



# 2015 FIRST HALF RESULTS

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PRESENTATION 24 FEBRUARY 2015

# PRESENTATION OVERVIEW

1. Introduction - Haydn Long
2. The numbers - Andrew Flannery
3. The business - Graham Turner
4. The strategies - Melanie Waters-Ryan
5. The future - Graham Turner
6. Questions
7. Appendices

# INTRODUCTION

- First half result in line with revised guidance
  - Underpinned by record global sales and record offshore profits
- Continuing to build for the future
  - Significant investment in sales network, product range and people
- Balance sheet strengthened
  - Further cash growth and lower debt. Ready to capitalise on opportunities
- Guidance maintained
  - No change to FY15 target – aiming for accelerated 2H growth

# THE NUMBERS

# FIRST HALF RESULT OVERVIEW

- 8.8% TTV growth to \$8.1b – has almost doubled in 8 years
- 4.6% revenue growth to \$1.1b – soft commission growth but over-ride and super over-ride earnings maintained
- \$141million actual (statutory) PBT – includes \$3.4m Top Deck contribution
- \$100.3m actual NPAT
- Underlying PBT and NPAT (excluding Top Deck) 5.9% and 6.8% down on PCP

# MARGINS & COSTS

- 13.6% income margin – down on PCP, above longer term average
- Year-on-year movement linked to lower gross margins (front-end commissions) in Australia and Canada
- 1.7% net margin
- Cost growth – new wage structures, ongoing business investment
- Looking for savings – support staff redeployed to sales roles – and efficiencies
- Invested 1.15% of TTV in sales & marketing

# CASH & CASH FLOW

- General cash up 6.8% to circa \$429.4m – almost doubled in 5 years
- Borrowings lowered to \$31.9m – expensive India debt (\$19m) retired
- Stronger positive net debt position – almost \$400m at Dec 31
- \$68.1m operating cash outflow during 1H – PCP \$124.5m outflow
- Cash flow improvement largely brought about by timing of airline BSP payments

# SHAREHOLDER RETURNS

- Actual EPS of 99.7c (PCP: 110.3c)
- Fully franked 55c per share interim dividend – in line with FY2014
- 55.2% of actual NPAT returned to shareholders



# NETWORK GROWTH

- 4% shop/business growth to 2759 – Just below targeted range (5-7%)
- Expansion milestones
  - 300th shop/business opened in USA
  - 250th shop opened in Canada
  - 100th shop opened in Asia/Middle East region
- New hyperstores in Australia (Darwin), USA (LA & Philadelphia), India (Delhi and Mumbai) and Abu Dhabi
- Hong Kong hyperstore set to open during Q4

# YTD RESULTS SUMMARY

\$' million	Dec 2014	Dec 2013	%
<b>TTV</b>	<b>\$8.1b</b>	<b>\$7.5b</b>	<b>8.8%</b>
<b>Revenue</b>	<b>\$1,103m</b>	<b>\$1,054m</b>	<b>4.6%</b>
Income margin	13.6%	14.1%	(50bps)
Net margin (underlying)	1.7%	2.0%	(30bps)
Underlying*** Profit Before Tax	\$137.6m	\$146.3m	(5.9%)
Statutory*** Profit Before Tax	\$141.0m	\$155.0m	(9.0%)
Underlying Net Profit After Tax	\$97.6m	\$104.7m	(6.8%)
Statutory Net Profit After Tax	\$100.3m	\$110.8m	(9.5%)
Effective tax rate	28.9%	28.5%	
<b>Dividends</b>			
Interim Dividend	55.0c	55.0c	-

\*\*\* Statutory PBT at Dec 2014 included a \$3.4m profit contribution from Top Deck (acquired 1H). This has not been included in underlying results for 14/15. Statutory PBT at Dec 2013 included a one-off \$8.7m gain within the Flight Centre Global Product (FCGP) business.

