



## STATEMENT TO AUSTRALIAN SECURITIES EXCHANGE - July 29, 2011

### FLIGHT CENTRE FINALISES GOODWILL ADJUSTMENT

FLIGHT Centre Limited (FLT) today finalised the non-cash goodwill adjustment it announced in conjunction with its trading profit upgrade on July 15.

The adjustment, which relates to the Liberty Travel Group acquisition in the United States in 2008, will lead to a \$28million (\$USD30million) reduction in FLT's goodwill balance at June 30, 2011. The impairment charge will also affect reported 2010/11 net profit as a non-operating and non-cash expense, as foreshadowed previously.

FLT announced earlier this month that its US earnings improved significantly during 2010/11, with the company recording its first full year profit since launching operations in the country in 1999.

Despite challenging market conditions in the country, the US business generated earnings before interest and tax (EBIT) in the order of \$2million, compared to a \$2.3million (normalized) loss during 2009/10.

The corporate travel business performed strongly, but results from the acquired retail and wholesale businesses were below initial expectations.

Profit growth is again expected during 2011/12, although the current uncertainty in the local economy means it is premature to provide guidance for the US business.

As announced previously, FLT expects to report a record trading profit before tax (PBT) between \$243million and \$247million when it releases 2010/11 accounts on August 23, 2011. The result compares to a \$198.5million PBT during 2009/10.

After \$4million in one-off donations and the goodwill adjustment, the 2010/11 result is likely to be between \$211million and \$215million.

*ENDS Media and investor enquiries to Haydn Long 0418 750454*