Investor Presentation

FLIGHT CENTRE TRAVEL GROUP

FY17 HALF YEAR RESULTS

Agenda

KEY HIGHLIGHTS
Graham Turner (CEO)

FINANCIAL RESULTS
Adam Campbell (CFO)

STRATEGIC UPDATE
Melanie Waters-Ryan (COO)

OUTLOOK
Graham Turner (CEO)

QUESTIONS

RESULTS HIGHLIGHTS

Strong sales growth
- Increased ticket sales in low yield environment, leading to record 1H TTV & outpacing market growth

Improved productivity
- TTV growth outpacing network growth rate, despite deflationary impacts on airfares – TTV per person increasing

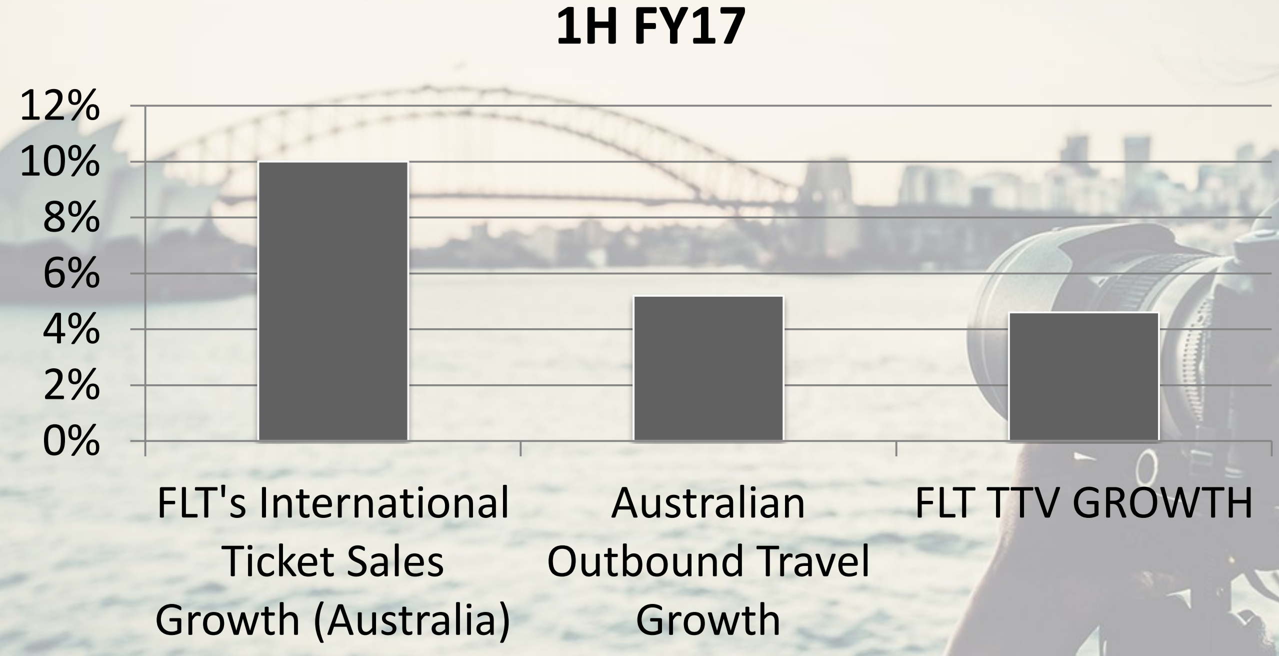
Business transformation
- Ongoing investment in new tools & systems – product & pricing, customer, finance & digital - Contributing to rapid online sales growth

Balance sheet strength
- $350m + in positive net debt

Expansion in key markets
- 1st major push on to Continental Europe

New Global HQ
- About 2000 staff relocated to South Point building (Brisbane) during 1H

MARKET-SHARE GROWTH



PRODUCTIVITY GAINS

FLIGHT CENTRE TRAVEL GROUP

TTV per person increasing in local currency compared to 1H FY16

Nation/Region	Change
Australia	1.2% ↑
New Zealand	5.2% ↑
South Africa	7.8% ↑
Europe	4.5% ↑
Canada	7.2% ↑
United States & Mexico	4.0% ↑
Greater China	6.5% ↑
India	6.5% ↑
UAE	(10.7%) ↓
Singapore	(4.8%) ↓

KEY HIGHLIGHTS

New revenue streams in FY17

Acquisitions

- Network of corporate travel businesses in Germany, Sweden, Norway, Denmark & Finland
- Ignite Travel Group (49% holding)
- Travel Tours Group (India)
- Sunny (China) – announced today

New Markets

- Continental Europe
- Namibia
- Ireland (Leisure)
- Wales
- China outbound market
- Now in 20 countries (10 new since May 2014)

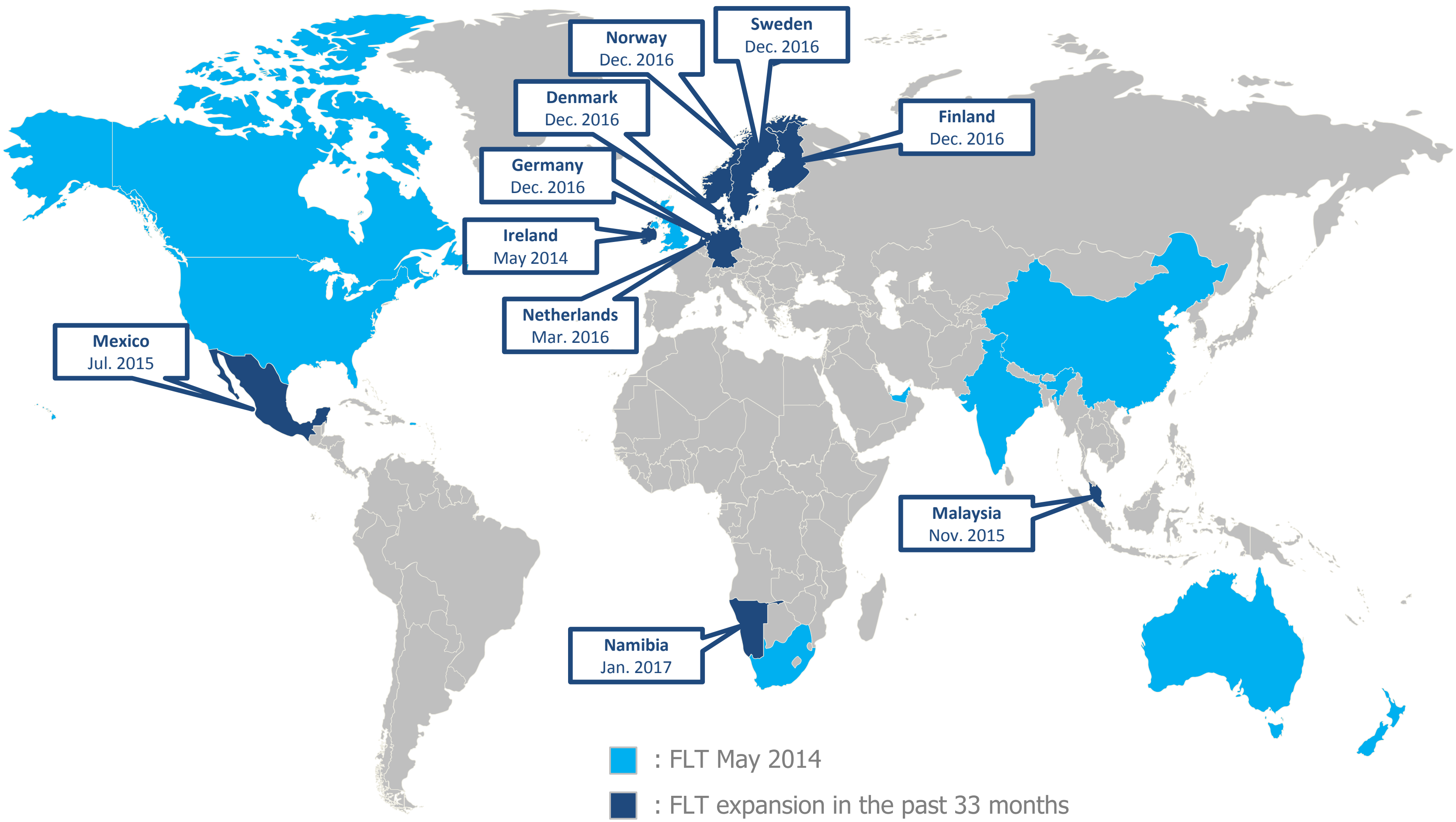
New Offerings

- Interest-free holidays
- Expanded range of Captain's Packages (CPs)
- Leisure & corporate apps
- Transactional websites
- Artificial intelligence tools