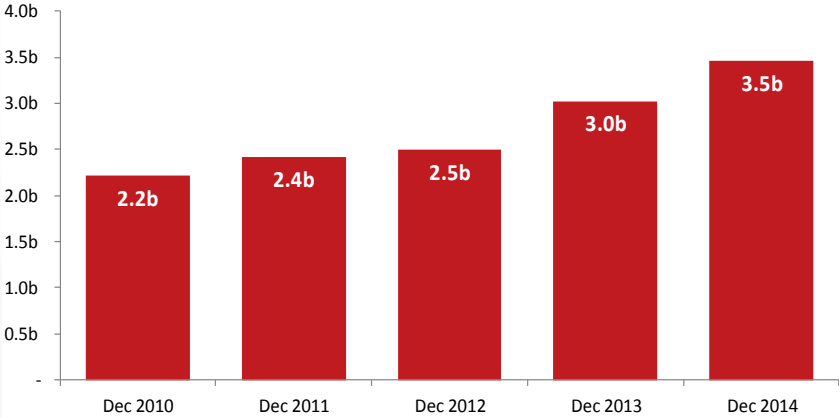
# THE BUSINESS

# OPERATIONAL HIGHLIGHTS

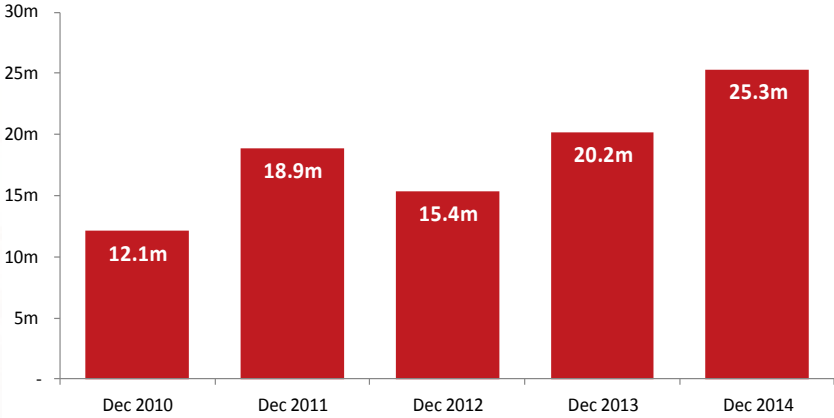
- Record sales in all 10 countries/regions in local currency
- Record EBIT in UK, South Africa, Singapore and Greater China
- Best 1H result in USA since Liberty and GOGO acquisition
- Combined overseas EBIT up 25% to \$25.3m
- Overseas growth partially offsets 10% EBIT decline in Australia

# GAINING SCALE OVERSEAS

Overseas 1H TTV



Overseas 1H EBIT





# AUSTRALIA



- Leisure and corporate travel sales up – 5% overall TTV growth
- Corporate TTV topped \$1.1b and profits in line with PCP
- Record amount of new corporate business won – improved strike rate in winning national and multi national accounts
- Unique products launched and proving popular – SmartFLY
- Opportunity to fast-track corporate growth



# AUSTRALIA



- Bottom-line leisure results lower than initially expected and impacted by:
  - Lower gross margins (consultants lowering commissions to convert sales)
  - Costs and investments (wages, shop fit-out and projects)
  - Subdued sales growth following FY14 downturn (lower productivity)
- Improvement opportunities
  - Vertical integration/product development opportunities to boost margins
  - Cost savings to offset front-end wage increases
  - Market-share growth through better and more targeted marketing



# STAR PERFORMERS



- Bikes

- Pedal Group JV generated \$29.3m in sales, up 24.5%
- Almost \$1.7million in EBIT (up 12%)



- Travel Money

- \$2.6million in 1H EBIT, now one of FLT's fastest growing businesses
- Expanding network of standalone & implanted shops (subsidising rent)
- Presence in Australia & NZ, set to open in USA & India (FY16)







# STAR PERFORMERS



- Flight Centre Business Travel
  - Mixes business (small corporate accounts) with leisure
  - EBIT up 15% and circa \$130m in turnover in Australia alone



- Stage & Screen and Campus Travel
  - 20%+ EBIT growth from corporate niche brands





# UK



- FLT's largest profit contributor after Australia.
- 1H EBIT of \$19.8m – 23.5% CAGR over past 5 years
- \$320k EBIT contribution from Ireland acquisition (Travelplan)
- TTV up 17% in local currency and could top GBP1b during FY15
- Focus on becoming a “Travel Experience Company” – new Journeys and Escapes products launched
- GBP1m in Journeys sales in 1st month



# USA



- TTV exceeded \$AUD1billion (FLT's 2nd largest region by sales)
- Significant reduction in 1H losses and profitable by Jan 31, 2015
- Strong 2H profits expected – seasonally stronger period for Liberty & GOGO
- On track to surpass full year target of \$USD17m-\$USD18m EBIT (circa 50% growth)
- Record corporate profits, sales likely to top \$AUD1b during FY15
- Corporate to open in Austin and Raleigh during 2H (20-city presence)



# USA



- Expanding Liberty's footprint ahead of peak 2H booking period
- New LA & Philadelphia (pictured below) hyperstores
- Pennsylvania & New Jersey megastores
- EuroGuru program helping to grow sales in 12m passenger-per-year European travel sector & poised for expansion



