Flight Centre Limited

2009 Half Year Presentation

March 4, 2009

2009 Half year results

RESULTS IN BRIEF	HALF YEAR ACTUAL		
	DEC 2008	DEC 2007	% Variance
TTV – Established businesses	$4,800	$4,800	-
TTV – Actual	**$5,800**	**$4,800**	**20.8%**
Gross Profit – Established businesses	$648.1	$642.9	0.8%
Gross Profit^ – Actual	**$768.4**	**$642.9**	**19.5%**
EBITDA – Established business	$89.5		(14.9)%
EBITDA – Trading result (established businesses & Liberty)	$82.0	**$105.2**	(22.1)%
EBITDA – Actual (trading result & abnormals)	**$54.2**		**(48.5)%**
PBT – Established business	$77.7		(14.5)%
PBT – Trading result (established businesses & Liberty)	$62.0	**$90.9**	(31.8)%
PBT – Actual (trading result & abnormals)	**$34.2**		**(62.4)%**
PAT – Established business	$52.7		(13.9)%
PAT – Trading result (established businesses & Liberty)	$55.8	**$61.2**	(8.8)%
PAT – Actual (trading result & abnormals)	**$26.1**		**(57.4)%**
Dividends			
Interim Dividend (Paid Mar 09)	9.0c	37.5 c	

^Revenue of $875m per Appendix 4D due to statutory gross up of $120m for UK commissions revenue traditionally reported on a net basis as shown above

Recent growth performance

	DEC 2008	DEC 2007	DEC 2006 (^ex abnormal)	DEC 2005
TTV	**$5,800 m**	**$4,800 m**	**$4,100 m**	**$3,700 m**
Income Margin	13.3%	13.4%	12.6%	12.9%
PBT	$34.2m	$90.9 m	$53.0 m	$49.8 m
NPAT	**$26.1 m**	**$61.2 m**	**$35.4 m**	**$33.6 m**
EBITDA	$54.2 m	$105.2 m	$63.0 m	$63.0 m
EPS	**26.2 c**	**64.0 c**	**37.5 c**	**35.6 c**
DPS	9.0c	37.5 c	20.0 c	20.0 c
ROE	4.2%	21.8%	22.9 %	17.5%
Capex (excl acquisitions & bldgs)	42,225	39,258	14,607	18,990
Building	12,400	10,590	-	-
Selling Staff	**10,324**	**8,333**	**7,649**	**5,824**

^ Abnormal item relates to the sale of FLT's Brisbane CBD global headquarters. FLT recognised a $22.4 million gain on sale before tax

Overview: Established business

- $77.7m pretax profit – down 14.5% on record $90.9m result in superior trading conditions during PCP, but 46% up on 2006/07
- Excluding USA, all major regions profitable for the half
- Good corporate travel results coinciding with significant sales force expansion
- Overall sales slowed Nov-Jan after reasonable first quarter, but customer enquiry healthy
- Strategies in place to:
  - ✓ Improve conversion in the short-term
  - ✓ Increase market share as competitors close stores, reduce sales force and roll back advertising; and
  - ✓ Capitalise on pent-up demand as the leisure travel cycle improves, as has happened in the past
- Ongoing focus on cost control – 1H wage bill flat, despite 9% increase in staff numbers

Overview: USA leisure

- Losses of $15.7m, including $6.7m in non recurring expenses
- GOGO profitable and a key element in global wholesale expansion strategy
- Annualised $USD30m in costs eliminated – reduced staff and admin, 40 underperforming shops closed (Liberty and former FC shops)
- New customer enquiry records set in Jan 09
- Key FLT business model elements introduced – consultant incentive model to be deployed from July 2009
- Improved 2H results expected – moderate trading losses and some restructuring
- Significant turnaround expected in 09/10

