ORD MINNETT

Company Review

Ord Minnett Research | Tuesday, April 17, 2007

Webjet Limited

3Q Result, regaining momentum

- WEB reported solid 3Q results which highlighted the inevitable volatility of quarterly reporting, which will in future cease to be replaced by the standard half yearly reporting environment
- The 3Q result exhibited a continuation of strong growth at the TTV line, a seasonal rebound in margins and relatively contained operating costs
- .WEB have finally announced details of an upcoming buy-back programme that will cancel ~42m shares, increase FY08 EPS by ~9% and utilise ~$13m in cash. A prudent cash reserve remains in place
- The two pronged approach of both selective buy-back of GIW Holdings' stake and an on-market by back for the balance is considered a smart move and has been well received by the market
- A future 4 for 1 share consolidation, an expectation of better market management and results communication, and a statement of future dividend pay out ratio policy are all positive developments that should improve market sentiment over time
- Adjusting for the impact of the buy-back, reduces FY08 interest revenue and forecast reported NPAT by 6% to $6.1m. Adjusting for the buy-back and more favourable working capital flows improves OML's DCF valuation by ~15% to $0.45. The implied multiple is only 21x
- OML is again comfortable with management's stewardship of WEB and its exciting prospects. **OML upgrades WEB to ACCUMULATE**

Key Financials

Year-end June (A$)	FY05	FY06	FY07F	FY08F
TTV ($m)	76.7	172.3	256.8	384.6
Revenue ($m)	5.2	10.5	14.7	21.7
EBITDA ($m)	1.1	3.4	3.8	7.8
Enterprise Value / EBITDA (x)	108.1	27.9	24.9	12.2
Normalised NPAT ($m)	3.1	2.6	3.8	6.4
Normalised EPS (cps)	1.3	0.9	1.1	2.1
Normalised EPS Growth (%)	0.0	36.2	15.4	93.5
Normalised PER (x)	11.3	36.6	31.7	16.4
OCFPS (¢)	1.5	1.3	1.6	2.5
P/OCFPS (x)	11.3	23.5	21.9	14.2
DPS (¢)	0.0	0.0	0.5	1.4

Source: Iress, Company, Ord Minnett Estimates

Note: all share price data as at 17 April 2007

ASX A$0.35

Recommendation
Accumulate

Risk Assessment
Medium

Consumer Services / Travel

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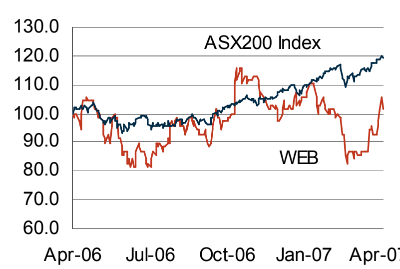
Webjet Limited

ASX Code	WEB
52 week range	A$0.265 - A$0.485
Market Cap	A$112m
Shares Outstanding	324.3m
Av Turnover (3 month)	A$25.5m (US$34.0)
NTA FY05 (cps)	n/a
Net Debt FY06 (m)	-A$25m

Relative price performance



Source: Iress

3Q Result – as expected

WEB reported a solid 3Q07 result producing NPAT of $1.1m and $2.6m on a 9 month YTD basis. This result was driven by a ~47% increase in TTV for 3Q07 and 50% for the 9 months YTD.

Operating Revenue (excl. interest) margins staged an expected recovery in 3Q07 to 5.8% bringing the YTD total to 5.7%. Revenue growth of ~28% for 3Q07 and 36% YTD reflects the declining margin environment WEB is transitioning out of, since QAN announced progressive commission rate cuts. WEB have achieved these results in the context of significant change in the industry including revenue structures, ownership and strategic directional changes.

As the international, hotel, car and insurance business continues to grow within the overall TTV mix, OML expects revenue margins to stabilise. It is feasible they will increase if the overall mix begins to prevail over the domestic business, but OML is not forecasting this presently.

