Flight Centre Limited

2012 Half Year Results

February 21, 2012

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2012 first half – snapshot

RECORD RESULTS
- New sales and profit milestones achieved
- Solid performance given business's size and volatile trading conditions in some regions

IMPROVING GLOBALLY
- EBIT profit in nine of ten regions
- Combined overseas EBIT up 52%

USA
- Moderate losses recorded during seasonally slower 1H
- Losses halved, compared to PCP, and sales up in corporate, leisure and wholesale

SHAREHOLDER RETURNS
- Earnings per share up 16%
- Interim dividend up 14% to $0.41 per share fully franked
- Total of $41million to be returned to shareholders

BUSINESS EXPANSION
- Sales force growing globally
- 8% year-on-year increase in sales staff and 6% increase in shops and businesses
- 80% of all staff are in sales roles

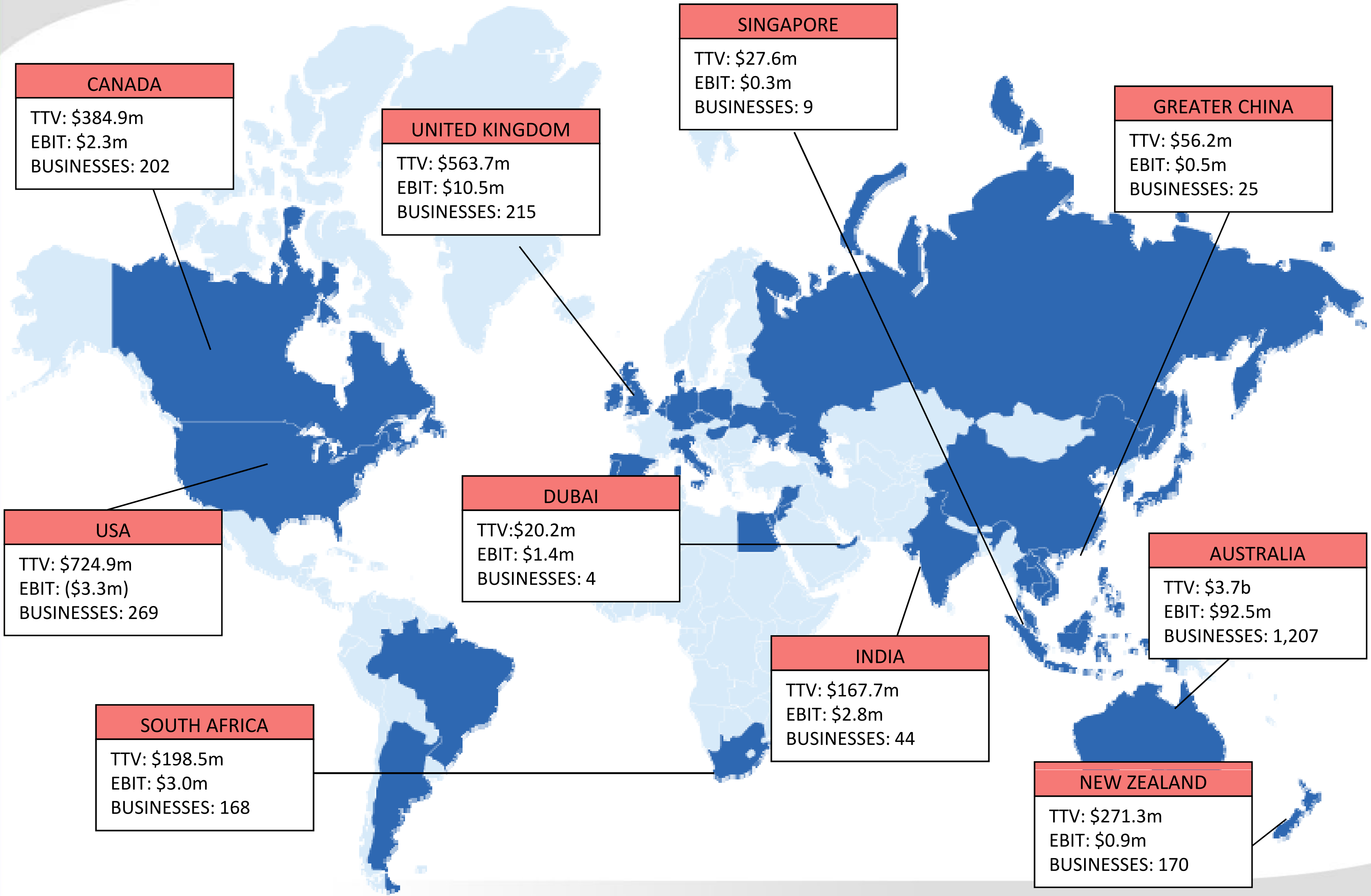
2012 first half – key financial statistics

