

## **FLIGHT CENTRE LIMITED RELEASES PRELIMINARY 2007/08 RESULTS - July 21, 2008**

FLIGHT Centre Limited (FLT) has today released preliminary financial results for 2007/08 and reaffirmed its expectations for 2008/09.

Following a solid finish to the year, FLT expects to report 40 per cent growth in pretax profit for the 12 months to June 30 2008 when it releases its audited full year accounts on August 26 2008.

FLT believes its final result will be in the order of \$212million, within the range outlined in its current market guidance, compared to its record \$151.6million result in 2006/07 (excluding the abnormal gain on the sale of FLT's Brisbane head office property in September 2006).

As announced previously, the company will be disappointed if it does not achieve a further 10-15 per cent pretax profit growth during 2008/09.

Chief financial officer Shannon O'Brien said FLT's established businesses in South Africa, New Zealand and the United Kingdom were expected to drive profit growth during 2008/09, along with Australia, where the strong dollar, near full employment and the availability of cheap international airfares continued to stimulate demand.

"With the momentum we have built globally and the strategies we have in place for overall improvement, we start 2008/09 in a position of strength," Mr O'Brien said.

"Our businesses continue to perform reasonably well, particularly in our established markets, and there is opportunity to grow our leisure, wholesale and corporate travel brands in all geographies. As we continue to develop, our focus will be on organic expansion but we will also consider strategic acquisitions and joint ventures in niche and growth sectors from time to time."

Mr O'Brien will temporarily serve as FLT's acting chief executive officer for the remainder of 2008 and for the early months of 2009, while Graham Turner takes long service leave. During this period, he will head an experienced senior management team that has been in place three years.

Mr Turner said the business was well placed to continue its growth trajectory during 2008/09, with strong foundations developed and key business improvement strategies initiated.

He said strategic priorities included:

- Attracting and retaining the right people

- Growth in core, specialist and new businesses
- Developing an integrated and aligned approach to sales, customers and marketing
- Achieving an integrated global product and buying system; and
- Accelerating global growth in FLT's corporate travel business.

In North America, FLT expects further profit growth from its small but expanding corporate operations and reduced losses from its Canadian and United States leisure businesses.

Following Liberty Travel's formal acquisition five months ago, comprehensive integration and restructuring projects are underway and are expected to gain momentum during 2008/09 as FLT seeks to modernise and reinvigorate the 57-year-old family-run business in the short-term and to improve longer term performance. As key restructuring and improvement initiatives are in their infancy and are yet to gain traction, FLT does not currently expect Liberty to contribute to the company's profit growth this year.

In a sluggish trading cycle, Liberty's new management team's priorities include sales, margins, productivity, shop location and design, customer enquiry and IT systems and expenditure.

As part of the ongoing focus on overhead reductions and developing more streamlined support structures, 180 fulltime and contract roles have been rationalised during the past five months.

Flight Centre leisure travel shops in Los Angeles and Chicago have now been rebranded as Liberty, to leverage off the business's superior brand strength in the United States. FLT will also initiate a proven global strategy, and at the same time launch a new era of growth for Liberty, by developing a specialist corporate travel offering to operate alongside its leisure travel operation.

"North America, and the \$70billion-a-year US offline leisure travel market in particular, represents both a challenge and an exciting future opportunity," Mr Turner said. "We are making progress in the leisure sector, while continuing to make major inroads into the corporate and wholesale markets, and are confident that we have the right people and the right initiatives in place to deliver sustainable improvement in time."

[ENDS Media and investor enquiries to Haydn Long 0418 750454](#)