Flight Centre Limited

2010 Full Year Results

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Presentation by

Graham Turner – managing director

Andrew Flannery – chief financial officer

2010 – an overview

PROFIT	Strong performance – actual PBT and NPAT up 392% and 267% respectively Profit has increased year-on-year in 13 of FLT's 15 years as a public company
SALES	Ticket sales at record levels Underlying TTV flat – lower air yields, FX impact on US, UK & Canada TTV would have been up 5% if international results translated at same rate as 08/09
INCOME MARGIN	Increased to 14.1% - driven by direct contracting wholesale, fixed margin contracts Likely to reduce slightly as air yields increase, inclusion of Indian corporate business
SHAREHOLDER RETURNS	Record EPS – up 266% on 08/09 $70million to be returned to shareholders via interim and final dividends Share price up 92% – fourth best performed ASX 200 stock during 09/10
MARKET CONDITIONS	Global trading conditions stabilised after volatility of 2H 08/09 Strong results despite effects of cheap fares, low interest yields, slower recovery in some countries and travel sectors, world events – ash cloud, strikes, unrest

2010 – operational highlights

FLIGHT CENTRE LIMITED

LEISURE TRAVEL	➡	Healthy results globally – ticket sales up in most markets Lowest airfares guarantee introduced in Flight Centre brand Strong cruise and tour sales in Australia
CORPORATE TRAVEL	➡	Business sector slower to rebound than leisure sector Good results achieved globally and poised for further growth as market recovers Corporate Traveller reintroduced – specialist brand focusing on SME accounts
WHOLESALE TRAVEL	➡	Continued development of direct contracting model – increased hotel direct connectivity to access best prices and more rooms, Calypso launched in South Africa Record results in Australia and New Zealand
OTHER BUSINESSES	➡	Bike business contributed more than $20million in sales and $230,000 in EBIT Employment Office now in Brisbane, Melbourne, Sydney, Vancouver, London Travel Money now in 30 locations in Australia and expanding into NZ

2010 – financial highlights

FLIGHT CENTRE LIMITED

BALANCE SHEET STRENGTH	General cash doubled to $322m –stronger positive net debt position $144m Moderate debt – year-on-year movement reflects increased BOS participation and India
CASH FLOW	Strong operating cash flow – $243m inflow over full year Cash accumulated during 2H, as expected, for payment to suppliers during 1H 10/11
INVESTMENT PORTFOLIO	$1b in funds globally at 30 June – 97% is cash, fixed and floating rate products Lower yields during 1H led to $10m reduction in interest income
COSTS	Reasonable success in containing costs New shop wage system introduced Good return on marketing spend – increased enquiry globally

2010 results

RESULTS IN BRIEF	FULL YEAR RESULTS		
	JUNE 2010	JUNE 2009	Variance %
$' million			
TTV	**$11,019 m**	**$11,242 m**	**(2.0)%**
Gross Profit	**$1,553 m**	**$1,527 m**	**1.7%**
EBITDA	$257.3 m	$86.3 m	198.1%
EBIT	$203.5 m	$26.6 m	665.0%
Profit Before Tax (actual)	$198.5 m	$40.4 m	391.5%
Profit After Tax (actual)	**$139.9 m**	**$38.2 m**	**266.5%**
Effective tax rate	29.5%	5.5%★	
Dividends			
Interim Dividend	26.0 c	9.0 c	
Final Dividend	44.0 c	N/A	

