-15 Cents per share	31-Dec-15 \$'000	31-Dec-14 Cents per share	31-Dec-14 \$'000
Fully paid ordinary shares				
Dividends paid	7.25	5,865	7.25	5,756

4 Income taxes

a. Income tax expense

	Half-year ended	
	31-Dec-15 \$'000	31-Dec-14 \$'000
Current tax	3,882	3,029
Adjustments for current tax of prior periods	(57)	(345)
Total current income tax expense	3,825	2,684
Deferred tax	113	13
Adjustments for deferred tax of prior periods	893	274
Total deferred income tax expense	1,006	287
Total income tax expense recognised in the current year	4,831	2,971

b. Reconciliation of income tax expense with prima facie tax payable on the pre-tax accounting profit

	Half-year ended	
	31-Dec-15 \$'000	31-Dec-14 \$'000
Profit before income tax	15,522	12,091
Income tax expense calculated at 30% (2014: 30%)	4,657	3,627
Effect of income/expenses that are not assessable/deductible in determining taxable profit	76	31
Effect of R&D tax incentives	(152)	(233)
Effect of deferred tax expense relating to the origination and reversal of temporary differences	1,006	287
Utilisation of tax losses	(291)	-
Effect of utilised franking credits	-	(15)
Differences in overseas tax rates	(262)	(334)
Over/under provision in prior periods	(57)	(345)
Other	(146)	(47)
Total income tax expense recognised in the current year	4,831	2,971

Tax expense includes \$836,274 that relates to the prior period including over provision of current tax of \$57,296 and changes to the estimate of deferred taxes arising from the origination and reversal of temporary differences of \$893,750. Excluding this amount the tax expense for the 6-month period was \$3,995,160, representing an effective tax rate of 25.7% of the profit before tax (2014: 24.6%).

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5 Fair values of financial instruments

Webjet entered into a cross currency interest rate swap on 24 September 2014. This derivative was applied as a hedge against the translated net assets of the SunHotels investment. Foreign exchange contracts are entered into to manage foreign exchange rate risk on net working capital exposures relating to the SunHotels and Lots of Hotels businesses.

The cross currency interest rate swap and foreign exchange contracts are 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:

Derivative liabilities

Cross currency interest rate swap
Foreign exchange contracts
Total financial instruments

Half-year ended	
31-Dec-15	31-Dec-14
\$'000	\$'000
1,074	1,158
25	-
1,099	1,158

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).

Cross currency interest rate swap

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.

Foreign exchange contracts

These contracts are fair valued by comparing the contracted rate to the current market rate for a contract with the same remaining period to maturity at reporting date.

Both derivatives are classified as Level 2 of the fair value hierarchy.

6 Equity securities issued

Issue of ordinary shares

Exercise of options under the Employee Option Plan

Half-year ended		Half-year ended	
31-Dec-15	31-Dec-14	31-Dec-15	31-Dec-14
No. of shares	No. of shares	\$'000	\$'000
500,000	-	1,550	-

500,000 options were exercised by John Guscic on the 28 August 2015 at an exercise price of \$3.10. A limited recourse loan of \$1,500,000 was granted by the Company to John Guscic to finance the exercise of options. As at 31 December 2015, the outstanding balance of the loan was \$1,464,000.

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7 Business Combinations

On 1 July 2014, Webjet Limited acquired 100% of SunHotels Group. Details of this business combination, including net asset acquired, goodwill and purchase consideration were disclosed in note 34 of the group's annual financial statements for the year ended 30 June 2015.

8 Contingent assets and liabilities

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

9 Events after the reporting period

The directors declared an interim dividend of 6.50 cents per share fully franked totalling \$5.26m to be paid to shareholders on 14 April 2016.

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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 2015 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: 17 February 2016

**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 2015, 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 2016

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 2015, 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 2015 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 2015 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 Audit (SA) Pty Ltd



Michael Haydon
Director

Adelaide, 17 February 2016