



Annual General Meeting

30 OCTOBER, 2014

Today's agenda

- Chairman's address – Gary Smith
- Managing director's address – Graham Turner
- Items of business
 - Item 1: Election of director – Cassandra Kelly
 - Item 2: Re-election of director – John Eales
 - Item 3: Adoption of Remuneration Report
- Other business

Chairman's address: Result highlights

- **Growth Record Extended**
 - New sales and underlying profit milestones established
- **Balance Sheet Strengthened**
 - Record cash reserves, strong positive net debt position
- **Ongoing Expansion & Investment**
 - Global network growth, key projects and strategies in place
- **Focus on 2015 & Beyond**
 - Growth targets in place for FY15
 - Positive longer term outlook – dawn of a Golden Era of Travel

Chairman's address: Result overview

- 12.6% TTV growth to \$16b = \$1.7b year-on-year increase without significant acquisitions
- 13% revenue growth to \$2.2b
- 9.7% underlying PBT growth to \$376.5m
- 9.8% underlying NPAT growth to \$263.6m
- Statutory PBT and NPAT impacted by positive and negative non-recurring items

Chairman's address: Non-recurring items

\$' million	JUNE 2014	JUNE 2013	%
Statutory Profit Before Tax	\$323.8m	\$349.2m	(7.3%)
Write-downs to goodwill & brand names	\$61.3m	-	-
ACCC Fine	\$11.0m	-	-
One-off gain within FCGP business	(\$19.6m)	-	-
Building revaluation (prior year)	-	(\$6.1m)	-
Underlying Profit Before Tax	\$376.5m	\$343.1m	9.7%

- \$61.3m non-cash goodwill and brand names write-downs (announced July 2014)
- \$11m in fines that are subject to appeal (ACCC competition law test case)
- \$19.6m gain within Flight Centre Global Product business (announced 1H14)

Chairman's address: Cash & cash flow

- General cash up 10% to circa \$476m – almost tripled in six years
- Just \$44.9m in debt – down almost \$120m in six years
- \$431.2m positive net debt position (FY2013: \$387.6m)
- \$153m returned to shareholders via dividends (58% of underlying NPAT and 74% of statutory NPAT)
- \$227.1m operating cash inflow over full year

Chairman's address: Timing impacting cash flow

- Year on year cash flow movement brought about by two factors:
 1. One-off shift to monthly tax payments in Australia (previously quarterly) – means FLT effectively paid tax for two additional months during FY14
 2. Timing of normal airline payment cycle (BSP) – Every reporting period, FLT has a pool of client funds payable to airlines via the BSP process. Subject to timing, the pool will include 10 days worth of accumulated funds, plus an additional 1-5 days. Each additional day = circa \$20m. FY14 balance included 1 additional day compared to five additional days @ 30 June 2013

