Flight Centre Limited

2006 Full Year Results

31 August 2006 – amended presentation

2006 Full Year Results

	2006	2005	Variance
TTV	$ 7.8 b	$ 6.9 b	13%
Revenue	$1.0 b	$899.0 m	11.6%
Net Profit (Before Tax)	$120.0 m	$ 115.6 m	4%
EBITDA	$148.0 m	$140.0m	6%
NPAT	$79.9 m	$ 76.9 m	4%
Dividend Final	32.0c /share	28.0c /share	14%

Historical Performance

FLIGHT CENTRE LIMITED

	2006	2005	2004*	2003*
TTV (bil)	**7.8**	**6.9**	5.9	4.6
% increase on LY	**13%**	**17%**	28%	28%
Income Margin	**12.7%**	**13.0%**	13.5%	13.7%
PBT (mil)	**120.0**	**$115.6**	121.3	102.3
NPAT(mil)	**79.9**	**76.9**	81.9	70.0
% increase on LY	**4%**	**(6%)**	17.0%	12.9%
EBITDA	**148.0**	**140.0**	157.0	126.9
Capex (mil)	**36.1**	**55.3**	58.5	38.2
EPS	**84.6 c**	**81.4 c**	87.4 c	77.0 c
DPS **	**52.0 c**	**50.5 c**	101 c	43.5 c
Cash (including Investments) (mil)	**479**	**432**	482.2	369.4
ROE	**19.4%**	**19.8%**	19.3%	19.0%
Selling Staff	**6306**	**5,666**	5,087	4,309
Business Units	**1609**	**1,479**	1,422	1,228

** 2003 and 2004 results are not adjusted for IFRS*

***2004 includes special dividend of 40c*

2006 Overview

- Continued sales growth – exceeded $1b in revenue for 1st time
- Return to full year profit growth – good improvement after being 23% down at first quarter and 4% at half year
- Corporate travel strength – FCm Travel Solutions now in 50 countries and important contributor to overall profit
- Leisure profits down – bottom line impacted by growth in "zero margin" surcharges
- Multi-channel expansion – 11% increase in selling staff led to 13% TTV growth
- Dividends up 3% at 52.0 cents per share for year

Surcharges… an example

FLIGHT CENTRE LIMITED

Anatomy of an Airfare

The Flight: Qantas, Sydney-London return with a Singapore stopover

Gross Price:	$1,558
Plus Taxes/Surcharges:	$509.48* (zero margin)
Total cost to customer:	$2,067.48

Flight Centre Limited earns zero margin on 25% of the fare

* Qantas's fuel surcharge increases today – August 31 – thereby increasing the percentage of the airfare that is zero margin

Taxes and Surcharges

FLIGHT CENTRE LIMITED

A breakdown of the applicable taxes and surcharges …

- $38.00 - Australian departure
- $3.40 - Noise levy tax applicable to Sydney arrivals
- $312.00 - Fuel surcharge
- $18.00 - Singapore passenger service charge
- $32.80 - UK passenger service charge
- $50.40 - UK air passenger duty
- $42.88 - Australian international passenger services charge
- $12.00 - Safety and security charge

