



STATEMENT TO AUSTRALIAN SECURITIES EXCHANGE – April 19, 2010

FLIGHT CENTRE LIMITED STATEMENT REGARDING AIR SPACE CLOSURE

FLIGHT Centre Limited (FLT) continues to monitor the effects of the European air space closure on its customers and its business.

The company's travel consultants and 24-hour customer assistance staff have been working around the clock to help travellers affected by the closure of some airports.

FLT chief financial officer Andrew Flannery said this assistance had included:

- Working to accommodate customers who were en-route to Europe or awaiting return flights when airports closed
- Helping customers who have been unable to travel as scheduled; and
- Liaising with airlines and land-based suppliers to determine holiday options that could be available for customers due to travel in the short-term who would prefer to switch to alternative destinations

Mr Flannery said customers travelling in the next few days were typically considering their options, while those travelling later this month were typically prepared to wait and see.

"Evidence to date suggests that most customers want to take their European holidays as soon as airports reopen," he said.

"While airlines and land suppliers have generally made some provisions for customers who want to cancel, the reality is that the overwhelming majority who have been unable to take off just want to go as soon as possible.

“Once European air space reopens, we anticipate planes will be taking off at full capacity as airlines work to clear the backlog.”

Mr Flannery said clearing the backlog of European-bound passengers was likely to have flow-on effects for customers looking to travel later in the year.

“Flights to Europe were already filling rapidly during the peak seasons, before the need to accommodate those who have been forced to change their plans arose.

“Naturally, this means we will have less availability over the next few months, which typically forces prices up for customers who have not yet booked seats.”

FLT does not currently expect the temporary airport closures to have a material impact on its earnings for the 2009/10 financial year. The company continues to target a pre-tax trading profit between \$160million and \$180million for the 12 months to June 30, 2010.

Cover-More travel insurance policies sold by FLT’s shops make various provisions for customers directly affected by flight cancellations and delays caused by the volcanic ash.

Customers with urgent enquiries are advised to call their Flight Centre travel agent during normal office hours or the company’s 24-hour customer assistance line (1300 131 600) after hours.

ENDS Issued by Haydn Long 0418 750454