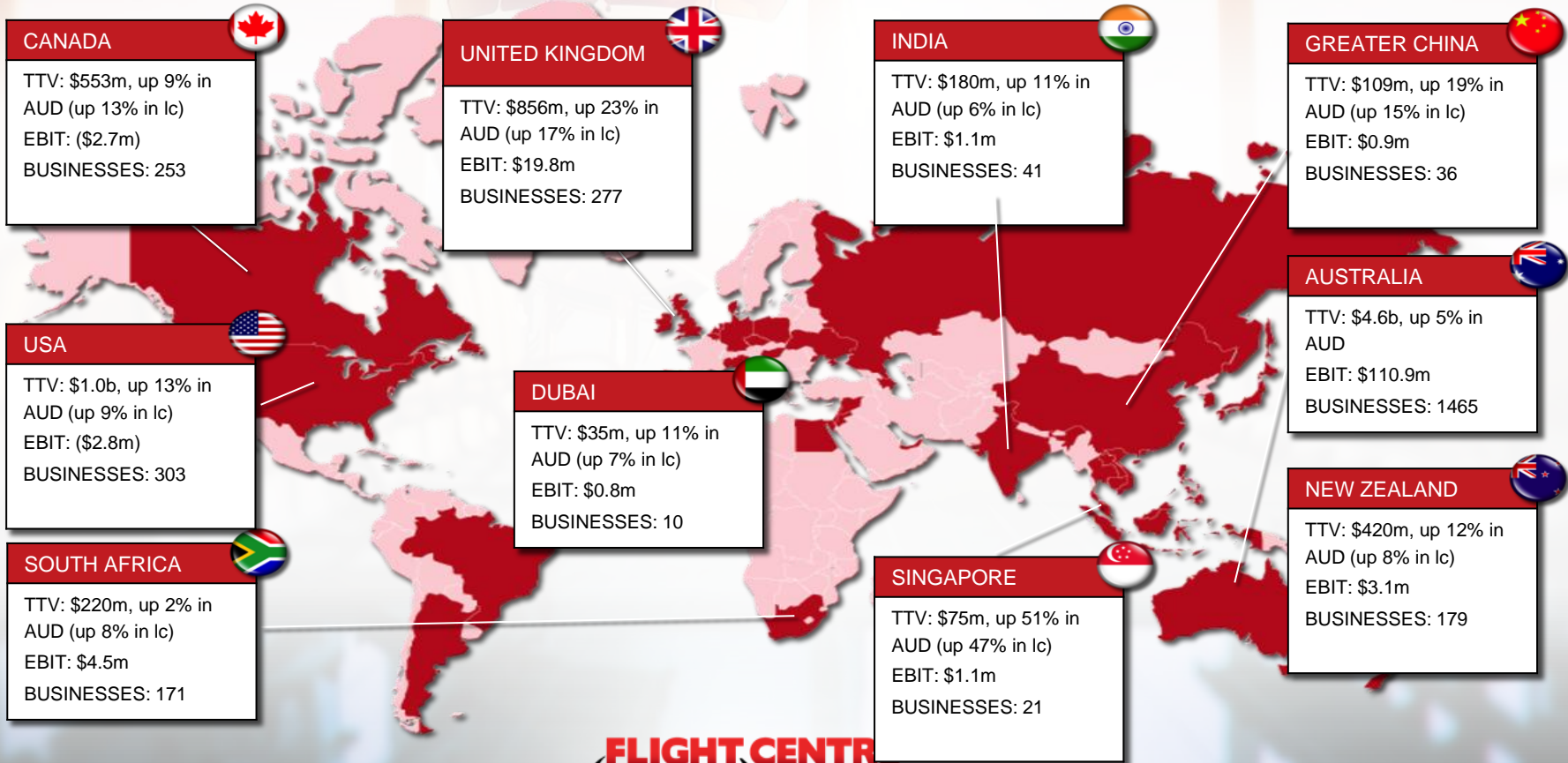


# REST OF THE WORLD SEGMENT



- Strong performance in Singapore, Greater China and South Africa
  - Record sales and profits. Singapore TTV up 47% in local currency
- Solid sales growth in NZ but lower profits
  - Investing in people (new wage structure) and network (shop refurbishments)
- Steady growth in India and Dubai
  - Profits down on PCP but sales increasing and bright 2H prospects
- Canada – a W.I.P but some positive signs
  - Strong sales growth (TTV up 13% in local currency)
  - Expansion into 4 new provinces during past 18 months
  - Shifting leisure travel focus – mirroring UK and USA strategies

# RESULTS BY COUNTRY





# THE STRATEGIES

# Our 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



# TRAVEL AGENT TO TRAVEL RETAILER

TRAVEL  
PROVIDERS



**FLIGHT CENTRE**<sup>TM</sup>  
TRAVEL GROUP



THE  
CUSTOMER

# 1) BRAND & SPECIALISATION

What do we **have** that's **special**?

What do we **know** that's **special**?

What do we **do** that's **special**?

**Escape  
Travel**



**cruiseabout.**

**ci events.**

**stageandscreen**  
TRAVEL SERVICES

**FC<sup>m</sup>**  
TRAVEL  
SOLUTIONS

**Student  
Flights**

**FLIGHT CENTRE**  
TRAVEL GROUP

**TRAVEL**  
ASSOCIATES

# 1) BRAND & SPECIALISATION

The CVP is not  
a set of marketing statements

It is a clear statement of what a brand business  
has and does that the customer values