TTV	Increased 9% to $6.2billion Growth recorded in all countries in local currencies
PROFIT	$119.7million 1H PBT is 18% higher than PCP NPAT up 16% to $81.6million
MARGINS	Income margin 13.9%, above FLT's targeted range Net margin up slightly to 1.9%
CASH	$800million global cash and investment portfolio at December 31 General cash up significantly – $317million Good operating cash flow result during seasonally weaker 1H
DEBT	Debt steady at $170million FLT had $147million positive net debt at December 31

2012 first half – result summary

RESULTS IN BIEF $' million	FULL YEAR RESULTS DECEMBER 2011	DECEMBER 2010	Variance %
TTV	**$6,181m**	**$5,668m**	**9.0%**
Gross Profit	**$857.5m**	**$791.6m**	**8.3%**
Income margin	13.9%	14.0%	(0.1bps)
Net margin	1.9%	1.8%	0.1 bps
EBITDA	$137.5m	$121.3m	13.4%
EBIT	$112.7m	$97.5m	15.6%
Profit Before Tax	**$119.7m**	**$101.1m**	**18.4%**
Net Profit After Tax	**$81.6m**	**$70.5m**	**15.7%**
Effective tax rate	31.9%	30.3%	
Interim Dividend	41.0c	36.0c	13.9%
General cash	$316.9 m	$249.9 m	26.8%
Client cash	$429.8 m	$406.2 m	5.8%
Cash and cash equivalents	**$746.7 m**	**$656.1 m**	13.8%
Available-for-sale investments & other financial assets	$53.7 m	$74.8 m	(28.2)%
Cash and investments	**$800.4 m**	**$730.9 m**	9.5%

2012 first half – results by country



2012 first half – segmented results

AUSTRALIA

- **Solid performance from largest individual business**
- **Corporate business still growing strongly – FLT consolidating its position as most successful and largest player in the market**
- **Leisure travellers benefiting from cheap international flights and strong dollar**
- **A strong focus on customer service and improving efficiency and the overall customer experience**
- **Shops trading longer hours, with enhanced online booking capabilities added – online and shop interaction**
- **Online TTV increasing solidly – up 26% in Australia**

2012 first half – segmented results

UK

- **Strong performance in challenging market conditions**
- **On track for best full year result and on track to achieve internal goal of GBP1billion in TTV by 2014**
- **Focus on corporate travel and niche leisure areas paying dividends**
- **Hyperstore model giving FLT cost effective access to prime retail sites**
- **Opportunity to replicate UK hyperstore model in some international markets (high street shopping precincts)**

2012 first half – segmented results

USA

- Ongoing improvement from overall US business
- Losses more than halved during seasonally weaker 1H
- Corporate business growing strongly in profit and sales – generated 40% of overall sales and now in top 8 US corporate travel providers
- Increased TTV in Liberty and GOGO – reversing recent trend
- Travel Associates brand introduced, along with FCm Travel Solutions (launched July 1, 2011)

2012 first half – segmented results

OTHER SEGMENT

- **South Africa: Profit in line with budget. Good corporate travel growth**
- **Canada: Solid 1H result – corporate business again performing strongly**
- **New Zealand: Overall results below expectations in challenging market conditions**
- **India: Underperforming in 1H but consistently profitable**
- **Dubai: Strong performance from emerging corporate travel business – sales up more than 50% and EBIT more than doubled**
- **Singapore: Good sales and EBIT growth from small base. Promising signs from small leisure business**
- **Greater China: Mainland China business ahead of expectations, HK flat with last year**