Whilst WEB is growing TTV at ~50% at the group level, each of the new businesses are in fact growing, albeit off a low basis, at multiples of the underlying growth rate.

Table 1: Quarterly Result

	3Q05 $m	3Q06 $m	3Q07 $m	% change
TTV	23.4	45.5	67.0	**47.3%**
Operating Revenue	1.6	3.0	3.9	**27.9%**
Total Revenue	1.6	3.1	4.3	**38.7%**
EBITDA	0.6	1.1	1.1	**-0.4%**
NPBT	0.6	1.0	1.6	**61.0%**
NPAT	0.5	0.7	1.1	**61.1%**

Source: WEB, OML

Table 2: Quarterly Result Time Series – For the Last Time!

	1Q05 $m	2Q05 $m	3Q05 $m	4Q05 $m	1Q06 $m	2Q06 $m	3Q06 $m	4Q06 $m	1Q07 $m	2Q07 $m	3Q07 $m	3Q07 YTD $m
TTV	**11.9**	**17.6**	**23.4**	**23.6**	**39.5**	**37.4**	**45.5**	**49.3**	**60.2**	**56.7**	**67.0**	**183.9**
Operating Revenue (excl. interest)	0.8	1.2	1.6	1.7	2.6	2.1	3.0	3.1	4.2	2.4	3.9	**10.5**
EBITDA	0.1	0.3	0.6	0.7	1.0	0.6	1.1	0.7	0.8	0.5	1.1	**2.3**
NPBT	0.1	0.3	0.6	0.6	1.0	0.6	1.0	1.0	1.1	0.8	1.6	**3.5**
NPAT	0.0	0.3	0.5	0.5	0.7	0.3	0.7	0.7	0.8	0.7	1.1	**2.6**
Total Operating Cost	**0.7**	**0.9**	**1.0**	**0.9**	**1.5**	**1.5**	**2.0**	**2.4**	**3.4**	**1.9**	**2.8**	**8.1**
Qtr on Qtr growth rates		**47.9%**	**33.0%**	**0.9%**	**67.4%**	**-5.3%**	**21.7%**	**8.4%**	**22.1%**	**-5.8%**	**18.2%**	
Income Margin	**6.5%**	**7.0%**	**7.0%**	**7.0%**	**6.5%**	**5.6%**	**6.7%**	**6.3%**	**6.9%**	**4.3%**	**5.8%**	**5.7%**
Cost / TTV	**5.7%**	**5.1%**	**4.4%**	**3.9%**	**3.9%**	**4.1%**	**4.3%**	**4.9%**	**5.6%**	**3.4%**	**4.2%**	**4.4%**
EBITDA / TTV	**0.8%**	**1.9%**	**2.6%**	**3.1%**	**2.6%**	**1.6%**	**2.4%**	**1.4%**	**1.3%**	**0.9%**	**1.6%**	**1.3%**
NPBT / TTV	**0.8%**	**1.4%**	**2.4%**	**2.4%**	**2.4%**	**1.6%**	**2.2%**	**2.0%**	**1.8%**	**1.5%**	**2.4%**	**1.9%**
NPAT / TTV	**0.0%**	**1.9%**	**2.2%**	**2.2%**	**1.7%**	**0.9%**	**1.5%**	**1.4%**	**1.3%**	**1.3%**	**1.7%**	**1.4%**
EBITDA Margin	**11.6%**	**27.6%**	**37.2%**	**44.2%**	**40.7%**	**27.4%**	**35.8%**	**22.3%**	**18.3%**	**20.7%**	**27.8%**	**22.4%**

Source: WEB, OML – historical revenue and NPAT numbers are calculated by OML where not provided directly by WEB, FY05 results have not been adjusted for IFRS

WEB have announced that this result will be the last time they report on a quarterly basis. This is due to the volatile nature of quarterly performance. Moving to half year reporting signals a maturing of WEB and its comfort with future prospects. OML has presented its view of the historical quarterly results, including releases from WEB and deductions from OML where necessary.