**Escape  
Travel**

**CORPORATE  
TRAVELLER**  
Bring an expert on board

**cruiseabout.**

**ci events.**

**stageandscreen**  
TRAVEL SERVICES

**FC<sup>m</sup>**  
TRAVEL  
SOLUTIONS

**Student  
Flights**

**FLIGHT CENTRE**  
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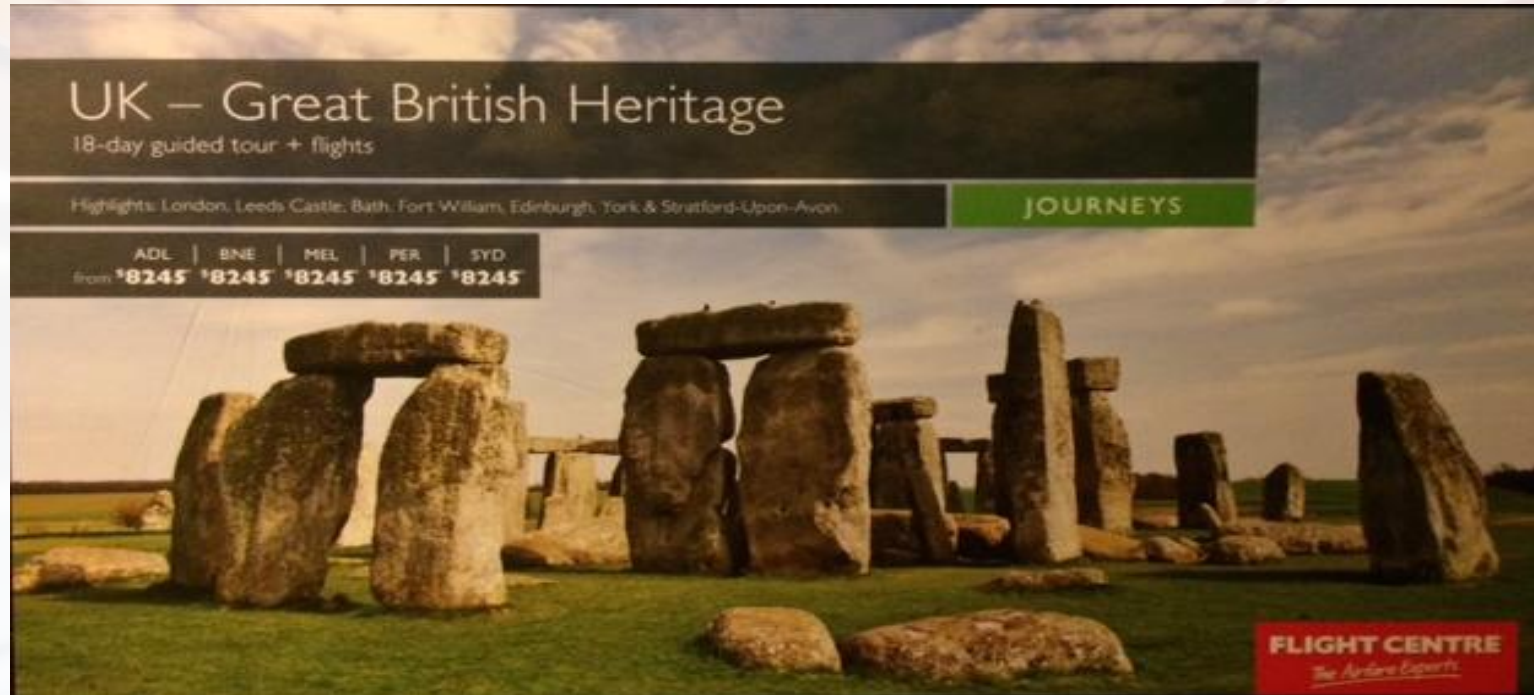
**TRAVEL**  
ASSOCIATES

## 2) OUR OWN PRODUCT

We have great products from our partners BUT ...

We need to start manufacturing  
and promoting our own products  
(Hard and Soft)

# UNIQUE PRODUCT – JOURNEYS



UK – Great British Heritage  
18-day guided tour + flights

Highlights: London, Leeds Castle, Bath, Fort William, Edinburgh, York & Stratford-Upon-Avon

JOURNEYS

ADL | BNE | MEL | PER | SYD  
from **\*8245** \*8245 \*8245 \*8245 \*8245

**FLIGHT CENTRE**  
*The Airfare Experts*

The advertisement features a background image of Stonehenge in England. The text is overlaid on a dark green and black background. The 'JOURNEYS' text is in a green box, and the 'FLIGHT CENTRE' logo is in a red box.

# UNIQUE PRODUCT – SmartSTAY

**SmartSTAY™**  
Check-in to better value

“...and where will you be staying in Hong Kong?”

**Harbour Plaza Metropols**  
★★★★  
SmartSTAY Inclusions are:  
 • Complimentary breakfast for one person  
 • Complimentary late check-out until 12pm  
 • Complimentary room upgrade (subject to availability on check-in)

**The Park Lane Hong Kong**  
★★★★  
SmartSTAY Inclusions are:  
 • Complimentary internet access  
 • Complimentary parking for two cars  
 • Complimentary room upgrade to next available category (subject to availability on check-in)

**The Langham Place**  
★★★★  
SmartSTAY Inclusions are:  
 • Complimentary internet access  
 • Complimentary 24-hour room service  
 • Complimentary 24-hour laundry

**The Langham Hotel**  
★★★★  
SmartSTAY Inclusions are:  
 • Complimentary breakfast for one person  
 • Complimentary room upgrade to next available category (subject to availability on check-in)

**The Langham Hotel Hong Kong**  
★★★★  
SmartSTAY Inclusions are:  
 • Complimentary internet access  
 • Complimentary parking for two cars  
 • Complimentary room upgrade to next available category (subject to availability on check-in)

Available on the **Google play** and **App Store**

For a full directory of SmartSTAY properties and offers download our SmartSTAY app

**SmartSTAY™**  
Check-in to better value

**الخطوط ETIHAD AIRWAYS**

...and where will you be staying at these Etihad Airways destinations?

