



STATEMENT TO AUSTRALIAN SECURITIES EXCHANGE – July 3, 2013

FLIGHT CENTRE LIMITED UPDATES MARKET GUIDANCE

FLIGHT Centre Limited (FLT) is on track to deliver another record result, with underlying profit before tax (PBT) for 2012/13 likely to be at the top-end or slightly above the company's upgraded market guidance.

Unaudited trading results for the 12 months to June 30, 2013 currently point to an underlying PBT between \$338million and \$342million (excluding non-cash adjustments or unforeseen items that may arise).

Actual PBT is expected to exceed underlying trading results, with FLT likely to book an additional \$6million in gains relating to its small portfolio of company-owned head office properties. These gains are non-cash and reflect favourable property revaluations.

FLT initially targeted an underlying \$305million-\$315million PBT, 5-8.5% year-on-year growth, but upgraded its guidance to \$325million-\$340million in May.

Managing director Graham Turner said a \$340million result would represent 17% growth on the record \$290.4million PBT achieved during 2011/12.

"When we upgraded our initial guidance in early May, we reported that our 10 countries were profitable and that several were on track for record results," Mr Turner said.

"This positive momentum continued through the key May-June period, which ensured that all businesses finished the year in profit (EBIT) for the third consecutive year.

"Based on preliminary global trading results for the year, we now expect an underlying PBT towards the top or slightly above our targeted range.

"Australia and the UK, FLT's major profit drivers, easily surpassed their previous profit records, along with the emerging Greater China and Singapore businesses.

"The USA, which is now our second largest country by sales, delivered its third consecutive profit and should finish slightly up on 2011/12, when it contributed \$9.9million in EBIT.

“New Zealand, South Africa and India generated solid year-on-year growth, while Canada and Dubai delivered healthy sales growth and were profitable, but bottom-line results were down compared to last year.”

Australia, the UK and the USA are entrenched as FLT’s largest businesses, generating about 80% of global sales during the year.

In Australia, FLT’s leisure travel business performed strongly during the second half to more than offset a slightly softer domestic corporate travel market.

Strong leisure travel results also underpinned the UK’s record result.

In the USA, the corporate travel business continues to outperform the leisure and wholesale businesses and is now the country’s largest individual operation, generating 40% of sales.

FLT now has corporate businesses in 15 US cities and is set to expand organically into four new locations in the medium-term, with Atlanta and Minneapolis priorities for 2013/14.

Three new hyperstores – in Boston, Chicago and Philadelphia – featuring flagship Liberty leisure shops are also set to open during 2013/14, following the successful launch of the first store in Manhattan’s Madison Avenue in October 2012.

This marks the first real expansion in Liberty since FLT acquired the US leisure business in early 2008. The company also plans to increase the returns generated by the current leisure store network by adding new sales teams and consultants to existing premises.

FLT’s record results corresponded with significant investment in the business, with the company:

- Continuing to expand its network, with shop numbers increasing 5 per cent globally, more after hours sales teams deployed and web capabilities enhanced as the plan to develop an unique blended travel offering gained momentum
- Developing and launching new products for customers including Flight Centre’s Red Label Fares, Student Flights’ Black Market Flights and MyTime, a program that delivers exclusive VIP bonuses to FLT customers
- Rolling out key business improvement initiatives including Universal Desktop, Blended Travel and the Global Sales Academy, which is now fully deployed in the UK leisure business and in Flight Centre brand in Australia; and
- Bolstering its strong positive net debt position by building cash and reducing debt

At June 30 2013, FLT had more than \$400million in general funds (excluding client cash).

This is in line with the company's goal of maintaining sufficient cash to cover all operating expenses for three months. General funds will, however, decrease early in 2013/14 when normal tax and dividend payments are made.

FLT will release audited full year accounts on August 27, 2013.

ENDS Media and investor enquiries to Haydn Long 0418 750454