

2016 FULL YEAR RESULTS

PRESENTATION 25 AUGUST 2016



FLIGHT CENTRE
TRAVEL GROUP

OVERVIEW

- Introduction
 - *by Haydn Long*
- Financial Highlights & Global Review
 - *by Adam Campbell*
- Strategic Update
 - *by Melanie Waters-Ryan*
- Market Conditions & Outlook
 - *by Graham Turner*
- Questions
- Supplementary Details

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FOR THOSE WHO WANT TO SEE



INTRODUCTION: FY16 INVESTING FOR GROWTH

Strong TTV growth – 5 regions generated more than \$1Aub in TTV during FY16 & FLT poised to become a \$20b-a-year sales company during FY17 (20 years after 1st topping \$1b)

PBT (underlying) exceeded \$350m for 3rd consecutive year & in line with revised guidance

FY16 profit adversely affected by investment in growth initiatives that will enhance longer term performance

Strategic blueprint in place - building foundations for the future

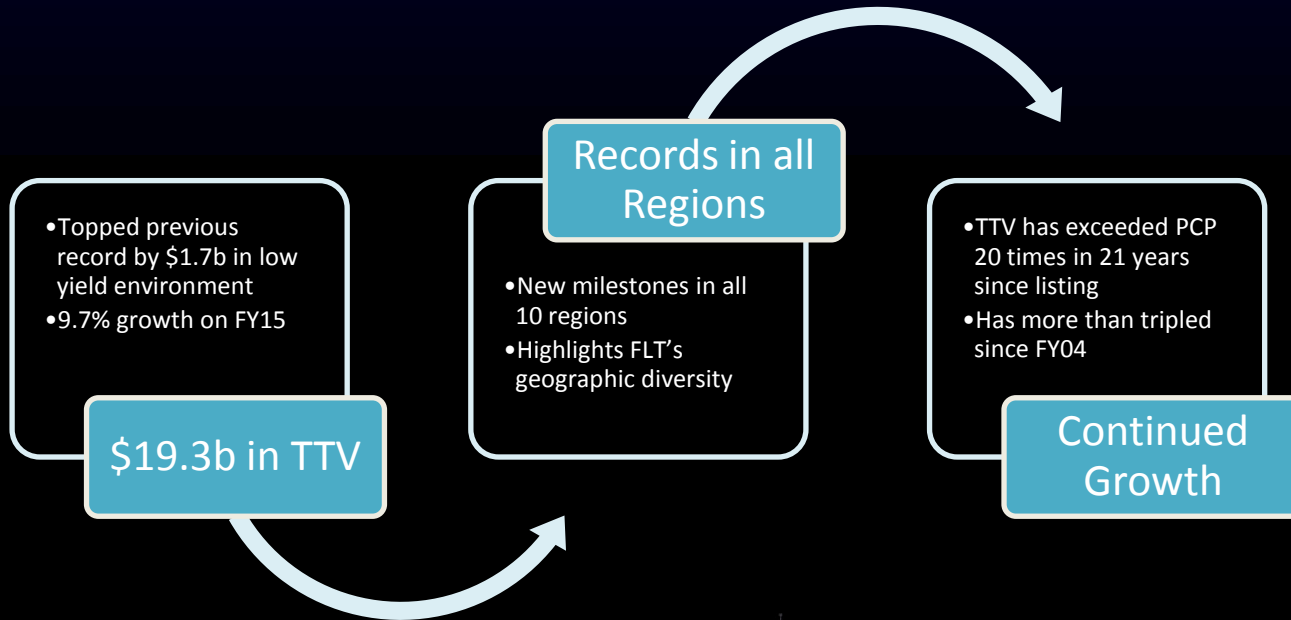


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FINANCIAL HIGHLIGHTS



FINANCIAL HIGHLIGHTS: RECORD SALES

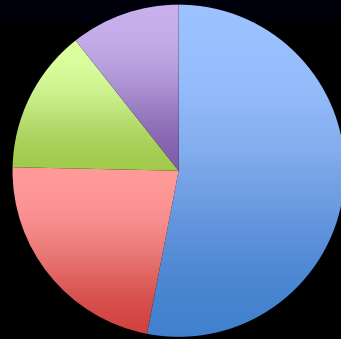


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FINANCIAL HIGHLIGHTS: DIVERSITY

TTV By Region



- Australia
- Americas
- Europe & South Africa
- NZ, Asia, India & UAE

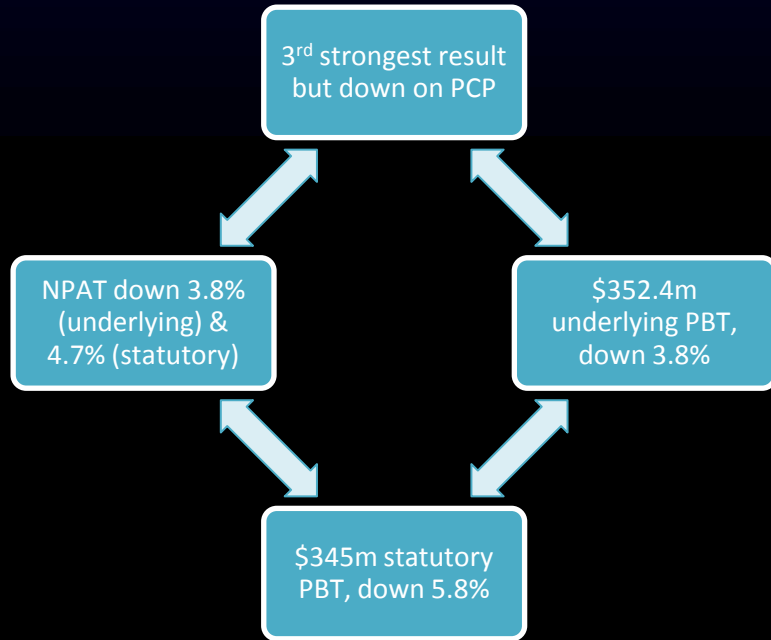
On average, FLT sold more than \$50m worth of travel globally every day during FY16