The table above highlights the difference interest revenue makes between EBITDA and pre-tax profit and that EBITDA margins have been declining as management invest in broadening the product range. While marekting costs are set to remain at 2% of TTV, management are anticipating a revenue kicker over the medium term, should the range of new product releases build sufficient scale to achieve profit margins typical of an internet based enterprise.

Durign the period, WEB concluded discussions with the Harvey World Group (currently art of MFS) to terminate the buying group arrangements that will see WEB negotiate with key airlines directly from July 2007. Whilst this initiative will see some direct processing cost increase, the net result should see a slight increase in revenue margins in the short term.

Capital Management – positive developments

In line with recent statements by management and encouraged several times by OML over the last ten months, WEB has initiated a share buy-back that will reduce total shares on issue by ~13% and utilise ~$13m of WEB's $27.6m in current cash reserves.

The buy-back will take two forms:

- A selective off-market buy-back of 27.3m shares currently owned by GIW Holdings CV (GIW) accounting for 8.4% of shares on issue. This will cost ~$8m
- an on-market buy-back of 14,8m shares at a cost of ~$5m

The selective off-market buy-back will be priced at the lessor of 90% of the 30 day VWAP preceding the shareholder resolution, and 32 cps. A general meeting to approve the buy-back will be held on 7/6/07

The on-market buy-back will last for a period of up to 12 months and commence from around 10/6/07

On an FY08 basis, the buy-back should generate an EPS uplift of ~9%.

At 30/6/07, WEB expects to have $29m in cash before the buy-back. The buy-back will leave WEB with ~$16m, whereas operating costs are ~$11m pa before this year's dividend that may consume ~$1.5m, leaving ~$3.5m in surplus cash.

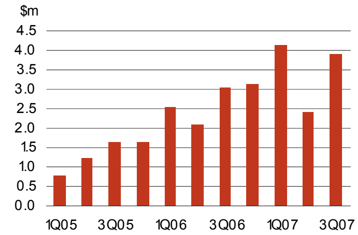
OML is comfortable in WEB management in retaining some margin over costs and dividends as a prudent buffer against operational risks.

As previously flagged, the maiden dividend will be unfranked in light of Web only just commencing tax payments.

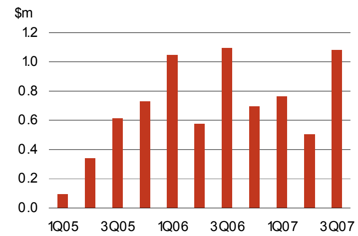
Future dividends will however, be fully franked with a payout ratio in the vicinity of 60% - 70%. This is a relatively low percentage compared with e-commerce companies considering the low capex intensity of the business. This reflects management's conservative nature and desire to keep as much cash as is tolerable. Yet, it is higher than the 50% we expected which will prove appealing.

It is interesting that GIW is leaving the register. GIW is owned by Travelport (formerly known as the Cendant Group) which itself was recently subject to a private equity buy-out by the Blackstone Group. Blackstone hac decided this investment is no longer necessary.

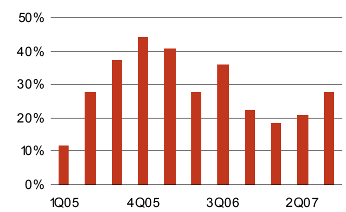
Operating Revenue



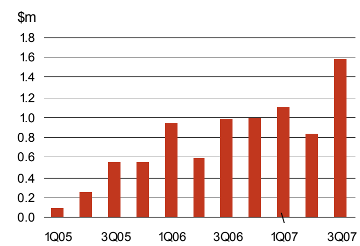
EBITDA



EBITDA Margin



NPBT



Rather than overhang the market with a large parcel of stock, WEB's move simply removes this parcel from the market place. This is a smart move that takes advantage of the intentions to buy-back stock.

It is notable that John Gusic whom is associated with Travelport is still retaining his place on the WEB board of directors. There do not appear to be any operational implications from GIW's departure form the register. The commercial / technology relationship remain in place and management expects the relationship to deepen over time.

