APPENDIX 4D

FLIGHT CENTRE LIMITED (FLT)
ABN 25 003 377 188

HALF YEAR REPORT
31 DECEMBER 2009

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RESULTS FOR ANNOUNCEMENT TO THE MARKET

RESULTS IN BRIEF

	Dec 2009 $m	Dec 2008 $m	Change $m	Change %
Total transaction value (TTV) ~	**5,201.4**	**5,788.1**	(586.7)	(10.1%)
Revenue ~~	**818.5**	**878.7**	(60.2)	(6.9%)
Gross profit	**722.8**	**773.1**	(50.3)	(6.5%)
Net profit before tax	**73.6**	**34.2**	39.4	115.2%
Net profit after tax	**51.1**	**26.1**	25.0	95.8%

~ Total transaction value (TTV) does not represent revenue in accordance with Australian Accounting Standards. TTV represents the price at which travel products and services have been sold across the group's various operations, as agent for various airlines and other service providers, plus revenue from other sources. Flight Centre's revenue is, therefore, derived from TTV.

~~ Revenue from the sale of travel services is recorded at the time of issuing travel documents, consistent with an agency relationship. There is a portion of the United Kingdom (UK) business that recognises revenue on an availed basis under a principal relationship, due to the different rules and regulations governing the Flight Centre operations in the UK. The revenue from the sale of travel services and the cost of travel services is disclosed separately for all principal relationships. The treatment in the UK has no influence on the overall group still operating as an agent.

DIVIDENDS	Amount per Security Cents	100% Franked Amount Cents
Interim Dividend previous corresponding period, paid	**9.0**	**9.0**
No final dividend for 30 June 2009 was paid	-	-

The record date for determining entitlements to the interim dividend of 26.0 cents per share is Friday 12 March 2010. The payment date for the interim dividend is Thursday 1 April 2010.

NET TANGIBLE ASSETS	Dec 2009 $m	Dec 2008 $m
Net tangible asset backing per ordinary security	**2.56**	1.12

The report is based on accounts which have been reviewed by the auditor of Flight Centre Limited. There have been no matters of disagreement and a report of their review appears in the Half Year Financial Report.

Directors' report

Your directors present their report on the consolidated entity consisting of Flight Centre Limited and the entities it controlled at the end of, or during, the half year ended 31 December 2009.

Directors

The following persons were directors of Flight Centre Limited for the full half year and up to the date of this report:

G.F. Turner
P.R. Morahan
P.F. Barrow
G.W. Smith

Review and results

FLIGHT Centre Limited (FLT) traded ahead of expectations during the six months to 31 December 2009 to record a $73.6million pre-tax profit and a $51.1million net profit after tax.

FLT's pre-tax profit increased 115% in comparison to the actual $34.2million result achieved during the previous corresponding period and 19% in comparison to the normalised 2008/09 first half result of $62.0million (adjusted for one-off investment portfolio losses of $27.8m).

The company achieved this profit growth despite the effects of:

- Minimal economic recovery in some key international markets, including the United States and the United Kingdom
- Declining cash yields, which contributed to a $12million reduction in interest income compared to the previous corresponding period; and
- Significantly lower average ticket price, which meant that healthy increases in ticket sales did not lead to actual TTV growth

While yields, or ticket prices, began to gradually increase late in the first half, fares remained well below traditional levels, following the widespread supplier discounting that took place during the second half of 2008/09.

Within this low fare environment, TTV reached $5.2billion globally.

Income margin (gross profit as a percentage of TTV) increased to 13.9%.

After bolstering its balance sheet during the second half of 2008/09, FLT built on its financial strength by increasing cash reserves and maintaining debt levels during the first half.

General cash was $230million at 31 December 2009 and debt was $145million, giving FLT an $85million positive net debt position.

FLT's global cash and investment portfolio totalled $726million, up from $660million at 31 December 2008.

At the half year, the cash and fixed interest products represented 97% of this portfolio, with corporate collaterized debt obligations and hybrid products representing the balance.

Operating cash flow improved significantly in comparison to the first half of 2008/09.

As expected, a moderate outflow was recorded during the first half of 2009/10, as FLT paid funds that accumulated during the second half of 2008/09 to suppliers. The company expects an operating cash inflow during the seasonally stronger second half, as funds again accumulate during the year's peak booking periods.