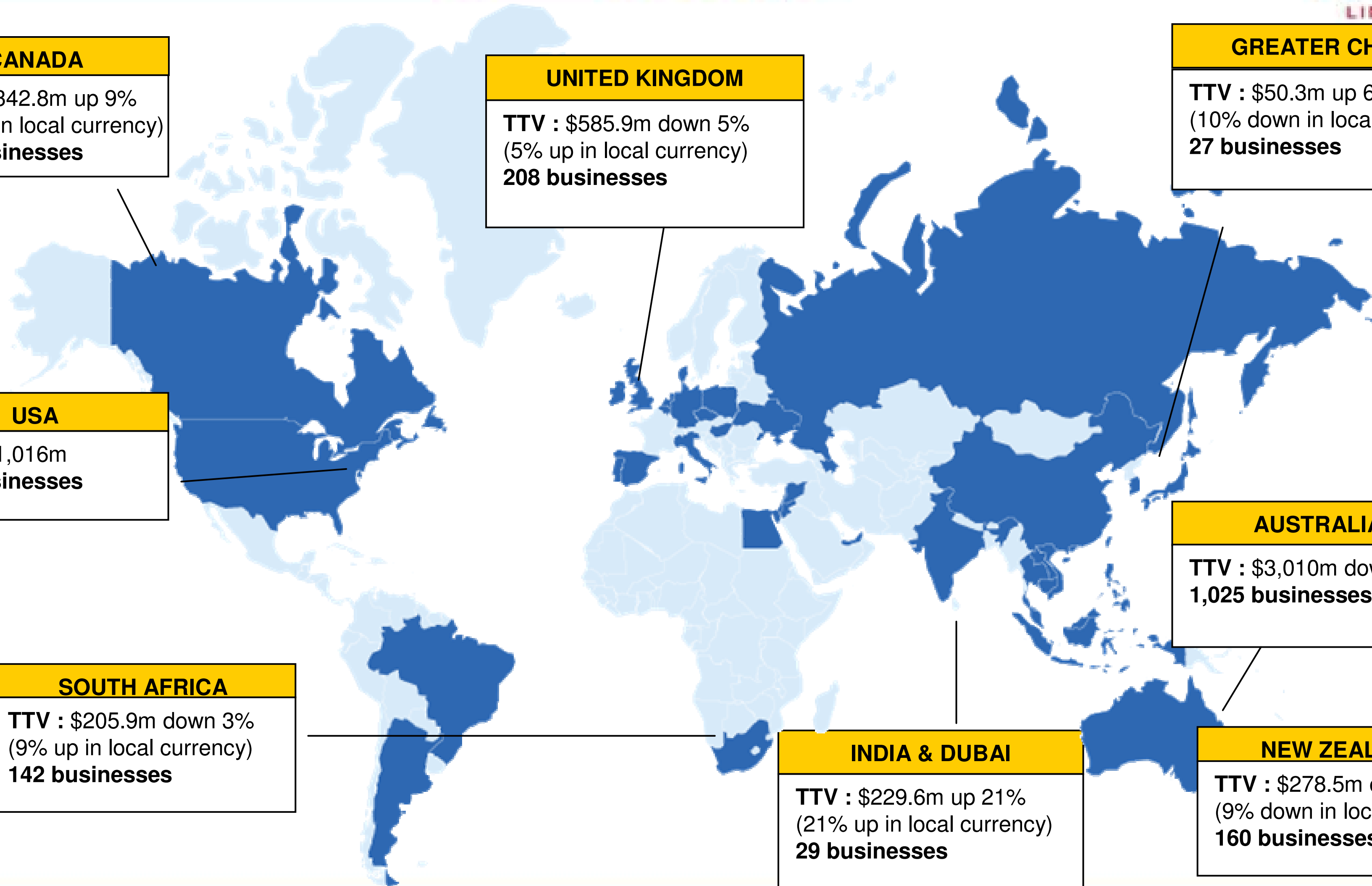
Overview: Investment portfolio

- At December 31, FLT's cash and investment portfolio was $657m ($631.9m last year)
- Currently, about 78% is cash, 19% is fixed income investments and 3% is corporate CDOs, half of which are due to mature late in 2010
- CDOs relate to blue-chip US corporations and are not directly exposed to sub prime mortgage products
- FLT incurred abnormal investment losses of $27.8m during 1H, related predominantly to impaired US equities which have now been sold
- FLT intends to hold remaining securities

Strategic update

PEOPLE	Recruitment and development programs in place to attract and retain the right people
GROW CORE, SPECIALIST & NEW BUSINESSES	Continued shop growth, expanded specialist travel model, acquired Back Roads Touring (UK), Intrepid JV & national Cruiseabout expansion
INTEGRATED APPROACH – SALES, CUSTOMER & MKTG	Global marketing system & workshops, team goals & plans, sales conversion program
INTEGRATED GLOBAL PRODUCT & BUYING SYSTEM	Expanded product offering to improve margin. Global product platform in AU, NZ, Canada & UK, Launch in USA (4th qtr). Will house 15,000 products when complete
GLOBAL CORPORATE GROWTH	Additional 100 business development managers globally to secure new accounts
USA LEISURE	Improvement initiatives well progressed in Liberty, strong customer enquiry growth & cost reduction

