Thanks Gary and good morning everyone.

Given that you're now well versed in our FY18 story, today I will focus on the future, specifically:

- Our outlook, strategies and expectations for FY19; and
- Our longer term vision for the company

Before updating you on our progress and expectations, I'd like to briefly highlight the globalisation of our business and outline why this is becoming increasingly important.

A Strong Global Presence

As Gary mentioned, we now operate in three key pillars across five key geographies:

- Australia/New Zealand
- The Americas
- EMEA
- Asia, where we now largely focus on corporate travel, and India; and
- Global, which encompasses our TEN businesses

As last year's results clearly show, we are very much a global company.

Almost half of our FY18 sales were generated outside of Australia and that percentage should reach or exceed 50% for the first time this year.

We also expect profits from our overseas businesses to approach 50% of our total earnings for the first time during FY19, given these businesses' solid start to the year and given that some disruption has continued into the first half in the Australian leisure operation.

What this means is that we now have scale internationally and we no longer rely solely on the Australian business – and the leisure business in particular – to drive overall growth.

Australia does, however, remain very important to us and it is far and away our largest individual operation.

Accordingly, strategies and initiatives are in place to improve performance and to ensure we deliver further growth into the future, as you will hear about later this morning.

FY19 Trading Update

In terms of FY19 trading, TTV was tracking slightly above our longer term target of 7% annual growth in constant currency at the end of the first quarter.

Underlying PBT has also increased, but modestly compared to the previous corresponding period.

As expected, the overseas businesses have driven profit growth to date, with our Americas operations in particular again trading strongly off the back of their record-breaking FY18.

We are optimistic about our future in this large travel market, given our consistently strong corporate results and our improved leisure results over the past year.

Elsewhere in the world, our businesses in New Zealand, South Africa, the UAE, Asia and India have also performed well to date.

The EMEA businesses have generally started the year positively, although we have incurred additional costs through the investment in our corporate start-up in Germany and as a result of new credit-card regulations that were applied in the UK during the FY18 second half.

These changes prevent UK retailers from recouping any costs they incur when accepting credit card payments, which represents a sizeable expense for our business.

While we currently expect the UK business to deliver another good full year result, there is also a degree of uncertainty in relation to Brexit and its possible impact on demand for corporate travel in particular later in the year.

In Australia, the corporate businesses have generally started the year well, with solid organic trading and new client wins driving growth.

As expected, however, the Australian leisure business has not yet benefitted from the changes that were implemented last year, although TTV has increased modestly.

These changes, along with the EBA negotiations and the associated disruption resulting from the ABC story, mean that Australian profit is currently down compared to the same period last year.

We believe the disruption is now abating and that this, coupled with various other initiatives and refinements that are underway, will lead to better second half results.

These initiatives and refinements include:

- A new pay structure via the EBA, which I will talk about in more detail shortly

- Ongoing network changes to strengthen our footprint. We are focussing on improving the performance of shops that were rebranded last year as part of the Rebrand & Grow strategy and will also look to move about 35 shops to better locations; and
- Up-staffing to return our network to its capacity after the contraction last year and to generate more rapid TTV growth later in FY19

Returning sales staff numbers to an optimum level has been a priority and our largest ever recruitment drive has been underway during the first quarter in Australia.

As a result of this recruitment activity, sales staff numbers in Australia are now in line with the prior corresponding period, after being 350 down at the end of FY18.

It will, however, be several months before we start to benefit from this growth.

FY19 Market Guidance

Overall, the company expects an underlying PBT between $140million and $150million for the six months to December 31 2018.

If achieved, a result within this range would represent up to 7% growth on the $139.7million underlying FY18 first half result.

Over the full year, we will target an underlying PBT between $390million and $420million.

A result at the bottom of this range would be a modest increase on the record FY18 result, while a result at the top of the range would represent about 9% growth.

It is, of course, very difficult to forecast future results in our style of business and our broad guidance range reflects the uncertainty surrounding the timing of the Australian leisure business's recovery.

Guidance is based on current exchange rates and, as is always the case, does not include impairment or significant non-recurring items that can arise during the course of any year.

Costs associated with the new EBA in Australia have been factored into our guidance, as well as our longer term Business Transformation targets.

FY19 Growth Drivers

Globally, the travel market is expected to grow again this year and the long-term projection from IATA is for 3.6% compounding annual growth through to 2036.

This creates opportunities for our businesses.

In Australia, outbound travel growth typically exceeds this global growth rate and the signs remain positive, with our customers continuing to enjoy the benefits flowing from the unprecedented airfare discounting that took place during FY17.

It's likely though that airfare prices, which have remained fairly stable, will come under pressure if oil prices continue to rise.

In terms of other FY19 growth drivers, further transformation program benefits are expected,

As this program has entered its second year, the strategic focus has shifted from the initial clean-up phase to a re-engineering phase geared towards:

- Making our business more productive and efficient
- Delivering a better and more consistent customer experience
- Providing scalable growth with long-term, sustainable revenue and cost margins; and
- Reviewing and establishing actions for possible capital management

Key transformation programs are now in place within each of our three pillars.