BECOMING TRULY GLOBAL

FLIGHT CENTRE TRAVEL GROUP

10 New Countries Since May 2014



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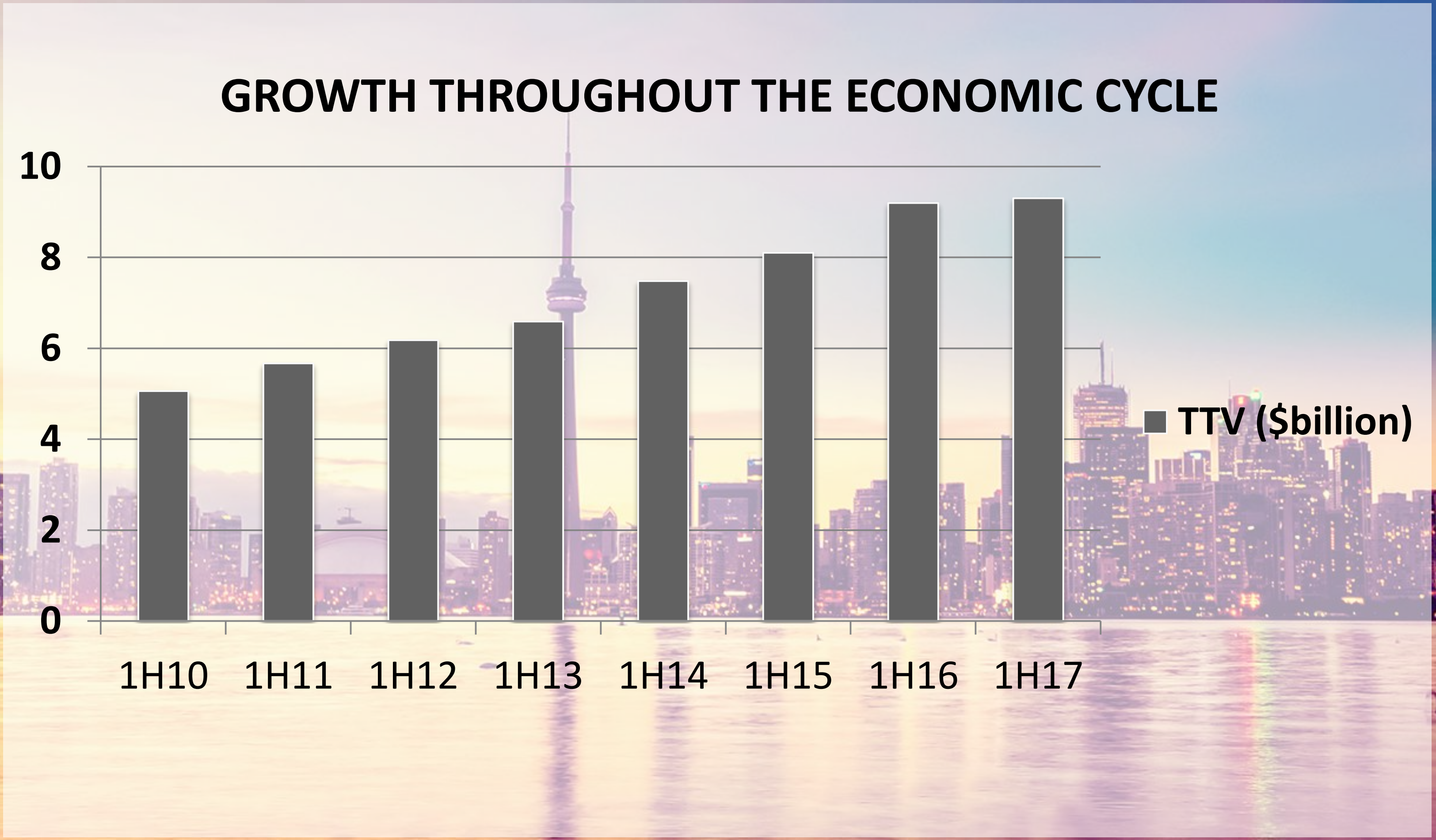
FINANCIAL RESULTS

Group profit & loss

AUD	1H FY17 $m	1H FY16 $m	PCP change %
Group TTV	**9,343**	**9,182**	**2%**
Operating revenue	1,236	1,243	(1%)
Other revenue	15	15	(1%)
Total revenue	**1,251**	**1,258**	**(1%)**
Other income	4	11	(65%)
Employee benefits	(690)	(689)	0%
Marketing expense	(105)	(96)	9%
Finance costs	(12)	(13)	(8%)
D&A	(36)	(31)	16%
Other expenses	(302)	(282)	7%
PBT	**109**	**157**	**(30%)**
Underlying PBT	**113**	**146**	**(22%)**
EPS (cents)	73.7	115.7	(36%)
Business teams	2,937	2,943	(0%)
Margins			
Underlying Income Margin	13.4%	13.6%	(0.2%)
Underlying PBT Margin	1.2%	1.6%	(0.4%)
Marketing % TTV	1.1%	1.0%	0.1%

- Continued TTV growth – 20th year-on-year increase in 21 years since listing
- Operating revenue relatively flat – airfare deflation impacting short-term growth, along with FX
- Reasonable success in cost control – increased marketing spend (1.1% of TTV) to highlight cheap fares & drive demand
- $5m increase in 1H D&A expense – reflects higher cap-ex in recent periods
- 20 basis point decline in underlying 1H income margin
- Underlying PBT adjustments:
    - FY17: Cost of exiting Employment Office
    - FY16: $11m gain from ACCC fine refund

CONSISTENT TTV GROWTH



INCOME MARGIN

Decline in underlying income margin driven largely by product mix changes

Growth in online leisure sales at lower margins

Lower corporate gross margins in Australia

Corporate change driven by business mix (growth in high profile but low margin accounts) & competitive pressure in relatively soft domestic market

1H CHALLENGES

Airfare Deflation	FX Fluctuations	Economic Uncertainty (Q1)	Under-Performance in Some Countries
Fares significantly cheaper than during PCP (discounting started during 2H FY16)	Affecting overseas result translation into AUD, particularly from GBP	Leading to soft July results globally	Circa $2.9m decline in 1H profits in Asia & Middle East region
Impacting Australia, USA, India & Singapore	5.6% 1H TTV growth at like-for-like exchange rates	Stronger 2Q results achieved	Soft profit results from touring businesses ($9.6m reduction in 1H earnings)
Sales volume growth generally outpacing TTV & revenue growth	Circa $8million impact on 1H PBT	Excluding July, TTV increased 3.4% globally and 6.2% in Australia	Predominantly affected by FX, as well as reduced trading profits (Passenger growth but lower load factors)

IMPACT OF CHEAP FARES

Opportunities

- Stimulates demand - stronger sales volumes
- Opportunities to increase land & other add-on sales

Challenges

- Lower ticket prices leading to reduced TTV growth
- Lower revenue per transaction in leisure travel, given FLT typically earns a % of the fare

Can impact dollar-based super over-ride targets – FLT not currently anticipating any significant issues during FY17 given that contracts were negotiated in similar low fare environment

FINANCIAL RESULTS

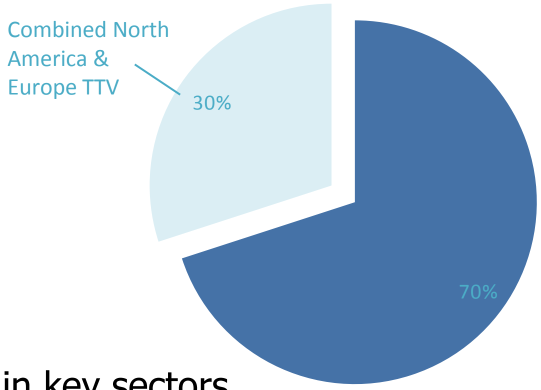
FLIGHT CENTRE TRAVEL GROUP

Segment highlights

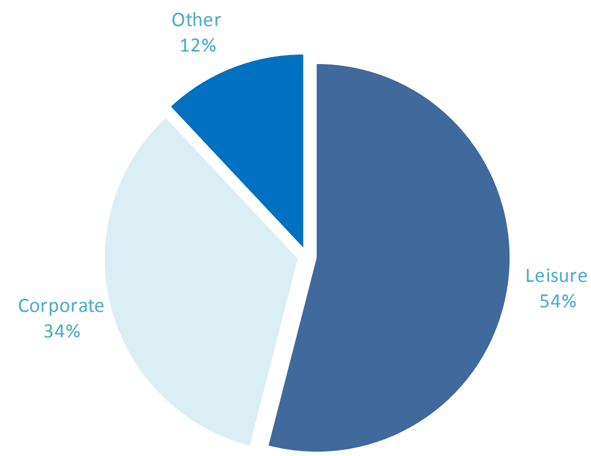
- Record TTV in LC in 9 of FLT's 10 countries & regions
- Record profit in LC in Europe, South Africa & on Mainland China
- Brand & geographic diversity an ongoing strength:
  - Corporate brands generated 34% of 1H TTV - consolidating FLT's position as one of world's largest corporate travel managers
  - 30% of 1H TTV generated in Europe & the Americas

Geographic & Business Diversity

Growing in key markets ...