2012 – outlook

FLIGHT CENTRE LIMITED

TRADING RESULTS	Strong start to year, but slower 2nd quarter Good rebound in January
AHEAD OF PBT TARGET	PBT currently 20-22% ahead of PCP Initial full year guidance was for 8-12% PBT growth, excluding any major abnormal items
GUIDANCE UPGRADED	Full year PBT target increased to $270million-$290million, excluding any major abnormal items Represents 10-18% growth on underlying 10-11 PBT
MARKET CONDITIONS	Some economic volatility in key markets Solid foundations, brand and geographic diversity a strength
GROWTH DRIVERS	Business continues to grow in all markets Three largest markets – Australia, UK and USA – currently on track for best full year results

2012 – Top 7 global foci

NUMBER 1

RETAIL EFFICIENCY and PRODUCTIVITY

Improving the customer and consultant experience – making it easier to do business with us

KEY PROJECTS

- Big Easy – series of projects, now half deployed
- One Best Way – greater global consistency/standardisation, using our own best practice globally
- Consultant knowledge & training – new novice and general training programs
- Manufacturing product – Double Dip Flights
- Offline / online interplay – Project Soar

2012 – top 7 global foci

NUMBER 2

LEADERSHIP AND ONE BEST WAY AT AREA LEVEL

Refocusing leadership at all levels to ensure the area is the key driver of our business systems

KEY PROJECTS

Retail business model – built around small, replicable areas as per family, village , tribe model

“Area” as a key business unit – change management and system operationalisation

OBW manual mark 2

Area leader role, key functions, training and shop visit program

2012 – top 7 global foci

NUMBER 3

GLOBAL CORPORATE GROWTH

Accelerated growth in our corporate sector across all brands – FCm, Corporate Traveller, Stage & Screen, Ci Events, Campus Travel

KEY PROJECTS

IT – platforms for productivity and corporate customer needs

Corporate specific product – industry fares, hotels and other attachment

Account management

Partner network – overseas licensee model, “keep it in the family”

Sales – global and national bid management system

2012 – top 7 global foci

FLIGHT CENTRE LIMITED

NUMBER 4

ENQUIRY MANAGEMENT

Ensuring all customer enquiries are actioned promptly

KEY PROJECTS

- Enquiry management tools improved and integrated into other systems, Closer
- Local store marketing system & customer databases
- Specialisation – right enquiry to right business/person
- Market-share growth system deployed globally
- Global Expo deployment – USA pilot program to be launched next month
- Customer Insights Project – better predictive capability within our database
- Opening & after hours project & email conversion

2012 – top 7 global foci

NUMBER 5

CUSTOMER CARE IMPROVEMENTS

Ensuring our operations, measurement, reward and recognition systems look after the customer

KEY PROJECTS

- Customer Portfolio / ownership system
- Customer Excellence Program
- After hours system – all brands – improved structure now in place
- Customer Assist structure & operations
- Customer complaint revolution and turnaround
- End-to-end sales process before, during & after

2012 – top 7 global foci

NUMBER 6

SUPPLIER RELATIONS

Ensuring we are the distributor suppliers want and choose to do business with for mutual benefit

KEY PROJECTS

Global deals

Manufacturing unique air and land product - myTime

Prepurchasing / commit deals – USA cruise model

LCCs – distribution and return

Corporate air and LAND – especially increased hotel penetration

Vertical integration – "at destination" services

2012 – top 7 global foci

NUMBER 7

EMERGING BUSINESSES

Targeted leadership, resource focus to ensure new/emerging businesses are successful sooner