61%

Total: $509.48

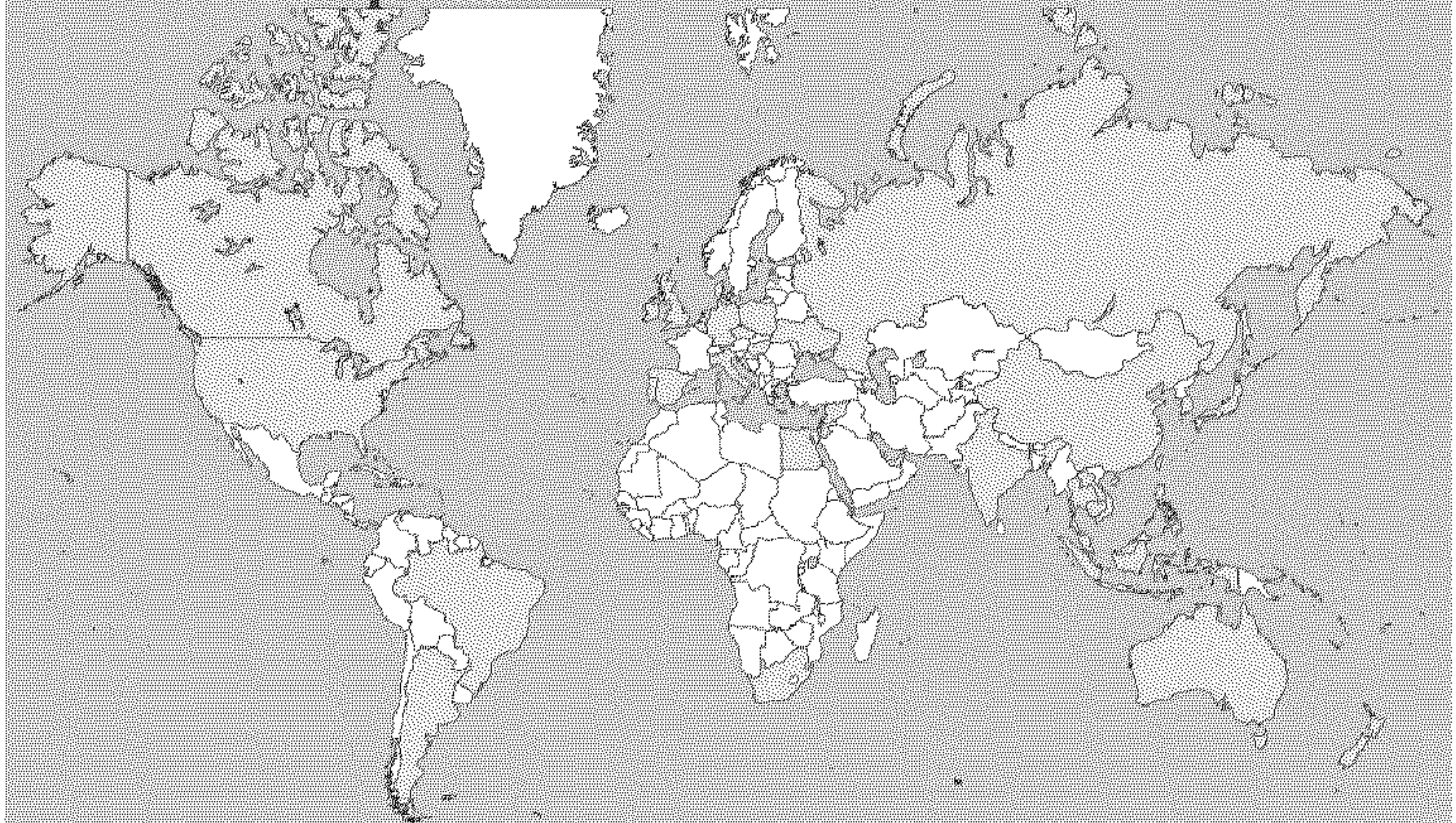
2006: Highlights

- FCm Travel Solutions: Good profits and expansion, set to account for at least half of company profit within 5 years
- South Africa: Significant profit increases from small base in leisure and corporate
- North America: Increased corporate travel profit, Canada leisure return to profit in 2nd half, slightly reduced US leisure losses
- India: Good return on 2005 investment
- Costs: Some reduction in global costs
- Australian Leisure: Largest profit generator, but overall results disappointing

2006: FCm Goes Global

FLIGHT CENTRE LIMITED

Now represented in more than 50 countries



2006: Performance Review

Australia

- TTV: $4.9b, up 10%
- Reasonable front-end leisure performance
- Poor back-end results – linked to surcharge growth
- Shop of Future and franchising models launched in leisure
- Good profit and sales growth in corporate travel

New Zealand

- TTV: $657.7m, up 3%
- Disappointing results
- Margin pressure from home carrier
- Corporate profitability problem
- Turnaround opportunity in leisure

2006: Performance Review

FLIGHT CENTRE LIMITED

UK

- TTV: $961.8m, up 6%
- Disappointing profit growth
- Significant investment in leisure - 17 new shops
- Targeting greater returns in both leisure and corporate

South Africa

- TTV: $401.9m, up 10%
- Strong leisure and corporate results
- Good profit growth from relatively small base

2006: Performance Review

North America

- TTV: $585.3m, up 22%
- Strong SME profit growth in FCm businesses in USA and Canada
- Canada home to most profitable FCm office and account manager worldwide

Leisure (continued)

- 2nd half profit in Canada leisure
- Small reduction in US leisure losses
- Review of LA retail business strategy underway
- Good early signs from Chicago retail (three shops)

2006: Performance Review

FLIGHT CENTRE LIMITED

India

- TTV: $282m, up 100%
- Strong results and growth
- Seeking productivity improvements in growth market

China & Hong Kong

- TTV: $54.1m, up 22%
- Sales growth and slight reduction in losses
- Aim to generate profits in both regions by 2008

