

Flight Centre Limited

2012 Full Year Result Roadshow

September 3-4, 2012

Presentation by

Andrew Flannery – chief financial officer

Melanie Waters-Ryan – chief operating officer

Dean Smith – USA executive general manager

Chris Galanty – UK executive general manager

Graham Turner – managing director

2012: Result overview



PROFIT



\$290.4m PBT, 36.3% up on actual 2010/11 result (\$213.1m) and 18.4% up on underlying (\$245.2m)
NPAT surpassed \$200m for first time – 5 years after \$100m milestone and 10 years after \$50m

SALES



TTV increased 8.5% to \$13.2b – has now exceeded prior year 16 times during past 17 years
Growth was almost 11% at like-for-like exchange rates
Gross profit up 9% to \$1.8b

MARGINS



Income margin steady at 13.8% – equal second best result
Will rise and fall as product mix changes – corporate is lower income margin, but higher net margin
Net margin up to 2.2% – equal best result since 2002

BALANCE SHEET



\$400m in general cash at June 30 – part of \$1.09b global cash and investment portfolio
Lower debt – some borrowings repaid but major driver was shift in BOS funding model
\$294m positive net debt position – one of FLT's strengths and a rarity for a travel company

SHAREHOLDER RETURNS



Record \$112m to be returned to shareholders via interim and final dividends
56% of full year NPAT – highest percentage return since before the GFC

2012: Continued evolution



CORPORATE TRAVEL



Now represents about 35% of FLT's sales globally and a slightly larger share of profit
Australia's largest corporate travel manager and further growth opportunities
Gaining market-share and scale in overseas markets – strong client retention and account wins

VERTICAL INTEGRATION



Most of the non-air product FLT sells is now directly contracted – up to 90% in Australia
Opportunities to grow in other markets
Creates margin and cash holding benefits for FLT

OVERSEAS GROWTH



Australia continues to power group results but overseas contributions are increasing
All 10 countries profitable (EBIT) for past two years
Combined overseas EBIT during 2011/12 exceeded \$60m – almost double contribution of two years ago

ONLINE INTEGRATION



FLT expanding online presence, while continuing to develop its offline (shop) business
Part of a blended model that allows customers to transact and interact when they want and how they want
International flights can now be booked on flightcentre.com.au, as well as domestic
Online TTV up 25% during 2011/12

2013: Capital management



CURRENT STRATEGY

- Strong cash balance
- Currently required to retain \$100m-\$150m on balance sheet to meet licensing requirements
- Will consider using some surplus cash to reduce debt in the short-term
- Can potentially:
 - ✓ Capitalise on the Australian dollar's current strength by reducing or removing \$USD60m in borrowings (2008 Liberty acquisition); and
 - ✓ Reduce interest expense by repaying about \$AUD30m in overdrafts and loans that relate to FLT's corporate businesses in China, Hong Kong and India
- Overall aim is to maintain healthy cash reserves
- Allows FLT to capitalise on opportunities that will create future shareholder value and buffer it against economic downturns (FLT one of the few companies that didn't dilute EPS by raising funds during the GFC)

The future: Top 7 global foci



- 1** → Improve retail efficiency and shop operations to provide an exciting, inspiring and engaging in-store experience (Travel Shopping of the Future Project), which links with FLT's expanded online offerings
- 2** → Focus on the area, a grouping of 12-20 shops and businesses, as the key operational unit – thinking small to grow big
- 3** → Accelerated corporate travel growth
- 4** → Closer supply chain relationships for mutual benefit and unique product development (examples include my time, Double Dip Flights, Black Market Flights)
- 5** → Better manage and convert the record levels of enquiry FLT continues to generate
- 6** → Enhance FLT's customer-centric focus to ensure the company's businesses are the preferred choices in their sectors
- 7** → Ensure FLT's emerging businesses have the focus and resources to better create replicable, successful business models

FLT: Developing unique product



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- pre-reserved sun beds, just for me
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not the bank!

