



FY18 1H RESULTS Flight Centre Travel Group

ASX:FLT | February 22, 2018

FLIGHT
CENTRE
TRAVEL GROUP™



AGENDA

Highlights and Result Overview

Adam Campbell, CFO

Segment Results

Graham “Skroo” Turner, CEO

Business Transformation

Melanie Waters-Ryan, COO

Outlook

Graham “Skroo” Turner, CEO

1H Overview: Headline Results

Record 1H TTV

- \$814m increase on PCP to \$10.16b
- 8.7% above record FY17 result (up 9.3% in constant currency)

Margin

- Solid net margin improvement (up 20bps) to more than offset revenue margin dip
- Lower revenue margin largely reflects “mix” change – rapid growth in lower revenue margin businesses/sectors

Strong Profit Growth

- Underlying PBT up 23.2% to \$139.4m
- Actual (statutory) PBT up 27.7%
- Tracking slightly above targeted 1H range (\$120m-\$135m) – leading to modest upgrade to full year guidance

Shareholder Wealth Creation

- Record equalling interim dividend – 60 cents per share fully franked
- 37% EPS growth
- \$14.33 per share Total Shareholder Return* during CY17

*TSR based on share price growth between December 31 2016 & December 31, 2017 (\$12.94) + dividends paid during the period (\$1.39)

1H Overview: Key Drivers

Efficiency & Productivity

- Solid TTV growth achieved during period of network consolidation
- Further productivity gains – TTV per person up 7%

Executing Transformation Strategies

- Progressing towards 7-2-100 targets
- Growing TTV, improving net margins & slowing cost growth

Business & Geographic Diversity

- Record profit contribution from overseas businesses – also generated almost 50% of TTV
- Developing growth platforms across 3 key pillars
- Strong corporate growth – cementing FLT's position as Top 5 global TMC

New Revenue Streams

- Acquisitions & organic
- New products
- New geographies
- New sectors
- New business models

Highlights: Successfully Executing Key Strategies

Early Progress Towards Transformation Targets

7

7% per annum TTV growth on average in constant currency

= \$4.5b growth over next 3 years

Tracking above target

2

Return to 2% full year net margin within 3 to 5 years (subject to mix)

1H (statutory) net margin up 20bps on PCP

Expected to improve on underlying 1.64% FY17 full year result

100

<\$100m in cost growth during FY18

\$33m* 1H increase (3.4% up in constant currency)

Lowest growth since GFC

Medium-term transformation goals are subject to review as FLT fine tunes strategies & as business mix changes. FLT will continue to provide separate annual guidance.

* Excludes touring costs, which were previously netted against revenue

Results in Detail: P&L

- 1H TTV topped \$10b for 1st time. More than doubled over past 8 years (Appendix 1)
- Almost 30% of 1H TTV from lower income margin OTA, multi-national corporate (FCM) & FX businesses (Travel Money) – contributing to lower overall income margin (as expected)
- “Mix” changes in India (TTG acquisition, FX growth) impacting overall income margin
- FY17 restated to show tour operating revenue & expenses gross (previously shown nett in revenue)
- Successfully controlling cost growth to boost net margin
- Employee benefits expense increasing in line with revenue – incentivised workforce
- Decreased advertising spend – cost-effective enquiry generation, BYOjet & Aunt Betty promoting ultra-low airfares via metasearch (rather than traditional)
- \$2.6m increase in D&A expense, in line with expectations – reflects higher cap-ex in recent years
- Transformation costs during 1H not significant & regarded as Business as Usual
- FY17 1H \$4m underlying PBT adjustment from exiting Employment Office JV (no adjustments during FY18 1H)

Profit & Loss

<i>AUD \$'m</i>	1H FY18	1H FY17	Mvmt %
Group TTV	10,157	9,343	9%
Operating revenue	1,360	1,289	6%
Other revenue	14	15	(9%)
Total revenue	1,374	1,304	5%
Share of JV/Associates	1	1	(8%)
Employee benefits	(719)	(690)	4%
Marketing expense	(96)	(105)	(9%)
Rent expense	(81)	(81)	0%
Tour operations	(60)	(53)	14%
D&A	(39)	(36)	7%
Finance costs	(11)	(12)	(5%)
Other expenses	(230)	(219)	5%
PBT	139	109	28%
Underlying PBT	139	113	23%
EPS (cents)	101.2	73.7	37%
Sales teams	2,916	2,937	(1%)
Margins			
Underlying Income Margin	13.53%	13.95%	(43 bps)
Underlying PBT Margin	1.37%	1.21%	16 bps
Marketing % TTV	0.94%	1.13%	(19 bps)

Results in Detail: Balance Sheet

- Strong cash position – circa \$1.2billion in cash & investments
- Increased trade & other receivables driven by increase in corporate volume, offset by decline in debtor days
- Goodwill on acquisitions leading to \$88m intangible assets increase
- Ongoing investment in key IT projects also driving intangible asset growth
- Other non-current assets includes recent investments in JVs & associates – 3Mundi, Bibam & increased investment in Buffalo JV
- Movement in current trade payables & other liabilities reflects strong corporate turnover growth & timing of wages & other operating accrual payments
- \$361m in general cash + \$107m in general investments (externally managed funds) = \$468m in general (company) cash & investments
- \$377m positive net debt at Dec 31

Balance Sheet

<i>AUD \$'m</i>	As at Dec-17	As at Dec-16	Mvmt %
Cash & cash equivalents	1,011	1,010	0%
Financial assets	203	197	3%
Trade & other receivables	729	670	9%
Other current assets	100	94	6%
Current assets	2,042	1,971	4%
PPE	250	264	(5%)
Intangibles	561	463	21%
Other non-current assets	136	96	42%
Non-current assets	947	822	15%
Total assets	2,989	2,793	7%
Trade payables & other liabilities	1,255	1,200	5%
Borrowings	91	92	(0%)
Provisions	45	39	15%
Current liabilities	1,391	1,331	5%
Trade payables & other liabilities	127	92	38%
Provisions	37	36	3%
Non-current liabilities	164	128	28%
Total liabilities	1,555	1,458	7%
Net assets	1,433	1,335	7%
General cash	361	347	4%
General investments	107	102	5%
Client cash	649	663	(2%)
Client investments	96	96	0%
Total cash & investments	1,213	1,207	1%
Positive net debt	377	357	6%

Results in Detail: Cash Flow

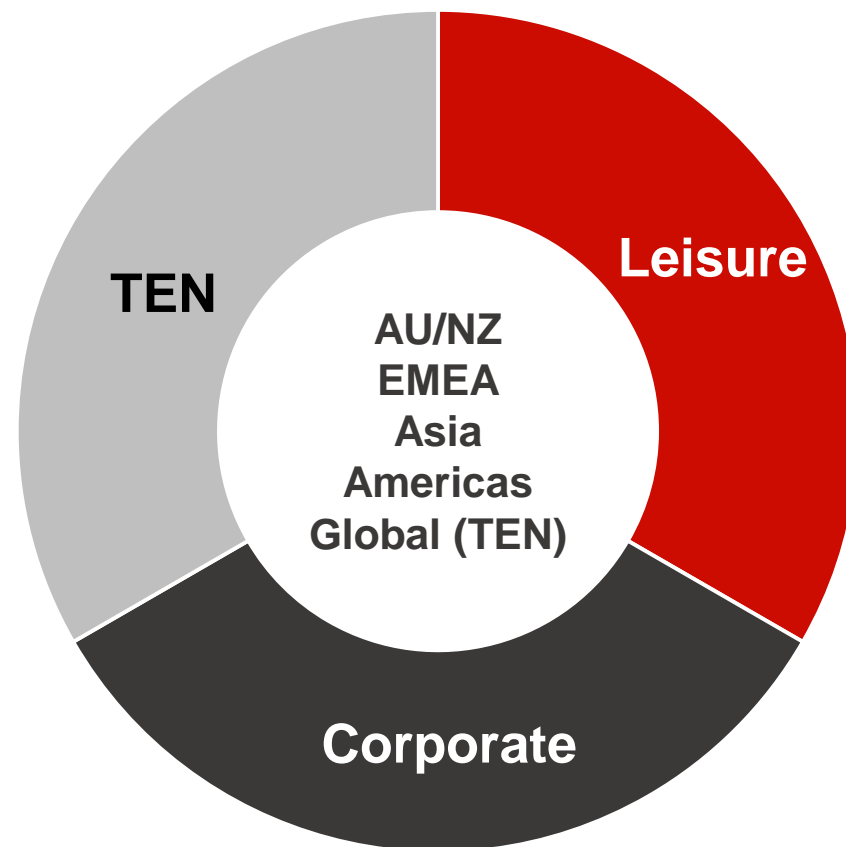
- Operating cash outflow recorded during 1H, in line with normal seasonality
- Lower 1H operating outflow of \$103m driven by TTV growth & lower tax payments (decline in Australian PAYG instalment rate)
- Cash-funded acquisitions to enhance network (see Appendix 2):
 - Olympus Tours (Mexico) – \$24.6m net cash impact
 - Executive Travel Limited (NZ) & Travel Managers Group (NZ) – \$16.1m
 - Les Voyages Laurier Du Vallon (Canada) – \$16m
 - BHMA (Asia) – \$6.4m
 - Travel Partners – \$3.5m
- Cap-ex decreasing & now weighted towards systems after heavy recent investment in shops & head office moves (see Appendix 3)