One other potential implication is that with the corner stone investor departing the register, the ownership structure of WEB comprises institutional and retail holders thereby potentially opening up the WEB register to corporate activity.

Consolidation

WEB also announced that it is planning to restructure the shares on issue via 4 for 1 consolidation after the buy-backs are completed. This would have the affect of rebasing the share base from 284m shares post buy-back to ~71m shares.

OML considers this to be a positive development as it reduces the amount of paper circulating in the market, tightening up supply of issued shares, leading to less volatility and greater price tension than has been the case.

Management Depth

WEB's management ranks to date have been relatively thin. Yet as the business has been growing at an accelerated rate the need to deepen management resources has emerged.

COO Richard Noon has been promoted to CEO reporting to MD David Clarke, resulting in increased responsibility for overall operations and delivery of results. Noon has a wealth of industry experience, shares the same vision as Clarke and has proved to be eloquent in expressing that vision to the market.

WEB has also appointed a Chief Technology Officer (CTO), Alex Orlov from within, as WEB internalise a number of functions that were previously outsourced.

The appointment of an Investor Relations Manager, David Turner, should assist WEB in market relations. Ordinarily, such a role would not be seen as necessary for a `$100m company, yet in this case, OML considers that it would enhance the market's image of WEB.

Earnings Revision – FY08

OML's current FY07 forecast is reported NPAT at $3.5m, post the previous downgrade (8/2/07). This assumes an effective tax rate of 30%. OML notes that the 1H07 result showed an effective tax rate of 24%. This resulted from development grants on software that WEB received. Although we maintain a forecast rate of 30%, should the 24% rate be maintained in 2H07, NPAT would be more like $3.8m

Given the announcement on the intended buy-backs, OML has adjusted its forecast cash position for WEB in FY08. On this basis, OML forecasts a reduction in interest revenues generated of ~$0.5m to $1.4m. This results in a reduction in forecast reported NPAT to $6.1m.or ~6%

OML's FY08 assumptions imply maintaining 50% growth in TTV with only a 10 bp reduction in operating revenue margins. Revenue margins will be driven by the convergence of the new direct airline contractual relationships, the impact of QAN's privatisation and the mix of business between the low margin domestic business and the new higher margin products of international, hotels, car and insurance.

Revenue growth should drive a reflating of profit margins. It is also worth noting that the increase in management depth that has impacted the wages bill in FY07 is not expected to be repeated in FY08. Any increase in head count is expected to be at lower cost end.

Valuation – upgrade to $0.45, up 15%

OML has adjusted its valuation for the intended buy-backs, cancelling the 42m shares and reducing FY08 cash by ~$13m. In addition OML has improved its working capital assumptions to reflect the prominence of service fee income over commission revenue which has a lag.

The outcome is a 15% increase in the DCF valuation to $0.45 per share.

The implied PE multiple is a relatively attractive 21.4x forecast FY08 normalised EPS of 2.1cps. This compares to the current FY08 earnings multiple of 16.4x.

Given the expected dividend pay out ratio of between 60% - 70%, OML is forecasting an FY08 3.9% pa yield at the current price, assuming a 60% pay out, up from our previous forecast of 50%

Both multiples and yields compare favourably with WEB's internet peers.

Outlook

Since OML's last commentary on 8/2/07, a number of positive developments have occurred that we have encouraged, namely:

- two pronged buy-back to return capital to shareholders and reduce shares in circulation
- 4 for 1 share consolidation to reduce volatility of price movements
- a solid 3Q result with better transparency in results communication
- Initiatives to improve market expectations
- A move to half yearly reporting to reduce perceptions of volatility in quarterly performance
- A forecast pay out ratio above expectations
- Release of market's discount on the stock following the above

In our last note OML highlighted it would review its recommendation post 3Q results and developments on capital management. OML is now **upgrading its recommendation to ACCUMULATE** to reflect the improved market environment for the stock, more efficient capital structure and continued positive business and industry prospects.