And in key sectors...



FINANCIAL RESULTS

FLIGHT CENTRE TRAVEL GROUP

Segment results

Australia

AUD	1H FY17 $m	1H FY16 $m	PCP change %
TTV	**5,084**	**4,860**	**5%**
External Revenue	**641**	**622**	**3%**
Adjusted EBIT	**98**	**113**	**(13%)**
Business teams	1,554	1,568	(1%)
Margins			
Income Margin	12.6%	12.8%	(0.2%)
Adj. EBIT % Revenue	16.4%	19.6%	(3.2%)

- Continued TTV growth – exceeded $5b for 1st time & sold travel valued at more than $27m each day on average
- Accelerated ticket sales growth – international ticket numbers up 10% (strongest 1H ticket growth since FY12)
- Strong growth in several key sectors – international & domestic flights, hotel room nights, cruise, FX, youth sector, online
- Good forward bookings for Europe
- Key corporate client contract wins including ANZ Bank and NSW Government
- Income margin affected by lower corporate gross margins (large accounts & competitive environment) + business mix (growth in online)

FINANCIAL RESULTS

USA (including Mexico)

AUD	1H FY17 $m	1H FY16 $m	PCP change %
TTV	**1,333**	**1,260**	**6%**
External revenue	**145**	**142**	**2%**
Adjusted EBIT	**(6)**	**(5)**	**(18%)**
Business teams	290	326	(11%)
Margins			
Income Margin	10.9%	11.3%	(0.4%)
Adj. EBIT % Revenue	(4.0%)	(3.5%)	(0.5%)

- Record 1H TTV – exceeded $US1b for 1st time
- Strong contributions from StudentUniverse & Corporate Traveller
- Increased leisure losses, reduction in wholesale losses (GOGO)
- Reduction in GOGO & Liberty sales teams
- Solid productivity growth – up 4% across the region
- Small profit contribution from Mexico corporate business
- Digital North Atlantic (dNA) area created
- Liberty micro-store open & performing well
- Solid start to 2H and likely to be profitable YTD by end of this month

THE US MICRO-STORE MODEL

1st Liberty micro-store now open in Tysons Corner Mall (Virginia) & performing well

2 more planned for FY17 – Walt Whitman Mall (Long Island) & Annapolis (Maryland)

Low fit-out costs + low staff requirements =cost effective entry to prime malls

LIBERTY TRAVEL
CONNECTING PEOPLE AND PLACES

FINANCIAL RESULTS

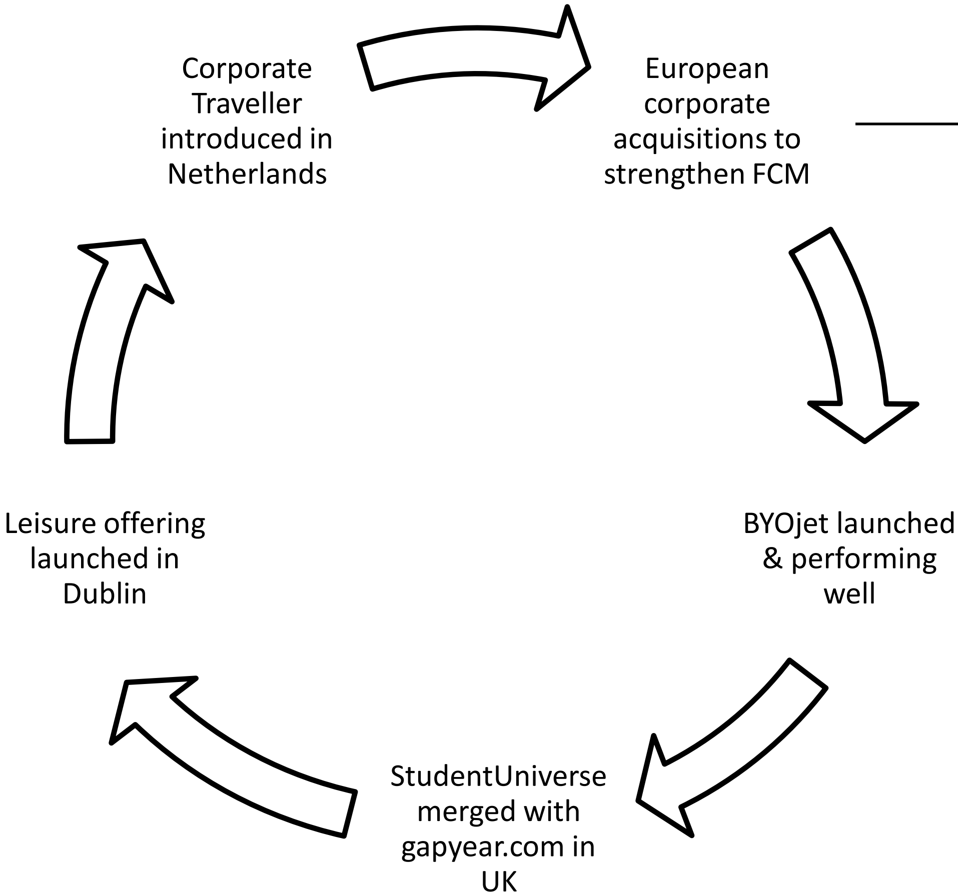
FLIGHT CENTRE TRAVEL GROUP

Europe

AUD	1H FY17 $m	1H FY16 $m	PCP change %
TTV	**919**	**1,092**	**(16%)**
External revenue	**128**	**153**	**(16%)**
Adjusted EBIT	**18**	**23**	**(23%)**
Business teams	300	295	2%
Margins			
Income Margin	13.9%	14.0%	(0.1%)
Adj. EBIT % Revenue	13.8%	14.9%	(1.1%)

- Solid recovery after Brexit shock
- Record 1H TTV & profit in LC with strong 2Q results & momentum
- Strongest ever profit recorded in January 2017
- Good 1H performance from UK corporate business
- 4.5% productivity increase
- Growth in Journeys & Escapes land sales
- First significant online push – BYOjet, StudentUniverse & gapyear merger
- FX translation will impact FY17 results, as was case during 1H

STRONGER EUROPEAN FOOTPRINT



Presence in 5 key countries + proprietary online booking tool for SME customers

FINANCIAL RESULTS

FLIGHT CENTRE TRAVEL GROUP

Rest of World

AUD	1H FY17 $m	1H FY16 $m	PCP change %
TTV	**1,826**	**1,781**	**3%**
External revenue	**207**	**201**	**3%**
Adjusted EBIT	**2**	**5**	**(60%)**
Business teams	787	750	5%
Margins			
Income Margin	11.3%	11.3%	-
Adj. EBIT % Revenue	0.9%	2.4%	(1.5%)

- Reasonable results from established businesses in South Africa (record profit in LC), Canada (continued improvement & reduced losses) & NZ
- Expansion into Namibia
- Disappointing bottom-line results from combined Asia Middle East region (circa $2.9m decrease in 1H profits)
- Strong profit growth on Mainland China
- Losses in India & Singapore in low fare environment
- Challenging market conditions in UAE

TARGETING ASIA

1. Flatter Structure

Implementing flatter regional management structure in Eastern Asia - centralised functions, IT solutions & reduced costs

2. Corporate Travel

Corporate Traveller launched in key markets during 1H to target SME customers – Singapore, Hong Kong & UAE

3. Wholesale

Online Infinity offering now in place to service Singapore, Greater China & UAE businesses

4. Productivity

Robotic ticketing trial underway in Singapore, likely to be rolled out across the region

5. Scale Benefits

Recent acquisitions in key markets (India & China) will enhance scale & deliver springboard for future growth

6. Online

Targeting new sectors through introduction of transactional websites in UAE & Singapore during 2H