Cash flow statement

AUD \$'m	1H FY18	1H FY17	Mvmt %
Operating activities			
Operating activities before interest and tax	(51)	(83)	(39%)
Net interest and tax paid	(52)	(63)	(19%)
Cash flow from operating activities	(103)	(147)	(30%)
Investing activities			
Acquisitions	(67)	(16)	326%
Purchases of PPE and intangibles	(43)	(66)	(35%)
Net purchases of financial assets	(1)	9	(107%)
Other investing cash flows	4	(4)	(201%)
Cash flow from investing activities	(107)	(76)	41%
Financing activities			
Financing activities before dividends	32	17	95%
Dividends paid	(95)	(93)	2%
Cash flow from financing activities	(63)	(76)	(18%)
Increase/(decrease) in cash held	(273)	(299)	(9%)
FX impact	1	(8)	(117%)
Cash and cash equivalents	1,010	1,008	0%
	As at Dec 17	As at Dec 16	
General cash (excl. Investments)	361	347	4%
Client cash	649	663	(2%)
Bank overdraft	(1)	(1)	(47%)
Total cash	1,010	1,008	0%

Segmented Results

Three Core Pillars in Five Key Geographies



Key Achievements: Leisure

Profit improvement – stronger contribution to 1H group earnings

Leisure businesses the initial focus of FLT's transformation activities – Asia, Americas & now Australia

North America turnaround underway – significant reduction in 1H losses

Rapid online sales growth – 27% TTV increase from OTAs

Investment in & expansion into growing models – Independent contractors, flagship & specialist Flight Centre shops, voucher model (Get Luxe)

Network efficiencies & planning to maximise return on shop network investment

Australian Leisure Transformation: Super Networks

Mass Market



Focused

Growing our profile and our business by focusing on our most famous distinctive brands

Premium



Stronger

With the best and most marketed product and our specialist expertise all in one place for our customers

Youth



Bigger

Becoming an even bigger force on the Australian leisure travel landscape & growing market-share

Key Achievements: Corporate

Strong contribution to group results – generated 37% of 1H TTV (FY17 1H: 34%)

Now a Top-5 global TMC & winning market-share – 19% 1H TTV increase (up circa \$600m on PCP)

Developing global footprint – integrating recent acquisitions, FCM Germany launched

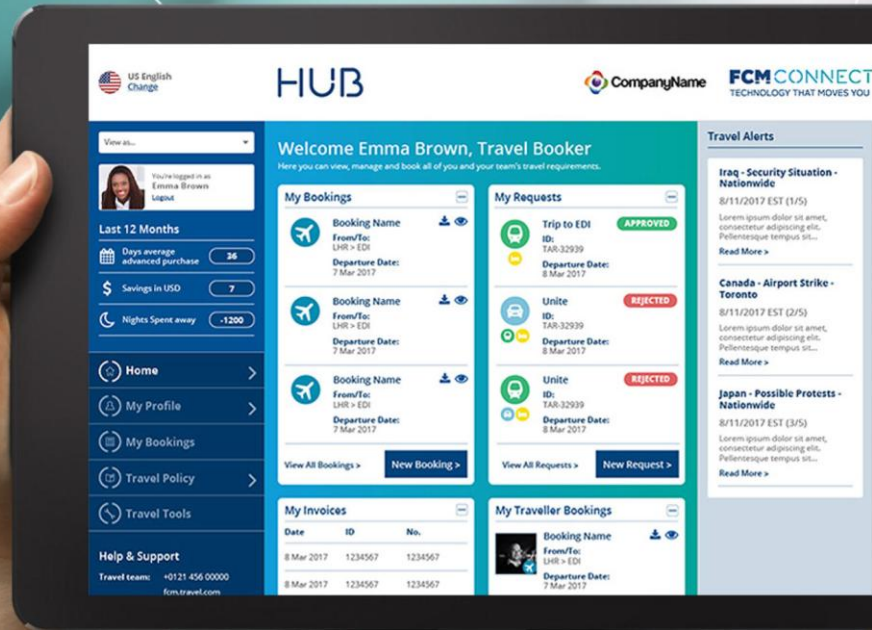
Strong growth in multi-national FCM sales & account wins – 5 “enterprise” (\$100m+) accounts now in place

Corporate Traveller rebrand underway to cement leading SME customer offering

Ongoing investment in leading system & tech suite

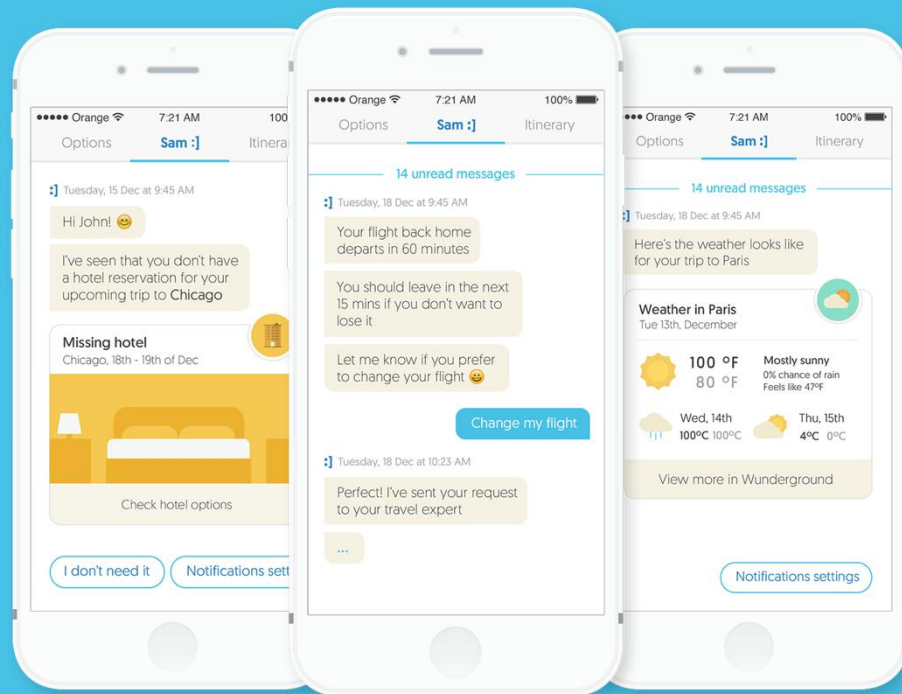
World Class Corporate Technology Suite

FCM Connect



- Global launch during 1H
- New name & positioning for FCM's leading tech suite
- Single access point for traveller, booker, manager

