



FLIGHT CENTRE TRAVEL GROUP READY TO EXPAND FRANCHISE MODEL

THE Flight Centre Travel Group (FLT) has unveiled plans to expand its Escape Travel franchise model.

FLT chief operating officer Melanie Waters-Ryan said the company planned to bolster the brand's organic growth by offering agents from the broader travel industry the opportunity to become Escape Travel franchisees.

"Escape Travel is a growing brand with an expanding nation-wide presence of almost 140 shops and a track record of success," she said.

"Through franchising, we can work with experienced external travel professionals to grow this network more rapidly and, at the same, build on the platforms that are already in place.

"We believe we can offer prospective franchisees an exciting and attractive business opportunity to become part of the FLT success story in Australia.

"Already, we are being approached by agents who are affiliated to other franchise groups."

FLT recently announced record results for 2012/13, with total transaction value increasing 7.7% globally to \$14.3billion.

FLT's underlying profit before tax (PBT) increased 18.2% to \$343.1million (Actual PBT: \$349.2million).

In Australia, a new profit milestone was established and turnover increased 9%.

"As a company, we are strong believers in the value travel professionals provide and are proactively promoting this strength as we develop our blended travel model," Ms Waters-Ryan said.

"We are keen to work closely with the right franchisees for mutual benefit.

"For Escape Travel, franchising represents a great opportunity to grow the brand's presence, both in cities and in regional areas, where franchising represents an extremely cost effective means of expansion.

“For franchisees, we can offer an exciting new business opportunity built around some of the key ingredients in FLT’s success.

“Specifically, franchisees will have access to Escape Travel’s global product range and the advertising, branding and marketing structures that have underpinned FLT’s growth.

“Other potential benefits include access to:

- IT systems and related support services
- Centralised air ticketing
- Training and development programs, including staff conferences and FLT’s Global Sales Academy
- Group buying/procurement for ancillary business products; and
- Wages and incentive structures.”

FLT initially launched its franchise model in December 2005 to allow agents from within the company and from the broader travel industry to buy franchises.

The system was placed on hold during the ensuing years, as the company focused on growing its stable of leisure and corporate travel brands in Australia.

Eight of Escape Travel’s Australian stores are currently franchised.

“The franchise model that is in place is working well, delivering benefits to existing franchisees and the company as a whole at a time when significant change is underway in the Australian travel industry’s franchise sector,” Ms Waters-Ryan said.

“We believe now is the ideal time to build on these foundations by expanding our offering.”

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