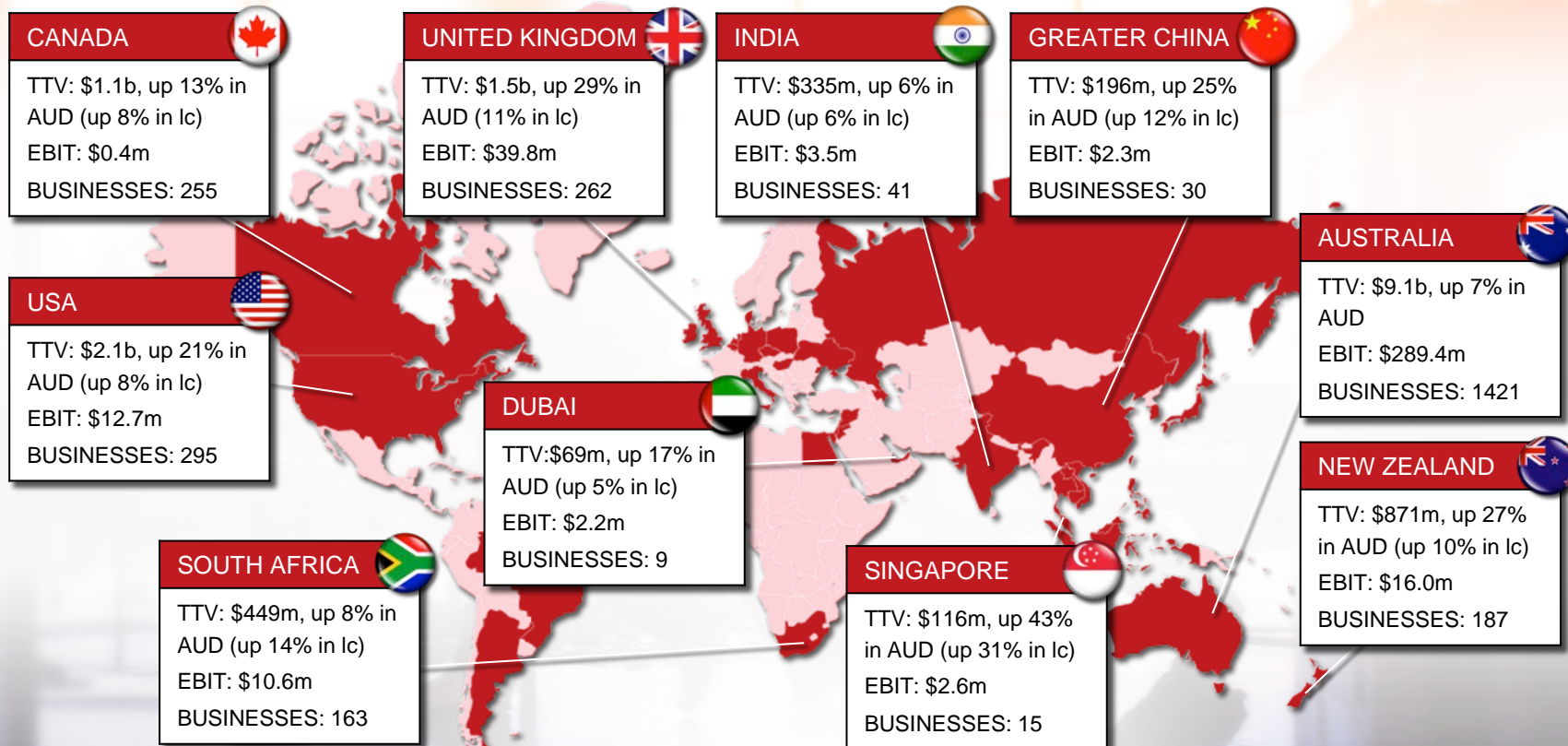
Chairman's address: Results summary

\$' million	JUNE 2014	JUNE 2013	%
TTV	\$16.0b	\$14.3b	12.6%
Revenue	\$2.2b	\$2.0b	13.0%
Income margin	14.0%	13.9%	10bps
Net margin (underlying)	2.35%	2.41%	(6bps)
Underlying Profit Before Tax	\$376.5m	\$343.1m	9.7%
Non-recurring Items (see slide 6)	(\$52.7m)	\$6.1m	-
Statutory Profit Before Tax	\$323.8m	\$349.2m	(7.3%)
Underlying Net Profit After Tax	\$263.6m	\$240.0m	9.8%
Statutory Net Profit After Tax	\$206.9m	\$246.1m	(15.9%)
Effective tax rate	36.1%	29.5%	
Dividends			
Interim Dividend	55.0c	46.0c	19.6%
Final Dividend	97.0c	91.0c	6.6%

Chairman's address: Operational highlights

- All countries profitable for 4th consecutive year
- Record EBIT in Australia, UK, USA, NZ, South Africa, Singapore and Greater China and record TTV in all countries in local currency
- Overseas businesses contributed \$90.2m to group EBIT, up 21% and has almost tripled over the past four years
- 197 new shops opened and almost 1200 new jobs created
- Acquisitions – Travelplan Corporate, Buffalo Tours (JV) and Topdeck (90% interest)

Chairman's address: Results by country



Chairman's address: Travel agent to travel retailer



Chairman's address: Blended access

Our business is always open
when and how you want



Chairman's address: Social responsibility

- 1 Job creation: About 1200 new jobs created during 2014
- 2 Employee earnings: FLT paid about \$1b in salaries and wages
- 3 Health and financial well-being: On average, one health/financial consult conducted on every staff member
- 4 Gender diversity: Almost half of FLT's leaders are women
- 5 Workplace flexibility: 18% of Australian workforce now works from home or under casual/part-time arrangements

Chairman's address: Social responsibility

6 Noble Selling Purpose: Initiated during 2013/14 and rolled out globally in July 2014

7 Community assistance: Flight Centre Foundation donated more than \$1m in Australia alone

8 Staff contribution: Volunteer leave program introduced - 1300 hours volunteered

9 Supply chain: 2013/14 TTV = more than \$300m in sales for suppliers every week

10 Shareholder returns: \$20,000 investment at float = \$1m holding at July 31, 2014.
Additional \$240,000 in dividends returned