FROM

Sydney ▼

DEPARTURE DATE

13/09/2011



TO



1

FROM

x

DEPARTURE DATE



TO



2

FROM

x

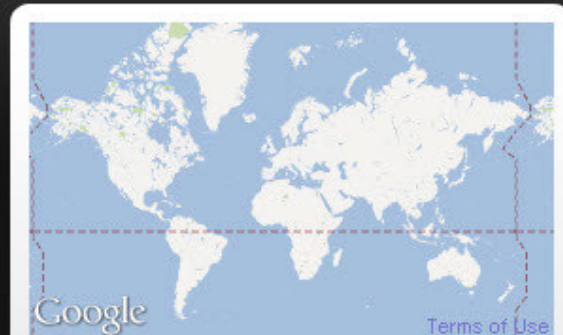
DEPARTURE DATE



TO



3



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0 days*

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WIP: Works in progress



YEAR OF THE CUSTOMER



Giving customers what they want, when and how they want it
Extended trading hours, new customer complaints systems, online payment facilities

BIG EASY PROJECT



Series of initiatives introduced to make it easier for customers to book with FLT and, at the same time, improve consultant efficiency in two key areas – admin & product sourcing

BLENDED TRAVEL



Unique offering – the marriage of FLT's on and offline operations
Combines the strengths of on and offline models and sets FLT apart from the competition

flightcentre.com.au



Transactional capabilities boosted significantly – the Web Shop
International flights now available to search, compare and book

WIP: Year of the customer



KEY ELEMENTS

- **Global Sales Academy**
 - ✓ Call recording and feedback program rolling out throughout the world
 - ✓ Compels consultants and leaders to focus on the customer experience, sales techniques and behaviours
- **Customer Excellence Program**
 - ✓ Real-time feedback from customers – scoring system highlights improvement opportunities
- **The Web Shop**
 - ✓ Blended travel experience that differentiates FLT from competition - customers can interact with the brand, find the biggest range of air and land product and information for planning and dreaming
- **Brand Warrior**
 - ✓ Highlights what each brand stands for, who its customers are and what they expect
- **Professional Sales Program**
 - ✓ Nationally recognised training that enhances consultant knowledge
- **Travel Shopping of the Future**
 - ✓ Shop re-engineering to deliver an exciting, inspiring and engaging experience
- **Customer complaints**
 - ✓ 24-hour resolution target

Coming soon: Content-rich customer itineraries



QUOTE # Q429562

Shelly Jones get ready
for an adventure

Ms Shelly Jones
Lv 1/545 Queen Street
Brisbane Q 4000

Singapore
departs 26/10/2012
returns 30/10/2012

Consultant
Karen Lous
Flight Centre 545 Queen St

T 07 3170 8084
E karen.lous@flightcentre.com.au



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*Applies to genuine quotes from other Australian registered businesses and websites for travel that originates from Australia. Quotes must be in writing and must be presented to us prior to booking. Fare must be available and able to be booked by the general public when you bring this in. There will be no discount for members of a group or corporate unless you subscribe to a closed group and are excluded. All other fare rules and conditions apply. We will beat any quote or you fly free. Every 30th first paying passenger travelling on a paid airline. For full terms and conditions see flightcentre.com.au. Flight Centre Limited (ACN 21 003 377 180) trading as Flight Centre, Licence No. 3000000000.



Dear Shelly

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Sincerely,

Karen Lous

Flight Centre Travel Consultant
07 3170 8084 | karen.lous@flightcentre.com.au



A SNAP SHOT

Singapore 6-10 NOVEMBER

- transfers
- 4 nights accom
- day tours

London 10-16 NOVEMBER

- transfers
- 6 nights accom
- day tours

Sydney 16 NOVEMBER



2. Flight Centre USP goes here.

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Coming soon: Content-rich customer itineraries



SINGAPORE Itinerary

FLIGHTS

Airline	Flight No	Departing	Arriving	Origin	Destination	Status
Singapore Airlines	SQ 212	6/11/2012 9:05AM	6/11/2012 2:10PM	Sydney (SYD)	Singapore (SIN)	Unconfirmed
Singapore Airlines	SQ 241	10/11/2012 12:00PM	10/11/2012 10:00PM	Singapore (SIN)	London (LHR)	Unconfirmed
Singapore Airlines	SQ 222	16/07/2012 2:45PM	17/07/2012 3:00PM	London (LHR)	Sydney (SYD)	Unconfirmed