KEY PROJECTS

Global and national brand management system improvement

System for success replicable for new businesses – start-up marketing

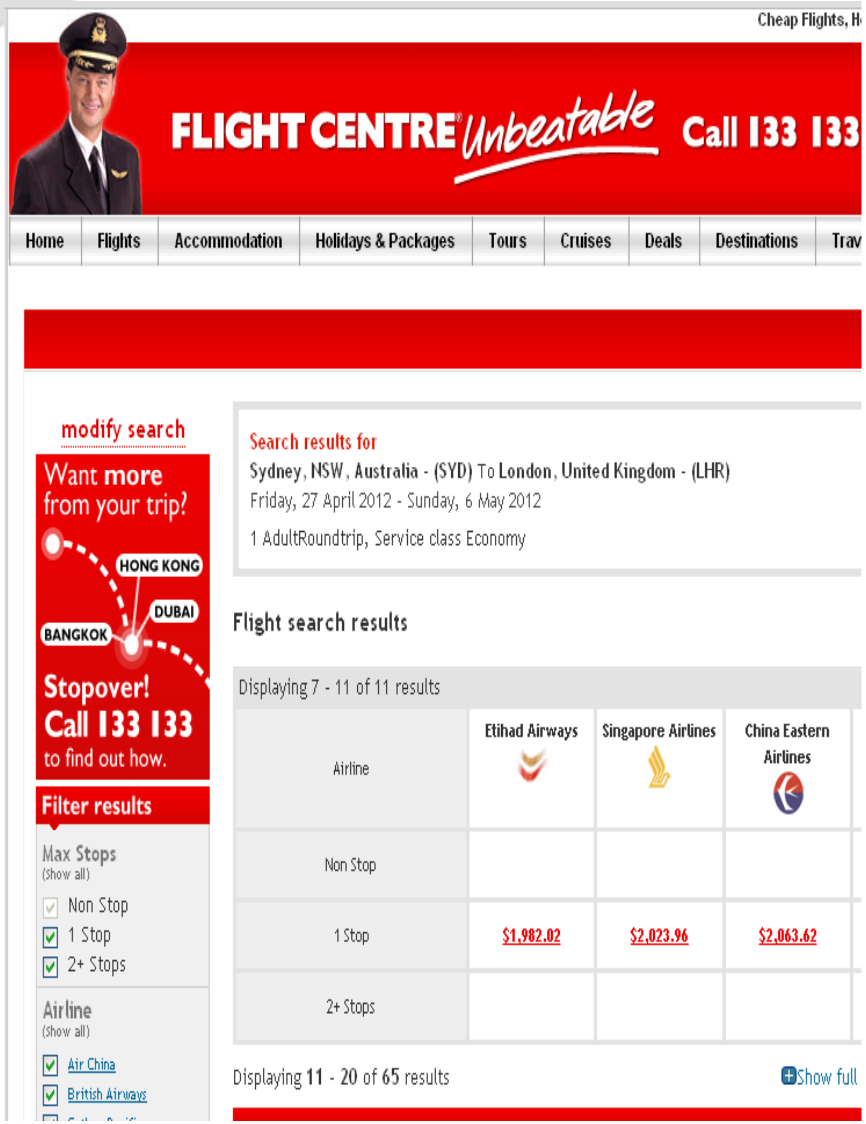
Recruitment system for emerging businesses