FINANCIAL RESULTS

Other

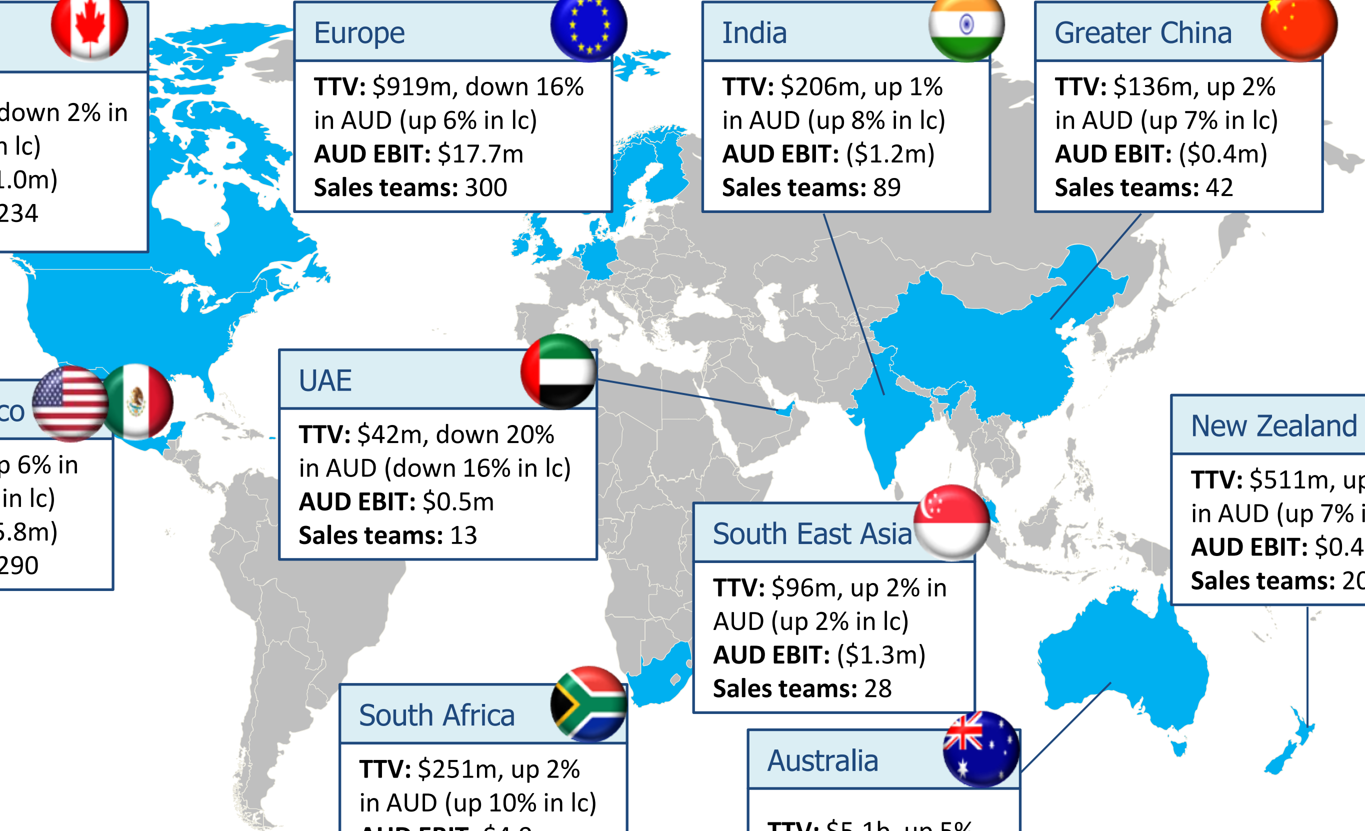
AUD	1H FY17 $m	1H FY16 $m	PCP change %
TTV	**181**	**188**	**(4%)**
External Revenue	**130**	**140**	**(7%)**
Adjusted EBIT	**(3)**	**4**	**(195%)**
Margins			
Income Margin	71.9%	74.5%	(2.6%)
Adj. EBIT % Revenue	(2.6%)	2.5%	(5.1%)

- Segment relates to items that are not allocated to geographical segments
- 1H FY16 TTV & revenue results include the $11m ACCC refund
- Year-on-year EBIT swing brought about by reduced earnings from touring businesses ($9.6m) & $11m ACCC refund during 1HFY16
- Group M&A expenses of $1.6m in 1H FY17 ($0.3m is in Rest of World segment)

FINANCIAL RESULTS

FLIGHT CENTRE TRAVEL GROUP

1H FY17 Results by Country



Canada

TTV: $586m, down 2% in AUD (up 3% in lc)
AUD EBIT: ($1.0m)
Sales teams: 234

Europe

TTV: $919m, down 16% in AUD (up 6% in lc)
AUD EBIT: $17.7m
Sales teams: 300

India

TTV: $206m, up 1% in AUD (up 8% in lc)
AUD EBIT: ($1.2m)
Sales teams: 89

Greater China

TTV: $136m, up 2% in AUD (up 7% in lc)
AUD EBIT: ($0.4m)
Sales teams: 42

USA & Mexico

TTV: $1.3b, up 6% in AUD (up 11% in lc)
AUD EBIT: ($5.8m)
Sales teams: 290

UAE

TTV: $42m, down 20% in AUD (down 16% in lc)
AUD EBIT: $0.5m
Sales teams: 13

New Zealand

TTV: $511m, up 12% in AUD (up 7% in lc)
AUD EBIT: $0.4m
Sales teams: 204

South East Asia

TTV: $96m, up 2% in AUD (up 2% in lc)
AUD EBIT: ($1.3m)
Sales teams: 28

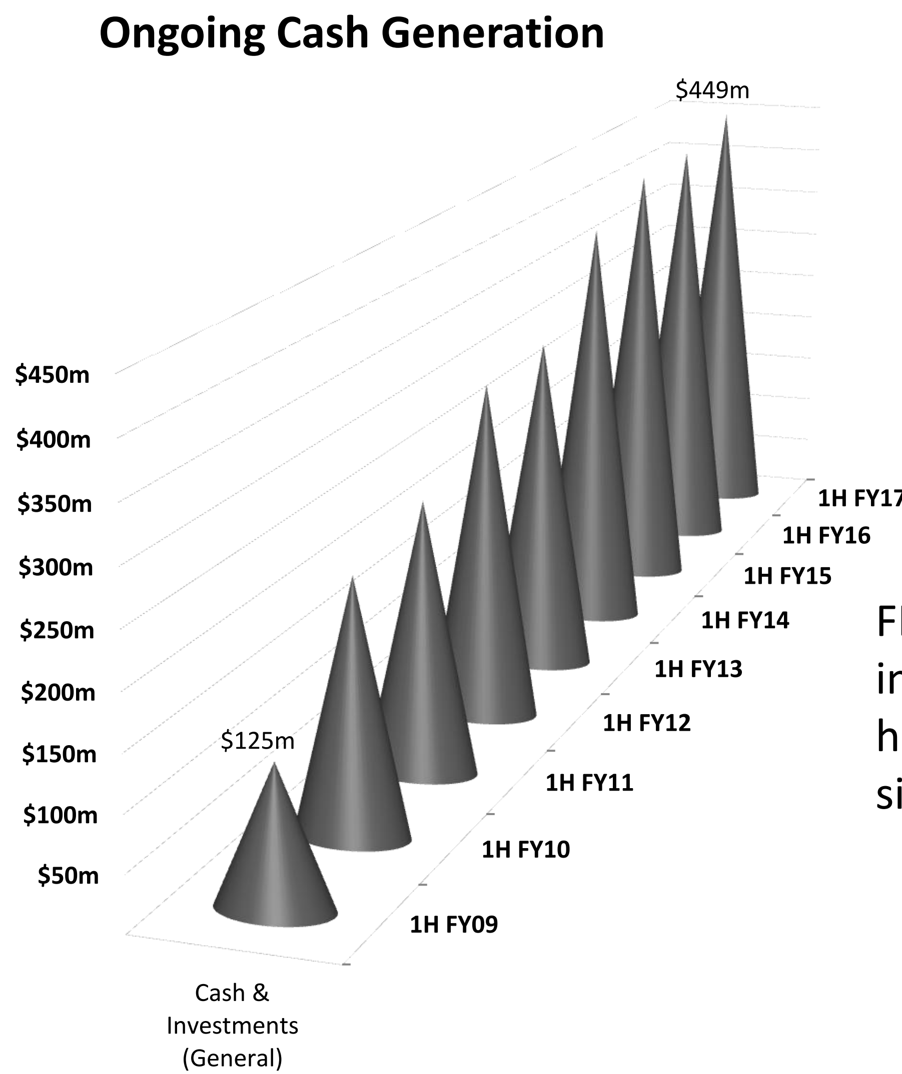
South Africa

TTV: $251m, up 2% in AUD (up 10% in lc)
AUD EBIT: $4.9m
Sales teams: 177

Australia

TTV: $5.1b, up 5%
AUD EBIT: $98.2m
Sales teams: 1,554

RECORD 1H CASH BALANCE



FLT's general cash & investments portfolio has almost quadrupled since 1H FY09

FINANCIAL RESULTS

FLIGHT CENTRE TRAVEL GROUP

Group cash flow

AUD	1H FY17 $m	1H FY16 $m
Operating activities		
Operating activities before interest and tax	(83)	(34)
Net interest and tax paid	(63)	(63)
Cash flow from operating activities	**(147)**	**(97)**
Investing activities		
Acquisitions	(16)	(44)
Purchases of PPE and intangibles	(66)	(58)
Purchases of financial assets	-	(39)
Other investing cash flows	5	9
Cash flow from investing activities	**(76)**	**(133)**
Financing activities		
Financing activities before dividends	17	(10)
Dividends paid	(93)	(98)
Cash flow from financing activities	**(76)**	**(108)**
Increase/(decrease) in cash held	**(299)**	**(338)**
FX impact	(8)	1
Cash and cash equivalents	**1,008**	**1,042**