World Class Corporate Technology Suite Sam :]



- **Corporate travel chat bot**
- Blends AI with the expertise of FCM consultants
- Delivers personalised relevant info
- Launched in USA. Now in Europe
- Australia, Asia & Africa releases planned for 2H
- Leading tech and differentiator in the market
- Live chat and self-booking of air, hotels and cars
- <https://www.au.fcm.travel/technology/sam>

Key Achievements: Travel Experience Network

Tour Operators	Topdeck (18-30s) Back-Roads (Small group/special interest)	Investment in TEN Delivering Benefits That Are Aligned to FLT's Strategic Objectives
Destination Management Companies	Buffalo Tours (Asia) Olympus (Americas)	
Hotel Management	BHMA (Asia)	
		Greater control over customer offering
		Ability to create unique products
		Distribution via FLT shop & corporate business network
		Improved margin through vertical integration
		New external revenue streams – B2B & B2C Sales
		Creating global networks across 3 sectors

Also includes FLT's product (non-air) procurement businesses, which predominantly service the company's leisure & corporate sales networks

Segmented Results: Highlights

Record TTV in all countries

Record profit in UK, USA, Canada, South Africa, UAE, Mexico, China, Malaysia

Record contribution from overseas businesses - \$38.2m profit (3 x FY17 1H contribution)

Strong turnaround in Canada – \$6.7m 1H PBT

Inaugural US profit during seasonally weaker 1H

UK, South Africa & UAE driving strong EMEA results

Asian recovery underway - modest 1H profit achieved

Australia & NZ growth

*See Appendix 4 for country breakdown

Segmented Results: Australia / New Zealand

<i>AUD \$m</i>	1H FY18	1H FY17	Mvmt
TTV	5,895	5,653	4%
External Revenue	771	760	2%
Costs	(667)	(661)	1%
PBT	104	99	5%
Sales staff	8,273	8,542	(3%)
TTV per staff (\$'000)	713	662	8%
Margins			
Revenue Margin	13.08%	13.44%	(35 bps)
PBT Margin	1.77%	1.75%	2 bps

Result Overview & Key Drivers

- TTV up 4%, despite system change disruption & temporary sales force contraction(expected)
- Modest profit growth in Australia – boosted by solid finish to 1H
- Australian leisure shop network (including Travel Money) generated almost 44% of 1H group PBT
- 1H acquisitions contributing to NZ profit growth
- Successfully slowing cost growth – up circa 1%
- Strong growth in corporate TTV – further market-share gains
- Investment in Corporate Traveller SME offering
- Continued strong growth in online sales, digital capabilities
- New revenue streams – independent contractor, unique products, interest-free holidays

Segmented Results: Americas

<i>AUD \$m</i>	1H FY18	1H FY17	Mvmt
TTV	2,089	1,931	8%
External Revenue	248	232	7%
Share of Associate	(1)	-	(100%)
Costs	(239)	(239)	(0%)
PBT	8	(7)	225%
<i>Sales staff</i>	<i>2,719</i>	<i>2,807</i>	<i>(3%)</i>
<i>TTV per staff (\$'000)</i>	<i>768</i>	<i>688</i>	<i>12%</i>
Margins			
Revenue Margin	11.87%	12.02%	(15 bps)
PBT Margin	0.40%	(0.34%)	74 bps

Result Overview & Key Drivers

- 1H TTV topped \$2billion for 1st time
- Generated circa 20% of group TTV
- Inaugural US 1H profit achieved
- Driven by continued strong corporate results & sales wins, reduced leisure losses
- Productivity gains & cost reductions from transformation plan driving US leisure improvement
- Canada turnaround gaining momentum
- Leisure improvement contributing to year-on-year profit growth – cost initiatives in-line with transformation plan
- Wholesaler GOGO in line with expectations – Groups business performing well
- StudentUniverse flat with prior year in USA but growing strongly (from small base) in UK

Segmented Results: EMEA

<i>AUD \$m</i>	1H FY18	1H FY17	Mvmt
TTV	1,421	1,222	16%
External Revenue	196	178	11%
Costs	(161)	(152)	6%
PBT	35	25	37%
Sales staff	2,477	2,609	(5%)
TTV per staff (\$'000)	574	468	22%
Margins			
Revenue Margin	13.82%	14.53%	(71 bps)
PBT Margin	2.46%	2.08%	37 bps

Result Overview & Key Drivers

- Strong TTV & profit growth (up 37%)
- Region generated circa 14% of group TTV & about 25% of group PBT
- Profits underpinned by strong UK, UAE & South Africa results
- UK profit up 30% in AUD
- Reduced losses in Ireland – targeting break-even full year result
- Integrating Europe corporate acquisitions – Netherlands, Sweden, Finland, Norway, Denmark, Germany, France (25% interest)
- Investment in FCM Germany – equity presence in one of world's largest corporate markets

Segmented Results: Asia

<i>AUD \$m</i>	1H FY18	1H FY17	Mvmt
TTV	637	439	45%
External Revenue	43	36	20%
Costs	(42)	(39)	6%
PBT	1	(4)	128%
Sales staff	1,286	1,198	7%
TTV per staff (\$'000)	495	366	35%
Margins			
Revenue Margin	6.72%	8.13%	(141 bps)
PBT Margin	0.16%	(0.82%)	98 bps

Result Overview & Key Drivers

- Strong TTV growth from emerging region which includes Singapore, Malaysia, India, Mainland China & Hong Kong
- Return to profit after 2 years of losses
- Transformation program well advanced & delivering benefits
- Singapore & Mainland China businesses profitable during 1H to offset losses in Hong Kong & India
- Focus on corporate in South East Asia
- Leisure businesses downsized in Singapore, Beijing & Hong Kong & now profitable
- Travel Tours acquisition (FY17) contributing to strong TTV growth in India

Segmented Results: Other

<i>AUD \$m</i>	1H FY18	1H FY17	Mvmt
TTV	115	99	17%
External Revenue	115	99	17%
Share of JV	2	1	54%
Costs	(126)	(105)	20%
PBT	(9)	(5)	(85%)
Margins			
Underlying PBT Margin	(7.64%)	(4.83%)	(281 bps)

Result Overview & Key Drivers

- Items that are not allocated to geographical segments, including FLT's TEN businesses
- TTV & revenue growth mainly driven by inclusion of Olympus
- Improved touring results after challenging FY17 1H
- Increased segment losses – impact of BHMA, acquisition costs, op-ex relating to new systems, transformation costs, increased incentives as a result of strong 1H trading

FY18 Results: Emerging Brand Success Stories

Travel Money	BYOjet + Aunt Betty	Pedal Group (JV)	Avmin
Circa \$670m in 1H TTV, up 18%	Almost \$180m in 1H TTV	Includes retailer 99 Bikes & wholesaler Advance Traders Australia	Aircraft charter business growing strongly
Now FLT's 4 th largest brand globally behind FCB, FCM & CT	87% TTV growth	\$54.7m in consolidated 1H sales (up 13%)	1H TTV up circa 40%, flight sectors almost doubled during period
Productivity & margin focus	Circa \$2.5m in PBT	\$2.8m in consolidated PBT (FLT has 50% share)	Growth in ad-hoc charters (private jets etc) & FIFO
New Travel Money Currency Pass launched – prepaid currency card	Pure online play selling ultra low-cost airfares via metasearch	36 shops throughout Australia – 5 new outlets during past year including 1 st WA & Canberra stores	New deals in place - QLD State Government, Mildura FIFO
	BYOjet exported to New Zealand, UK, Singapore		
	Plans for further expansion		

Transformation Update: Priorities

Digital Commerce Growth

- Growing online completion (e-commerce) & online origination as part of blended offering
- Improving digital services – booking engine upgrades, UX enhancements, mobile apps, dNA (digital centre of excellence)
- Building new capabilities – data management, business intelligence, cruise & hotel search