In light of FLT's strong cash performance, the company's directors have reinstated its traditional dividend policy.

The directors today declared a 26.0 cent interim dividend, payable on 1 April 2010 to shareholders registered on 12 March 2010. This represents a 51% return of NPAT to shareholders and a 189% increase on the previous corresponding dividend.

Review of operations

The Australian business has driven FLT's profit growth during the first half. Economic recovery has not yet gained significant momentum elsewhere in the world, although conditions have stabilised in most markets after the turbulence that affected results from late in the second quarter last year. In addition to healthy overall profit growth, first half highlights have included:

- Increased ticket sales in most markets
- Improved overall margins
- Increased cash reserves; and
- Further enhancements to FLT's global leisure, corporate and wholesale travel footprint

In leisure travel, results have been good, particularly in Australia.

In corporate travel, FLT has continued to offset the effects of client downtrading by winning new accounts, which should allow it to benefit when companies return to normal travel patterns.

In wholesale travel, results have been strong, with FLT's direct-contracting model now in place globally and being a key contributor to the company's profit and margin growth.

Within FLT's individual businesses, first half results included:

- Significant profit growth from the Australian business
- Reasonable profit in the UK, despite the GFC's ongoing effects
- Profits in New Zealand, Canada and South Africa
- Moderate losses from the Asian corporate travel businesses, with the Dubai startup operation already profitable and the Singapore business expected to breakeven by the end of the year; and
- Reduced losses in the USA.

Elsewhere in the company, cycle businesses 99 Bikes and Advance Traders Australia continue to perform encouragingly during their startup phase. Both businesses recorded strong sales increases during the first half and generated about $400,000 in EBITDA and $11.6million in revenue.

Outlook – 2009 / 10

While challenges remain, particularly in the USA, FLT's fundamentals are strong as the company enters the next phase of its evolution.

FLT has emerged from the difficulties it faced last year with a stronger sales force, stronger brand offerings catering for most market niches, a leaner cost base and a stronger balance sheet.

Looking ahead, the company sees continued growth and improvement opportunities, particularly in corporate and wholesale travel and in niche areas of the leisure market.

In addition to its ongoing business improvement initiatives, FLT will focus on six key areas to improve performance and future shareholder returns.

These key areas include:

- Improving the return on FLT's investment in India, Canada and the USA
- Ensuring the company's One Best Way operating culture is in place in all support areas, brands and businesses
- Attracting and retaining more of the right leaders
- Procuring and retaining customers across the business
- Further development of the company's global land and air product buying and distribution system; and
- Selection and incubation of emerging bricks and mortar and online businesses.

The company will continue to target a full year pre-tax profit between $160million and $180million, excluding any major abnormal items

As part of its normal business procedures, FLT monitors its brands and assets for possible impairment. While no assets are currently impaired, the company and board continue to closely monitor the US retail business's current and forecast performance to ensure the associated goodwill balance is appropriate.

Dividends - Flight Centre Limited

FLT's directors today declared a 26.0 cents per share fully franked interim dividend payable on 1 April 2010 to shareholders registered on 12 March 2010. This represents a 50.7% return of after-tax profit to shareholders, in line with FLT's current policy of returning 50-60% of after-tax profit, subject to the business's needs. The interim dividend paid for the half year ended 31 December 2008 was 9 cents per share.

The board will continue to consider FLT's growth requirements, its current cash position, market conditions and the need to maintain a healthy balance sheet, when determining future returns.

Matters subsequent to the end of the financial year

On 15 January 2010, Flight Centre Limited entered into a Settlement Agreement to purchase 44% of FCm Travel Solutions (India) Private Limited. The agreement is subject to the satisfaction of a number of conditions and, if completed, will see Flight Centre Limited take 100% control of FCm Travel Solutions (India) Private Limited.

Auditors' independence declaration

A copy of the auditors' independence declaration as required under section 307C of the *Corporations Act 2001* is set out on page 6.

Rounding of amounts

The company is of a kind referred to in Class Order 98/100, issued by the Australian Securities and Investments Commission, relating to the "rounding off" of amounts in the directors' report and financial statements. Amounts in the directors' report and financial statements have been rounded off to the nearest thousand dollars in accordance with that Class Order.

This report is made in accordance with a resolution of directors.