	Dec 16	Dec 15
General cash (excl. Investments)	347	430
Client cash	663	612
Bank overdraft	(1)	-
Total cash	**1,008**	**1,042**

- Operating cash outflow recorded in line with FLT's normal seasonality
- Cash accumulates during peak booking periods (2H) & is paid to suppliers after peak travel seasons (following 1H)
- Timing of airline payment cycle (BSP) major driver of year-on-year shifts
- 2 acquisitions completed during 1H. Net cash impacts of $10m for Ignite Travel Group & $6m for Europe corporate businesses
- FLT has taken advantage of an arbitrage opportunity & invested borrowed funds in short-term deposits
- FX adversely affecting cash position

FINANCIAL RESULTS

FLIGHT CENTRE TRAVEL GROUP

Group balance sheet

AUD	Dec 16 $m	Dec 15 $m
Cash & cash equivalents	1,010	1,042
Trade & other receivables	670	647
Financial assets	197	104
Other current assets	94	17
Current assets	**1,971**	**1,810**
PPE	264	220
Intangibles	463	446
Other non-current assets	96	67
Non-current assets	**822**	**733**
Total assets	**2,793**	**2,543**
Trade payables & other liabilities	1,239	1,161
Borrowings	92	21
Current liabilities	**1,331**	**1,182**
Trade payables & other liabilities	89	37
Provisions	39	38
Non-current liabilities	**128**	**75**
Total liabilities	**1,458**	**1,258**
Net assets	**1,335**	**1,285**
General cash	347	430
General investments	102	-
Client cash	663	612
Client investments	96	104
Total cash & investments	**1,207**	**1,146**
Positive net debt	**357**	**409**

- Movement in financial assets & other current assets reflects changes made during FY16 (2H) – external investments & repurchase agreement
- PPE & intangible increases driven by network enhancements (cap-ex, acquisitions & software)
- Tax receivable included other current assets
- Ignite investment included in "Other" non current assets
- Increased borrowings (repurchase agreement)
- Movement in payables brought about by timing of airline payment cycle (BSP)
- Some items reclassified between periods – accounts for movements in "Trade & Other Payables" & "Other Current Liabilities"
- $347m in general cash + circa $100m in general investments (externally managed funds)
- $357m positive net debt at Dec 31

FINANCIAL RESULTS

Cap-ex

AUD	1H FY17 $m	1H FY16 $m	PCP change %
PPE	53	47	11%
Intangibles (internal)	13	11	24%
Total capex	**66**	**58**	**13%**

- $8m increase in 1H cap-ex
- Reflects ongoing spend on:
  - Systems (including Microsoft Dynamics finance platform)
  - Next generation shop design roll-out & refurbs
  - Head office relocations (including South Point)
- Head office expenditure expected to decrease significantly in 2H FY17
- Intangibles increase linked to Dynamics (roll-out in Canada & USA
- FY17 spend likely to be circa $110m

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FLIGHT CENTRE TRAVEL GROUP

WHO ARE WE?

OUR CORE VALUES

IRREVERENCE	EGALITARIANISM	OWNERSHIP
We take our business seriously but not ourselves. We respect our customers, our partners and each other.	Everyone has the same opportunities, rights and privileges. Self important people don't fit here.	We take full responsibility and treat the business as our own.

FLIGHT CENTRE TRAVEL GROUP

OUR STRATEGIC ANCHORS

FLIGHT CENTRE TRAVEL GROUP

THE NEXT 20 YEARS

LEISURE TRAVEL

Targeted growth along the P2P Index

Expanding distribution models (Ignite acquisition, developing a home-based model) & increasing market-share through strong volume gains

Continued success of new products

IAP range expanded, Journeys & Escapes, interest-free holidays

Digital enhancements & growth

Search & Book Apps, new websites, new expertise, Book with Me

Improved Productivity

TTV per person increasing

TRAVEL RETAILING… THE P2P INDEX

Dominating The Leisure Travel Landscape

OTA
- High volume, low touch
- Flightcentre, StudentUniverse, BYOJet, Aunt Betty..

Contact Centres
- 24/7 telephone sales & assist.
- Teams currently based in Brisbane & Sydney

Multi-Team Stores
- **Hyper stores**
- **Megastores**

Community
- **Shopping centres**
- **CBD and strip locations**

Home Based
- Model expanding globally

Events
- Travel Expos, Discover Europe, Discover America.
- 36 events nationally per year in Australia

NEW PRODUCTS: EXPANDED CP RANGE

NEW PRODUCTS: INTEREST FREE

IN-DESTINATION TRAVEL EXPERIENCES

KEY AREAS

- Tour Operations
- Hotel Opportunities
- Destination Management Companies

Giving FLT greater control over the customer experience & creating products that can be distributed via FLT's global leisure travel network

- Buffalo Tours DMC (JV) performing well – on track for almost $2m FY17 profit (in 2nd full year)
- Now handling FLT's customers in 11 countries
- Developing new & unique product offerings, now Top Deck's ground handler in Asia
- Success prompting FLT to pursue further expansion internationally
- Disappointing 1H results for touring businesses (Top Deck and Back-Roads) – FX impacts & over capacity
- Strong forward bookings

CORPORATE TRAVEL

Building a truly global TMC

Continued expansion of Corporate Traveller (SME) brand globally

Europe acquisitions

Rolled out in new regions alongside FCM

New tools & products to strengthen leading tech offering -

FCM Connect, proprietary online booking tool secured with Europe acquisition

Market leading technology transforming the travel experience

SAM deployed in USA & launched in Europe this week

Strong account wins

Flagship clients secured in Australia & globally

FCM'S LEADING TECH OFFERINGS

- **FCM Online powered by Serko:** customer-facing online booking tool
- **FCM Portal:** gateway to FCM, information hub
- **FCM ClientBank:** reporting platform
- **FCM Secure:** risk management solution
- **FCM Mobile:** mobile itinerary management
- **FCM Expense:** SAP or other expense management system uploads
- **FCM Approve:** pre-trip approval solution.

FCM’S LEADING TECH OFFERINGS

SAM :] – CAPTURING ATTENTION

Play it again, Sam

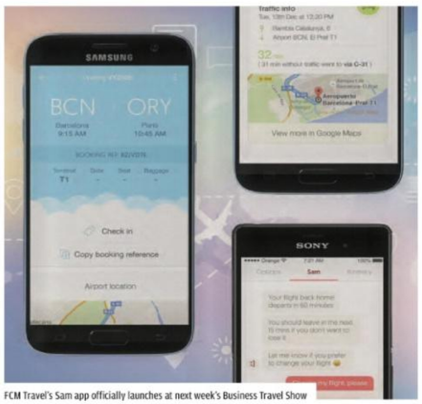
Travel companies are racing to release online assistants, with personification the name of the game. *Matthew Parsons* rounds up some of the latest chatbots and apps

Sam, Lola, Tommy... actually, the last name is made up, but should have been given to Thomson's own move into the virtual assistant space, after it unveiled chatbot.thomson.co.uk late last year.

Thomson teamed up with IBM to create a tool to help consumers "pick their perfect holiday", with the holiday giant claiming it is one of the travel industry's first chatbots, offering real-time and automated responses to holiday questions. And the more people that "chat" to the assistant, the more it learns how to craft the perfect holiday, and how to offer more personalised recommendations, Thomson claims.

In the US another leisure app, Lola, is a new project from Kayak co-founder Paul English. Dubbed a "mobile travel agent", and shorthand for longitude and latitude, it recently raised $33 million in extra funding and allows users to book hotels and flights through messaging real travel agents, while at the same time using artificial intelligence to make hotel recommendations.

However in the UK, FCM Travel is claiming it is the first travel management company to introduce chatbot technology with Sam (short for Smart Assistant for Mobile) for the business travel sector.



FCM Travel's Sam app officially launches at next week's Business Travel Show

Business blend

Aside from the pioneering claim, what exactly does Sam do? The company says the chatbot "blends artificial intelligence with the expertise of FCM consultants to deliver personalised, relevant information to business travellers' mobile devices".

It can supports users with all aspects of travel via a conversational interface to answer questions, make recommendations, and perform actions, FCM Travel continues.

The app helps business travellers pre, during and post-trip with everything from itinerary management, air and hotel bookings, flight updates, local information, weather and restaurant suggestions, to security notifications, ground transportation, driving directions, immigration advice and vaccination status.