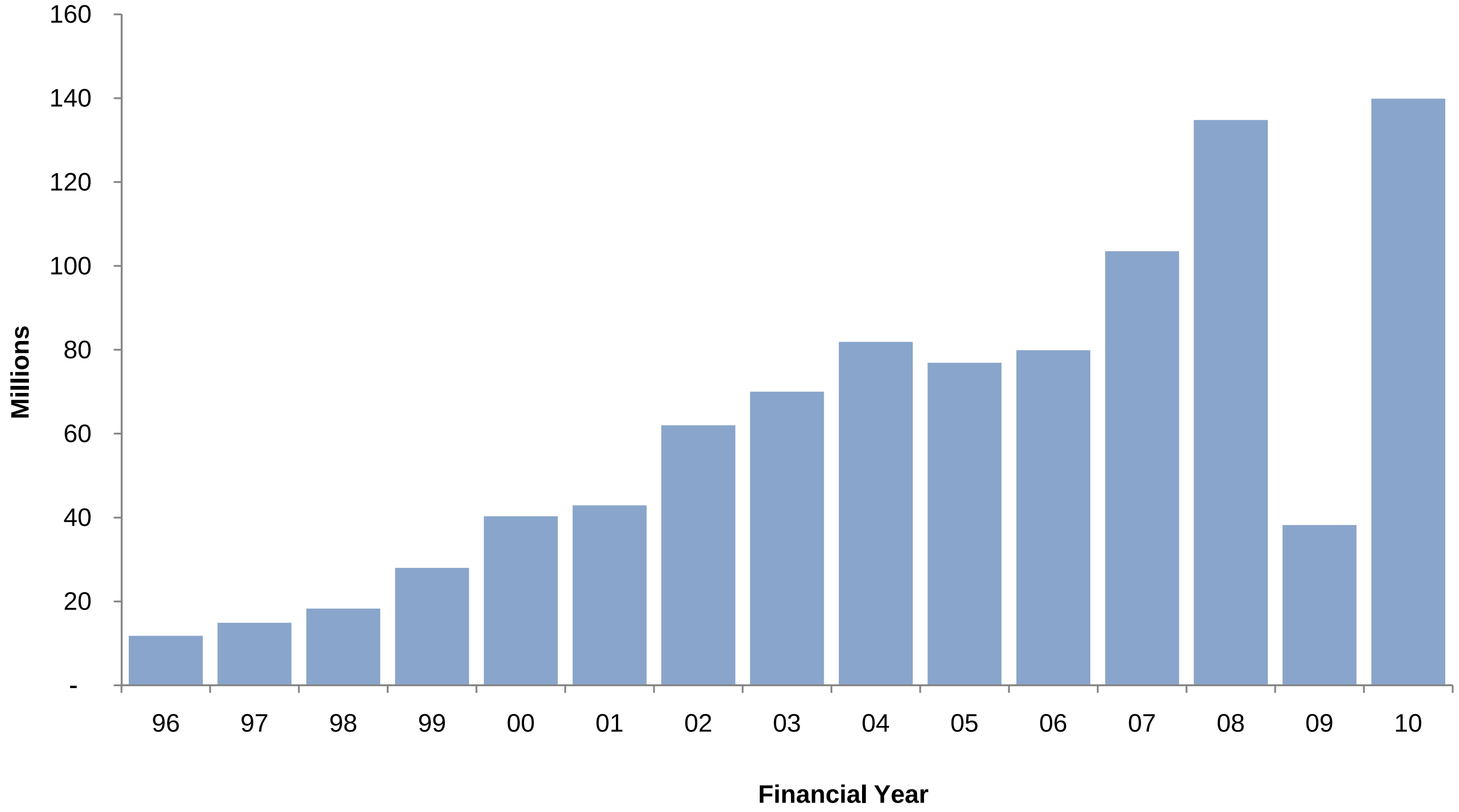
★FLT's 2008/09 effective tax rate was abnormally low after the company recognised some US tax losses

Five-year result summary

	JUNE 2010	JUNE 2009	JUNE 2008 (restated)	JUNE 2007★ (ex abnormal)	JUNE 2006
TTV	**$11,019 m**	**$11,242 m**	**$10,880 m**	**$8,880 m**	**$7,810 m**
Income margin	14.1%	13.6%	13.3%	13.0%	12.9%
EBITDA	$257.3m	$86.3 m	$231.4 m	$175.0 m	$147.6 m
PBT	$198.5 m	$40.4 m	$201.0 m	$151.6 m	$120.0 m
NPAT	**$139.9 m**	**$38.2 m**	**$134.8 m**	**$103.5 m**	**$79.9 m**
EPS	140.3 c	38.3 c	138.0 c	109.6 c	84.6 c
DPS	70.0c	9.0 c	86.0 c	66.0 c	52.0 c
ROE	19.7%	6.2%	22.3%	21.3%	19.4%
Cap-ex	$20.5m	$70.4 m	$70.2 m	$46.3 m	$45.6 m
Building acquisitions	-	$10.4 m	$42.7 m	-	-
Selling staff	9,602	9,469	10,419	8,200	6,644
General cash	$322.3 m	$160.9 m	$160.5 m	$165.4 m	$93.6 m
Client cash	$581.0 m	$531.8 m	$578.1 m	$303.8 m	$200.3 m
Cash and cash equivalents	**$903.3 m**	**$692.7 m**	**$738.6 m**	**$469.2 m**	**$293.9 m**
Available-for-sale investments & other financial assets	$96.2 m	$93.4 m	$246.5 m	$166.6 m	$185.1 m
Cash and investments	**$999.5 m**	**$786.1 m**	**$985.1 m**	**$635.8 m**	**$479.0 m**

★Abnormal relates to FLT's gain on the sale of its Brisbane head office property.