G.F. Turner
Director
25 February 2010

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Auditor's Independence Declaration

As lead auditor for the review of Flight Centre Limited for the half year ended 31 December 2009, I declare that to the best of my knowledge and belief, there have been:

a) no contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the review; and

b) no contraventions of any applicable code of professional conduct in relation to the review.

This declaration is in respect of Flight Centre Limited and the entities it controlled during the period.

Robert Baker

Robert Baker
Partner

Brisbane
25 February 2010

PricewaterhouseCoopers

PricewaterhouseCoopers

	Notes	**As at 31 December 2009 $'000**	As at 30 June 2009 $'000
ASSETS			
Current assets			
Cash and cash equivalents	7	**628,591**	692,725
Available-for-sale financial assets		**82,365**	77,880
Receivables		**212,350**	234,029
Current tax receivables		**4,528**	11,321
Inventories		**497**	105
Other financial assets	8	**15,474**	15,474
Derivative financial instruments		**238**	279
Other current assets		**5,639**	3,917
Total current assets		**949,682**	1,035,730
Non-current assets			
Property, plant and equipment		**154,529**	177,425
Intangible assets		**384,670**	419,286
Deferred tax assets		**53,036**	68,091
Investments accounted for using the equity method		**25,285**	26,648
Total non-current assets		**617,520**	691,450
Total assets		**1,567,202**	1,727,180
LIABILITIES			
Current liabilities			
Trade and other payables		**714,026**	908,501
Borrowings		**65,887**	51,590
Provisions		**7,629**	6,922
Current tax liabilities		**16,489**	1,702
Derivative financial instruments		**615**	7,366
Total current liabilities		**804,646**	976,081
Non-current liabilities			
Payables		**17,665**	22,668
Borrowings		**79,513**	75,968
Deferred tax liabilities		**12,188**	28,381
Provisions		**11,304**	11,662
Derivative financial instruments		**1,570**	1,731
Total non-current liabilities		**122,240**	140,410
Total liabilities		**926,886**	1,116,491
Net assets		**640,316**	610,689
EQUITY			
Contributed equity	9	**377,917**	377,602
Reserves		**(28,993)**	(7,169)
Retained profits		**291,392**	240,256
Total equity		**640,316**	610,689

The above Balance Sheet should be read in conjunction with the accompanying notes.

	Notes	Half year ended **31 December 2009 $'000**	31 December 2008 $'000
Revenue			
Revenue from the sale of travel services	2	**695,941**	731,625
Revenue from the sale of travel as principal	2	**108,420**	120,422
Other revenue	2	**14,123**	26,703
Total revenue		**818,484**	878,749
Cost of travel as principal		**(95,722)**	(105,631)
Gross profit		**722,762**	773,118
Other income	3	**-**	8,171
Expenses			
Selling expenses		**(535,136)**	(588,642)
Administration / support expenses		**(100,193)**	(144,887)
Finance costs	4	**(13,202)**	(13,621)
Share of profit / (loss) of joint venture and associates accounted for using the equity method	10	**(595)**	74
Profit before income tax expense	4	**73,636**	34,214
Income tax expense		**(22,500)**	(8,102)
Profit attributable to members of Flight Centre Limited		**51,136**	26,112
Earnings per share for profit attributable to the ordinary equity holders of the company:		**Cents**	Cents
Basic earnings per share	6	**51.3**	26.2
Diluted earnings per share	6	**51.3**	26.2

The above Income Statement should be read in conjunction with the accompanying notes.

	Half year ended	
	31 December 2009 $'000	31 December 2008 $'000
Profit attributable to members of Flight Centre Limited	**51,136**	26,112
Other comprehensive income:		
Changes in the fair value of available-for-sale financial assets	**3,801**	(27)
Changes in the fair value of cash flow hedges	**-**	(3,896)
Net exchange differences on translation of foreign operations	**(24,259)**	45,219
Income tax expense on items of other comprehensive income	**(1,605)**	1,177
Other comprehensive income, net of tax	**(22,063)**	42,473
Total comprehensive income for the period attributable to members of Flight Centre Limited	**29,073**	68,585

The above Statement of Comprehensive Income should be read in conjunction with the accompanying notes.

