

Shareholder Questions – received in advance of FLT's Annual General Meeting

Q) Why is the Directors' Remuneration Report not included in the Explanatory Memorandum?

A) The Remuneration Report is part of FLT's annual report, which has been mailed to shareholders on request and is available online at flightcentre.com. The Explanatory Memorandum is a separate document and outlines proposed changes to FLT's constitution.

The Remuneration Report runs from pages 3-12 in the Directors' and Financial Report and includes comprehensive details on elements of FLT executives' remuneration packages. Details on the company's Business Ownership Scheme, short-term incentives, options and overall salary packages are provided within this section.

Q) Layout of Financial Report – will the company revert to a traditional format?

A) Given that only a small percentage (less than 10%) of FLT's shareholders requested a hard copy annual report, the company elected to modify the lay-out of various pages within its annual report. This modification led to a significant reduction in the size of the document and was trialled primarily for conservation purposes. The online report – the document that the vast majority of shareholders received – was produced in a traditional format and is available to all.

Q) Is privatisation an option for the future?

A) As part of their duties, FLT's directors are obliged to consider any offers that arise and the potential benefits to all shareholders. No offers are currently being considered, but the company obviously has no control over future events or possible offers from external parties. Managing director Graham Turner, a member of the consortium involved in the initial privatisation proposal, indicated in FLT's annual report that there were no plans to enter into a joint venture or privatisation agreement with a private equity partner in the foreseeable future.

Q) Will FLT offer its shareholders loyalty discounts at the company's shops?

A) FLT is not currently considering a scheme of this kind and has instead invested in the promises and commitments its various brands offer to customers. The company is however in the preliminary stages of investigating a scheme that may allow shareholders the option of redeeming part or all of their dividend payments for discount holiday offers. FLT will advise shareholders of any developments in this regard.

Q) Why did the proposed share buy-back not proceed?

A) The buy-back associated with the initial privatisation proposal was conditional on the privatisation proceeding. As shareholders rejected the proposal at a public meeting in February, the buy-back was not initiated. A buy-back was also proposed as part of the subsequent joint venture proposal, which was rejected by major shareholders in July 2007. The company is not currently considering a buy-back of FLT shares as part of its capital management plans.

Q) How conservative is the accrual of over-ride payments through the fiscal year? Has the methodology changed in recent times?

A) The methodology for accruing overrides has improved over the past three years as more reliable information is available for use in forecasting. The accrual process takes into account a number of factors including forecast front-end turnover growth, contract performance, market intelligence and other available data.

FLT believes the accruals relating to 2007/08 are reasonable based on growth objectives for the current financial year.

Q) Can you outline the principles used to invest the large amount of cash on the balance sheet? Given the stress in global markets, high yield fixed interest assets have been devalued - has this impacted FLT?

A) The principles that govern FLT's investment portfolio are stipulated through the Board-approved Treasury Policy. This policy is comprehensive and integrated and aims to provide an approved framework for prudent cash management, investment, credit utilisation and financial risk management.

Among other things, this policy is in place to:

- *Ensure FLT is able to meet its future commitments as they fall due in both the short-term and long-term through active liquidity management*
- *Manage FLT's investment portfolio and maximise returns on funds invested through effective management of its interest rate and credit risk*
- *Have a diversified investment book so as to minimise the risk of large losses*
- *Manage potential capital losses if investments need to be liquidated before maturity*

The policy to invest predominantly in highly rated investment grade debt is low risk and conservative. Treasury maintains a list of Board-approved investments by instrument, rating and maturity with the exposure to each that is acceptable to FLT.

The methodology used in determining counterparty limits primarily revolves around the credit rating of an organisation by Standard & Poors, Moodys Investor Services or Fitch. The investment portfolio will predominantly consist of investment grade credit instruments, as determined by S&P (or equivalent). Investment grade includes assets rated BBB- or higher.

FLT's overall investment portfolio has been affected by the global financial markets crisis which stemmed from the US Sub-prime (low doc) Mortgage crisis. However, the impact is not expected to materially impact FLT's investment earnings.