Company	Singapore Airlines
Aircraft	773
Class	Economy
Booking Number	JDU75T
Galileo Reservation Number	VTFFA
Baggage Allowance	30 kilograms of checked luggage plus 7 kilograms of hand luggage per person.
Comments	Taxes are subject to change until paid in full.
AIRFARE RULES	
Date & time changes	Permitted up to 24 hours prior to travel
Reissue/re-route	not permitted
Cancel before departure	nil refund
Cancel after departure	nil refund
Minimum Stay	dates as shown
Maximum Stay	dates as shown

Total price including surcharges, taxes and fees:	
Cash price:	\$4,920.12
Credit card (MasterCard 1.98%):	\$5,017.54
Credit card (Visa 1.98%):	\$5,017.54
Credit card (Amex 2.97%):	\$5,066.25
Credit card (Diners 3.00%):	\$5,067.72



3. Flight Centre USP goes here.

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SINGAPORE We recommend

Below are a selection of accommodation packages. Prices are a guide only based on per person twin share. Please ask your consultant for the best specials available.

ACCOMMODATION



Value Hotel on Thomson 3-Star from **\$86***
This new hotel is the latest addition to the Value Hotels chain in Singapore. Value Thomson Hotel is the largest of three hotels in this chain and is ideally located near the junction of Balestier Road and Thomson Road. Guests are given easy access to the city centre by the nearby bus and MRT networks. Value Thomson Hotel stands 12-storeys tall with 366 guest rooms available.



PARKROYAL on Kitchener Road 4-Star from **\$102***
Delight in the vibrancy of Little India at this Singapore hotel that is located in the city's culturally rich district. The PARKROYAL on Kitchener Road stands in the heart of Singapore's ethnic district, Little India. It gives you the rare chance to get up close and experience the spirit of the district neighbourhood that's brimming with culture and dotted with quaint shophouses.



Royal Pan Pacific Orchard 5-Star from **\$139***
Pan Pacific Orchard is a modern hotel located on Claymore Road in a quiet residential enclave, just steps away from Orchard Road, the main shopping, dining and entertainment center of the city.

TRANSFERS

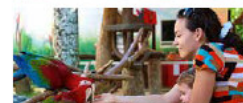
Company	Cherrier versat volutatem ipsa.
Type	Return Seat in coach airport to hotel transfers

from **\$54***

TOURS



Morning at Singapore Zoo with breakfast from **\$55***
Leave the city behind as we head north to Mandai and visit one of the world's top most beautiful zoos. THE SINGAPORE ZOO is spread over 28 hectares and is a haven to over 3,600 mammals, birds and reptiles including some rare and endangered species. Natural barriers like streams, rock walls and beautiful landscaping are used to separate animals from visitors thus creating an "open zoo" effect. Experience this new concept in animal keeping from the comfort of your tram or on foot.



Jurong Bird Park tour from **\$38***
Home to over 8,000 birds of 600 species, Jurong Bird Park spans 202 hectares of lush greenery (thrice Singapore's model industry estate). Visit 1,000 colourful lorikeets and have a chance to feed them at Lory Loft - the world's largest Lory Flight Aviary. Take a ride on the Panorail for panoramic view of the Park and into a tropical world of jungle mist at the African Waterfall Aviary. Enjoy the spectacular Penguin Expedition and Birds and Buddies Show at the Ponds Amphitheatre. The Bird Park's exhibits and aviaries are specially designed to closely resemble the natural habitats of the birds.



Afternoon at Sentosa from **\$70***
Be transported to Sentosa - Asia's premier leisure destination by a scenic cable car ride. On the island visit Dolphin Lagoon, where you can watch adorable pink dolphins perform their natural antics such as spy-hop, tail-flapping and vocalisations. At the underwater world, you will be taken on a 'voyage to the bottom of the sea'. Its 80-metre transparent acrylic tunnel allows you to view over 2,500 sea creatures in close proximity. At Images of Singapore, you'll embark on a journey to experience the colourful culture and vibrant heritage of Singapore, re-visit through life-size figures, animatronics and special effects. The tour ends with a visit to Songs of the Sea - Singapore's multi-sensory extravaganza - to watch a world-class water show comprising dramatic effects, water jets, lasers, bursts of fire and foot-tapping music set in the sea. Be transported into the enchanted