Globalisation – Air, Land, & IT

- Removing duplication/Centralising functions
- Outsourcing some support functions into lower cost markets
- Developing a global TEN footprint
- Investment in 2 key enterprise technology projects - GDS (point-of-sale) + new financial platform (Microsoft Dynamics)

Controlling Costs & Improving Efficiency

- Leaner support structures, leading to lower costs
- Network planning to secure optimal shop locations & deliver a stronger ROI
- Stronger returns on recent system enhancements
- Improved network performance – achieving TTV growth target during period of network contraction

Investment in Growth Brands & Business Models

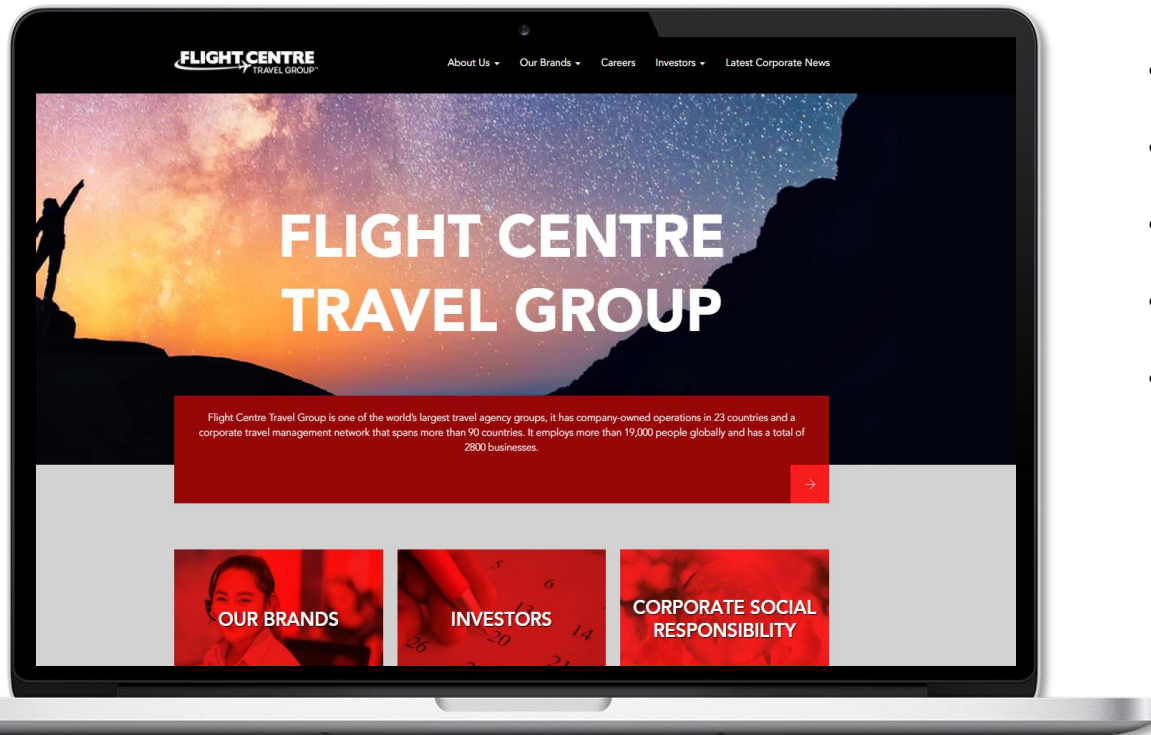
- Brand & some network consolidation delivering top & bottom-line improvement
 - Accelerating growth of successful business models
 - Removal of underperforming business models
- Further investment in tech solutions to improve enquiry management & enhance conversion – successful enquiry routing pilot in USA (RedConnect)
- New models – home-based organic start-ups & acquisitions

Creating & accelerating change throughout the organisation

Digital Transformation

Improving our services

Changing from a position of strength.

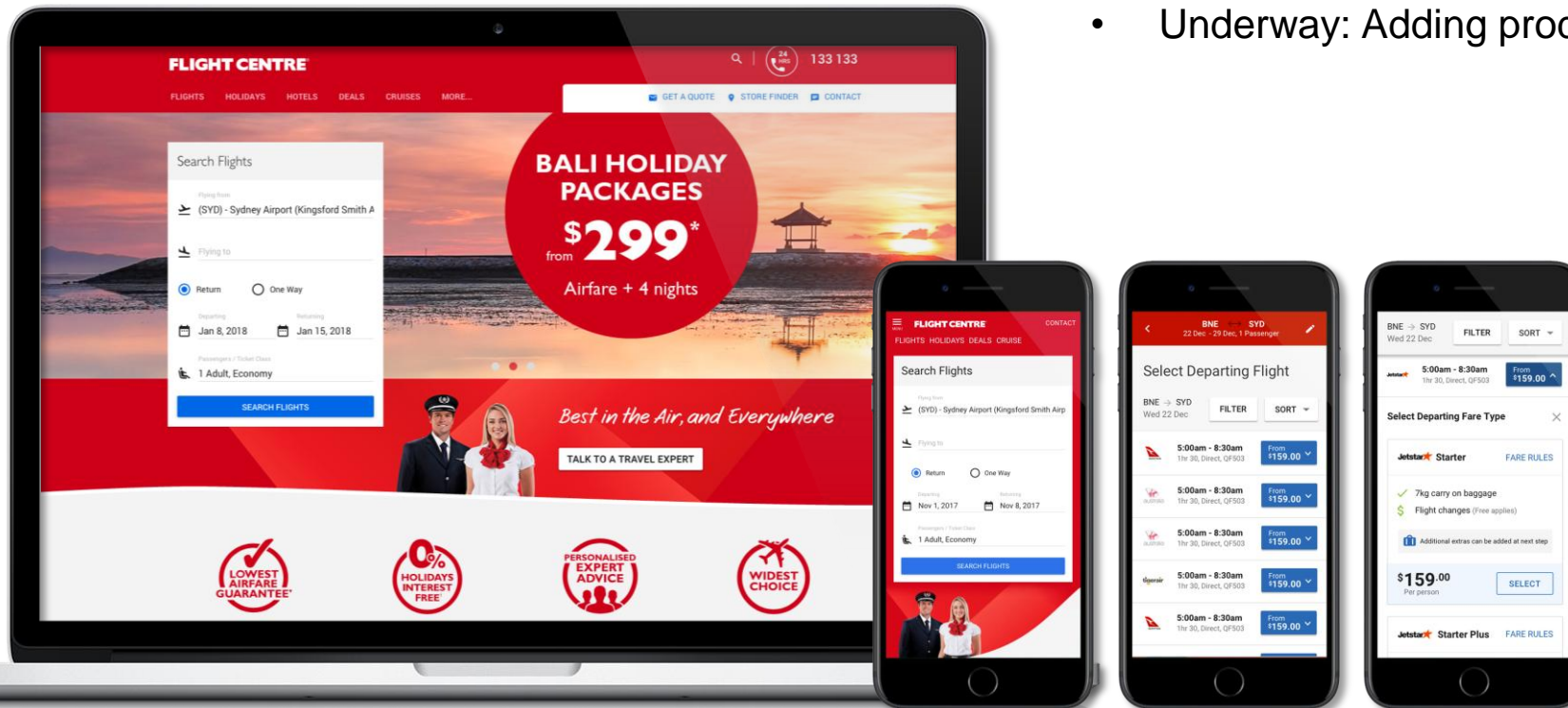


- Making digital integral to our strategy
- Building new websites, mobile apps and platforms
- Reaching more customers across more channels
- Increasing profitability by improving scalability
- Bringing services and products to market faster
- Making internal processes more efficient
- Exploring: Amazon Echo (Alexa) integration as an example

Digital Transformation Online Completion

Leisure e-commerce sales growing

- Global platform development and rollout on track
- UK and RSA live with new e-commerce solutions
- Major new UX/UI releases to all properties
- New native app releases driving continued growth and repeat business
- Underway: Adding products online



