FLIGHT CENTRE LIMITED

Small Caps Roadshow Presentation

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About FCL

- Australia's leading travel retailer and one of the largest businesses of its kind in the world
- 1100+ retail shops and corporate travel offices – employing more than 6900 people in eight countries
- Track record of continual record profits
- Total Transaction Value (TTV) increased 29% to $5.9 billion
- Adaptability – gross margins maintained in volatile market
- 16% increase in selling staff, 12% increase in shops

Key Financial Results

Full Year to June 2004

	$m	Growth %
TTV	$5.9b	29%
Operating Revenue	$799m	28%
Operating Profit (Before Tax & Amort of Goodwill)	$131.4m	21%
Operating Profit (before tax)	$121.3m	19%
NPAT	$81.9m	17%
EBITDA	$157m	24%
Basic EPS	87.4c per share	14%
Dividend (full year)	61c per share	40%

Growth calculations are compared to full year June 2003

Shop Growth

Country	June 2004	June 2003	Increase	%
Australia	646	575	71	12%
New Zealand	140	128	12	9%
South Africa	88	80	8	10%
FC UK	82	74	8	11%
Britannic	42	42	0	0%
USA	17	15	2	13%
Canada	115	100	15	15%
Other	9	5	4	80%
Total	1,139	1,019	120	12%

The Future

- Growth strategy – new shops and cost efficient upstaffing
- Acquisitions
- Multi-channel distribution and technology strategy
- Land strategy
- Preferred supplier/airline strategy

Shop Growth Expectations

Country	June 2005F	June 2004	Increase	%
Australia	740	646	94	15%
New Zealand	163	140	23	16%
South Africa	97	88	9	10%
FC UK	99	82	17	21%
Britannic	45	42	3	7%
USA	23	17	6	35%
Canada	132	115	17	15%
Other	12	9	3	33%
Total	1,311	1,139	172	15%

Forward Looking Statements

Some of the information in this presentation may contain projections or other forward-looking statements regarding future events or the future financial performance of Flight Centre Limited. The reader is cautioned that the assumptions used in the preparation of these forward-looking statements involve risks and uncertainties that may cause actual results to differ materially from those expressed or implied.

Acquisitions

- Strategic acquisitions to supplement generic growth
- Most likely to be corporate travel businesses – expansion of FCm Travel Solutions
- Actively seeking opportunities in the USA
- Looking for quality businesses that will enhance overall operations

Multi-Channel Distribution and Technology

- Development of “clicks and mortar” network – an additional $10 million investment in technology in 2004/05
- Evolution from traditional retail business into sophisticated multi-channel global distribution network
- Focus on world’s best practice in retail, phone and web sales – or a combination

Multi-Channel Distribution and Technology

travelthere.com

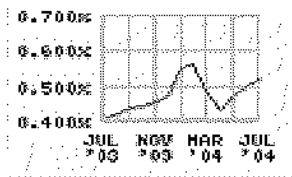
- Acquisition will fast track FCL's development in "web" sales in Australia
- Popular stand alone internet travel business with integrated product offering
- Online booking system to be used on other FCL sites in Aust, NZ and South Africa -similar products to be introduced elsewhere
- Why?

Multi-Channel Distribution and Technology

- Traffic is biggest challenge
- Flight Centre already holds dominant position online with poor "transactional" ability
- Created a consolidated "ecom" business both globally and in each market to leverage spending across all brands

Rankings » Travel - Agencies » Monthly rankings for July, 2004 » Ranks by 'Visits'

Australian Sites » Monthly rankings for July, 2004 » Ranks by 'Visits'



View Industry Statistics

Travel agencies and businesses which provide planning and organisational services for holiday and travel.