Training system for emerging businesses

Enquiry generation for new businesses

Right leadership and ownership scheme

2012 – FLT's on and offline interplay



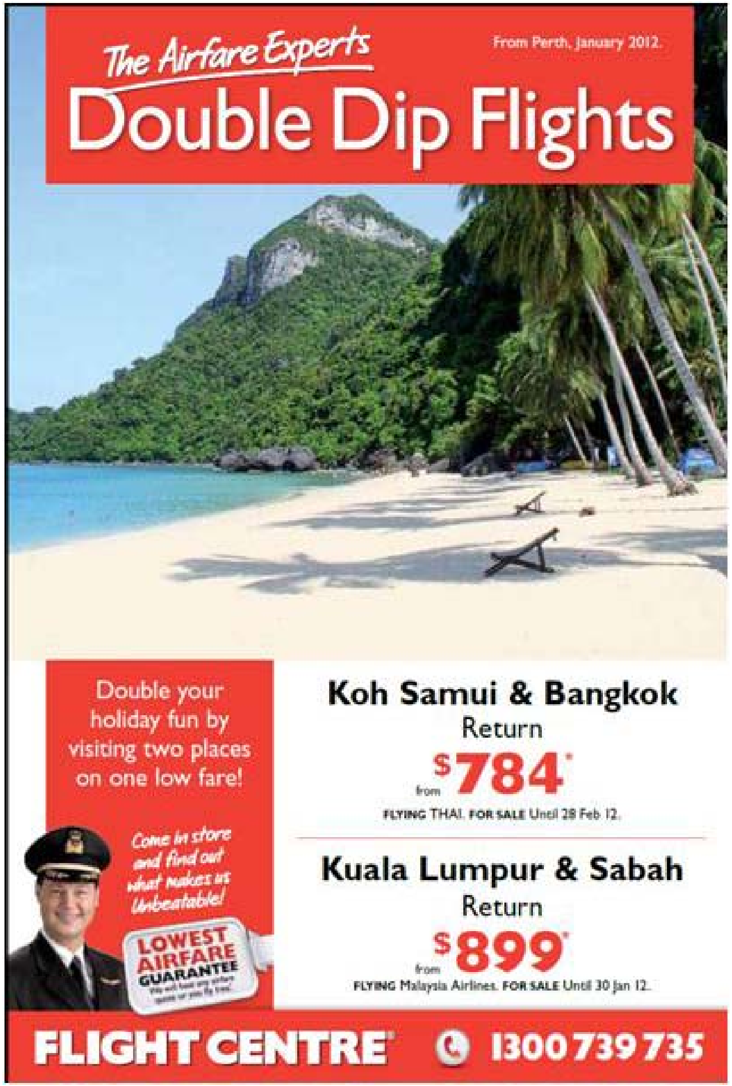
2012 – FLT's on and offline interplay

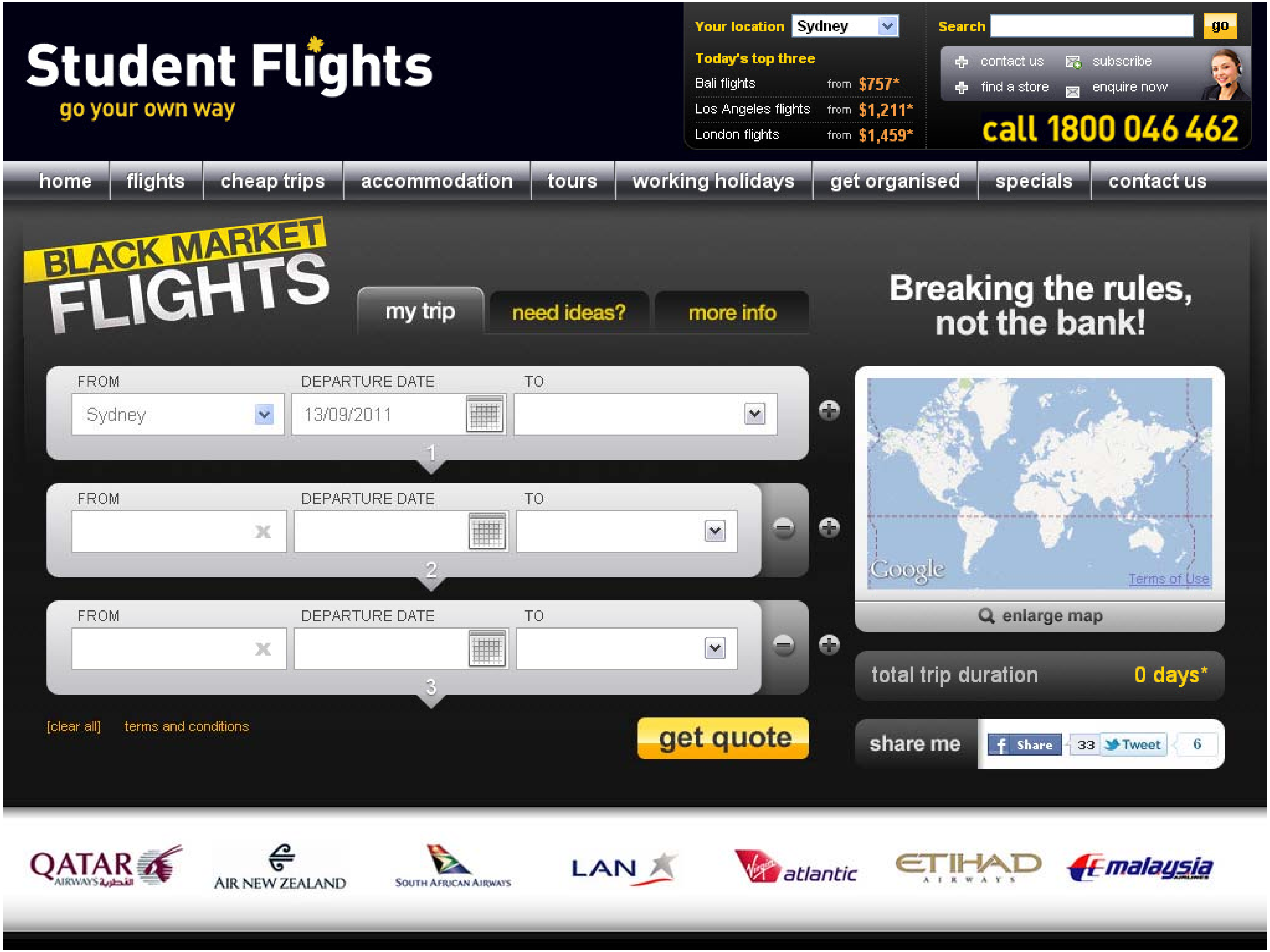
- FLT's online sales are increasing, as are offline sales
- Company has a unique opportunity to offer customers a blended on and offline travel solution
- To be achieved by replicating online booking facilities OTAs offer and coupling them with FLT's human search engines – more than 11,000 expert sales people globally in more than 2300 shops
- Ability to assign consultants to web customers a key point of difference for FLT
- Strategy currently being fine-tuned within each brand and country

