

FLIGHT CENTRE AND ANSETT ADMINISTRATORS SEEK RESOLUTION.

In seeking to resolve the issues associated with the collapse of Ansett, Flight Centre Limited and the Ansett Administrators have been jointly working on reconciling schedules and agreeing unresolved issues surrounding the various claims. This exercise has progressed to the point where legal clarity would be in the best interests of all parties, including other retail travel groups with similar Ansett-related concerns. Accordingly, legal proceedings have commenced against Flight Centre Limited, in order to determine which party/parties are entitled to funds currently held.

The parties will continue to work together and look to agree a statement of facts in order to ensure that should the matter proceed to trial, argument will be crisply focused on questions of law and be resolved in a cost effective manner.

Although discussions are ongoing, the matter has been set down for a directions hearing in February 2004. Should the matter proceed to trial, it is expected to be heard around the middle of 2004.

Financial provision has already been made and the matter is unlikely to have any material impact on the company.

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