MD's address: FY15 guidance

- Targeting \$395m-\$405m underlying PBT (excluding significant unforeseen items)
- Represents 5-8% growth on FY14 record underlying PBT
- PBT will have doubled between June 30, 2010 and June 30, 2015 and increased by a multiple of 21 in 20 years as a listed entity
- Targeting 1H PBT broadly in line with PCP and accelerated 2H profit growth, given comparatively weaker results during 2H of FY14

MD's address: 1st quarter results

- Currently tracking in line with same period last year
- UK, South Africa and emerging businesses growing strongly
- Australia sales up 3-4% compared to record 1Q 2014, but profit down slightly – impact of investments & slower sales growth
- Good sales growth in Canada but ongoing challenges in leisure
- Focus on mid to long haul leisure air market (Europe & Asia-Pac), cruise sector to improve results
- Manufactured Mexico and Caribbean package holidays

MD's address: The USA

- Improved results during 1Q
- Driven by further growth in \$200b per year corporate travel sector
- US corporate comfortably FLT's largest business outside Australia and on track to turnover more than \$AUD1b this year
- Corporate expansion – Orange County, Austin (Texas) and North Carolina
- Moderate 1H losses expected during seasonally slower period for US leisure and wholesale businesses, followed by stronger 2H profits
- New hyperstores set to open in Philadelphia and Los Angeles

MD's address: FY15 growth plans

- 5-7% network growth target (organic expansion)
- Complemented by strategic acquisitions
- Vertical & horizontal integration of capital-light businesses
- Escape Travel franchise model to complement ET's organic growth
- Seven new franchises in place since model was reintroduced

MD's address: FLT's Killer Theme

TRAVEL
AGENT

> WORLD-CLASS
RETAILER OF TRAVEL

Brand and specialisation:

Evolving our brands to truly specialise in specific areas of travel and have clear customer value propositions (CVPs)

Unique Product:

Making, combining and sourcing exclusive FLT products and services, rather than simply just selling suppliers' products.
"Our product – not just someone else's"

Experts, not Agents:

Ensuring each brand's people are experts in understanding the brand's speciality and that they in turn are backed by "travel gurus", who are readily available if additional expertise is required

Redefining the Shop:

Ensuring corporate, wholesale and retail spaces reflect that FLT's people are retailers first and foremost, not office workers

Blended Access:

Ensuring FLT's brands are always available to customers. They can touch, browse and buy FLT's products when and how they want – online, offline, shop, email, chat, phone or SMS

Information is Power:

Profiles
Patterns
Predictions

A Sales and Marketing Machine:

More
Agile
Personalised
Relevant

MD's address: New design features



Overflow desks

Departures Board

Scribble Map

Mobile Consulting

Wholesale consultants

Product Zones

Discovery Zone

Toblerone Desks

Live Digital Content

Open Frontage

MD's address: Corporate brand diversity



Our global footprint



- GLOBAL HEAD OFFICE
- REGIONAL HEAD OFFICE
- OFFICE

FCm global network

Total 87 countries
Network – \$5b

Offices
Network – 450

Staff
Network – 6500



THE GOLDEN ERA OF *Travel*

Cheaper fares - Flight prices becoming more affordable

More Choice - Broader selection of offerings

Greater Comfort - Service, seats, food & entertainment

Less Flying Time - Faster, more direct & more reliable

Item 1: Election of director

To consider and, if thought fit, pass the following ordinary resolution:

“That Ms Cassandra Kelly, appointed in accordance with Section 46(d) of FLT’s constitution, being eligible, be elected as an FLT non-executive director.”

Proxies

The number of proxies received for the resolution to elect Cassandra Kelly is:

- *For:* 79,934,845 (99.75%)
- *Against:* 42,618 (0.05%)
- *Open:* 197,842 (0.25%)
- *Abstain:* 155,533

Item 2: Re-election of director

To consider and, if thought fit, pass the following ordinary resolution:

“That Mr John Eales, a non-executive director retiring in accordance with Section 47 of FLT’s constitution, being eligible, be re-elected as an FLT non-executive director.”

Proxies

The number of proxies received for the resolution to re-elect John Eales is:

- *For:* 79,928,629 (99.7%)
- *Against:* 52,898 (0.07%)
- *Open:* 195,285 (0.24%)
- *Abstain:* 154,026

Item 3: Remuneration report

To consider and, if thought fit, pass the following ordinary resolution:

“That the Remuneration Report ... for the financial year ended 30 June 2014 be adopted.”

Proxies

The number of proxies received for the resolution is:

- *For:* 64,316,801 (99.1%)
- *Against:* 383,250 (0.6%)
- *Open:* 191,882 (0.3%)
- *Abstain:* 223,905



QUESTIONS?