2012 – product innovation

1. **Double Dip Flights – Flight Centre**
2. **Black Market Airfares – Student Flights**
3. **Mystery Escapes – Escape Travel**
4. **myTime – VIP bonuses for FLT customers at no extra cost**

Double dip fares – 2 for the price of 1





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Breaking the rules, not the bank!
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Tweet 6
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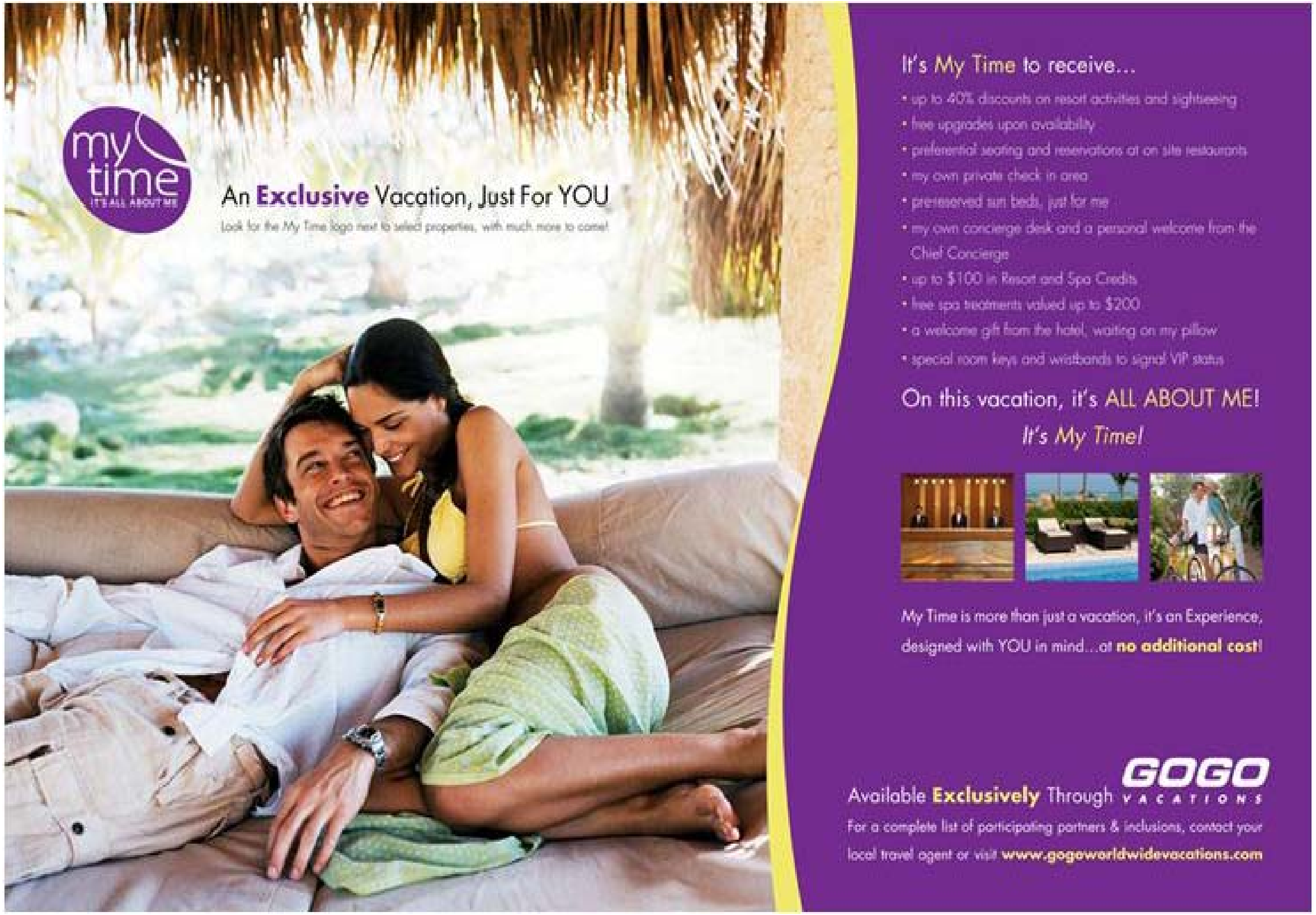
SOUTH AFRICAN AIRWAYS
LAN
atlantic
ETIHAD AIRWAYS
malaysia