<p><b>ABU DHABI</b> Fairmont Bab Al Bahr ★★★★★</p> <p>SmartSTAY Inclusions are:                  • Complimentary breakfast (single/double)                  • Complimentary internet access                  • Complimentary late check-out until 12pm (subject to availability)</p>	<p><b>LONDON</b> St James Court by Taj Hotels ★★★★★</p> <p>SmartSTAY Inclusions are:                  • Complimentary internet access                  • Complimentary glass of house wine with lunch when dining in-house                  • Complimentary 2-hour late check-out</p>	<p><b>NEW YORK</b> The Langham Place – FDS ★★★★★</p> <p>SmartSTAY Inclusions are:                  • Complimentary internet access                  • Complimentary glass of house wine with lunch when dining in-house                  • Complimentary 2-hour late check-out (subject to availability on check-in)</p>	<p><b>FRANKFURT</b> Flamingo Deluxe Hotel Riverside ★★★★★</p> <p>SmartSTAY Inclusions are:                  • Complimentary internet access                  • Complimentary breakfast                  • Complimentary upgrade to next available category (subject to availability)</p>
<p><b>GENEVA</b> Radisson Metropole Geneva ★★★★★</p> <p>SmartSTAY Inclusions are:                  • Complimentary internet access                  • Complimentary welcome drink at the hotel bar                  • 10% discount on any driver licence</p>	<p><b>MANCHESTER</b> Radisson Blu Edwardian ★★★★★</p> <p>SmartSTAY Inclusions are:                  • Complimentary internet access                  • Complimentary late check-out until 12pm                  • Complimentary service of laundry during your stay (subject to availability)</p>	<p><b>ROME</b> Hotel Quirinale ★★★★★</p> <p>SmartSTAY Inclusions are:                  • Complimentary internet access                  • Complimentary breakfast                  • Complimentary late check-out or early check-in (subject to availability on arrival)</p>	<p><b>BERLIN</b> Sheraton Berlin ★★★★★</p> <p>SmartSTAY Inclusions are:                  • Complimentary internet access                  • Complimentary upgrade to next available room category (subject to availability on arrival)</p>

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For a full directory of SmartSTAY properties and offers download our SmartSTAY app

**SmartSTAY™**  
Check-in to better value

The smarter way to book your accommodation.

**SmartSTAY™ features**

- Three value added inclusions
- Valid year round
- On our flexible corporate rates
- At no extra cost!

**SmartSTAY™ benefits**

- Increased savings
- Greater productivity
- Enhanced travel experience

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### 3) EXPERTS NOT AGENTS

Our sales people need to be experts in their brand's specialised products



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<p>FROM <b>\$1,412*</b> RETURN</p> <p><a href="#">More info »</a></p>	<p>FROM <b>\$2,287*</b> RETURN</p> <p><a href="#">More info »</a></p>	<p>FROM <b>\$1,707*</b> RETURN</p> <p><a href="#">More info »</a></p>	<p>LONDON &amp; AMSTERDAM</p> <p>FROM <b>\$1,585*</b> RETURN</p> <p><a href="#">More info »</a></p>

Seasonal guide for London

HIGH CHEAPEST \$ LOW

Jan Feb Mar Apr May Jun Jul Aug Sep Oct Nov Dec

WINTER SPRING SUMMER AUTUMN WINTER

Plenty of choice for flying to London from **Brisbane**

Emirates Airlines Dubai

**Emirates Airlines**

**Dubai Stop Over**

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- ECONOMY CLASS
- BUSINESS CLASS
- FIRST CLASS

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If it's wet, it's wild, it's Wild Wadi Water Park. Take the family along on your stopover in **Dubai** for some affordable thrills and fun. There are plenty of waterslides, surfing and body boarding simulators, and a lazy pool for those who want to relax.

Dubai isn't losing its reputation as one of the world's best shopping destinations, not while it's still got the world's largest shopping mall, The Dubai Mall. With about 1,200 shops, there are plenty of hours to be spent shopping and dining within this retail mecca.

If you're staying overnight, head down to The Dubai Fountain at dusk for a free fountain and lights show. The choreographed show incorporates music, multicoloured lights and water shooting up to 152 metres high.



## 4) OUR SHOPS NEED TO BE A SHOP



- A place we display our wares
- A place where customers can touch and browse our products



- A place where no long counter creates a barrier between the customers and our sales experts
- A place that needs to have zones to reflect the different product ranges we have