Total domains that ranked with currently selected options: 136
Category Contribution Percentage: 0.52%

Next »

Rank	Name - [Show Domain]	Related	Market Share	JUN. 2004	MAY. 2004	Bookmarks	Select
1.	Flight Centre		19.83%	1	1	3.33%	
2.	ZUJI Australia		9.82%	2	2	2.98%	
3.	Best Flights		6.57%	3	3	4.25%	
4.	Webjet		6.41%	5	5	1.12%	
5.	Travel.com.au		6.35%	4	4	2.25%	
6.	GlobeNet Travel		3.66%	7	6	2.67%	
7.	travelthere.com		3.09%	6	8	5.71%	
8.	Blue Holidays		2.00%	8	11	3.15%	
9.	Harvey World Travel		1.98%	10	9	2.91%	
10.	Escape Travel		1.89%	20	15	2.95%	
11.	STA Travel Australia		1.85%	12	10	4.14%	
12.	Consolidated Travel Group		1.84%	11	13	1.61%	
13.	Breakfree Holidays		1.84%	16	18	2.75%	
14.	Yahoo! Travel Australia & NZ		1.46%	9	7	1.43%	
15.	Travel Mall Australia & New Zealand		1.44%	13	12	4.85%	
16.	Check-in.com.au		1.38%	14	14	6.45%	
17.	Concorde International		1.31%	17	22	0.80%	
18.	Airfare.com.au		1.26%	15	16	4.16%	
19.	Student Flights		1.10%	18	19	2.86%	
20.	Australian Discount Travel & Tours		1.09%	23	24	2.88%	
21.	Jetset		1.07%	19	20	4.91%	
22.	Breakaway Travel Club		0.96%	21	17	3.83%	
23.	RCI Asia Pacific		0.93%	22	27	2.43%	
24.	Schoolies.com.au		0.86%	31	30	2.85%	

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Thursday, 15 Jul 2004

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From Select departure Depart 19/08/2004 Anytime

To Select destination Return 19/08/2004 Anytime

Adults 1 Children (2-11yrs) 0 Infants (<2yrs) 0

SEARCH

Lowest Airfares

Departing Melbourne Change

BRISBANE	from	$89*
SYDNEY	from	$99*
ADELAIDE	from	$99*
CAIRNS	from	$185*
PERTH	from	$259*
DARWIN	from	$259*
AUCKLAND	from	$899*
HONG KONG	from	$899*
COFFS HARBOUR	from	$559*
KUALA LUMPUR	from	$1389*
JOHANNESBURG	from	$1589*
LONDON	from	$1689*

*Read important conditions

Holidays

Departing Melbourne Change

Melbourne in Winter
For more information please refer to page 25 of the...
from $120*

Rydges Oasis Resort
Set on 4ha of tropical landscaped gardens and more...
from $220*

Alexandra Beach Resort
A great getaway for couples and families....
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Courtyard by Marriott
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Departing Sydney to Gold Coast <-- Prev Thu 16 Sep 2004 Next -->

Prices are quoted as the total for 1 adults and 0 children, inclusive of taxes and agent service fees.

Price		Airline	From		To		Duration	Flight No.
$ 109.01	Blue Saver		10:50AM	Sydney	12:05PM	Gold Coast	1 h 15 min	DJ509
$ 109.01	Blue Saver		11:45AM	Sydney	01:00PM	Gold Coast	1 h 15 min	DJ511
$ 121.00	Jet Saver	Jet	05:25PM	Sydney	06:45PM	Gold Coast	1 h 20 min	JQ546
$ 126.01	Jet Saver	Jet	09:45AM	Sydney	11:05AM	Gold Coast	1 h 20 min	JQ516
$ 126.01	Jet Saver	Jet	10:55AM	Sydney	12:15PM	Gold Coast	1 h 20 min	JQ520
$ 139.01	Fair Fare		09:05AM	Sydney	10:20AM	Gold Coast	1 h 15 min	DJ507
$ 149.01	Fair Fare		07:10AM	Sydney	08:25AM	Gold Coast	1 h 15 min	DJ503
$ 151.01	Jet Saver	Jet	12:10PM	Sydney	01:30PM	Gold Coast	1 h 20 min	JQ526
$ 177.98	Super Saver		08:20PM	Sydney	09:40PM	Gold Coast	1 h 20 min	QF852
$ 209.00	Flexi Saver		07:10AM	Sydney	08:25AM	Gold Coast	1 h 15 min	DJ503
$ 209.00	Flexi Saver		09:05AM	Sydney	10:20AM	Gold Coast	1 h 15 min	DJ507
$ 209.00	Flexi Saver		10:50AM	Sydney	12:05PM	Gold Coast	1 h 15 min	DJ509
$ 209.00	Flexi Saver		11:45AM	Sydney	01:00PM	Gold Coast	1 h 15 min	DJ511
$ 212.08	Super Saver		08:20PM	Sydney	09:40PM	Gold Coast	1 h 20 min	QF852
$ 231.00	Jet Flex	Jet	09:45AM	Sydney	11:05AM	Gold Coast	1 h 20 min	JQ516
$ 231.00	Jet Flex	Jet	10:55AM	Sydney	12:15PM	Gold Coast	1 h 20 min	JQ520
$ 231.00	Jet Flex	Jet	12:10PM	Sydney	01:30PM	Gold Coast	1 h 20 min	JQ526
$ 231.00	Jet Flex	Jet	05:25PM	Sydney	06:45PM	Gold Coast	1 h 20 min	JQ546
$ 239.58	Super Saver		08:20PM	Sydney	09:40PM	Gold Coast	1 h 20 min	QF852
$ 254.98	Flexi Saver		08:20PM	Sydney	09:40PM	Gold Coast	1 h 20 min	QF852