Global footprint



CANADA

TTV : $342.8m up 9%
(7% up in local currency)
173 businesses

UNITED KINGDOM

TTV : $585.9m down 5%
(5% up in local currency)
208 businesses

GREATER CHINA

TTV : $50.3m up 6%
(10% down in local currency)
27 businesses

USA

TTV : $1,016m
227 businesses

AUSTRALIA

TTV : $3,010m down 1%
1,025 businesses

SOUTH AFRICA

TTV : $205.9m down 3%
(9% up in local currency)
142 businesses

INDIA & DUBAI

TTV : $229.6m up 21%
(21% up in local currency)
29 businesses

NEW ZEALAND

TTV : $278.5m down 13%
(9% down in local currency)
160 businesses

Broader foundations

INTERNATIONAL GROWTH

- **Australia still largest contributor to group results, but overseas operations gaining scale**
- **Overseas operations now account for half of FLT's TTV and businesses**
- **Five years ago, about 75% of group TTV was generated in Australia & NZ**

TRAVEL DIVERSIFICATION

- **FLT now a major player in the three travel sectors – leisure, corporate and wholesale**
  - ✓ **Leisure will generate 55-60% of group TTV during 2008/09**
  - ✓ **Corporate will generate about 35%**
  - ✓ **External wholesale (GOGO and Explore) will generate about 5-7.5%**
  - ✓ **Internal wholesaler Infinity Holidays also growing rapidly and now FLT's largest supplier globally, supplying 35-40% of the total land packages sold by FLT in Australia (up from 30% last year)**

FLT's wholesale business

FLIGHT CENTRE LIMITED

OVERVIEW

- FLT uses a mix of internal and external wholesalers
- FLT's brands include Infinity, GOGO (USA and Canada), Explore and the Global Product Powerhouse (GPPH)
- Wholesale rates are contracted directly (through GPPH) but FLT does not hold inventory
- By wholesaling internally FLT:
  - ✓ Maintains margin in-house, rather than paying funds to an external supplier; and
  - ✓ Will typically hold cash longer, as suppliers (hotels etc) are paid after customers travel (rather than as soon as customers pay in full)

IMPACT ON CASH FLOW

- FLT's internal wholesalers accumulate larger cash pools during peak booking seasons (March-June) and pay suppliers during peak travel seasons (July-September)
- Payment system contrasts with external wholesale (largely Qantas Holidays in the past) and airfares sales, where cash transfers almost immediately to the wholesaler or airline

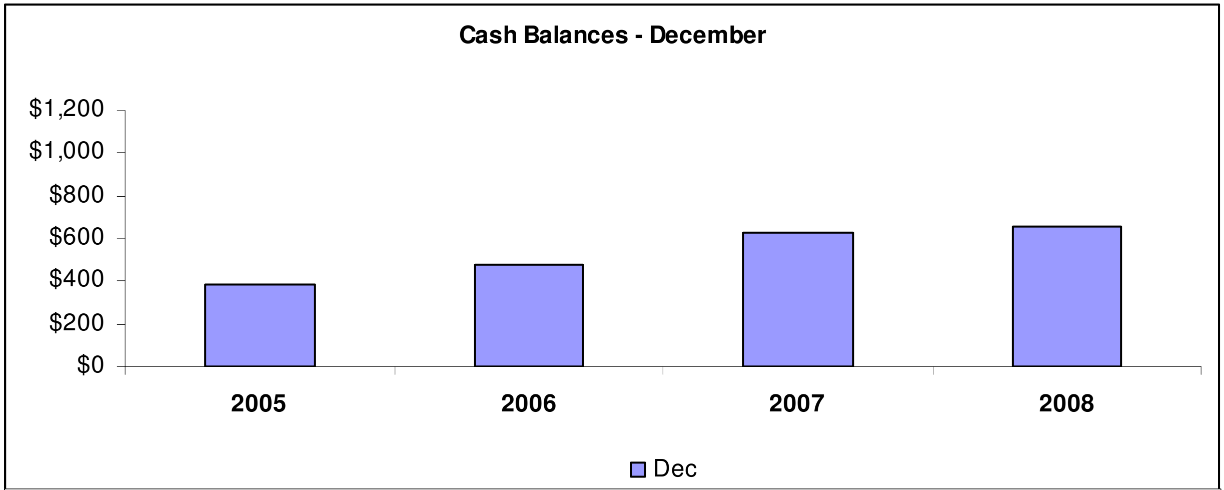
Cash flow

- Overall reserves up 71% in three years – $657m at Dec 31 2008, $384m at Dec 31 2005
  - ✓ Slight increase between Dec 31 2008 and Dec 31 2007, reflecting sluggish 1H sales and shift to internal wholesaling (largely in Australia and USA)
  - ✓ Balances affected by seasonality - cash accumulates during six months to June 30