In practical terms, the app will notify the user of the carousel number for collecting baggage after a traveller lands at the airport, for example, or ask if the user needs transport from the airport to their hotel.

However, Steve Norris, corporate managing director at Flight Centre, emphasises the app "does not replace the human touch entirely" as users "can call or message their consultant at any time for live assistance on the go".

Sam will be unveiled officially at next week's Business Travel Show, which takes place at the same time in the same venue as Travel Technology Europe (TTE), from February 22-23 at London's Olympia. Live demos will be shown on FCM Travel's stand (B120).

Kelvin Kroll, chief information officer, Europe and Africa, of FCM's parent company Flight Centre Travel Group, says: "The conversational interface and relevance of the messages or questions that Sam exchanges with the user, gives travellers their own 'personal assistant' on the move.

"Business travellers are already feeling the urge to use other consumer apps for booking flights and hotels, instead of their TMC... at the same time, the smartphone era is transitioning towards the conversation era, meaning the way consumers communicate with apps is moving to a message-based approach. By 2020 we predict consumers will start feeling app fatigue and text or voice-based interfaces will be the new norm."

Thomson's own research, meanwhile, chimes with this as following a recent poll, 77% of respondents said a "virtual travel agent would be useful when searching for a holiday".

And Lola's technology could, reportedly, be white-labelled, allowing other travel companies to add front-end artificial intelligence to their own systems.

The topic is being covered across several sessions at next week's Travel Technology Europe exhibition, where many speakers will likely attempt to convince travel sellers that, no matter what their size, chatbots and assistants are technologies that create efficiencies, and so improve the bottom line. However, the toughest part might be coming up with a suitable name for them.

Peter Stephens, corporate chief technology officer at Flight Centre Travel Group, will be talking at Travel Technology Europe next week. Catch his "Leveraging chatbot technology to enhance a mature/ established business offering" session on February 23 at 12.30pm

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FCM'S LEADING TECH OFFERINGS

FCM ClientBank Connect

Fully Customisable Dashboards and Reports

Global Reporting & Analytics Tool

Fully configurable to each Customer

Build Your Own Reports (BYOR)

Captures non-GDS segments

Connector Ability (Third Party data)

Import historical data for Year on Year comparisons

Embed dashboards into web based systems

Integrated with FCM Secure Risk Management Reporting

STUDENT & YOUTH

Student Flights in Australia

Aiming to become the global leader in a fragmented market

$186B Global Market

Developing strong on and offline services

StudentUniverse growing rapidly

App bookings up 124% YoY

NON-TRAVEL

Operating in sectors that are adjacent to travel or using the FLT business model

Travel Money

- Continued growth
- On track to become 4th brand to top $1b in TTV in Australia in FY17

Pedal Group

- 99 Bikes retail chain & wholesaler Advance Traders Australia
- Set to achieve almost $100m in sales during FY17
- 32 retail shops throughout Australia

Healthwise & Moneywise

- Health & financial services businesses working with internal & external clients
- Moneywise home loan consultants organised loans worth more than $100m during the 1H

First Class Education Group

- Delivering industry-recognised courses & qualifications to internal & external customers
- Evaluating international expansion opportunities

LITTLE ARGAS (INVEST)

Named after first TopDeck bus

Partnered with Travel Startups, Fishburners, Little Tokyo and more

LITTLE ARGAS

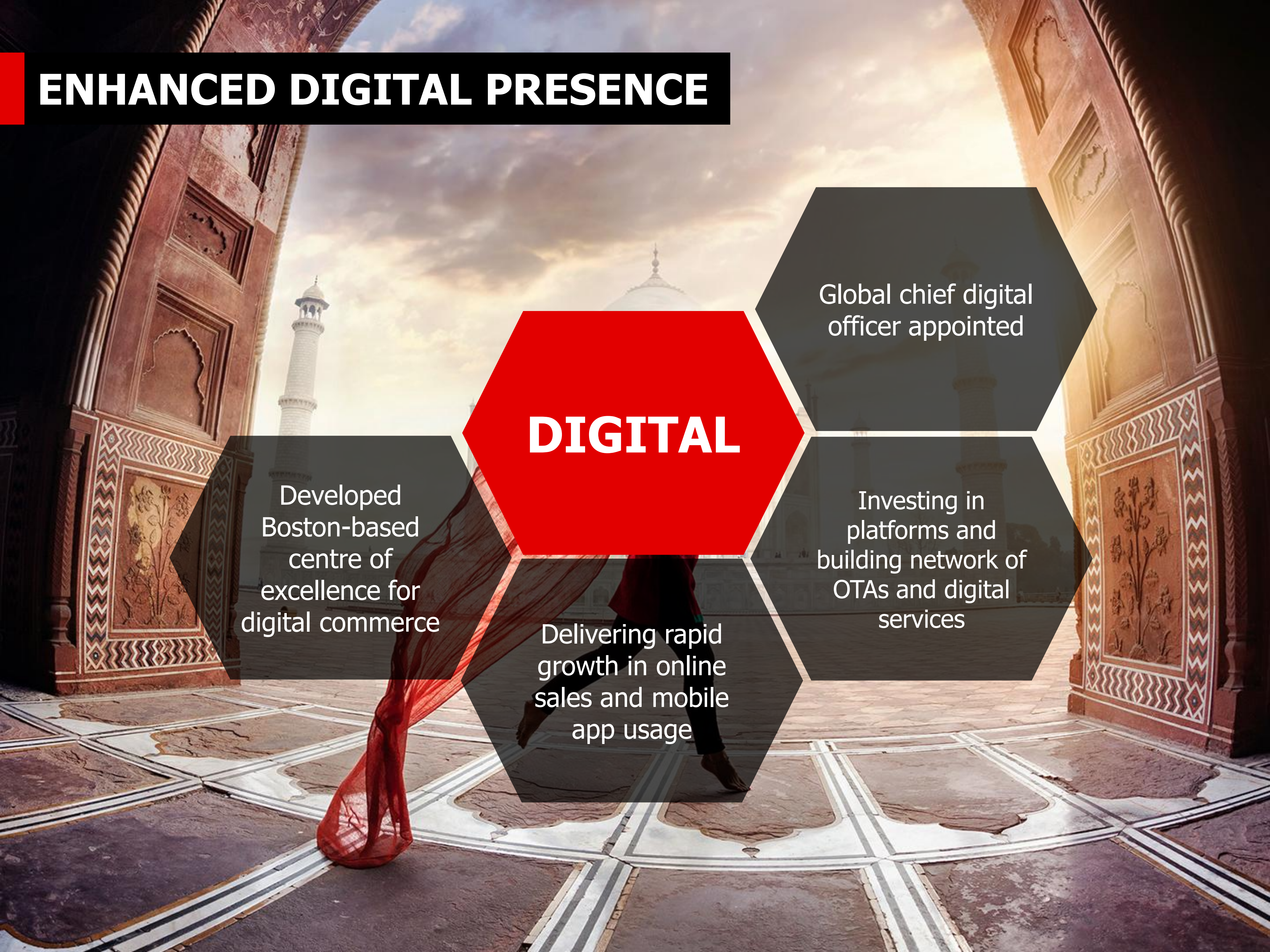
(www.littleargas.com)

Working with external parties to identify opportunities - sales & solving business problems

First strategic investments made; Claire

Mentoring talent and connecting with startups

ENHANCED DIGITAL PRESENCE



DIGITAL

Global chief digital officer appointed

Investing in platforms and building network of OTAs and digital services

Delivering rapid growth in online sales and mobile app usage

Developed Boston-based centre of excellence for digital commerce

ENHANCED DIGITAL PRESENCE

$1B ONLINE TTV TARGET

StudentUniverse

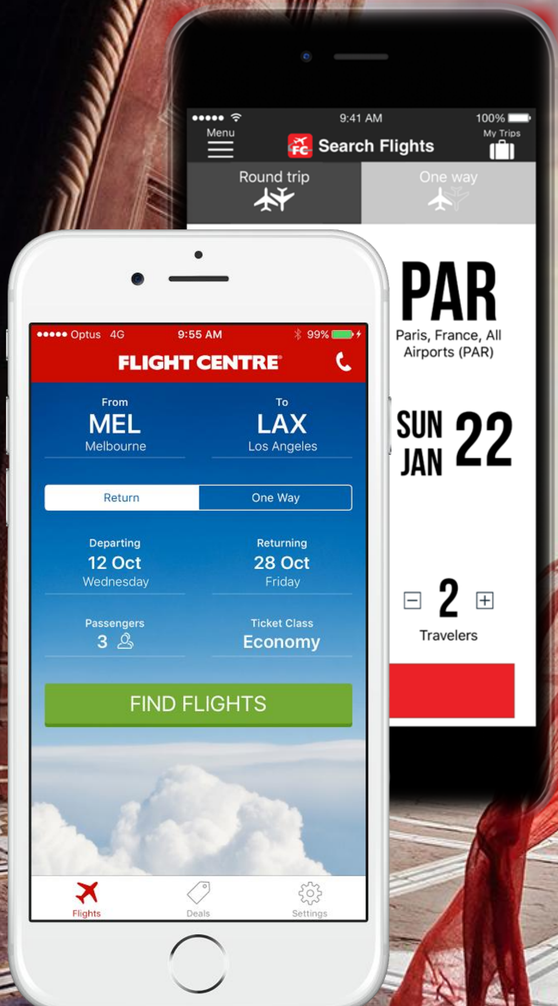
New transactional websites (UAE & South Africa) to launch during 2H