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Coming soon: Content-rich customer itineraries



Passport & Visas

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Currency Exchange

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Visitor Info

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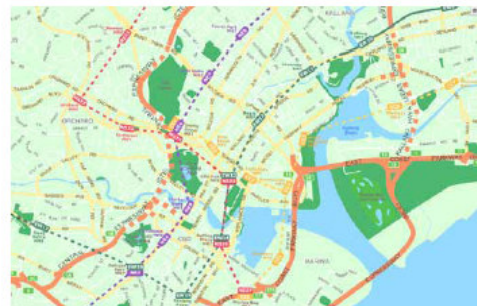
Getting Around

Singapore may be a tiny island, but it's got one of the most efficient, cost-effective, and reliable public transportation systems in the world. The Mass Rapid Transit (MRT) system covers the main stretches across the island, while buses cover other routes. All stations, carriages, and vehicles are well-maintained, well-lit and safe. Announcements, route maps, and exit guides are in English and easy to understand. Taxis provide a faster and more comfortable ride, but at a higher price. You can hail one from the street, wait for one at taxi stands, or call one for a pick-up. Exploring on foot makes the most sense around the self-contained ethnic areas of Chinatown, Little India, and Kallang as well as along the designated paths along Singapore River and the East Coast Parkway.

SINGAPORE

The main island of Singapore is shaped like a flattened diamond, 42 km (26 mi) east to west and 23 km (14 mi) north to south. Near the northern peak is the causeway leading to peninsular Malaysia—Kuala Lumpur is less than four hours away by car. At the southern foot is Singapore city, with its gleaming office towers and working docks. Offshore are Sentosa, and some 60 smaller islands—most of them uninhabited—that serve as bases for oil refining or as playgrounds or beach escapes from the city. To the east is Changi International Airport, connected to the city by a parkway lined for miles with amusement centers of one sort or another. Of the island's total land area, more than half is built up, with the balance made up

of parkland, farmland, plantations, swamp areas, and forest. Well-paved roads connect all parts of the island, and Singapore city has an excellent public transportation system. The heart of Singapore's history and its modern wealth are in Colonial Singapore. The area stretches from the skyscrapers in the financial district to the 19th-century Raffles Hotel and from the supermodern convention centers of Marina Square to the Singapore History Museum and R. Ganning. Although most of old Singapore has been leveled down to make way for the modern city, in Colonial Singapore most major landmarks have been preserved, including early-19th-century buildings designed by Irish architect George Coleman.



5. Flight Centre USP goes here.

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Things to do in Singapore

A wide range of sightseeing tours covers the highlights of Singapore and are a good introduction to the island. Tours can take two hours or the whole day and prices range from \$530 to \$590. The air-conditioned coaches are usually comfortable and the cost often includes pickup and return. Tour agencies can also arrange private car tours with guides; these are more expensive, but you'll have a more personalized experience. There's no need to book tours in advance of your visit; they can be easily arranged through the tour desks in hotels. Also, if you're only in Singapore on a six-hour stopover, there are free city tours from Changi Airport. See the Singapore Tourist Board desk there. Singapore River tours, some of them on old Chinese junks, leave from Boat Quay, Clarke Quay and Clifford Pier; operators include East

Wind Organisation, Singapore River Boat Tours, Singapore River Cruises & Leisure and Water Tours. The Singapore Duck is an amphibious craft that cruises around Marina Square and the Padang area; the tour includes a dive into the Singapore River and Marina Bay.

Walking tours are less popular in Singapore because of its heat and humidity. If you take such a tour, carry plenty of water and be prepared to make frequent rest stops. Singapore Walks runs daily tours that stop in graveyards, "haunted houses," old red light districts, and archaeological sites. You don't need to book ahead with this group; just show up at designated meeting points. The Singapore Tourism Board publishes suggested walking itineraries at www.visitsingapore.com.



Clubs & Pubs

Badava Review
Smarty dressed executives and twenty-something professionals hang loose after hours in this sophisticated cocktail bar. It's close to the Esplanade complex, and about as downtown CBD as you can get. Lounge in leather armchairs to live music some nights (call to check when). No casual threads here, there's a dress code: no shorts, jeans, T-shirts, or rubber sandals.