**FLIGHT
CENTRE**

StudentUniverse

byojet

Aunt Betty

Digital Transformation

Digital in All Channels



Phone calls



Lead Gen



Chats



Appointments



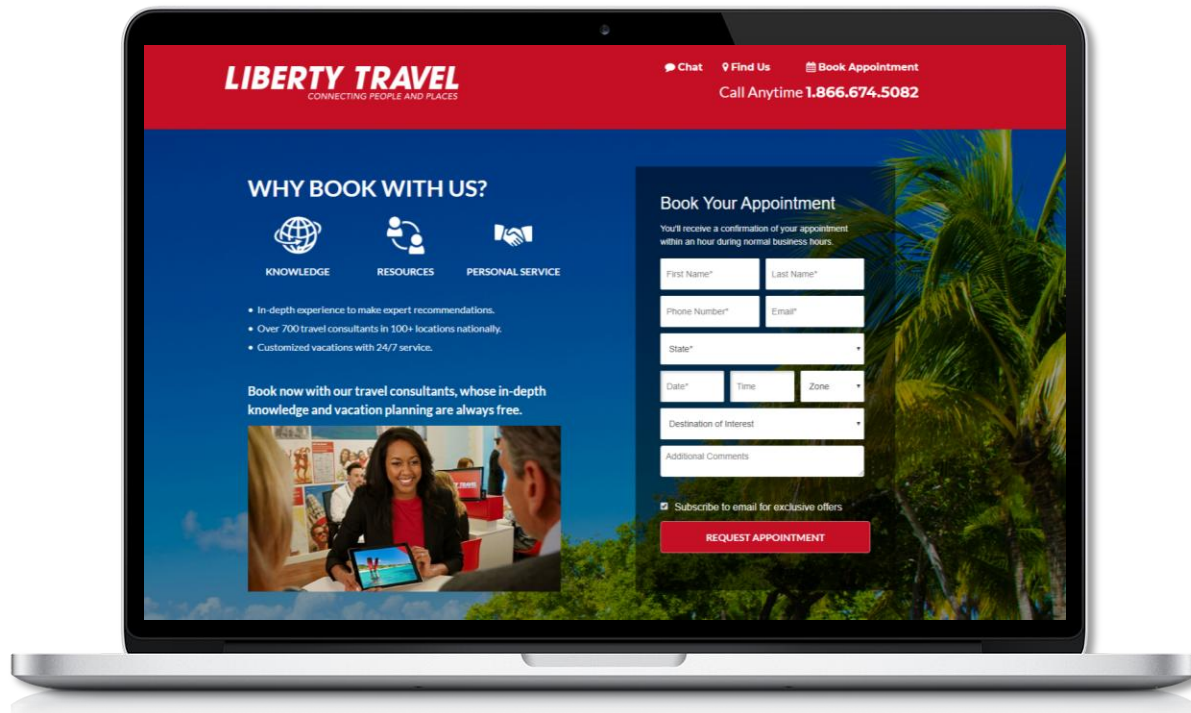
Emails



Shop visits



Web + App



- **New lead management technology live**
- Digital Factory (dNA) driving change in digital
- Culture of testing and conversion rate optimisation
- Consolidation of services and tech to gain speed
- Integration of modern appointment tech – contributing to higher conversion rates
- Increased focus on data and personalization



Chat with us now

Flight Centre Live Chat



Transformation Update: Efficiency & Costs

Strengthening Platforms & Improving Network Efficiency

New in-store POS systems now fully deployed (2.5-year project)

Microsoft Dynamics (finance platform) deployment project to begin in Australia in FY18

Enhancements to corporate tech suite

Network plans implemented:

- Better utilisation & leasing efficiencies
- Closing or relocating some poorly located shops
- Opening bigger shops in better locations

Lowering Overhead / Support Costs

Redundancies late in FY17 (Asia, some Australia-based global roles)

Air ticketing functions globalised early 2H

Pursuing outsourcing opportunities – some finance functions and online customer support

Transformation Update: Growth Brands & Models

Leisure

- Initial focus on loss-making North America, UAE & Asia operations
 - Canada & US leisure network consolidation to improve performance
 - Small Asia shop networks downsized or closed
 - UAE leisure (3 shops) closed
- Focusing now on Australia – brands joining forces to create 3 Super Networks
- Some smaller brands consolidated or merged – Student Flights (NZ, RSA), Cruiseabout, Escape Travel, Travel Money USA, Flight Centre Namibia
- Flight Shops merged with acquired Travel Tours business in India – now operating under Travel Tours brand
- BYOjet international expansion continued
- Investing in home-based/independent contractor models – acquisitions & organic growth
- Growth in flagship & specialist Flight Centre offerings
- Flagship growth delivering returns - 80 flagship stores & hyperstores now delivering 20% of Australian leisure TTV and 30% of profit

Corporate

- Investment in FCM network - 8 new countries during FY17 & 12 in past 3 years - & leading technology/product suite
- Competing successfully with world's largest TMCs for \$100m+ "enterprise" accounts
- Focus on single corporate brand – FCM – in South East Asia
- Corporate Traveller rebrand in key markets to cement leading customer offering in SME sector
- CT Go just launched in Australia – includes rapid on-boarding function for new clients (15 minutes)
- Investment in Your CT in UK – single gateway to all tech tools

Travel Experience Network (TEN)

- Acquisitions to complement organic growth in key sectors as FLT develops global touring, DMC & hotel management networks
- BHMA – 1st investment in hotel management sector
- Olympus secured as Americas-based DMC to operate alongside Asia-based Buffalo Tours DMC

Australian Super Networks: Overview

Joining Forces to Create 3 Leisure Travel Super Networks

- Merging some Australian leisure brands to create larger & individually more successful businesses
- Smaller scale project also underway in NZ

Key Aspects

- Escape Travel & Cruiseabout to join forces with Flight Centre & Travel Associates in Australia
- Shops to be rebranded to FC or TA
- No consultant job losses - all affected sales staff to be redeployed to FC, TA
- Specialist divisions to be developed within FC network to capture markets previously serviced by ET & CA (tailor-made holidays, cruises)
- Will operate alongside Student Flights (Youth Network)

Benefits

- Targeting market-share growth & delivering a stronger footprint – higher profile brands with a stronger presence
- TA will more than double in size – from 50 to 103 sales teams
- Better locations, bigger shops for Flight Centre – sales teams to increase from 780 to about 920
- More aggressive marketing & greater share of voice – overall ad spend maintained & channelled towards a smaller brand stable
- Allowing for leaner support structures – lowering future costs – & bringing better products to market

Super Networks: A Market-Share Growth Plan



No Travel Consultant Roles Lost

Staff/teams affected by brand mergers will be redeployed to either Flight Centre or Travel Associates



No Negative Impact on Customer or Suppliers

Comprehensive communications plan in place to eliminate disruption/confusion

Delivering a stronger product offering & servicing capability with fewer brands

Working with suppliers within each network to grow sales & the overall leisure market



No TTV Lost

Overall sales force to be maintained in short-term & then grown to achieve market-share growth objective

Student Flights
NEVER STOP TRAVELLING

FLIGHT CENTRE

TRAVEL ASSOCIATES™

Investing In Our People



New Initiatives

- Paid Maternity Leave (July 18)
- Workplace Flexibility
- Mentor Program
- Professional Development Training
- UK Apprenticeship Program
- Diversity Project

FY18 Outlook: Guidance Updated

Trading slightly above guidance after 1H –leading to modest upgrade to full year target

Now targeting \$360m-\$385m underlying PBT (previously \$350m-\$380m)

New guidance range represents 9.3%-16.8% growth on FY17

1H profit growth trajectory unlikely to continue during 2H – PCP was a relatively strong trading period (PBT up 4.7% after being down circa 22% after FY17 1H)

Some additional transformation costs likely during 2H – focuses on technology, support costs & Australian leisure

Further disruption possible in Australia & NZ while super network plan is implemented



Outlook: 2H Growth Drivers

Overseas Businesses

- Further growth expected after record-breaking 1H
- Americas: Leisure businesses approaching break-even over full year, gaining corporate market-share
- EMEA: UK business continuing to perform well & driving strong EMEA results