- A place where different customer interactions happen

# NEW SHOP DESIGN – FC CHERMSIDE

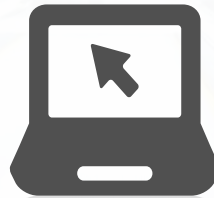


# NEW SHOP DESIGN – ET Ballina

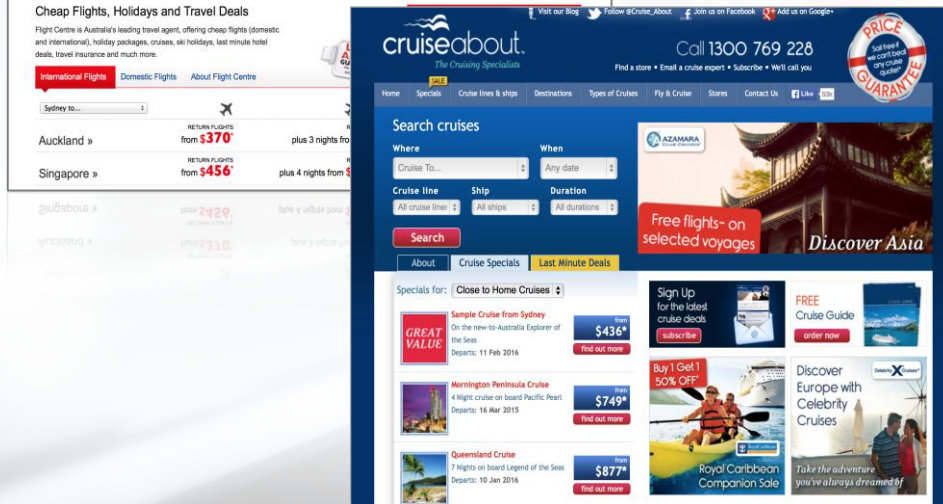


## 5) BLENDED ACCESS

Our business is always open  
when and how you want



# OUR LEISURE BRANDS



## Shops & Websites

Need to enable our leisure customers to access their brand around the clock

# NEW SINGAPORE WEBSITE

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SINGAPORE TO Phuket	ALL-IN RETURN FROM \$258*	SINGAPORE TO Koh Samui	ALL-IN RETURN FROM \$494*
SINGAPORE TO Sydney	ALL-IN RETURN FROM \$597*	SINGAPORE TO Melbourne	ALL-IN RETURN FROM \$591*
SINGAPORE TO Paris	ALL-IN RETURN FROM \$991*	SINGAPORE TO Los Angeles	ALL-IN RETURN FROM \$1,073*
SINGAPORE TO London	ALL-IN RETURN FROM \$1,149*	SINGAPORE TO Vancouver	ALL-IN RETURN FROM \$1,181*

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 I know my travel dates  
 I'm not sure about my travel dates


DEPARTING DATE  RETURN DATE


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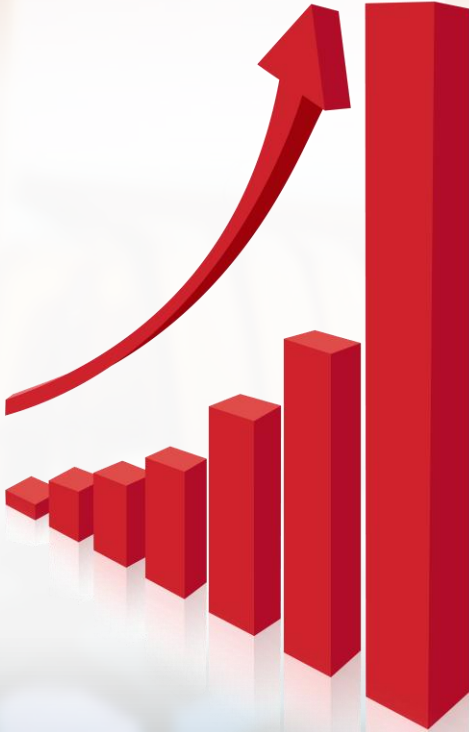


Exotic landscapes await. Indulge in an inspiring train trek across the heart of Southeast Asia's Stunning

LEADING  
LIFESTYLES



## 7) BECOMING A WORLD CLASS SALES & MARKETING MACHINE



- Generate more volume in enquiry and leads
- Acquisition and retention
- Targeted and personalised
- Better marketing in the on and offline world

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DEPARTING DATE: <input type="text"/>	RETURN DATE: <input type="text"/>
NO. OF TRAVELLERS: <input type="text"/>	PREFERRED AIRFARE: <input type="text"/>
ANY QUESTIONS OR COMMENT? <input type="text"/>	
<input type="checkbox"/> Sign me up for exclusive travel deal emails	
By proceeding I agree to Flight Centre's <a href="#">Terms &amp; Conditions</a> and my personal information being handled in accordance with Flight Centre's <a href="#">Privacy Policy</a>	
<input type="button" value="GET YOUR QUOTE"/>	



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Recommended Price Guide & Seasons How to get to London London Guide Ask an Airfare Expert

### Price guide and seasons from Brisbane

SEASONALITY LIST VIEW

Month	Price Index	Season
Jan	150%	WINTER
Feb	100%	WINTER
Mar	100%	WINTER
Apr	100%	WINTER
May	100%	WINTER
Jun	100%	WINTER
Jul	100%	WINTER
Aug	100%	WINTER
Sep	100%	WINTER
Oct	100%	WINTER
Nov	100%	WINTER
Dec	100%	WINTER

Jan WINTER Feb Mar Apr May Jun Jul Aug Sep Oct Nov Dec

John Eaker's Travel Tips  
The spiritance of Rugby will celebrate when 20 nations come together for the world cup in 2015. Rugby Union takes place between September and May, when the Rugby League season runs from February to October.

Plenty of choice for flying to London from Brisbane

Cashy Pacific Airways



flightcentre.com.au

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**OSLO & THE NORTHERN LIGHTS**

Hand-picked flights connect to world premiere and premier destinations, ensuring you start your adventure with the best of the best. Choose from our award-winning hotels and experiences for an epic journey. No extra fees, no hidden costs, just pure adventure.

Description of destination details will appear after you click on the main title. Travel dates: 19 April - 31 May 2015.