Returning Gold Coast to Sydney <-- Prev Tue 21 Sep 2004 Next -->

Multi-Channel Distribution and Technology

<u>FCL's technology focus (me-to-me)</u>

To enhance productivity by reducing …

- the number of supplier systems consultants need to know
- the amount of training required
- the amount of human error by automating airfare validation

Multi-Channel Distribution and Technology

FCL's technology focus (cont)

To increase …

- the amount of "selling" time for consultants
- land sales by simplifying the selling process
- preferred supplier sales - "channeling"
- productivity by having part of a booking transacted on the web and finalised in store

Land Strategy

- Increased focus on higher margin land-based business
- Additional training and incentives for consultants
- Increased marketing of FCL to customers as full service travel provider
- Focus on upselling opportunities in stores
- Using technology to enhance the selling process

Preferred Supplier/Airline Strategy

- Professional approach – shift from contracting to supplier relationship management
- Creation of value proposition for suppliers
- Introduction of competitive tendering
- Smaller stable of preferred suppliers
- Active channeling
- Greatest potential gains in competitive markets/industries

Airline Relationships

Domestic

- Mutually beneficial deals with Qantas and Virgin Blue for 2004/05
- Longer-term relationship with Virgin Blue
- 2005/06 Qantas deal to be negotiated in future, but don't expect material changes to current remuneration levels
- Recent announcements signal a move from front-end to back-end

Airline Relationships

<u>International (ex Aust)</u>

- Healthy commission deals and overall remuneration packages in place with many airlines
- Most fares currently sold on "nett" basis
- Qantas commission changes (front end) to apply from January 1, 2005 – Flight Centre confident of negotiating reasonable remuneration deal in "competitive" environment

Airline Relationships

FCL's International Experience

- Travel agents continue to play valuable role in distribution chain
- Struggling airlines returning to commission models after trialling zero commission
- New airlines discovering the value of travel agents (Virgin Blue, Westjet)
- Commission is safest marketing spend and is variable
- Ability to shift business and adapt business model

Questions?

Full Year Results Past 12 Years

Year	Net profit margin	TTV $m	% Growth	Shops	% Growth	Profit (BT) $,000	% Growth	Profit (AT) $,000	% Growth
92/93	1.57%	393	36%	135	13%	6,170	36%	2,880	36%
93/94	1.60%	545	39%	165	22%	8,730	41%	4,840	68%
94/95	1.72%	759	39%	199	21%	13,070	50%	7,620	57%
95/96	1.98%	975	28%	250	26%	18,904	45%	11,846	55%
96/97	1.85%	1,237	27%	306	22%	22,897	21%	14,854	25%
97/98	1.88%	1,513	22%	364	19%	28,458	24%	18,348	24%
98/99	2.36%	1,841	22%	440	21%	43,396	52%	27,987	53%
99/00	2.54%	2,415	31%	553	26%	61,264	41%	40,258	44%
00/01	2.19%	3,018	25%	671	21%	65,966	8%	42,853	6%
01/02	2.51%	3,614	20%	832	24%	90,528	37%	62,010	45%
02/03	2.20%	4,555	26%	1,019	22%	102,325	13%	70,020	13%
03/04	2.06%	5,885	29%	1,139	12%	121,326	19%	81,926	17%
Avg*	2.04%		29%		21%		32%		37%
Comp			28%		20%		28%		30%

* Average of % growth