Australia

- Corporate business well placed for further growth during 2H
- Targeting stronger leisure TTV growth, but further disruption possible in short-term

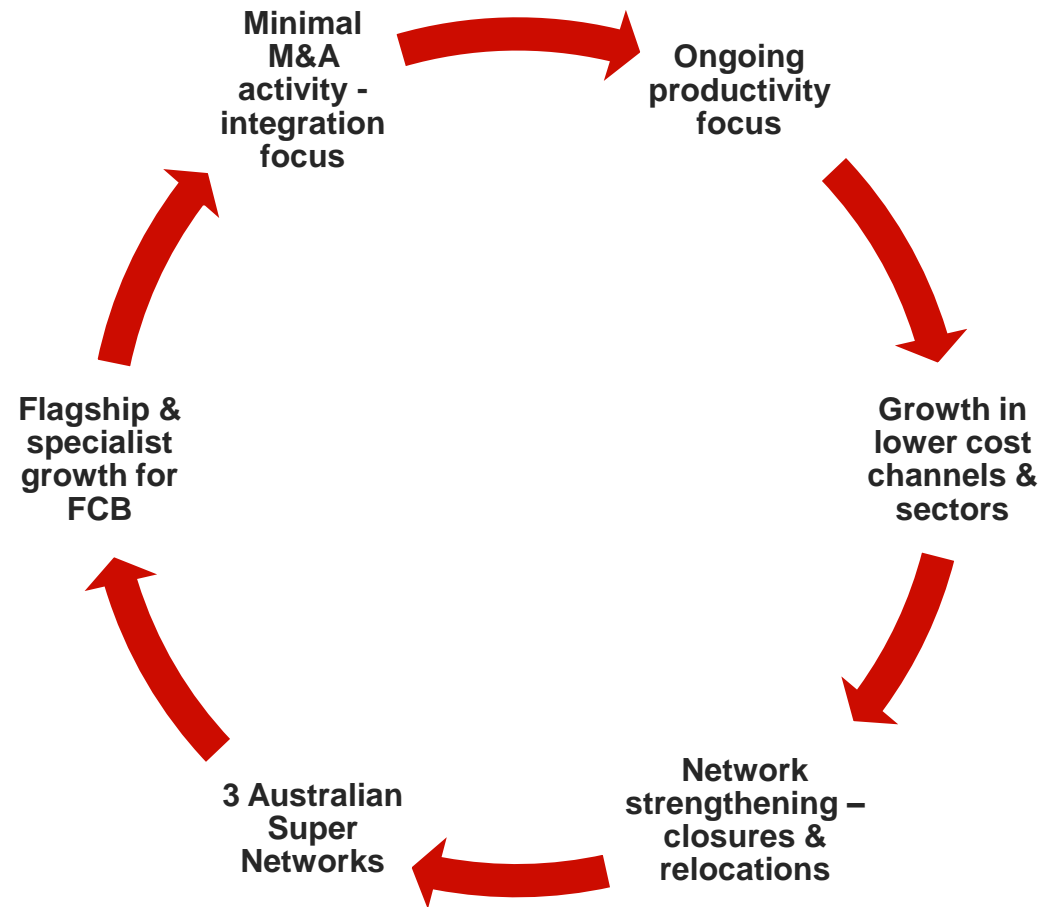
Ongoing Market Growth As Golden Era of Travel Continues

- Affordability: Airfare prices have stabilised, but remain low by historical standards
- Amenities: Better In-Flight Experience – Qantas direct flights Perth-London, Premium Cabin Upgrades, Virgin Australia Economy X
- Availability: More seats & more services but capacity growth in Australia slower than during PCP (see Appendix 5)

FY18 Outlook: Continued Network Improvement

Network Planning

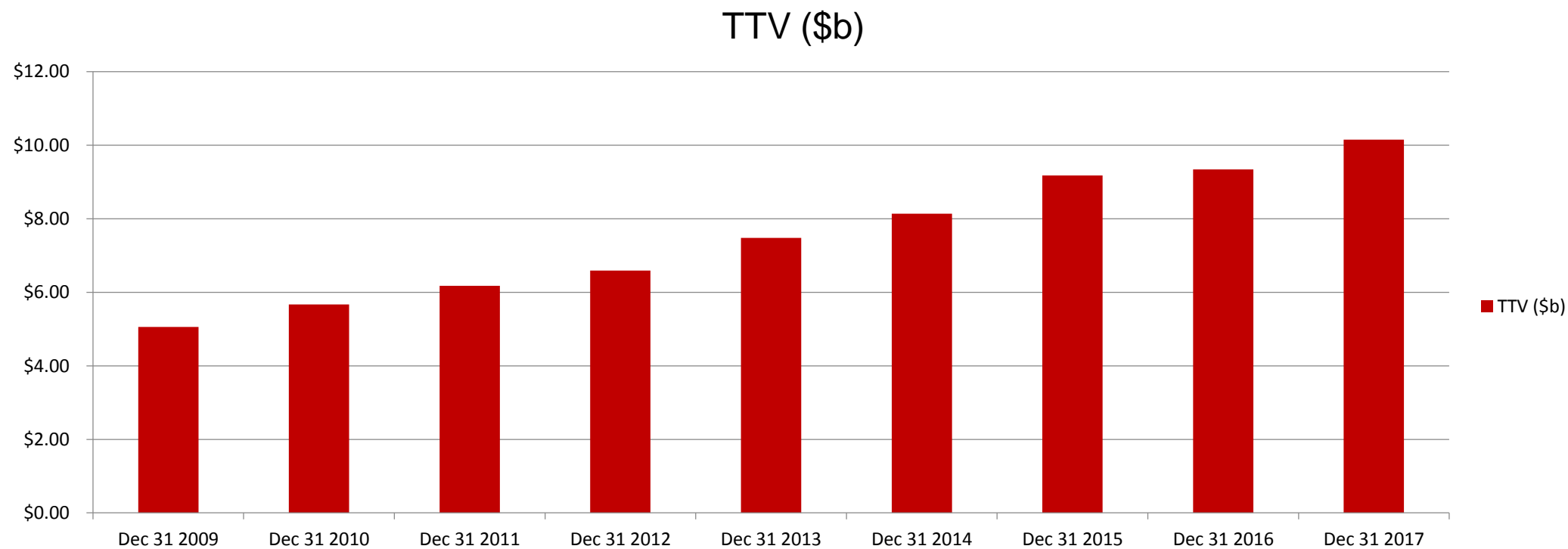
- Right shops in right locations
- Moving poorly located shops
- Closer relationship with landlords to get better shopping centre & strip location sites



End of Presentation Questions?