Brix Review
Globe-trotters, local lovelies, and sundry fun zealers come here for the whiskey, wine, music, and singles scene. The music includes the familiar Top 40, disco, soul, R&B, and jazz standards, with a live band starting at 9 PM nightly at which time the dance floor gets padded.

Restaurants

Banana Leaf Apolo Review
Rub elbows with the locals at this cafeteria-style restaurant, which specializes in fish-head curry (the most expensive dish is \$518-\$525, depending on the size). The food is good and downright spicy—you may wind up with tears in your eyes. You'll be given a large piece of banana leaf with steaming rice, two papadams, and two vegetables, with delicious spiced sauces. If it gets too spicy for you, ask for some curd (traditional yogurt) or raita (yogurt with cucumber) to cool things down. Eating with your hands is encouraged, but cutlery is available.

Blue Ginger Review
Come to this nostalgically restored shophouse for reliable Malaysian/Chinese fare, such as udang goreng tauyu lada (sauteed prawns with pepper in sweet soy sauce), ayam panggang Blue Ginger (grilled boneless chicken grilled in spiced coconut milk), or ngoh heong (rolls of minced pork and prawns seasoned with five spices). Perhaps only the brave should order the dessert made from the infamous durian, a thorny fruit that smells like old gym socks, but actually tastes like caramel.

Shopping

The CentrePoint Review
This impressive center is anchored by the Robinson's department store, and has a basement supermarket and more than 30 shops, including Mango, Esprit, and The Metropolitan Museum of Art Store.

Marina Square Review
With more than 250 shops, this is one of the largest complexes in Singapore. Major tenants include Metro department store, Golden Village Cinemas, NTUC Fair Price supermarket, and a large food court. Through underground walkways you can easily access Suntec City, Millenia Walk, Esplanade-Theatres on the Bay, and five five-star hotels: Marina Mandarin Singapore, The Oriental, Singapore, Pan Pacific Singapore, Ritz Carlton Millenia, and Conrad International Centennial Singapore.



6. Flight Centre USP goes here.

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WIP: Big Easy Project

The solution

Travelport Universal Desktop™

Optimising the travel experience



Workflow:
Shop
Profile
Book
PNR
Quality Control
Report

Direct Connect

Multi source content

User experience

Workflow intelligence

Travelport

KEY ELEMENTS

- **Universal Desktop** - new consultant desktop. More mainstream air options, validates and guarantees fares and taxes, holds detailed customer profiles
- **LCC Platforms** – plan to introduce booking engine for fares that are not available via the GDS
- **Quickdox** – reducing administrative requirements. Initially a quoting and invoicing tool, later an itinerary and mid-office system
- **Electronic Customer Acceptance** – reduces time spent emailing/faxing multiple documents to clients, allows customers to approve and pay for travel in a variety of ways
- **ESS** – consultant tool that will improve ability to track bookings and enquiries, conversion rates, track commissions compared to targets
- **Intranet** – new and improved systems on the way, improved search and systems access capabilities
- **Price Beat Portal** – decreases processing time

WIP: The blended travel experience



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☒ Non Stop

☒ 1 Stop

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(show all)

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☒ British Airways

☐ Cathay Pacific

Search results for
Sydney, NSW, Australia - (SYD) To London, United Kingdom - (LHR)
Friday, 27 April 2012 - Sunday, 6 May 2012
1 Adult Roundtrip, Service class Economy

Flight search results

Displaying 7 - 11 of 11 results

Airline			
Non Stop			
1 Stop	<u>\$1,982.02</u>	<u>\$2,023.96</u>	<u>\$2,063.62</u>
2+ Stops			

Displaying 11 - 20 of 65 results [Show full](#)



WIP: The blended travel experience



KEY ELEMENTS

- Unique proposition for travellers
- FLT is creating a new category of travel agency – a blended travel network
- Company has looked overseas to retailers in the USA and UK to develop this model
- Will not be purely an online travel agent or a bricks and mortar business
- Blended solution will offer customers instant and deep access to FLT's product in the ways and at the times that suit their needs
- Seamlessly 24/7 for customers through expanded web offerings, plus extended shop trading hours, call centres, mobile phone capabilities and more after-hours sales teams
- Customers able to switch between sales channels – for example, starting a booking with an expert consultant in-store and completing it online at home
- Consultant allocation model for online customers currently being finalised