BYOjet (now in four countries)

flightcentre.com.au

Aunt Betty

ENHANCED DIGITAL PRESENCE



NATIVE APPS

StudentUniverse seeing 124% YoY growth in mobile bookings

New apps deployed for FC Australia and FC USA

Agenda

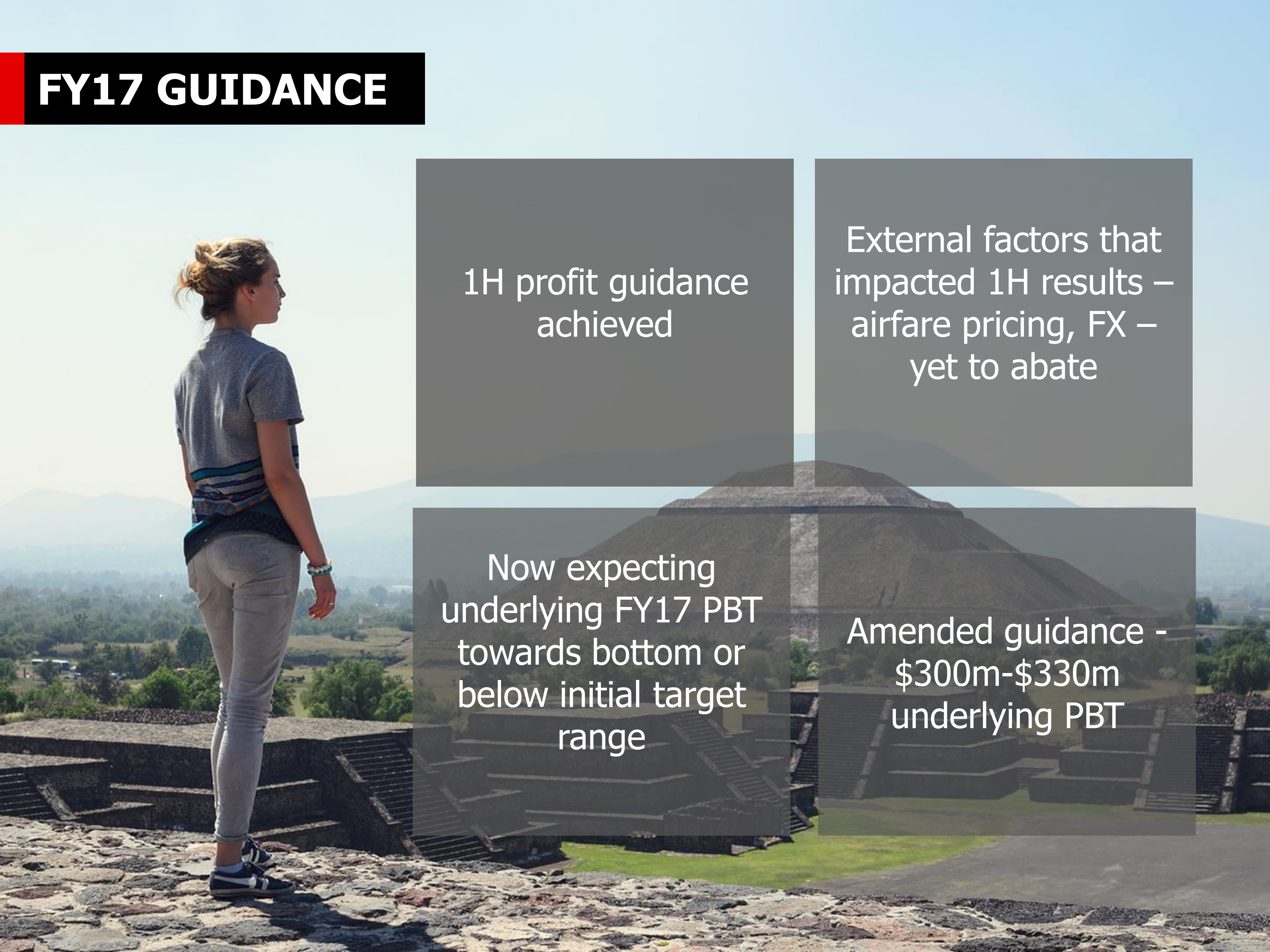
KEY HIGHLIGHTS
Graham Turner (CEO)

FINANCIAL RESULTS
Adam Campbell (CFO)

STRATEGIC UPDATE
Melanie Waters-Ryan (COO)

OUTLOOK
Graham Turner (CEO)

QUESTIONS



FY17 GUIDANCE

1H profit guidance achieved

External factors that impacted 1H results – airfare pricing, FX – yet to abate

Now expecting underlying FY17 PBT towards bottom or below initial target range

Amended guidance - $300m-$330m underlying PBT

POSITIVE MOMENTUM BUT SOME ONGOING UNCERTAINTY

POSITIVE LEAD INDICATORS

- Strongest monthly Australian TTV growth in January
- Record Europe profit in January
- US business likely to be YTD profitable by end of this month

GUIDANCE X FACTORS

- Increased exchange rate volatility & possible impacts on result transaction?
- Further significant airfare price deflation?

2H GROWTH DRIVERS

TTV Growth

*Starting to track against a similar low fare environment.
*More rapid growth possible if current volumes are maintained

Greater Stability & Positive Momentum

*1H results affected by soft July & Q1 trading.
*Good Q2 momentum heading into 2H

Coach Touring

*$9.6m 1H profit decline had a significant impact on 1H results – improvement expected during 2H

Continued Productivity

Cost Control

Benefits starting to flow from initiatives introduced during 1H

OTHER OPPORTUNITIES

M&A

- Further acquisitions likely within key growth sectors
- Targeting corporate & in-destination opportunities

NETWORK EXPANSION

Cost effective & sensible growth plans in place across P2P network

ONLINE SALES GROWTH

- Web businesses performing well
- Progressing towards $1b online sales target for FY17

IMPACT OF LCCs

Agreements in place with key players

- Proactively working with major LCCs in Australia

Full content online

- Scoot, Jetstar, Air Asia X & Tigerair fares & ancillary products now available via flightcentre.com.au