Appendix 1: TTV Growth Throughout The Cycle



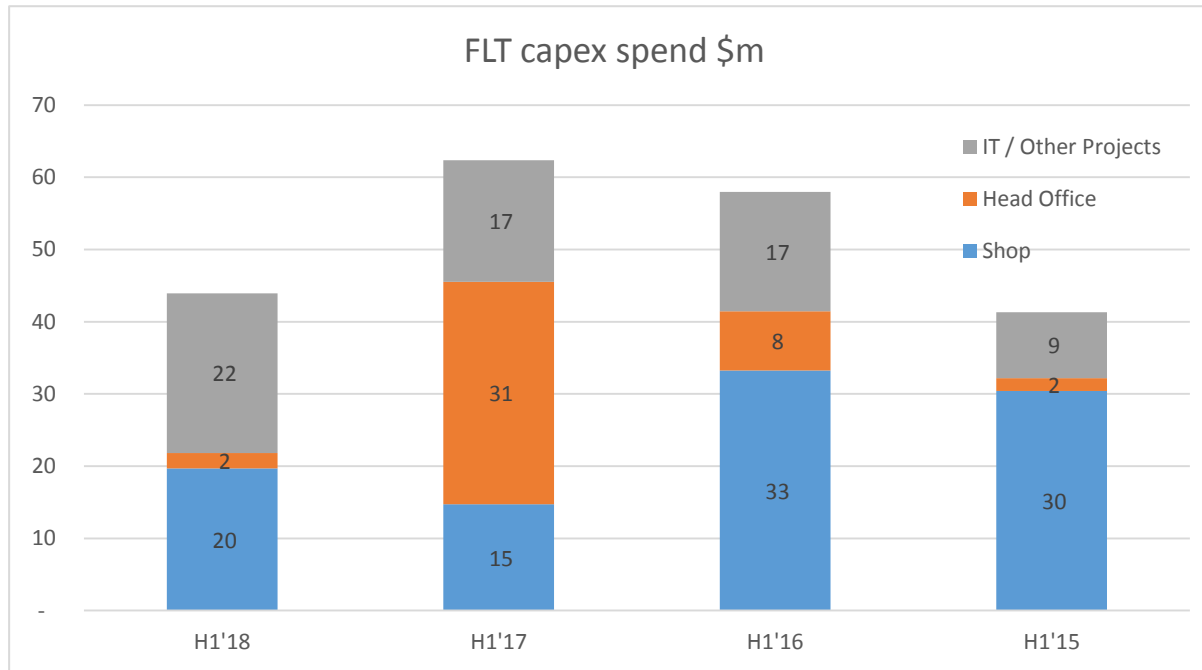
1H TTV Has Now More Than Doubled in Eight Years

Appendix 2: Summary - Recent Acquisitions

	Strategic Rational	Date Completed	Segment	Ownership
Leisure Ignite	Voucher-based model selling unique product offers direct & via shop network	Sep-16	Aust & NZ	49%
Sunny	Provides FCTG the required licence to sell outbound travel to Chinese nationals	Oct-16	Asia	100%
Travel Partners	Expansion of Australia leisure business into independent contractor & affiliate models	Sep-17	Aust & NZ	100%
Travel Managers	Expansion of New Zealand leisure into brokers & franchisee models	Aug-17	Aust & NZ	100%
Travel Tours	Expansion of India's leisure business	Feb-17	Asia	100%
Corporate Nordics & Germany	Further expansion of corporate business into Europe and access to in-house developed OBT technology	Dec-16	EMEA	100%
3Mundi (France)	Further geographical expansion into Europe through acquisition of high performing FCM Licensee	Jun-17	EMEA	25%
Bibam	Access to new technology, potential low cost base for future IT development and geographical expansion	Apr-17	Americas	24.1%
Les Voyages Laurier du Vallon	Increased market share within Quebec region and synergies with existing operations	Aug-17	Americas	75%
Executive Travel Travel Experiences	Increased corporate market share within New Zealand	Aug-17	Aust & NZ	100%
Buffalo (Vietnam)	Expansion of existing DMC network to include Vietnam providing a dominate DMC presence across Asia	Apr-17	Other	58.5%*
Olympus	Geographical DMC presence in Central America and the Caribbean	Aug-17	Other	100%
BHMA	Expansion of Travel Experience Network offerings through the acquisition of hotel management operating platform and specialist IP	Jul-17	Other	100%

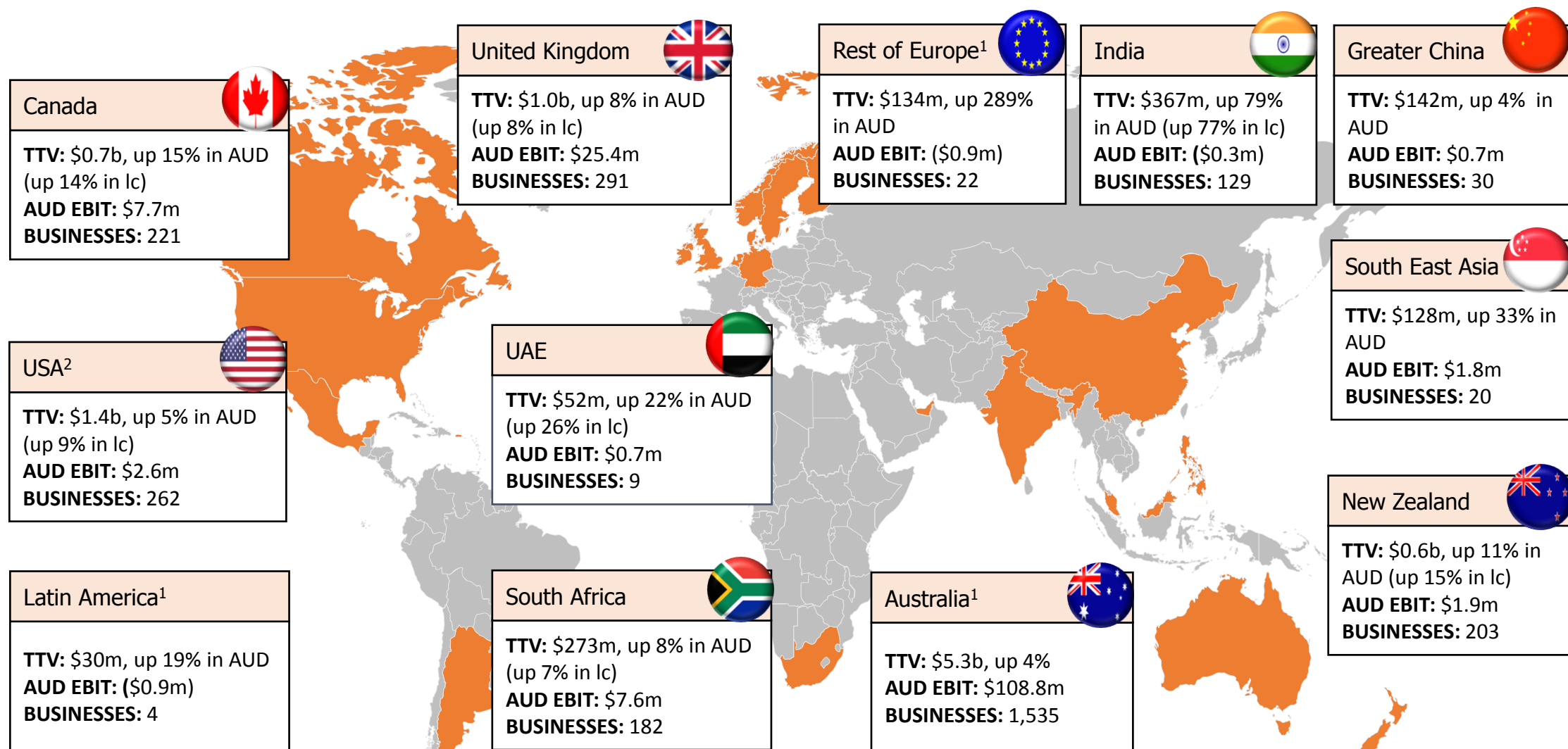
* FLT previously owned 49% of a JV that did not include the Vietnam Buffalo Tours business

Appendix 3: Changing Cap-Ex Profile



Cap-ex moderating & shifting towards system & IT spend – now about half of total budget (FY15: Circa 25%)