FLT’s historical NPAT



2010 review – other geographies

COUNTRY	RESULTS	REVIEW
Australia	TTV: $6.4b EBIT: $173.8m Businesses: 1,069	TTV up 11% Record results – leisure and corporate travel sectors both performed well Encouraging performance from emerging businesses – Cruiseabout, bikes, Intrepid retail Ongoing growth opportunities – corporate travel, niche leisure, airfare sales, Flight Centre's lowest airfare guarantee FCm on Federal Government's travel panel Flight Centre now key partner in Commonwealth Bank's Awards program
United Kingdom	TTV: $991m EBIT: $19.8m Businesses: 214	TTV down 8% in AUD (up 12% in local currency) Strong performance in challenging trading environment Second best EBIT result despite ash cloud, BA strikes and economic uncertainty Good leisure results – roundtheworldexperts.co.uk growing strongly Corporate results recovering after GFC

2010 review – other geographies

COUNTRY	RESULTS	REVIEW
United States	TTV: $1.7b EBIT: ($2.3m) Businesses: 231	TTV down 26% in AUD (down 14% in local currency) EBIT ($2.3m) ($8.3m including non-recurring items) Significant reduction in losses Wholesale profitable over full year, corporate and leisure profitable during 2H flightcenter.com website profitable in third month Three new shops opened and plans for up to 10 more during 10/11 Corporate expansion planned into Manhattan and Washington Targeting positive EBIT contribution from US businesses during 10/11 Good enquiry levels in July
New Zealand	TTV: $573m EBIT: $9.4m Businesses: 162	TTV up 2% in AUD (up 4% in local currency) Strong profit growth – EBIT almost doubled Cruiseabout introduced

2010 review – other geographies

COUNTRY	RESULTS	REVIEW
Canada	TTV: $705m EBIT: $7.8m Businesses: 183	TTV up 2% in AUD (up 11% in local currency) Record results Corporate and leisure businesses both profitable First full year leisure profit since 02/03
South Africa	TTV: $389m EBIT: $5.1m Businesses: 157	TTV down 4% in AUD (down 3% in local currency) Strong 2H result led to full year EBIT growth Good profit growth from small base in corporate travel
Greater China	TTV: $116m EBIT: ($1.5m) Businesses: 20	TTV up 31% in AUD Significant reduction in losses Breakeven EBIT results over last four months of 09/10
Dubai	TTV: $23m EBIT: $0.4m Businesses: 1	TTV up 46% in AUD (up 71% in local currency) Good performance from emerging corporate business Profitable in third full year