2007: Issues and Strategies

- **Growth** – continued expansion (leisure, wholesale and corporate), mainly overseas
- **Gross margins** – shift in airline surcharge policies slowly gaining momentum, higher margin product sales and preferred suppliers
- **Online** – further enhancements to improve transactional and informational capabilities in this key area of multi channel network
- **People** – focus on attracting and retaining the right people, career development, in-house university program, "flexi" careers
- **Costs** – further head offices decreases to combat inevitable frontline increases
- **Customer experience** – specific and targeted, focusing on service, improving response times and in-store environment (shop of future)

2007: Guidance

- Some significant current and future challenges to address
- Company fundamentals sound – sales growth, geographic and brand diversity, strong cash position
- Targeting double-digit TTV growth
- Aiming to bring profit growth closer into line with TTV growth
- Building sale proceeds to be treated as "abnormal"

End of Presentation

FLIGHT CENTRE LIMITED

Questions

Appendices

Brand Diversity

Shop Numbers

Cash and Investments

Depreciation & Amortisation

Shop of the Future

Business Units by Country

FLIGHT CENTRE LIMITED

Current Year Total

	Australia	NZ	Canada	US	UK	South Africa	Hong Kong	China	India	Total
Leisure	693	116	129	19	100	96	0	0	0	1,153
FCm Solutions	95	21	12	6	58	9	7	9	13	230
Wholesale / Complementary	116	42	11	6	23	28	8	5	0	239
Current Year Total	904	179	152	31	181	133	15	14	13	1,622

NB Wholesale / Complementary includes vertically integrated businesses complementary to travel (eg Wholesale, Infinity, Ticket Centre)

Cash & Investments

	Jun 06 A$m	Jun 05 A$m	% Var
Company Cash	113.5	98.9	14%
Client Cash	160.7	140.7	14%
Investments	204.8	192.4	6%
Total	**479.0**	**432.0**	**11%**

Depreciation & Amortisation

	Jun 06 A$m	Jun 05 A$m	% Var
Depreciation	25.1	27.0	(7%)
Amortisation			
Other Intangibles	11.4	6.2	84%
Total	36.5	33.2	10%

Brand Diversity

Leisure

- Flight Centre, flightcentre.com
- Escape Travel, escapetravel.com.au
- Student Flights, studentflights.com.au
- Travel Associates
- Overseas Working Holidays, owh.com.au

Online

- flightcentrehotels.com
- quickbeds.com

Corporate

- FCm Travel Solutions
- Ci Events
- Stage&Screen
- Kistend/Campus

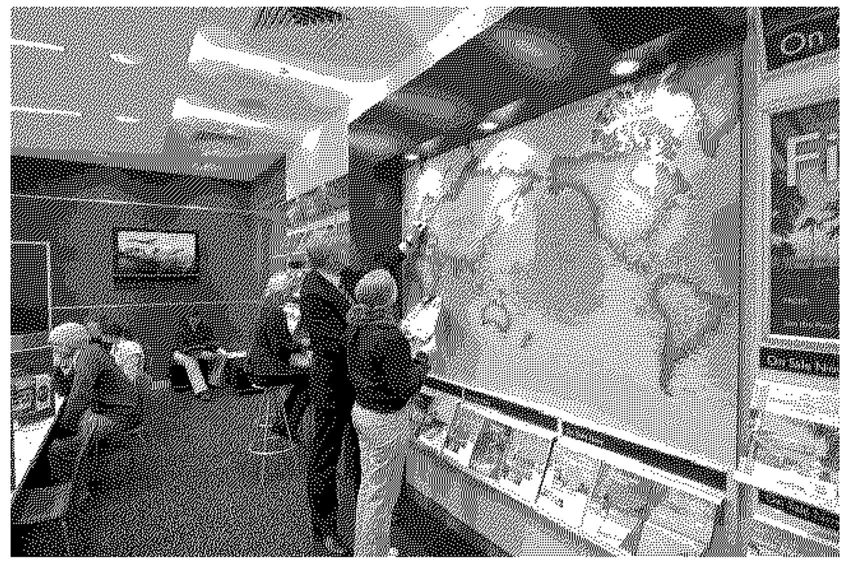
Wholesale

- Infinity Holidays
- Ticket Centre

Shop of the Future

Key Features

- LCD screen with rotating destinational imagery
- Customer terminals for client research
- "On-sale Now" panel featuring current ad campaigns and specials
- Swivelling consultant terminals that allow clients to view product and destinational images
- Improved world maps with feature destinations in brochure format below
- Dedicated client areas
- Comprehensive travel library



_DMS0076.tif

Shop of the Future

FLIGHT
CENTRE
LIMITED