Mystery Escapes – the great unknown?

myTime – VIP bonuses at no extra cost



Appendices

1. First half global growth summary
2. Five-year results summary
3. Additional segment information – half year ended 31 December 2011
4. Additional segment information – year ended 30 June 2011
5. Additional segment information – half year ended 31 December 2010
6. Reconciliation of management and statutory EBIT

Appendix 1: 1H global growth summary

NATION	GROWTH – 6 MTHS DEC 10 v DEC 11		
	TTV (AUD)	TTV (Local)	EBIT (AUD)
Australia	9.1%	9.1%	8.8%
New Zealand	2.1%	2.3%	(40.9%)
South Africa	(3.7%)	11.7%	3.7%
United Kingdom	8.0%	15.8%	18.6%
Canada	7.7%	14.5%	11.1%
United States	23.6%	35.5%	52.3%
Greater China	6.6%	12.1%	98.5%
India	(9.7%)	4.1%	(7.7%)
Dubai	52.4%	65.5%	165.7%
Singapore	51.0%	55.4%	386.2%

Appendix 2: Five-year result summary

	DECEMBER 2011	DECEMBER 2010	DECEMBER 2009	DECEMBER 2008	DECEMBER 2007
TTV	**$6,181 m**	**$5,668 m**	**$5,056 m**	**$5,788 m**	**$4,800 m**
Income margin	13.9%	14.0%	14.3%	13.3%	13.4%
EBITDA	$137.5 m	$121.3 m	$100.5 m	$53.2 m	$105.2 m
PBT	$119.7 m	$101.1 m	$73.6 m	$34.2 m	$90.9 m
NPAT	**$81.6 m**	**$70.5 m**	**$51.1 m**	**$26.1 m**	**$61.2 m**
EPS	81.6 c	70.6 c	51.3 c	26.2 c	64.0 c
DPS	41.0 c	36.0 c	26.0 c	9.0 c	37.5 c
ROE	10.5%	9.9%	8.0%	4.2%	10.2%
Cap-ex	$26.9 m	$24.4 m	$8.6 m	$42.2 m	$39.3 m
Building acquisitions	-	$0.6 m	-	$12.4 m	$10.6 m
Selling staff	11,866	10,973	9,831^	10,324	8,333

^ December 2009 selling staff numbers restated to include India

Appendix 3: Additional Segment Information (Unaudited)
Half year ended 31 December 2011 (AUD$ m)

	GROUP	AUSTRALIA	UK	USA	REST OF WORLD	OTHER SEGMENT[1]
TTV	$6,181	$3,698	$564	$725	$1,126	$68
Gross Profit	$858	$480	$76	$91	$144	$67
Statutory EBITDA	$138	$116	$13	$1	$17	$(9)
Depreciation & Amortisation	$(25)	$(13)	$(2)	$(4)	$(5)	$(1)
Statutory EBIT	$113	$103	$11	$(3)	$12	$(10)
Interest Income	$23	$ -	$1	$ -	$ 2	$ 20
BOS Interest Expense	$(13)	$(10)	$(1)	$ -	$(2)	$ -
Other Interest Expense	$(3)	$(1)	$ -	$(1)	$(1)	$-
Net Profit before tax (Pre Royalty)	$120	$92	$11	$(4)	$11	$10
Royalty	$ -	$7	$(5)	$ -	$(2)	$ -
Net Profit before tax (Post Royalty)	$120	$99	$6	$(4)	$9	$10