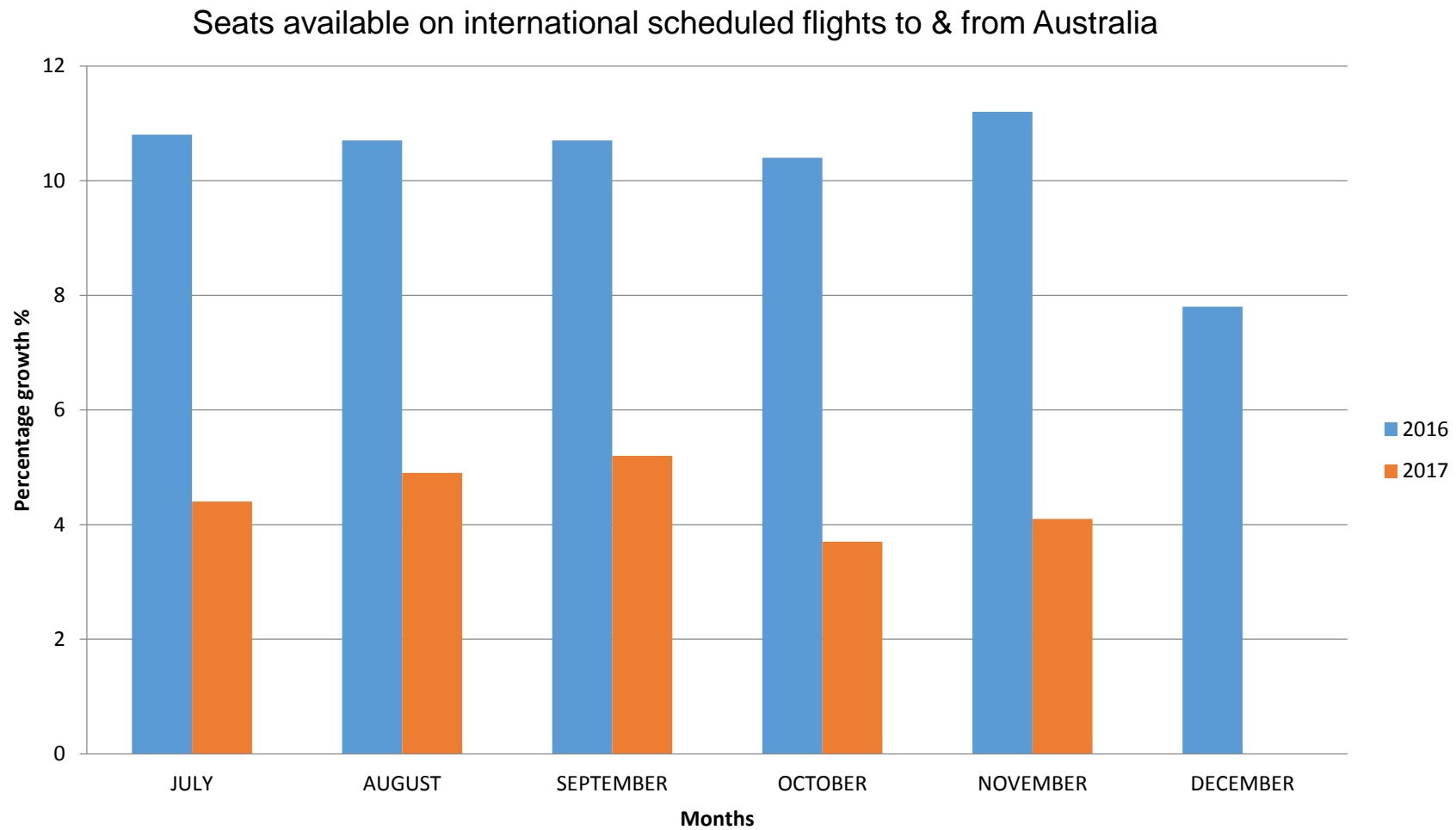
Appendix 4: Results by Country



1. Results include joint ventures & associates.

2. Results include the Student Universe business.

Appendix 5: Capacity Growth Slowing in Australia

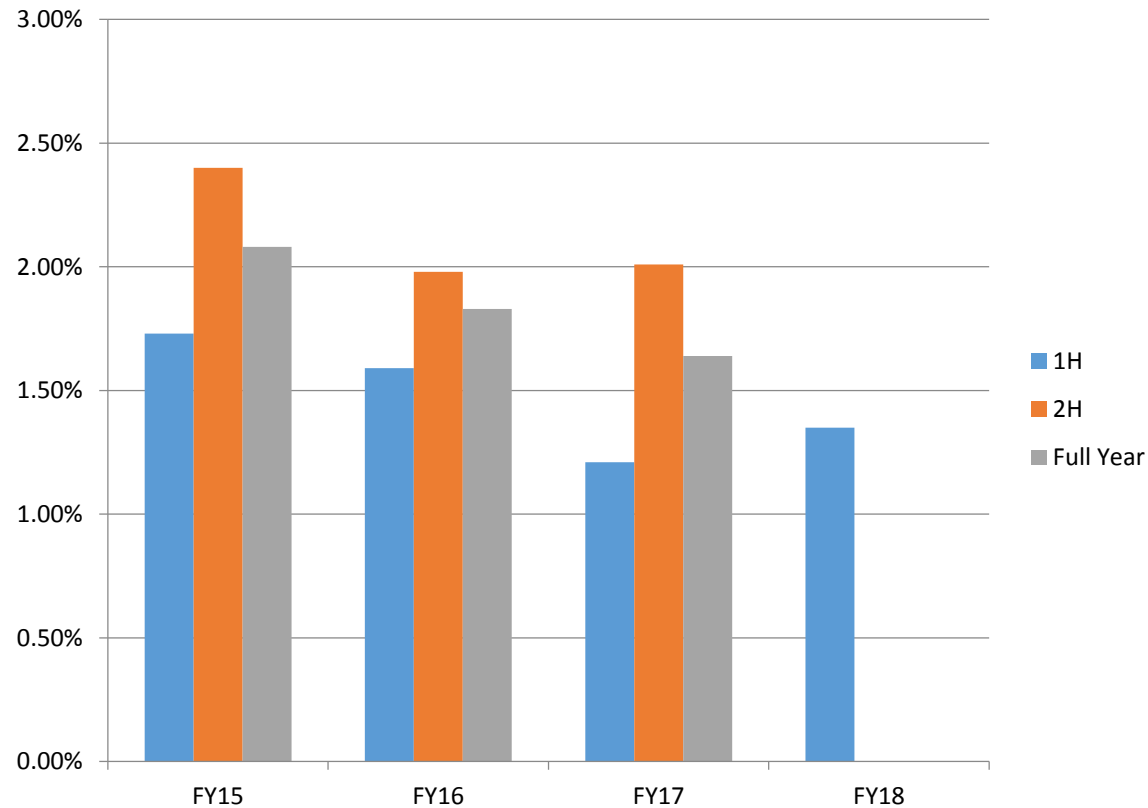


Appendix 6: Historical Results

5 year summary

	December 2017	December 2016	December 2015	December 2014	December 2013
TTV	\$10,157m	\$9,343m	\$9,182m	\$8,138m	\$7,480m
Income margin	13.5%	14.0%	13.7%	13.6%	14.1%
EBITDA	\$177.4m	\$143.8m	\$188.0m	\$164.0m	\$179.3m
PBT	\$139.4m	\$109.2m	\$156.9m	\$141.0m	\$155.0m
NPAT	\$102.2m	\$74.4m	\$116.7m	\$100.3m	\$110.8m
EPS	101.2c	73.7c	115.7c	99.7c	110.3c
DPS	60.0c	45.0c	60.0c	55.0c	55.0c
ROE	7.1%	5.6%	9.1%	8.8%	10.3%
Capex	\$43.6m	\$65.7m	\$58.2m	\$39.5m	\$28.2m
Selling staff	14,755	15,082	14,747	13,941	13,000
General cash	\$361.5m	\$346.9m	\$429.8m	\$429.4m	\$401.9m
Client cash	\$649.4m	\$662.7m	\$612.2m	\$611.3m	\$594.4m
Cash and cash equivalents	\$1,010.9m	\$1,009.6m	\$1,042.0m	\$1,040.7m	\$996.3m
Investments	\$202.6m	\$197.5m	\$104.5m	\$62.0m	\$32.2m
Cash and investments	\$1,213.5m	\$1,207.1m	\$1,146.5m	\$1,102.7m	\$1,028.5m

Appendix 7: Net Margin Seasonality



Net Margin Numbers Above Are Based on Underlying PBT

Positive 1H net margin trend during FY18

Net margin typically increases during 2H

Improvement reflects:

- North American leisure seasonality – businesses become profitable after loss-making 1H
- Relatively high fixed costs – leading to accelerated profit growth during busier 2H trading periods
- Commission growth typically outpacing wage growth