Consolidated

	Notes	Contributed equity $'000	Reserves $'000	Retained earnings $'000	Total $'000
Balance at 1 July 2008		**377,343**	**(43,626)**	**269,462**	**603,179**
Total comprehensive income for the half year		**-**	**42,473**	**26,112**	**68,585**
Transactions with owners in their capacity as owners:					
Dividends provided for or paid	5	-	-	(48,310)	**(48,310)**
Balance at 31 December 2008		**377,343**	**(1,153)**	**247,264**	**623,454**
Balance at 1 July 2009		**377,602**	**(7,169)**	**240,256**	**610,689**
Total comprehensive income for the year		**-**	**(22,063)**	**51,136**	**29,073**
Transactions with owners in their capacity as owners:					
Shares issued		315	-	-	**315**
Employee share options		-	239	-	**239**
Balance at 31 December 2009		**377,917**	**(28,993)**	**291,392**	**640,316**

The above Statement of Changes in Equity should be read in conjunction with the accompanying notes.

	Notes	Half year ended **31 December 2009** **$'000**	31 December 2008 $'000
Cash flows from operating activities			
Receipts from customers (including GST)		**733,021**	787,076
Payments to suppliers and employees (including GST)		**(796,627)**	(1,040,642)
Interest received		**11,856**	24,040
Royalties received		**263**	382
Interest paid		**(12,179)**	(16,335)
Income taxes paid		**(4,559)**	(48,214)
Net cashflow from operating activities		**(68,225)**	(293,693)
Cash flows from investing activities			
Payment for purchase of businesses and for additional issues of shares in subsidiaries		**-**	(4,197)
Payments for property, plant and equipment		**(7,489)**	(40,988)
Proceeds from the sale of property, plant and equipment		**40**	-
Payments for intangibles		**(1,099)**	(9,319)
Payments for investments		**(1)**	(11,607)
Proceeds from sale of investments		**1,404**	63,544
Net cashflow from investing activities		**(7,145)**	(2,567)
Cash flows from financing activities			
Loans advanced to related parties		**(1,506)**	(2,454)
Proceeds from borrowings		**32,891**	92,600
Repayment of borrowings		**(12,736)**	(95,554)
Proceeds from issue of shares		**573**	-
Dividends paid to company's shareholders	5	**-**	(48,310)
Net cashflow from financing activities		**19,222**	(53,718)
Net decrease in cash held		**(56,148)**	(349,978)
Cash and cash equivalents at the beginning of the half year		**691,973**	727,507
Effects of exchange rate changes on cash and cash equivalents		**(11,512)**	57,782
Cash and cash equivalents at end of the half year	7	**624,313**	435,311

The above Statement of Cash Flows should be read in conjunction with the accompanying notes.

1 Summary of significant accounting policies

This general purpose financial report for the interim half year reporting period ended 31 December 2009 has been prepared in accordance with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Act 2001.*

This interim financial report does not include all the notes of the type normally included in an annual financial report. Accordingly, this report is to be read in conjunction with the annual report for the year ended 30 June 2009 and any public announcements made by Flight Centre Limited during the interim reporting period in accordance with the continuous disclosure requirements of the *Corporations Act 2001.*

The accounting policies adopted are consistent with those of the previous financial year and corresponding interim reporting period, except as set out below.

Changes in accounting policy

From 1 July 2009 the Flight Centre Limited group ("the group"), has adopted the following Standards and Interpretations, mandatory for annual periods beginning on or after 1 July 2009. Adoption of these standards and interpretations did not have any effect on the group's financial position or performance. However the adoption of AASB 8 has caused the group to revise its segment reporting. See Note 12 for details of the reportable segments and applicable accounting policies.

- AASB 8 Operating Segments.
- AASB 101 Revised Presentation of Financial Statements.
- AASB 123 Revised Borrowing Costs.

The following amending standards have also been adopted from 1 July 2009:

- AASB 2007-3 Amendments to Australian Accounting Standards arising from AASB 8.
- AASB 2007-6 Amendment to Australian Accounting Standards arising from AASB 123.
- AASB 2007-8 Amendment to Australian Accounting Standards arising from AASB 101.
- AASB 2008-5 Amendment to Australian Accounting Standards arising from the Annual Improvements Project.
- AASB 2008-6 Amendment to Australian Accounting Standards arising from the Annual Improvements Project.
- AASB 2008-7 Amendment to Australian Accounting Standards – Cost of an Investment in a Subsidiary, Jointly Controlled Entity or Associate.
- Interpretation 11 IFRS 2-Group and Treasury Share Transactions.
- Interpretation 12 Service Concession Arrangements.
- Interpretation 13 Customer Loyalty Programmes.