For example, in the Travel Experiences Network and broader product area, projects include:

- Further globalisation of our product procurement and distribution, with full global supply chain management in scope
- Yield and pricing
- Vertical integration, structuring and growth of in-destination businesses; and
- Content and connectivity

As we mentioned at the full year in August, we aim to be at the forefront of new developments in connectivity and content and are a key launch partner for Sabre's Beyond NDC plan and Amadeus's NDCX program.

In the corporate sector, we continue to focus on the FCM Truly Global strategy, a stream of projects to ensure our corporate business leverages global capabilities to improve its customer offering and reduce costs.

We are working on a low cost offering for customers – a self-service model – and are currently developing a global implementation centre of excellence to make new account on-boarding faster and more cost effective.

FCM, which specialises in larger managed accounts, is coming off a very strong year globally in FY18 when it won more than $1billion worth of new business.

We now sit among the global leaders in the sector, as you heard earlier, and are regularly being invited to pitch for flagship multi-national accounts, thanks to our:

- Leading technology and product suite, which is blended with an equally strong people offering; and
- Proven expertise in delivering savings – of both time and money – to our clients

We will continue to invest in this tech suite, which includes the Sam :] artificial intelligence app, and have just announced an exclusive agreement with Serko to develop Savi, our next generation technology offering.

While our SME focussed Corporate Traveller brand has a strong person-to-person offering, it is enhancing its blended model, through new self service capabilities for customers, and strengthening its technology suite, with Your CT deployed as a new SME customer portal.

In leisure travel, we have made significant changes in Australia and overseas during recent years and we have an ongoing transformation focus to ensure our brands are:

- Famous and distinctive
- Easy to buy from; and
- Deliver scalable, profitable growth

We have now initiated FCB 2.0, a series of projects within our Flight Centre brand globally, to reduce customer pain points, consultant bureaucracy and to improve performance through the use robotics, artificial intelligence and other means.

Atle, our CDO, has just relocated from Boston to Australia to oversee Flight Centre brand's transformation and will also remain focussed on company-wide digital improvements.

We are targeting premium leisure sectors by expanding our models, including our relatively new independent contractor, franchise and affiliate offerings.

The independent contractor or home-based model is a growth sector globally and is an attractive proposition for us and our people, given its low cost base and the flexibility it offers.

It also enables us to service customers and offer our products in locations where an investment in shops is not economically viable.

In the youth sector, we are taking a global view and using both our Student Flights and StudentUniverse businesses to attract millennials with an online-led model.

Across the leisure sector, we are proactively targeting new revenue streams and models through initiatives like:

- Flight Centre Exclusives, our new flash/last minute package holiday range
- Captain's Packages, which include Price Drop Protection as a key feature, and
- Journeys and Escapes, package ranges that were initially developed in the UK

While we remain predominantly offline in leisure, we will continue to enhance our online capabilities via our digital transformation initiatives.

These initiatives are geared towards delivering:

- Further online leisure sales growth on top of the 20% growth achieved during FY18
- Quality leads to our expert people and giving customers a full range of choice
- New and enhanced native apps; and
- Digital solutions, like Umapped, that will enhance productivity and enable our consultants to collaborate with their customers digitally

While our growth during FY19 will largely come from our largest brands and businesses we also expect solid contributions from some emerging operations.

These emerging operations are not yet large enough to drive overall profit growth in their own right, but are performing well and are starting to make a meaningful contribution.

Together, our Asia business, plus Travel Money in Australia and New Zealand, Jetmax (BYOjet and Aunt Betty), Stage & Screen, cievents and 99 Bikes generated about 8% of the company's global profit last year.

<u>The EBA</u>

The move to an EBA within Flight Centre Brand and Student Flights in Australia is an extremely positive step and I congratulate our people and the executives who have been involved for their efforts in designing and refining a system that has received such widespread support.

Assuming the agreement is formally ratified, we will move forward with a simpler structure that will eliminate the complexity and confusion that existed under the previous retail award that we operated under.

While there are some variations, generally speaking this new model will provide our people with higher retainers or base pay, while continuing to reward them with additional incentives for delivering great customer outcomes.

This is in line with our philosophies and something that we believe to be very important.

Under the EBA, we have also been able to formalise and document other benefits that are not strictly financial but are important to both our company and our people.

These benefits include additional leave that our people can use for travel, leisure activities and to expand their expertise.

We also believe that some provisions that are included in this agreement will help improve retention in our sales force, which is an ongoing priority and a challenge for any company.

On top of this, we are working on other initiatives that sit outside the EBA to build on our success in retaining sales people including:

- A mentoring program – we currently have 1000 people mentoring 3000 first and second year consultants
- A traineeship program modelled on the successful apprenticeship model that our UK business uses
- Money Coaches – people who are dedicated to helping our first and second year consultants improve their financial position; and
- Health Coaches – a monthly fitness-related program that our Healthwise business will oversee

Conclusion

In conclusion, I'd like to echo Gary's sentiments by thanking you for your ongoing support.

We aim to deliver further, consistent growth during the years ahead and believe we are well placed to achieve this objective.

While challenges will inevitably arise – as they do in any given year – we are starting FY19 in a position of strength, given:

- Our strong brand stable that now spans multiple geographies and travel sectors
- Our workforce is more efficient and our cost base is better equipped to deliver profit growth throughout the economic cycle
- The clear strategic blueprint that is in place globally; and
- Our very strong balance sheet that will allow us to capitalise on opportunities

Thank-you.

I now invite Gary back to the podium.