1. Other segments includes support businesses based in Brisbane but support the global network.
2. In accordance with accounting standards segment gross profit represents management's view in contrast to statutory gross profit.
3. To reconcile the above to the half year financial report: Rest of the World + Other Segments = All other segments per Note 13.

Appendix 4: Additional Segment Information (Unaudited)
Year ended 30 June 2011 (AUD$ m)

	GROUP	AUSTRALIA	UK	USA	REST OF WORLD	OTHER SEGMENT[1]
TTV	$12,200	$7,172	$1,074	$1,492	$2,335	$127
Gross Profit[(2)]	$1,678	$925	$146	$188	$293	$126
Statutory EBITDA	$257	$234	$22	$(17)	$48	$(30)
Depreciation & Amortisation	$(50)	$(25)	$(4)	$(9)	$(10)	$(2)
Statutory EBIT	$207	$209	$18	$(26)	$38	$(32)
Interest Income	$40	$1	$-	$-	$1	$38
BOS Interest Expense	$(27)	$(21)	$(2)	$-	$(2)	$(2)
Other Interest Expense	$(7)	$(2)	$-	$(2)	$(2)	$(1)
Net Profit before tax (Pre Royalty)	$213	$187	$16	$(28)	$35	$3
Royalty	$-	$18	$(7)	$-	$(11)	$-
Net Profit before tax (Post Royalty)	$213	$205	$9	$(28)	$24	$3

1. Other segments includes Brisbane-based support businesses that support the global network
2. In accordance with accounting standards, segment gross profit represents management's view in contrast to statutory gross profit.
3. To reconcile the above to the full year financial report: Rest of the World + Other Segments = All other segments per Note 31 in the 2011 Annual Report

Appendix 5: Additional Segment Information (Unaudited)
Half year ended 31 December 2010 (AUD$ m)

FLIGHT CENTRE LIMITED

	GROUP	AUSTRALIA	UK	USA	REST OF WORLD	OTHER SEGMENT[1]
TTV	$5,668	$3,391	$522	$586	$1,107	$62
Gross Profit[(2)]	$795	$440	$72	$83	$139	$61
Statutory EBITDA	$121	$105	$11	($2)	$15	($8)
Depreciation & Amortisation	($24)	($11)	($2)	($5)	($5)	($1)
Statutory EBIT	$97	$94	$9	($7)	$10	($9)
Interest Income	$19	$ -	$ -	$ -	$3	$16
BOS Interest Expense	($11)	($9)	($1)	$ -	$ -	($1)
Other Interest Expense	($4)	$ -	$ -	($2)	($2)	$ -
Net Profit before tax (Pre Royalty)	$101	$85	$8	($9)	$11	$6
Royalty	$ -	$5	($3)	$ -	($2)	$ -
Net Profit before tax (Post Royalty)	$101	$90	$5	($9)	$9	$6

1. Other segments includes support businesses based in Brisbane but support the global network.
2. In accordance with accounting standards segment gross profit represents management's view in contrast to statutory gross profit.
3. To reconcile the above to the half year financial report: Rest of the World + Other Segments = All other segments per Note 13.

Appendix 6: Reconciliation of management and statutory EBIT
Half year ended 31 December 2011 (AUD$ m)

	GROUP
ADJUSTED EBIT	**$106.0**
Interest expense	$(2.8)
Interest revenue	$15.9
Deferred consideration	$ -
Net foreign exchange (losses) / gains on intercompany loan	$ 0.4
Profit on revaluation of investment	$ -
Impairment charge	$ -
Other non material items	$ 0.2
PROFIT BEFORE INCOME TAX	**$119.7**
Interest income	$(23.2)
Interest expense	16.2
Deferred consideration	$ -
STATUTORY EBIT	**$112.7**