WIP: The blended travel experience



OUR VISION

- We will have the travel products our customers want (often unique product)
- Customers will be able to access us easily whenever they want – 24/7, shops, call centres, laptops, mobiles and online
- They will be given instant gratification of their travel needs with a human touch



- 17

USA: A future growth opportunity



Leisure & Online

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the world's airfare experts



discountcruises.com
the world's cruise experts

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DEALS.com
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Corporate

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TRAVELLER
Bring an expert on board

CiEVENTS

stageandscreen
TRAVEL SERVICES

Wholesale

GOGO
WORLDWIDE VACATIONS



FLIGHT CENTRE LIMITED
Ticket Centre

FLIGHT CENTRE LIMITED

Global Product

USA: A future growth opportunity



2011/12 HIGHLIGHTS

- TTV of \$AUD1.7billion (FLT's second largest market)
- Record \$AUD9.9m EBIT achieved during 2011/12
- Result was almost double FLT's initial target (\$5m)
- Compares to \$1.4m EBIT during 2010/11 and losses of more than \$60m three years ago
- Corporate, wholesale and Liberty all profitable
- Moderate e-commerce losses
- New Flight Express desktop introduced across leisure, corporate and wholesale businesses
- Global Sales Academy rolled out in GOGO, e-commerce and likely to be completed in Liberty by Nov 2012
- Corporate Traveller, Travel Associates and Worldwide Traveler (wholesale) introduced
- US corporate business growing rapidly and now estimated to be 8th largest in USA
- Starting to benefit from changes made since Liberty-GOGO acquisition

USA: A future growth opportunity



INTEGRATING LIBERTY – KEY CHANGES SINCE ACQUISITION

- **Stronger shop network**
 - ✓ 40 poorly located leisure shops closed (2008/09) – Liberty now starting to grow again from stronger base
- **Leaner workforce**
 - ✓ 700 positions rationalised after acquisition – brought Liberty-GOGO into line with FLT's global structures
- **Cultural integration**
 - ✓ Key FLT systems fully implemented, including incentives, small team and area-based structures
- **Marketing overhaul**
 - ✓ Shop fit-out and ad structures now match Flight Centre brand
 - ✓ Advertising effectiveness monitored and enquiry per consultant measured
- **Global product synergies – a key acquisition rationale**
 - ✓ Liberty-GOGO product now available throughout FLT's global network (\$150m worth sold during 2011/12)
 - ✓ External US travel agents now able to sell FLT global product via GOGO and Worldwide Traveler brands
- **Corporate Travel expansion**
 - ✓ Liberty has paved the way for more rapid corporate growth
 - ✓ More BDMs, additional management and sales expertise, opportunity to tap into leisure travel base
- **Web strategy**
 - ✓ flightcenter.com now a transactional website, libertytravel.com a marketing and enquiry generation tool
 - ✓ New sales sites launched – discountcruises and hotdeals

USA: A future growth opportunity



EXPANSION

- **Events launched during 2012/13**
- **Corporate Traveller to open in Dallas, San Diego, Houston and Philadelphia**
- **Will give FCm/Corporate Traveller a presence in 14 cities – significant scope for future expansion**
- **Flagship Liberty store to open in NYC hyperstore (first half 2012/13)**
- **Looking for more hyperstore sites in Dallas, Boston and Chicago**
- **Liberty shops to also feature in megastores in other new markets (San Diego)**
- **Extended trading hours to meet customer needs – Liberty to trade 24/7 by end of first half 2012/13**
- **Travel Expo program to be expanded – 3 shows this year (1 during 2011/12)**
- **Wholesale expansion – GoGo to feature in some hyperstores, Worldwide Traveler to be rolled out as primary wholesaler for long haul vacations**
- **Technological and marketing enhancements to online brands – Hotdeals, flightcenter.com and Discountcruises**
- **Using “Chat” on all three sites and facility likely to feature on redesigned Liberty site in future**