The group has not elected to early adopt any new standards or amendments.

	Half year ended 31 December 2009 $'000	31 December 2008 $'000
2 Revenue		
Total transaction value (TTV)	**5,201,353**	5,788,082
Revenue from the sale of travel services		
Commission and fees from the provision of travel	**514,986**	549,025
Revenue from the provision of travel	**151,080**	161,089
Other revenue from travel services	**29,875**	21,511
	695,941	731,625
Revenue from the sale of travel as principal	**108,420**	120,422
Other revenue		
Rents and sub-lease rentals	**2,057**	2,662
Interest	**12,066**	24,040
	14,123	26,703

Total transaction value (TTV)
Total transaction value (TTV) does not represent revenue in accordance with Australian Accounting Standards. TTV represents the price at which travel products and services have been sold across the group's various operations, as agent for various airlines and other service providers, plus revenue from other sources. Flight Centre's revenue is derived from TTV.

3 Other income

Net foreign exchange gains	**-**	8,171

4 Profit for the half year

Profit before income tax includes the following specific expenses:

Depreciation, Amortisation and Impairment		
Depreciation and amortisation	**26,682**	28,159
Impairment charge of Available-for-sale investments	**-**	25,027
Financial assets at fair value through the Income Statement	**-**	2,736
Impairment of assets	**-**	694
Finance costs		
Interest and finance charges paid / payable	**13,202**	14,844
Other		
Net foreign exchange losses	**1,296**	-

	Half year ended 31 December 2009 $'000	31 December 2008 $'000

5 Dividends

(a) Ordinary shares

Final ordinary dividend for the year ended 30 June 2009 of $nil (2008: 48.5 cents) per fully paid share.	-	48,310
	-	48,310

(b) Dividends not recognised at the end of the half year

In addition to the above dividends, since half year end the directors have recommended the payment of an interim dividend of 26.0 cents (2008: 9 cents) per fully paid ordinary share fully franked based on tax paid at 30%. The aggregate amount of the proposed dividend expected to be paid on 1 April 2010 out of retained profits at 31 December 2009, but not recognised as a liability at the end of the half year is $25,917,023 (2008: $8,964,793).

6 Earnings per share

	2009	2008
(a) Basic earnings per share	**Cents**	Cents
Profit attributable to the ordinary equity holders of the company	**51.3**	26.2
(b) Diluted earnings per share		
Profit attributable to the ordinary equity holders of the company	**51.3**	26.2

(c) Reconciliations of earnings used in calculating earnings per share	**$'000**	$'000
Profit attributable to the ordinary equity holders of the company used in calculating basic and diluted earnings per share	**51,136**	26,112

(d) Weighted average number of shares used as the denominator	**Number**	Number
Weighted average number of ordinary shares used as the denominator in calculating basic earnings per share	**99,680,738**	99,608,807
Adjustments for calculation of diluted earnings per share:		
Options	**75,000**	30,000
Weighted average number of ordinary shares and potential ordinary shares used as the denominator in calculating diluted earnings per share	**99,755,738**	99,638,807

	As at 31 December 2009 $'000	As at 30 June 2009 $'000

7 Cash and cash equivalents

	As at 31 December 2009 $'000	As at 30 June 2009 $'000
Cash at bank and on hand	**229,958**	160,921
Client account	**398,633**	531,804
	628,591	692,725
Reconciliation to Statement of Cash Flows		
Cash and cash equivalents	**628,591**	692,725
Bank overdrafts	**(4,278)**	(752)
Balance per Statement of Cash Flows	**624,313**	691,973

8 Other financial assets

	As at 31 December 2009 $'000	As at 30 June 2009 $'000
Debt securities	**15,474**	15,474

9 Contributed equity

	31 December 2009 Shares	30 June 2009 Shares	31 December 2009 $'000	30 June 2009 $'000
Share capital				
Fully paid ordinary shares	**99,680,858**	99,644,038	**377,917**	377,602

10 Interests in joint ventures and associates

	Ownership Interest	
	31 December 2009	30 June 2009
Joint Ventures		
Employment Office Australia Pty Ltd	50%	50%
Intrepid Retail Group Pty Ltd	50%	50%
Pedal Group Pty Ltd	50%	50%
Back Roads Touring Co. Ltd	75%	75%
Associates		
Garber’s Travel Service, Inc	26%	26%
FCm Travel Solutions (India) Private Limited	56%	56%