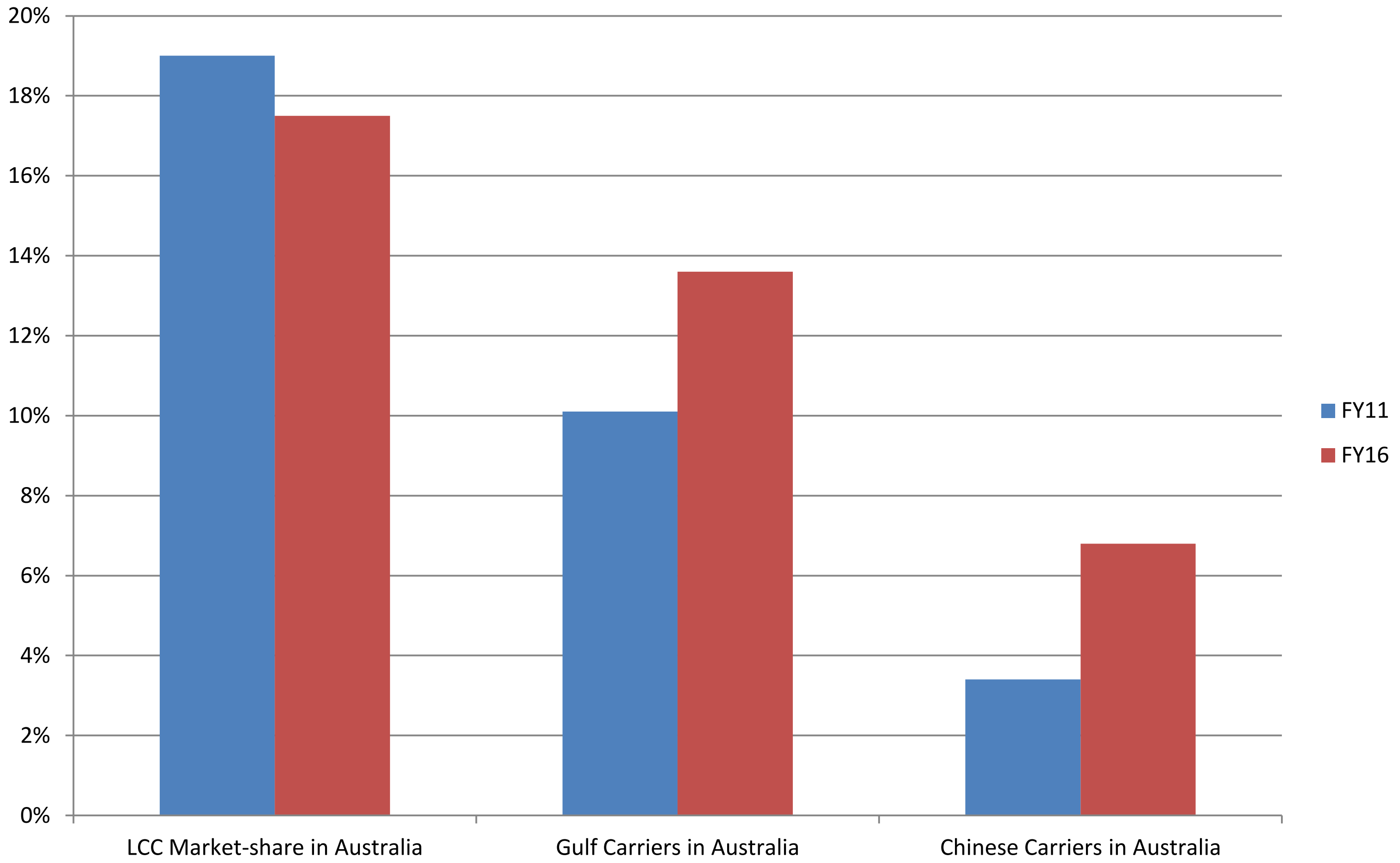
Solid sales growth

- Increasing off a relatively small base

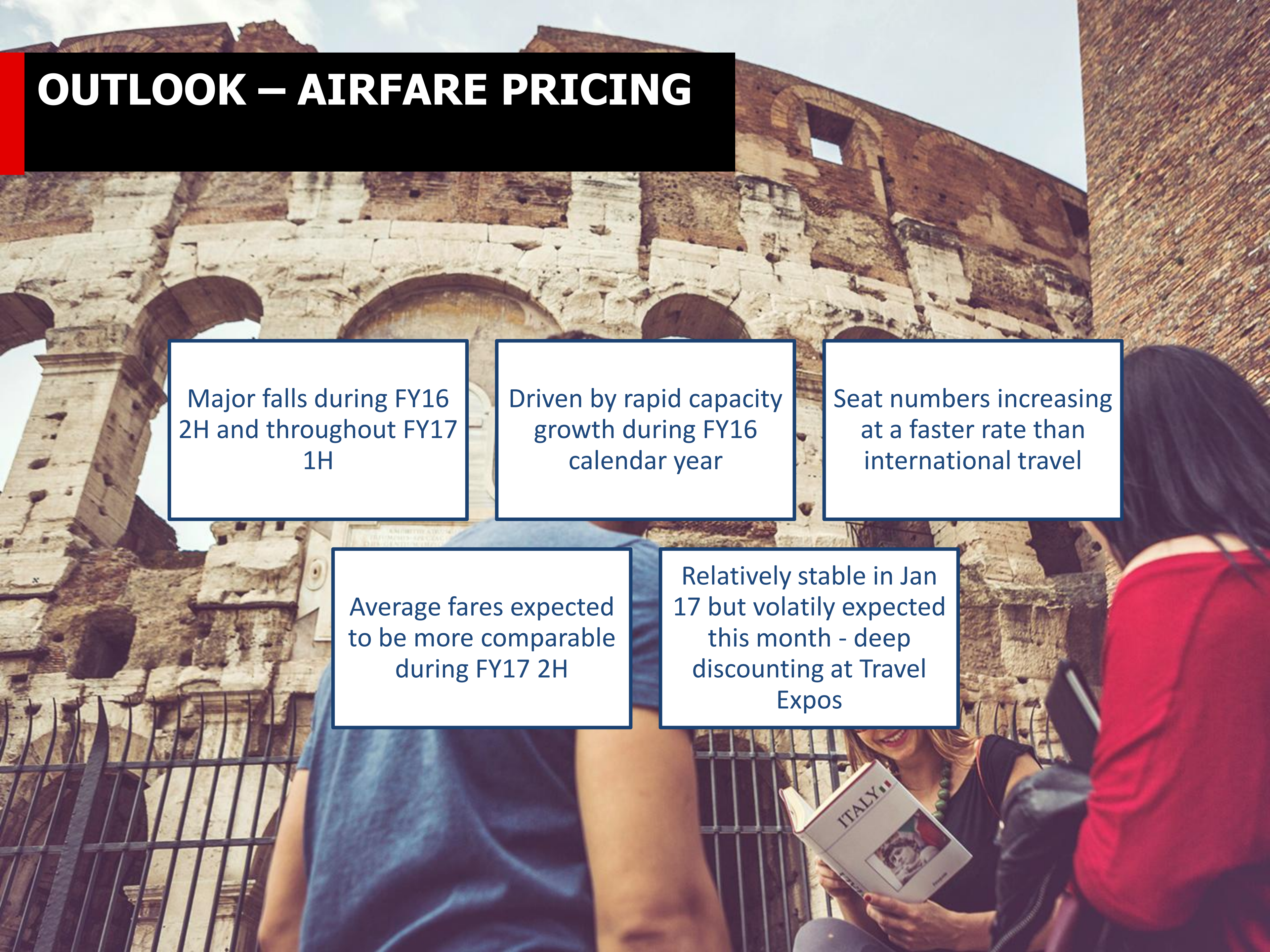
LCC market-share

- Has increased recently in Australia but Middle Eastern & Chinese carriers growing more rapidly

OTHER CARRIERS TAKING OFF



OUTLOOK – AIRFARE PRICING



Major falls during FY16 2H and throughout FY17 1H

Driven by rapid capacity growth during FY16 calendar year

Seat numbers increasing at a faster rate than international travel

Average fares expected to be more comparable during FY17 2H

Relatively stable in Jan 17 but volatily expected this month - deep discounting at Travel Expos

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SUPPLEMENTARY INFO

5-Year Growth Trajectory

AUD	December 2016	December 2015	December 2014	December 2013	December 2012
TTV	**$9,343m**	**$9,182m**	**$8,138m**	**$7,480m**	**$6,593m**
Income margin	13.4%	13.7%	13.6%	14.1%	13.9%
EBITDA	$143.8m	$188.0m	$164.0m	$179.3m	$148.9m
PBT	$109.2m	$156.9m	$141.0m	$155.0m	$129.5m
NPAT	**$74.4m**	**$116.7m**	**$100.3m**	**$110.8m**	**$91.8m**
EPS	73.7c	115.7c	99.7c	110.3c	91.7c
DPS	45.0c	60.0c	55.0c	55.0c	46.0c
ROE	5.6%	9.1%	8.8%	10.3%	10.4%
Capex (cash flow)	$65.7m	$58.2m	$39.5m	$28.2m	$28.4m
Selling staff	15,082	14,747	13,941	13,000	12,167
General cash	$346.9m	$429.8m	$429.4m	$401.9m	$319.5m
Client cash	$662.7m	$612.2m	$611.3m	$594.4m	$453.9m
Cash and cash equivalents	**$1,009.6m**	**$1,042.0m**	**$1,040.7m**	**$996.3m**	**$773.4m**
Investments	$197.5m	$104.5m	$62.0m	$32.2m	$55.1m
Cash and investments	**$1,207.1m**	**$1,146.5m**	**$1,102.7m**	**$1,028.5m**	**$828.5m**

BUSINESS UPDATE

FLIGHT CENTRE TRAVEL GROUP

Ignite Travel Group

ignite travel group	FY16
TTV	$75m
Staff	130
Business units	3
Ownership	49%

- Develops & distributes innovative leisure models including exclusive holiday packages, travel vouchers & rewards programs.
- Strategic Rationale:
  - Access to unique product & distribution methods
  - Procurement expertise
  - Enhance value proposition to suppliers
  - Overseas expansion opportunities
- Acquisition funded through cash

BUSINESS UPDATE

Europe corporate acquisition

	FY17
TTV	€110m (annualised)
Staff	93
Geography	Sweden Denmark Norway Finland Germany

- Small & profitable corporate businesses formerly owned by European online travel agency eDreams ODIGEO
- Strategic Rationale:
  - Expansion into 5 key countries
  - Strengthens FLT's European operations
  - Continued growth of FLT's corporate business
  - Access to proprietary online booking tool (OBT)
- Fast-tracks growth on Continental Europe
- Acquisition funded through cash

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