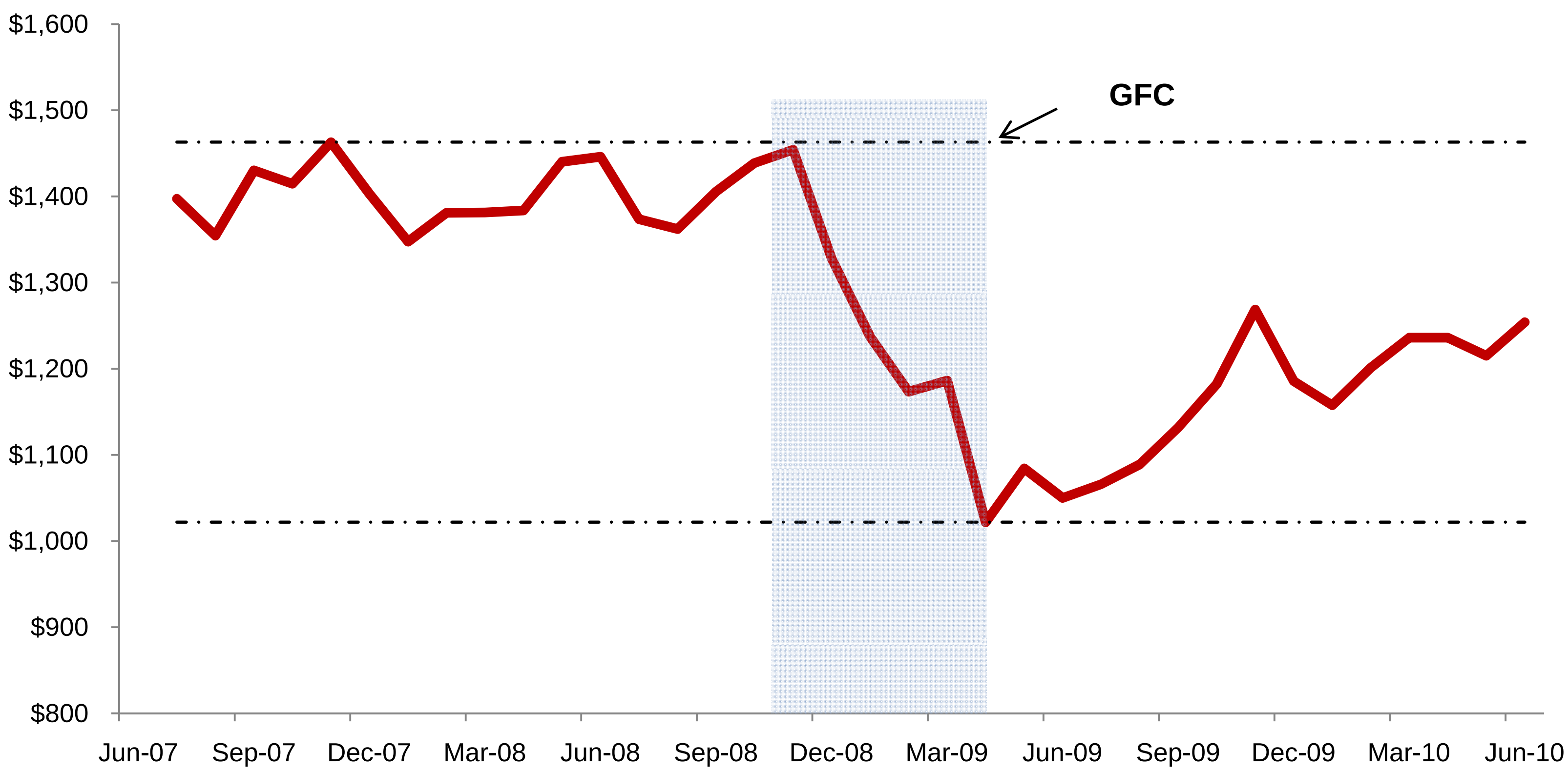
2010 review – other geographies

COUNTRY	RESULTS	REVIEW
Singapore	TTV: $16m EBIT: ($0.6m) Businesses: 8	TTV up 315% in AUD (up 381% in local currency) Reduced losses Air Services acquisition completed – increased scale
India (results from April 26 to June 30 2010)	TTV: $75m EBIT: $1.2m Businesses: 107	100% interest acquired in April 2010 New management team in place Small profit expected during 10/11

2011 – growth opportunities

EXPANSION	Shop and business growth to return to normal levels for first time since 07/08 Expanded sales force and shop network likely to stimulate TTV growth
CORPORATE TRAVEL	Corporate travel recovery gained momentum during 09/10 Global market yet to rebound fully
INTERNATIONAL RECOVERY	Australian business recovered faster than other markets Minimal economic recovery in US and UK markets but prospects for improvement
INDIA & USA	Positive EBIT contribution expected during 10/11 Only two months of India results included in FLT's 09/10 accounts
AIRFARE PRICES	Modest increases but average international fares well below 08/09 1H levels Further growth likely – supported by recent airline commentary

FLT average international yield



2011 – strategic priorities

FLIGHT CENTRE LIMITED

LEADERSHIP	**Attracting and retaining the right leaders in the right numbers**
PRODUCT	**Sourcing and manufacturing unique land and air product for FLT customers**
ONE BEST WAY	**Using FLT's one best way concept in all major areas, such as brand guides and customer systems**
GROWTH	**Applying effective business growth systems and milestones follow-up on new, emerging and acquired businesses**
DISTRIBUTION	**Enhancing FLT's global distribution system for air, land and the web**
MARKETING	**Defending FLT's model and growing market share in and against other internet products**

The web – further growth prospects

ENQUIRY GENERATION	**Ongoing development of retail brands' websites** **Improved functionality and travel information to generate enquiry for shops**
DIRECT MODEL	**Web-only brands generating enquiry that is serviced online or via the phone** **roundtheworldexperts.co.uk, discountcruises.com**
TRANSACTIONAL SITES	**flightcenter.com operating in the USA and profitable, accommodation site quickbeds.com** **Further opportunities to sell highly commoditised product online**
GEOGRAPHIC EXPANSION	**Flight Centre branded sites launched in Asia and Middle East corporate markets** **Aim to leverage strong global brand to generate enquiry in Hong Kong, China, Singapore, Dubai**

2011 – Outlook

SOLID FOUNDATIONS	➡	Strong balance sheet – ready to grow and capitalise on opportunities 31 brands in 11 countries catering for mass market and niche sectors
SUPPLIER RELATIONSHIPS	➡	Contracts in place with key airlines and other suppliers Continuing focus on fixed margin contracts – shift from tiered contracts
MARKET CONDITIONS	➡	Global economic conditions more stable than early 09/10 but still volatile Reasonable July trading results
PROFIT TARGET	➡	Initially targeting 10-20% growth on actual 09/10 PBT Translates to results in the order of $220m-$240m, excluding any major abnormals Liberty not currently impaired – non-cash goodwill adjustment still possible if 10/11 trading results don't meet expectations
CAPITAL MANAGEMENT	➡	Dividend policy restored and likely to remain in place, subject to business's needs Continued focus on cash but rate of accumulation likely to slow – dividend, tax and cap-ex all returning to normal

End of presentation

Questions