11 Business combinations

Prior year acquisition - Back Roads Touring Co. Ltd

(i) Summary of acquisition

On 31 October 2008 Flight Centre Limited acquired 100% of the equity of Back Roads Touring Co. Ltd, a bus touring company based in London, United Kingdom. On 2 February 2009 Back Roads issued shares to a third party in what was deemed to be a dilution of 25% of Flight Centre's shareholding. In addition to owning 25% of the shares in Back Roads, the third party also obtained an option to purchase a further 25% shareholding. This purchase and option over shares in Back Roads by the third party meant that from 2 February 2009 Flight Centre had joint control over Back Roads and would account for the entity as a joint venture.

The acquired business contributed a net loss of $161k to the group for the period from 1 November to 1 February 2009. Had the acquisition occurred on 1 July 2008, the revenue and profit contribution for the seven months to 1 February would have been $1.6M and $69k respectively.

These amounts have been calculated using the group's accounting policies.

Details of the fair value of the assets and liabilities acquired and goodwill are as follows:

	30 June 2009 $'000
Purchase consideration	
Cash paid	2,691
Deferred consideration	186
Direct costs relating to the acquisition	77
Total purchase consideration	**2,954**
Fair value of net identifiable assets acquired	2,364
Goodwill	**590**

(ii) Purchase consideration

Outflow of cash to acquire subsidiary:	
Cash consideration (including acquisition costs)	2,768
Less: Cash acquired	(2,092)
Outflow of cash	**676**

Deferred consideration is payable to the previous owner of Back Roads Touring Co. Ltd, who has taken up a consultancy position with the Flight Centre group. The amount is payable irrespective of whether the previous owner continues his consulting contract with the Flight Centre Limited group.

(iii) Assets and liabilities acquired

The assets and liabilities arising from the acquisition are as follows:

	Acquiree's carrying amount $'000	Fair value $'000
Cash and cash equivalents	2,092	2,092
Accounts receivable	76	76
Motor vehicles	322	322
Deposits	10	10
Trade creditors	(44)	(44)
Provision for tax	(70)	(70)
Deferred income	(22)	(22)
Net identifiable assets acquired	**2,364**	**2,364**

No acquisition provisions were created.

12 Segment information

(a) Description of segments

Flight Centre Limited has identified its operating segments based on the internal reports that are reviewed and used by the board of directors and executive team (the chief operating decision makers) in assessing performance and in determining the allocation of resources. The executive team currently consists of the following members:

- Managing Director;
- Chief Financial Officer;
- Executive General Manager – Air, Land and IT;
- Executive General Manager – Corporate;
- Executive General Manager – Marketing; and
- Executive General Manager – Peopleworks.

The board of directors and executive team consider, organise and manage the business from a geographic perspective, being the country of origin where the service was provided. Discrete financial information about each of these operating businesses is reported to the board of directors and executive team on a monthly basis, via the preparation of a group Financial Report.

Three reportable segments have been identified based on the information included in the group Financial Report, including the aggregation of four operating segments for Australia and two operating segments for North America. The aggregation was on the basis of similarity of service provided, economic returns and regulatory environment.

(b) Types of products and services

Flight Centre Limited and its controlled entities, operate predominately in the sale of travel and travel-related services industry. As indicated above, the group is organised and managed globally into geographic areas.

(c) Segment measure

The board of directors and executive team assess the performance of the operating segments based on a measure of adjusted EBIT. This measurement basis excludes the effects of non-recurring expenditure from the operating segments, deferred consideration and foreign exchange impacts on intercompany loans.

A reconciliation of adjusted EBIT to operating profit before income tax is provided as follows:

	Consolidated 2009 $'000	**Consolidated 2008 $'000**
Adjusted EBIT	**68,869**	**13,852**
Interest expense	(3,005)	(6,132)
Interest revenue	9,444	19,674
Net interest income / expense	6,439	13,542
Deferred consideration	(15)	(375)
Foreign exchange gains on intercompany loans	(1,680)	7,195
Other non-material items	23	-
Profit before income tax	**73,636**	**34,214**

There has been no material change in the assets of the three reportable segments since the last annual financial statements.

