



STATEMENT TO AUSTRALIAN SECURITIES EXCHANGE – July 15, 2011

FLIGHT CENTRE ANNOUNCES RECORD FULL YEAR PROFIT

FLIGHT Centre Limited (FLT) today upgraded its profit guidance for the 2010/11 financial year.

Based on preliminary results for the 12 months to June 30 2011, FLT expects a trading profit before tax (PBT) between \$243million and \$247million (before possible goodwill adjustments).

The trading result includes about \$4million in one-off donations that were announced early in the second half to help those affected by the tragic events in Queensland and Christchurch (see footnote #).

FLT's anticipated PBT is above the \$220million-\$240million target outlined previously and represents 22.5-24.5% growth on the \$198.5million 2009/10 result.

Managing director Graham Turner said the result would also surpass the \$201million PBT achieved during 2007/08, which was previously the company's record year.

"This result is more than 20 per cent higher than our previous record," Mr Turner said.

"For the first time, we have generated profits in each of the ten countries we operate wholly-owned businesses in.

"This includes the United States, which has achieved its first full year profit in the 12 years that FLT has operated in the country."

FLT's record profit was achieved despite the effects of the Queensland floods and cyclones, the Christchurch earthquakes, the tsunami in Japan and the short-term disruptions to air travel following the recent ash clouds.

Results have generally improved in both the corporate and leisure travel sectors, with strongest growth recorded in corporate.

Leisure customers have been more discerning during 2010/11, but have continued to travel in solid numbers.

In Australia, domestic leisure tourism has not yet rebounded but this has been offset by solid growth in international ticket numbers.

"The company has not experienced the soft demand that retailers in some other sectors have reported," Mr Turner said.

"This is partly a reflection of the product we sell.

"A holiday is not really considered discretionary spending - taking time out for one or two extended breaks in Australia or overseas during a long working year is an annual ritual.

"In the current climate, leisure customers are finding compelling reasons to take-off overseas, with international airfares remaining highly affordable and the strong dollar delivering a secondary benefit."

In the USA, FLT generated earnings before interest and tax (EBIT) in the order of \$2million during 2010/11, compared to a \$USD2.3million normalised EBIT loss during 2009/10.

Retail and wholesale results in the country were below initial expectations, but the corporate travel and global product buying businesses performed strongly.

Despite the significantly improved bottom-line performance for a second successive year in the USA, FLT believes the non-cash goodwill adjustment that it has flagged previously in relation to the acquired Liberty business is likely. The size of any adjustment will be disclosed if and when it is finalised.

Looking forward, Mr Turner said the company would target further profit growth in all geographies during 2011/12.

"As we saw during the second half of 2010/11, challenges are sure to arise, but we start the new year with strong foundations and with strategies in place to drive further improvements.

"Assuming normal trading conditions, we will initially target 10 per cent profit and total transaction volume growth."

FLT will release audited 2010/11 accounts and will provide additional commentary on its performance and outlook on August 23, 2011.

ENDS Media and investor enquiries to Haydn Long 0418750454

As announced previously, FLT's donations consisted of:

- A \$AUD3.3million pledge to the Queensland Disaster Relief Fund; and
- \$NZD1million to the Red Cross to help people affected by the Christchurch earthquakes

After these one-off donations are deducted, FLT's full year result is likely to be in the order of \$239million-\$243million.