**\$2,500**

✈️ 3 NIGHTS

<b>USA COAST TO COAST</b>	<b>SOUTHERN EUROPE</b>	<b>BASQUE COUNTRY</b>	<b>BRITISH ISLES</b>	<b>NORTHERN EUROPE</b>
Description of destination details will appear after you click on the main title. Travel dates: 19 April - 31 May 2015.	Description of destination details will appear after you click on the main title. Travel dates: 19 April - 31 May 2015.	Description of destination details will appear after you click on the main title. Travel dates: 19 April - 31 May 2015.	Description of destination details will appear after you click on the main title. Travel dates: 19 April - 31 May 2015.	Description of destination details will appear after you click on the main title. Travel dates: 19 April - 31 May 2015.
✈️ 3 NIGHTS <b>\$2,500</b>	✈️ 3 NIGHTS <b>\$2,500</b>	✈️ 3 NIGHTS <b>\$2,500</b>	✈️ 3 NIGHTS <b>\$2,500</b>	✈️ 3 NIGHTS <b>\$2,500</b>
<b>NYC &amp; THE HAMPTONS</b>	<b>SOUTH AMERICA</b>	<b>SCOTLAND</b>	<b>JAPAN</b>	<b>ITALY</b>
Description of destination details will appear after you click on the main title. Travel dates: 19 April - 31 May 2015.	Description of destination details will appear after you click on the main title. Travel dates: 19 April - 31 May 2015.	Description of destination details will appear after you click on the main title. Travel dates: 19 April - 31 May 2015.	Description of destination details will appear after you click on the main title. Travel dates: 19 April - 31 May 2015.	Description of destination details will appear after you click on the main title. Travel dates: 19 April - 31 May 2015.
✈️ 3 NIGHTS <b>\$2,500</b>	✈️ 3 NIGHTS <b>\$2,500</b>	✈️ 3 NIGHTS <b>\$2,500</b>	✈️ 3 NIGHTS <b>\$2,500</b>	✈️ 3 NIGHTS <b>\$2,500</b>

**WIDEST CHOICE OF AIRFARES**

From	London	Perth	Perth	Perth	Perth	Perth	Perth	Perth	Perth
Paris	\$8,000	\$8,000	\$8,000	\$8,000	\$8,000	\$8,000	\$8,000	\$8,000	\$8,000
Phuket	\$8,000	\$8,000	\$8,000	\$8,000	\$8,000	\$8,000	\$8,000	\$8,000	\$8,000
Sao Paulo	\$8,000	\$8,000	\$8,000	\$8,000	\$8,000	\$8,000	\$8,000	\$8,000	\$8,000
Tokyo	\$8,000	\$8,000	\$8,000	\$8,000	\$8,000	\$8,000	\$8,000	\$8,000	\$8,000
Vancouver	\$8,000	\$8,000	\$8,000	\$8,000	\$8,000	\$8,000	\$8,000	\$8,000	\$8,000

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JOURNEYS

**FLIGHT CENTRE**  
The Airfare Experts

## TIME OFF READY FOR TAKEOFF

### ESCAPES

The Flight Centre team has found about the best short breaks to bring your next experience for maximum joy. We've done all the research, flights and fare comparisons, so you can enjoy the best work, even before you leave.

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Hand-picked flights connect to world premiere and premier destinations, ensuring you start your adventure with the best of the best. Choose from our award-winning hotels and experiences for an epic journey. No extra fees, no hidden costs, just pure adventure.

Description of destination details will appear after you click on the main title. Travel dates: 19 April - 31 May 2015.

**\$2,500**

✈️ 3 NIGHTS

<b>KANGAROO ISLAND</b>	<b>BROOME</b>	<b>HOBART</b>	<b>CHRISTCHURCH</b>	<b>MELBOURNE</b>
Description of destination details will appear after you click on the main title. Travel dates: 19 April - 31 May 2015.	Description of destination details will appear after you click on the main title. Travel dates: 19 April - 31 May 2015.	Description of destination details will appear after you click on the main title. Travel dates: 19 April - 31 May 2015.	Description of destination details will appear after you click on the main title. Travel dates: 19 April - 31 May 2015.	Description of destination details will appear after you click on the main title. Travel dates: 19 April - 31 May 2015.
✈️ 3 NIGHTS <b>\$2,500</b>	✈️ 3 NIGHTS <b>\$2,500</b>	✈️ 3 NIGHTS <b>\$2,500</b>	✈️ 3 NIGHTS <b>\$2,500</b>	✈️ 3 NIGHTS <b>\$2,500</b>
<b>BAROSSA VALLEY</b>	<b>DUNEDIN</b>	<b>OSAKA</b>	<b>TOKYO</b>	<b>HANOI</b>
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✈️ 3 NIGHTS <b>\$2,500</b>	✈️ 3 NIGHTS <b>\$2,500</b>	✈️ 3 NIGHTS <b>\$2,500</b>	✈️ 3 NIGHTS <b>\$2,500</b>	✈️ 3 NIGHTS <b>\$2,500</b>