USA: A future growth opportunity



2012/13 STRATEGIES AND GOALS

- Five key initiatives in place, in addition to FLT's seven global foci
- USA initiatives focus on:
 1. The Customer
 2. Conversion
 3. Margins
 4. Alignment; and
 5. Expansion
- Overall target is for an EBIT result between \$AUD10m and \$AUD15m
- 1H losses likely, in line with normal seasonal trading patterns in the leisure and wholesale businesses
- Trading conditions still uncertain – concerns over Europe, lead-up to Presidential election

UK: Rising to the challenge



Leisure & Online	Corporate	Wholesale
    	  	  

UK: Rising to the challenge



2011/12 HIGHLIGHTS

- Strong performance in challenging conditions
- Record profit – easily exceeded previous best
- EBIT up 53% in AUD
- Closing in on GBP1b TTV target by end of 2014 (currently GBP750m)
- Corporate and leisure businesses performing well
- Targeting further improvement during 2012/13
- Growing corporate BDM network
- Business growth through high profile hyperstores
- Leisure business benefiting from focus on attractive niches – mid-long haul, first and business class, round the world

UK: Rising to the challenge



2012/13 STRATEGIES AND GOALS

- Targeting 8-10% sales force growth during 2012/13
- Corporate Traveller and Flight Centre Business Travel growing reasonably rapidly
- Six key business improvement initiatives in place
- Focusing on:
 1. Systems improvement – the Big Easy
 2. Delivering instant, quality responses to customers
 3. Enhance consultant expertise
 4. Better quality product and aligned marketing
 5. Customer retention; and
 6. Leadership development
- Growing via larger hyperstores and megastores in London and regional centres

UK: Rising to the challenge



HYPERSTORES – KEY ELEMENTS

- Now entrenched as FLT's growth model in the UK
- Multiple teams working together in one high profile location
- Lowers rent cost per person – delivers cost effective access to larger, prime sites
- Allows for longer trading hours to meet customer expectations
- Experts always on hand – broader travel knowledge base available in one location
- Leadership – business can be overseen by a "village elder" (general manager), which reduces the need to fast-track large numbers of leaders
- Better branding and merchandising opportunities
- Potentially, provides a cost effective way to enter new cities within FLT's existing footprint

2013: FLT's outlook



PROFIT TARGET



Targeting 6-8% sales network expansion – 1000 new jobs and on track to open 2500th business
PBT has increased almost 50% during past two years – not expecting this rapid growth trend to continue
Initial target of \$305m-\$315m PBT (5-8% growth on 2011/12 record)

MARKET CONDITIONS



Ongoing economic uncertainty in some geographies – leisure customers cautious during 2011/12
International airfare prices still low – a positive for Australian outbound travel
Diversity a strength – leisure & corporate offerings, global presence, Australian domestic & outbound sales
Overall, FLT performed in line with expectations in July

GLOBAL GROWTH



Opportunities within all countries
Australia leisure productivity focus, corporate expansion after record business growth during 2011/12
UK expanding leisure and corporate presence, focus on productivity and cost control
USA expecting further profit growth

BUSINESS DRIVERS



Seven key strategies in place globally
Major projects underway but in their infancy and may slow TTV and PBT growth in the short-term