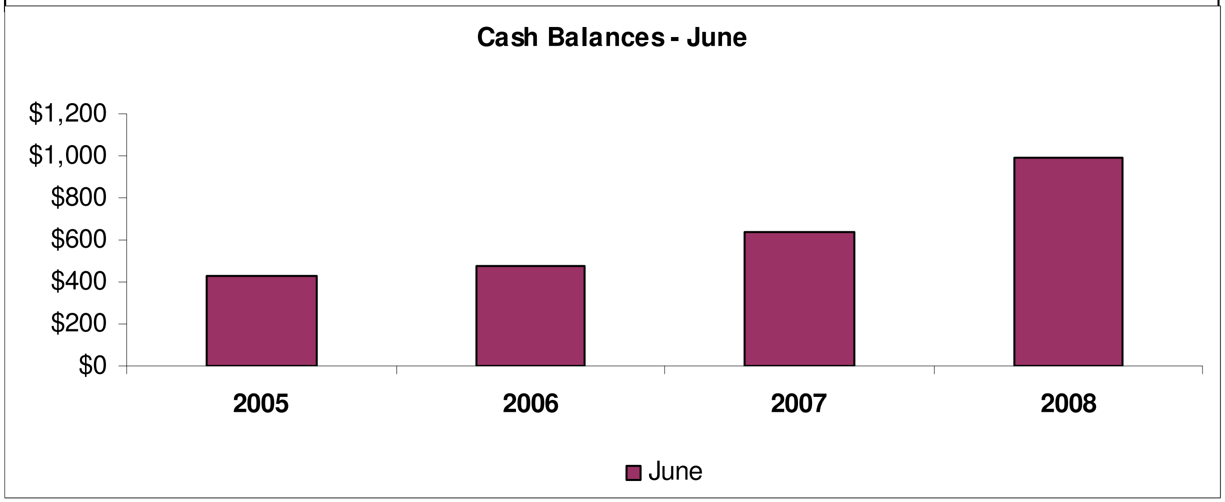
- Over past three years, June 30 balances exceeded Dec 31 balances by:
  - ✓ 57% during 2007/08
  - ✓ 32% during 2006/07; and
  - ✓ 25% during 2005/06

- June 30 2008 balance (~$1b) abnormally high, reflecting:
  - ✓ The addition of GOGO and Liberty (both accumulate cash during a 2H ahead of the peak tourist seasons and pay-out during a 1H)
  - ✓ Exceptionally strong trading in Australia and elsewhere late in the 2007/08 2H
  - ✓ A significant boost in Infinity's sales and cash holdings, following FLT's decision to end its preferred supplier relationship with Qantas Holidays; and
  - ✓ Timing of payments to airlines

Cash growth



Cash Balances - December
$1,200
$1,000
$800
$600
$400
$200
$0
2005
2006
2007
2008
Dec



Cash Balances - June
$1,200
$1,000
$800
$600
$400
$200
$0
2005
2006
2007
2008
June

Future strategic priorities

GROWTH	Increase market share in core, specialised travel and new businesses
CUSTOMER RETENTION	Create ownership at business & individual level of an effective & aligned approach to sales, product & marketing
GLOBAL BUYING & DISTRIBUTION SYSTEM	Increase range & available margin for all FLT business units
FOCUS ON CASH	Focus on cash generation through improved earnings, reduced costs & enhanced working capital management
USA	Generate consistent profit growth in USA corporate, retail and wholesale businesses
INDIA	Slower rate of growth next 2 years to deliver consistent cash return

Outlook

UNCERTAIN CONDITIONS	Impossible to predict likely full year result ahead of busiest trading months. Slow Jan and Feb means FLT unlikely to equal record $120m 2007/08 2H result
GROWTH INDICATORS	Challenges remain but some recent signs of improvement – good Travel Expo sales, leisure enquiry and corporate lead generation. Cheap deals to stimulate short-term demand – prices likely to return to sustainable levels long-term
FOCUS ON COSTS AND CONVERSION	Ongoing strategies in place to ensure costs flex with revenue changes and FLT converts enquiry it continues to generate
GLOBAL IMPROVEMENT	Expecting ongoing profitability in Aus, UK, Canada, NZ and RSA and improvement in USA
CAPITAL EXPENDITURE	1H expenditure channelled to shop upgrades, key IT platforms and head office fitouts. Expected to reduce during 2H (as shop growth slows) and match D&A going forward
2009/10	Without impairment and with improvement from Liberty, results expected to move towards 07/08

End of Presentation

Questions