**WIDEST CHOICE OF AIRFARES**

From	London	Perth	Perth	Perth	Perth	Perth	Perth	Perth	Perth
Paris	\$8,000	\$8,000	\$8,000	\$8,000	\$8,000	\$8,000	\$8,000	\$8,000	\$8,000
Phuket	\$8,000	\$8,000	\$8,000	\$8,000	\$8,000	\$8,000	\$8,000	\$8,000	\$8,000
Sao Paulo	\$8,000	\$8,000	\$8,000	\$8,000	\$8,000	\$8,000	\$8,000	\$8,000	\$8,000
Tokyo	\$8,000	\$8,000	\$8,000	\$8,000	\$8,000	\$8,000	\$8,000	\$8,000	\$8,000
Vancouver	\$8,000	\$8,000	\$8,000	\$8,000	\$8,000	\$8,000	\$8,000	\$8,000	\$8,000

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Escapes & Getaways

A blurred, high-angle view of an airport terminal. The scene is dominated by large windows and a person in the foreground, possibly a traveler, looking out. The lighting is warm and golden, suggesting a sunrise or sunset. The overall atmosphere is one of anticipation and movement.

# THE FUTURE

# 2014/15 GUIDANCE

- Targeting \$360m-\$390m underlying PBT (excluding any significant unforeseen items that may occur)
- Guidance also excludes Top Deck profits
- Top of the range represents 4% growth on FY14 record underlying PBT – bottom of the range represents a 4% decline
- Expecting strong contributions from overseas, particularly UK & USA

# MARKET CONDITIONS

- Some ongoing volatility in Australia
- Impossible to predict timeframe for recovery, but some positive signs
  - Good customer enquiry in key leisure brands
  - Solid Travel Expo results
  - Record account wins in corporate travel
  - Market-share growth in some areas – NYC pricing model
  - Airfare discounting on key international routes
- Starting to track against weaker trading period – opportunity to grow sales and profits more rapidly
- Healthy capacity and competition, leading to cheap fares

# OPPORTUNITIES

- Continued growth in overseas profits during seasonally stronger 2H
- Fast-track corporate growth in Australia
- Enhanced leisure travel productivity
- Flight Centre's Widest Choice of Airfares – if it flies, we've got it!
- Ongoing focus on Killer Theme and mini themes
- Cheap fares to stimulate demand – Golden Era For Travel

# GROWING THE NETWORK

- Focus on organic growth
- Exporting brands within the FLT network – Campus Travel, Travel Money, Stage & Screen
- New geographies likely – Netherlands and Dublin leisure businesses planned as an extension of UK business
- Some strategic acquisitions possible to fill gaps in the network





QUESTIONS?

# APPENDICES

# STATUTORY v UNDERLYING PBT

\$' million	Dec 2014	Dec 2013	%
<b>Statutory Profit Before Tax</b>	<b>\$141.0m</b>	<b>\$155.0m</b>	<b>(9.0%)</b>
Top Deck contribution	(\$3.4m)	-	-
One-off gain within FCGP business	-	(\$8.7m)	-
<b>Underlying Profit Before Tax</b>	<b>\$137.6m</b>	<b>\$146.3m</b>	<b>(5.9%)</b>

- \$3.4m profit contribution from Top Deck (acquired 1H).
- One-off \$8.7m gain within the Flight Centre Global Product (FCGP) business

# FIVE-YEAR GROWTH TRAJECTORY

	Dec 14	Dec 13	Dec 12	Dec 11	Dec 10
<b>TTV</b>	<b>\$8,138m</b>	<b>\$7,480m</b>	<b>\$6,593m</b>	<b>\$6,181m</b>	<b>\$5,668m</b>
Income margin	13.6%	14.1%	13.9%	13.9%	14.0%
EBITDA	\$164.0m	\$179.3m	\$148.9m	\$137.5m	\$121.3m
PBT	\$141.0m	\$155.0m	\$129.5m	\$119.7m	\$101.1m
<b>NPAT</b>	<b>\$100.3m</b>	<b>\$110.8m</b>	<b>\$91.8m</b>	<b>\$81.6m</b>	<b>\$70.5m</b>
EPS	99.7c	110.3c	91.7c	81.6c	70.6c
DPS	55.0c	55.0c	46.0c	41.0c	36.0c
ROE	8.8%	10.3%	10.4%	10.5%	9.9%
Cap-ex	\$39.5m	\$28.2m	\$28.4m	\$27.4m	\$24.2m
Selling staff	13,853	13,096	12,317	11,866	10,973
General cash	\$429.4m	\$401.9m	\$319.5m	\$316.9m	\$249.9m
Client cash	\$611.3m	\$594.4m	\$453.9m	\$429.8m	\$406.2m
<b>Cash and cash equivalents</b>	<b>\$1,040.7m</b>	<b>\$996.3m</b>	<b>\$773.4m</b>	<b>\$746.7m</b>	<b>\$656.1m</b>
Investments	\$62.0m	\$32.2m	\$55.1m	\$53.7m	\$74.8m
<b>Cash and investments</b>	<b>\$1,102.7m</b>	<b>\$1028.5m</b>	<b>\$828.5m</b>	<b>\$800.4m</b>	<b>\$730.9m</b>

# CORPORATE SOCIAL RESPONSIBILITY

1

Job creation: About 1200 new jobs created during 2013/14

2

Employee earnings: FLT paid about \$1billion 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

# CORPORATE 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 per share