12 Segment information (continued)

(d) Segment information presented to the board of directors and executive team

The segment information provided to the board of directors and executive team for the reportable segments for the half years ended 31 December 2009 and 31 December 2008 is as follows:

31 December 2009

	Australia $'000	United Kingdom $'000	North America $'000	All other segments $'000	Total $'000
TTV	2,978,510	482,176	1,192,679	547,988	5,201,353
Total segment revenue	408,851	164,558	146,400	98,085	817,894
Adjusted EBIT	77,484	6,933	(10,196)	(5,352)	68,869

31 December 2008

	Australia $'000	United Kingdom $'000	North America $'000	All other segments $'000	Total $'000
TTV	2,938,438	575,633	1,483,407	790,604	5,788,082
Total segment revenue	382,915	191,132	186,543	118,617	879,207
Adjusted EBIT	49,304	12,350	(42,972)	(4,830)	13,852

13 Contingencies

Since the last annual reporting date, there has been no material change in any contingent assets or liabilities. No material losses are anticipated in respect of any contingent liabilities.

14 Events occurring after the end of the reporting period

On 15 January 2010, Flight Centre Limited entered into a Settlement Agreement to purchase 44% of FCm Travel Solutions (India) Private Limited. The agreement is subject to the satisfaction of a number of conditions and, if completed, will see Flight Centre Limited take 100% control of FCm Travel Solutions (India) Private Limited.

Directors' declaration

In the directors' opinion:

(a) the financial statements and notes set out on pages 7 to 18 are in accordance with the *Corporations Act 2001,* including:

(i) complying with Accounting Standards, the *Corporations Regulations 2001* and other mandatory professional reporting requirements; and

(ii) giving a true and fair view of the consolidated entity's financial position as at 31 December 2009 and of its performance for the financial year ended on that date; and

(b) there are reasonable grounds to believe that Flight Centre Limited will be able to pay its debts as and when they become due and payable.

The directors have been given the declarations by the chief executive officer and chief financial officer required by section 295A of the *Corporations Act 2001.*

This declaration is made in accordance with a resolution of the directors.

G.F. Turner
Director

25 February 2010

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Independent auditor's review report to the members of Flight Centre Limited.

Report on the Half Year Financial Report

We have reviewed the accompanying half year financial statements of Flight Centre Limited which comprise the statement of financial position as at 31 December 2009, and the income statement, the statement of comprehensive income, statement of changes in equity and statement of cash flows for the half year ended on that date, a summary of significant accounting policies, other explanatory notes and the directors' declaration for the Flight Centre Limited (the consolidated entity). The consolidated entity comprises both Flight Centre Limited (the company) and the entities it controlled during that half-year.

Directors' responsibility for the half-year financial report

The directors of the company are responsible for the preparation and fair presentation of the half-year financial report in accordance with Australian Accounting Standards (including the Australian Accounting Interpretations) and the *Corporations Act 2001*. This responsibility includes establishing and maintaining internal control relevant to the preparation and fair presentation of the half-year financial report that is free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditor's responsibility

Our responsibility is to express a conclusion on the half-year financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410 *Review of an Interim Financial Report Performed by the Independent Auditor of the Entity*, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the financial report is not in accordance with the *Corporations Act 2001* including: giving a true and fair view of the consolidated entity's financial position as at 31 December 2009 and its performance for the half-year ended on that date; and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*. As the auditor of Flight Centre Limited, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. It also includes reading the other information included with the financial report to determine whether it contains any material inconsistencies with the financial report. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

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While we considered the effectiveness of management's internal controls over financial reporting when determining the nature and extent of our procedures, our review was not designed to provide assurance on internal controls.

Our review did not involve an analysis of the prudence of business decisions made by directors or management.

Independence

In conducting our review, we have complied with the independence requirements of the *Corporations Act 2001.*

Conclusion

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the half-year financial report of Flight Centre Limited is not in accordance with the *Corporations Act 2001* including:

(a) giving a true and fair view of the consolidated entity's financial position as at 31 December 2009 and of its performance for the half-year ended on that date; and

(b) complying with Accounting Standard AASB 134 *Interim Financial Reporting* and *Corporations Regulations 2001.*

PricewaterhouseCoopers

PricewaterhouseCoopers

Robert Baker

R A Baker
Partner

Brisbane
25 February 2010