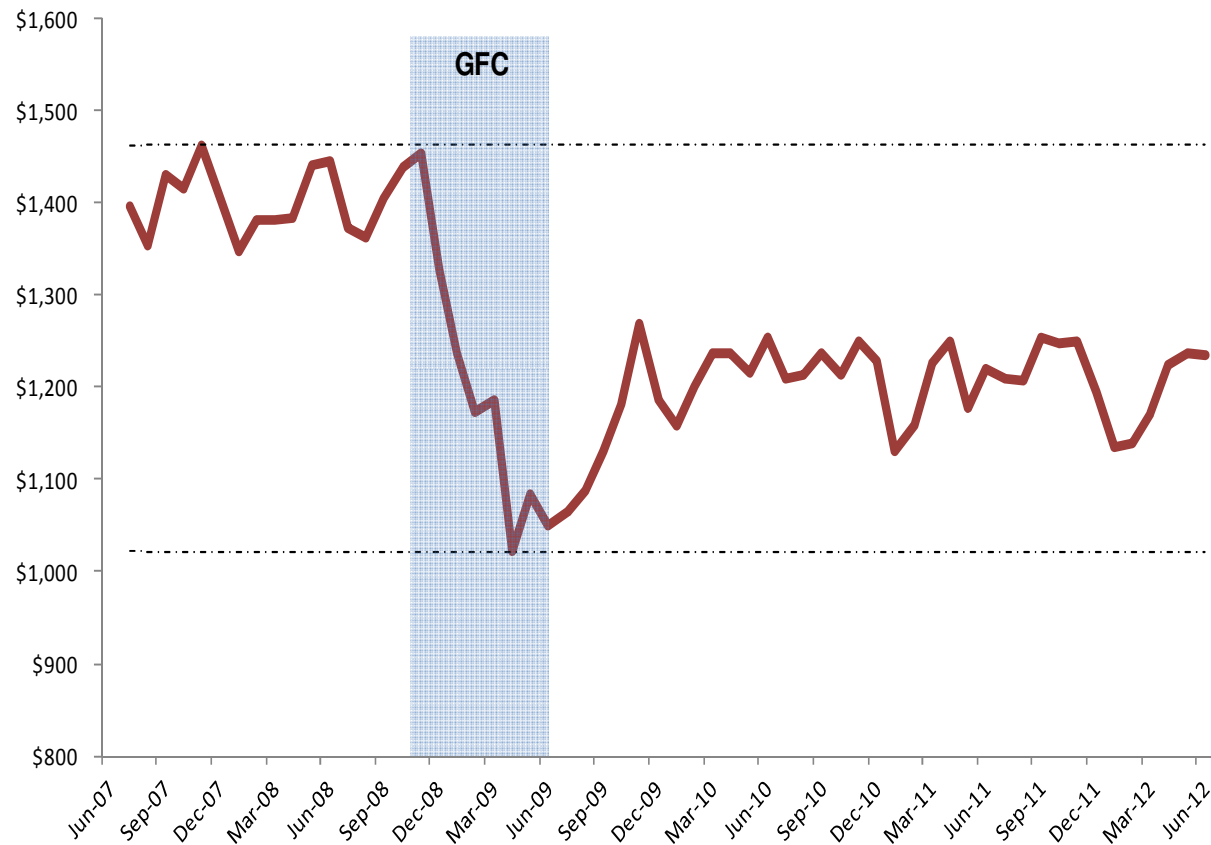
2013: Expanding FLT's brand footprint



GROWTH HIGHLIGHTS

- FLT has 36 brands – travel, travel-related, services and other
- Brands are being exported globally – for example, Flight Centre branded shops have opened in Singapore and Hong Kong during past two years
- First Flight Centre shop in Dubai is due to open during 2012/13
- Annual growth rates will typically vary between 4% and 20% per brand
- In Australia, FC Brand continues to grow but not as fast as some emerging brands
- FLT's growth will predominantly be organic but will consider acquisitions when opportunities arise
- Will tend to be small, bolt-on businesses
- Interested in small vertical integration opportunities, but not likely to own airlines or resorts

Airfares: Average international yield (Aus)



OVERVIEW

- No major change in airfare prices during 2011/12
- Average remains well below pre-GFC levels
- Route specific – some fares are cheaper now than 12 months ago, others are slightly more expensive
- Chinese carriers expanding services and offering attractive fares
- No major changes expected – assuming oil prices are stable

2017: Future vision



THE NEXT FIVE YEARS

Business structure – 2017

- FLT's sales force will continue to expand – 700-900 news shops and businesses likely to open
- More than half FLT's shops will be located outside Australia by 2017
- Australia, the UK and the USA will continue to be FLT's big three, but growth expected in all markets
- Corporate travel will represent half of FLT's global sales
- Travel – leisure, corporate and wholesale – will be FLT's core business
- Backed by a stable of travel-related businesses – Back-Roads Touring, Gap Year, Travel Money
- Service businesses (Employment Office, Moneywise, Healthwise, Business School)
- Bikes – continued growth in 99 Bikes retail brand and Advance Traders Australia (wholesale)

Key transformations

- Retail reinvention – Travel Shopping of the Future
- Blended travel
- Online growth – opportunity to develop pure web-based brands
- Overseas businesses and non-travel businesses expected to make larger contributions
- Vertical integration – chance to capitalise on sales opportunities “at destination”
- Innovation in all areas of the business
- One best way – culture, values, philosophies and systems

End of presentation



Questions