Table 3: Peer Group Comparison

	Webjet (YE June)			Wotif.com (YE June)			SEEK (YE June)		
	2006	2007F	2008F	2006	2007F	2008F	2006	2007F	2008F
Price	0.35	0.35	0.35	4.37	4.37	4.37	7.43	7.43	7.43
Mkt Cap ($m)	113	113	113	888	888	888	2109	2109	2109
Enterprise Value ($m)	95	95	95	865	865	865	2049	2097	2083
Revenue ($m)	10.5	14.7	21.7	42.9	61.4	77.9	106.2	154.6	204.6
EBITDA ($m)	3.4	3.8	7.8	23.5	36.7	46.9	47.3	74.0	99.7
EBIT ($m)	3.1	3.4	7.4	20.6	33.3	43.1	45.7	69.8	95.1
NPAT ($m)	2.4	3.5	6.5	16.5	25.1	31.9	33.9	51.4	70.4
Normalised EPS (cps)	1.0	1.1	2.1	9.1	13.8	17.3	11.8	18.0	24.0
DPS (cps)	0.0	0.5	1.4	1.0	11.0	14.0	8.5	12.0	16.7
Revenue Growth (%)	100.7	40.0	48.0	42.5	43.1	26.8	52.6	45.6	32.3
EBITDA Growth (%)	220.6	12.2	103.7	38.8	56.6	27.7	60.9	56.4	34.8
EBIT Growth (%)	366.1	9.2	114.3	36.9	61.5	29.6	76.4	52.8	36.2
NPAT Growth (%)	30.0	23.4	33.9	37.2	51.7	27.2	55.5	51.6	36.9
Normalised EPS Growth (%)	36.2	15.4	93.5	36.1	51.1	25.4	52.1	52.0	33.3
EBITDA Margin (%)	32.5	26.1	35.9	54.7	59.8	60.2	44.5	47.8	48.7
EBIT Margin (%)	30.0	23.4	33.9	48.0	54.2	55.4	43.0	45.2	46.5
EV / EBITDA (x)	27.9	24.9	12.2	36.9	23.6	18.4	43.3	28.4	20.9
EV / EBIT (x)	30.3	27.7	13.0	42.0	26.0	20.1	43.3	28.4	20.9
Normalised PER (x)	36.6	31.7	16.4	47.8	31.6	25.2	62.7	41.3	31.0
Yield (%)	0.0	1.4	3.9	0.2	2.5	3.2	1.1	1.6	2.2

Source: OML for WEB & WTF, consensus estimates for SEK

Profit & Loss ($M)	2005	2006	2007F	2008F	2009F
TTV	76.7	172.3	256.8	384.6	519.2
TTV Growth	272%	125%	49%	50%	35%
Revenue	5.2	10.5	14.7	21.7	27.5
Revenue Growth	264%	101%	40%	48%	27%
EBITDA	1.1	3.4	3.8	7.8	10.8
Depreciation	0.0	0.0	0.1	0.1	0.2
Amortisation	0.4	0.2	0.3	0.3	0.3
EBIT	0.7	3.1	3.4	7.4	10.3
Net Interest	(0.1)	(0.4)	(1.5)	(1.4)	(1.2)
NPBT	0.7	3.5	5.0	8.8	11.4
Tax	(2.0)	1.1	1.5	2.6	3.4
Net Profit After Tax	2.7	2.4	3.5	6.1	8.0
Minorities/Preference	0.0	0.0	0.0	0.0	0.0
NPAT	2.7	2.4	3.5	6.1	8.0
FX Adjustment	0.0	0.0	0.0	0.0	0.0
Reported NPAT	2.7	2.4	3.5	6.1	8.0
Normalised NPAT	3.5	2.6	3.8	6.4	8.3

Cashflow ($M)	2005	2006	2007F	2008F	2009F
Operations Cashflow	1.4	4.0	4.3	8.1	10.8
Interest Received	0.1	0.3	1.5	1.4	1.2
Interest & Fin. Lease Paid	0.0	0.0	0.0	0.0	0.0
Income Taxes Paid	0.0	0.0	0.7	2.5	3.3
Dividends Received	0.0	0.0	0.0	0.0	0.0
Operating Cashflows	1.4	4.3	5.2	7.0	8.6
Capital Expenditure	0.0	0.2	1.0	1.1	1.2
Acquisitions	1.1	0.2	0.0	0.0	0.0
Divestments	0.0	0.0	0.0	0.0	0.0
Dividends Paid	0.0	0.0	0.8	3.0	5.7
Investing Cashflows	(1.1)	(0.4)	(1.8)	(4.1)	(6.9)
Issue of Shares	2.4	15.6	0.0	(12.4)	0.0
Borrowings	0.0	0.0	0.0	0.0	0.0
Financing Cashflows	2.4	15.6	0.0	(12.4)	0.0
Cash Increase (Decrease)	2.7	19.5	3.4	(9.6)	1.7

Liquidity & leverage Ratios	2005	2006	2007F	2008F	2009F
Liquid Ratio (x)	6.1	16.9	13.0	5.9	5.3
Net Financial Debt / Equity (%)	-62.9	-96.4	-98.7	-102.4	-103.9
Net Liabilities to Assets (%)	-30.3	-77.2	-74.9	-59.0	-58.1
D / (D+E) (%) Book Value	2.8	0.0	0.0	0.0	0.0
D / (D+E) (%) Market Equity	0.2	0.0	0.0	0.0	0.0
Interest Cover (x)	-9.6	-8.8	-2.2	-5.2	-8.9

Valuation Data	2005	2006	2007F	2008F	2009F
Enterprise Value / EBITDA (x)	108.1	27.9	24.9	12.2	8.8
Enterprise Value / EBIT (x)	170.5	30.3	27.7	13.0	9.3
OFCFPS (¢)	1.5	1.3	1.6	2.5	3.1
P/OCFPS (x)	11.3	23.5	21.9	14.2	11.5
Book Value (NTA) (cps)	0.03	0.12	0.08	0.06	0.06
P / BV (x)	13.6	3.0	4.3	6.0	5.5

Top Shareholders		
Invia Custodians Pty Ltd	57,495,220	17.9%
Steven Scheuer	24,899,143	7.7%
Horwath (NSW) Pty Ltd	19,000,000	5.9%
ANZ Nominees Limited	18,517,768	5.8%
UBS Nominees Pty Ltd	18,012,330	5.6%
HSBC Custody Nominees (Australia	12,913,191	4.0%
GW Holdings - Galileo	8,299,446	2.6%
Total	**159,137,098**	**49.5%**

Balance Sheet ($M)	2005	2006	2007F	2008F	2009F
Cash	3.6	23.1	26.5	16.9	18.6
Other Current Assets	0.8	1.4	1.2	1.5	1.9
Fixed Assets	0.1	0.2	0.3	0.4	0.6
Intangibles	1.7	2.5	3.6	3.6	3.2
Other Non-Current Assets	2.0	0.9	0.9	0.9	0.9
Total Assets	8.1	27.9	32.4	23.2	25.1
Interest Bearing Debt	0.2	0.0	0.0	0.0	0.0
Other Liabilities	0.9	1.5	2.2	3.2	4.0
Total Liabilities	1.1	1.5	2.2	3.2	4.0
Net Assets	7.0	26.4	30.1	20.1	21.1
Diluted Shares on Issue	221.4	273.8	343.9	301.7	301.7

Investment Fundamentals	2005	2006	2007F	2008F	2009F
Basic EPS (cps)	1.3	0.9	1.1	2.2	2.8
Basic EPS Growth (%)	0.0	29.1	14.8	102.3	30.5
Diluted EPS (cps)	1.2	0.9	1.0	2.0	2.7
Diluted EPS Growth (%)	176.5	24.2	8.3	100.6	30.5
Normalised EPS (cps)	1.5	1.0	1.1	2.1	2.8
Normalised EPS Growth (%)	250.0	36.2	15.4	93.5	29.2
Basic PER (x)	12.9	37.4	32.5	16.1	12.3
Diluted PER (x)	12.9	37.4	34.5	17.2	13.2
Normalised PER (x)	11.3	36.6	31.7	16.4	12.7
DPS (¢)	0.0	0.0	0.5	1.4	1.8
Yield (%)	0.0	0.0	1.4	3.9	5.1
Pay out (%)	0.0	0.0	30.0	60.0	60.0
Franking (%)	0.0	0.0	100.0	100.0	100.0
Franking Credits ($m)	0.0	0.0	3.1	5.9	7.9
Dividend Cover (x)	0.0	0.0	2.9	1.7	1.7

Profitability Ratios	2005	2006	2007F	2008F	2009F
Operating Revenue Margin (%)	6.8	6.1	5.7	5.6	5.3
EBITDA / TTV (%)	1.4	2.0	1.5	2.0	2.1
EBIT / TTV (%)	0.9	1.8	1.3	1.9	2.0
NPBT / TTV (%)	1.0	2.0	1.9	2.3	2.2
Cost / Income (%)	87.1	70.0	76.6	66.1	62.5
EBITDA Margin (%)	20.4	32.5	26.1	35.9	39.2
EBITDA Growth (%)	0.0	220.6	12.2	103.7	38.4
EBIT Margin (%)	12.8	30.0	23.4	33.9	37.5
EBIT Growth (%)	0.0	366.1	9.2	114.3	39.9
Net Profit Margin (%)	52.4	22.7	23.8	28.3	29.2
Net Profit Growth (%)	0.0	13.2	46.8	76.0	30.5
Tax Rate (%)	-267.3	32.2	15.0	30.0	30.0
Return on Equity (%)	51.5	9.9	13.1	37.2	44.8
Return on Assets (EBIT) (%) (incl. cash)	10.5	12.4	11.9	37.4	47.1

Valuation			
Explicit Forecast ($M)	26.6	Risk Free Rate	6.3%
Terminal Value ($M)	92.0	Market Risk Premium	5.3%
Value of Core Operations ($M)	118.6	Equity Beta	1.3
Notional Cash ($M) - FY08 post buy-back	16.9	Cost of Equity	13.1%
Debt ($M)	0.0	D/(D+E)	0.0%
Total Value of WEB ($M)	136.5	Cost of Debt	8.0%
Shares on Issue (M)	301.5	WACC	13.1%
Value per Share ($)	0.45	Terminal Growth	5.0%
Premium / Discount (%)	28.4%		

	Discount Rate				
	12.1%	**12.6%**	**13.1%**	**13.6%**	**14.1%**
3.5%	$0.44	$0.42	$0.40	$0.38	$0.37
4.0%	$0.46	$0.44	$0.42	$0.40	$0.38
4.5%	$0.48	$0.46	$0.43	$0.41	$0.39
5.0%	$0.51	$0.48	$0.45	$0.43	$0.40
5.5%	$0.53	$0.50	$0.47	$0.44	$0.42
6.0%	$0.57	$0.53	$0.49	$0.46	$0.44
6.5%	$0.60	$0.56	$0.52	$0.48	$0.46

Terminal Growth Rate

Please contact your Ord Minnett Adviser for further information on our document.

Guide to Ord Minnett Recommendations

BUY	The stock's total return (nominal dividend yield plus capital appreciation) is expected to exceed 15% over 12 months.
ACCUMULATE	The stock's total return is expected to be between 5% and 15%. Investors may add to existing holdings, or initiate holdings on share price weakness.
HOLD	The stock is fairly priced, and its total return is expected to be between 0% and 5%.
LIGHTEN	The stock's total return is expected to be less than 0% and possibly down 15%. Investors should consider selling into share price strength.
SELL	The stock's total return is expected to lose 15% or more.
RISK ASSESSMENT	Classified as High, Medium or Low, denotes the relative assessment of an individual stock's risk based on an appraisal of its disclosed financial information, volatility, nature of its operations and other relevant quantitative and qualitative criteria.

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