(See Appendix 1 for additional TTV milestones)



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FINANCIAL HIGHLIGHTS: SOLID PROFIT



Adjustments to underlying PBT:

\$17.3m in gains relating to NZ head office sale (\$6.3m) & ACCC refund (\$11m)

\$AU24.7m in non-cash impairment (USA leisure & wholesale)

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FINANCIAL HIGHLIGHTS: MARGIN



Revenue up 11.2% & increasing at a faster rate than TTV – leading to increased income margin (13.8%)



Lower net margin of 1.8% – costs & investment in network enhancements affecting profit growth



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LOWER NET MARGIN: CONTRIBUTING FACTORS

COSTS

- Growth in normal operating expenses – wages, sales & marketing, rent

NETWORK ENHANCEMENTS

- Multi-million dollar investment in systems & new revenue streams – brands, businesses & products
- Increased D&A expenses as a result of higher cap-ex

LOW AIRFARE PRICES

- Reasonable dollar-based super overrides achieved but overall earnings lower than initially expected, following sharp price declines during 2H

UNDERPERFORMANCE IN SOME BUSINESSES

- Reduced profits in Induasia (\$9.2m reduction in EBIT)
- US profit broadly in line with record FY15 but boosted by StudentUniverse contribution



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COST DRIVERS: RENT, WAGES & MARKETING

Rent

- Growth driven by network expansion
- Renewals typically increasing in line with inflation

Wages

- 4% people growth
- Pay rises for sales staff in UK & NZ following change in Australia during FY15

Sales & Marketing

- 1.2% of TTV, leading to solid enquiry generation
- Investment in PACES area, digital + traditional

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COST DRIVERS: NETWORK ENHANCEMENTS

Network Upgrades

Omni channel enhancements across P2P Index
Next gen shop design
Stronger web presence – transactional websites globally
Microsoft Dynamics roll-out underway in Canada & USA
System improvements

Employer of Choice

New people-related initiatives
Greater workplace flexibility
New ownership opportunities - share plan, long-term retention plan
Development programs
Money Coaches to help staff manage personal finances

Brands & Diversity

Aunt Betty launched 7 acquisitions
Brands exported – cievents, Campus, Stage & Screen, 4th Dimension, FCBT, Corporate Traveller
BYOjet launched in UK
New geographies – Mexico, Malaysia & Netherlands

PACES

New products – Key To The World, IAPs
Increased ad spend to generate enquiry
Better customer experience – new design features in-store, VR headsets
More products online
New CRM tool in Australia
Global CDO appointed

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COST DRIVERS: NETWORK ENHANCEMENTS

Increased Depreciation & Amortisation Expense

- Up \$12m on PCP
- Reflects higher than normal cap-ex
- Growth driven by spend on new shop design & roll-out, IT upgrades
- EBITDA broadly in line with FY15
- Cap-ex likely to be in order of \$100m during FY17

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COST DRIVERS: NETWORK ENHANCEMENTS

Significant investment in strategic acquisitions & start-ups

- Circa \$7m in EBIT losses from start-ups & small, loss-making acquisitions
- Losses partially offset by StudentUniverse profits
- Long-term growth drivers but adverse impact on short-term profits
- Higher M&A expenses incurred during FY16

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FINANCIAL HIGHLIGHTS: CASH POSITION



At Dec 31, FLT had the 5th strongest net debt position on the ASX 100

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FINANCIAL HIGHLIGHTS: CASH

\$1.52b global cash & investment portfolio

Includes \$506.7m in company cash

\$76.8m in debt

\$429.9m positive cash position at June 30 2016

Solid operating cash inflow of \$356.6m

FLT took on \$52m in short-term debt during FY16 & reinvested the borrowings at a superior interest rate

Strong cash position & profit leading to solid dividend returns



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FINANCIAL HIGHLIGHTS: GROWTH

Numbers decreased during 2H as some dual teams were merged into single teams (particularly US wholesale)



FY16 RESULTS SUMMARY

\$' million	JUNE 2016	JUNE 2015	%
TTV	\$19.3b	\$17.6b	9.7%
Revenue	\$2.7b	\$2.4b	11.2%
Income margin	13.8%	13.6%	20bps
Net margin (underlying)	1.83%	2.07%	(24bps)
Underlying Profit Before Tax	\$352.4m	\$366.3m	(3.8%)
Non-recurring items	(\$7.4m)	-	-
Statutory Profit Before Tax	\$345.0m	\$366.3m	(5.8%)
Underlying Net Profit After Tax	\$246.7m	\$256.6m	(3.8%)
Statutory Net Profit After Tax	\$244.6m	\$256.6m	(4.7%)
Effective tax rate	29.1%	30%	
Dividends			
Interim Dividend	60.0c	55.0c	
Final Dividend	92.0c	97.0c	

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GLOBAL REVIEW



GLOBAL REVIEW: TRADING HIGHLIGHTS

Sales

- Record TTV in all 10 countries/regions in AUD
- Growth largely organic – relatively small contribution from acquired businesses

Leisure v Corporate

- Corporate businesses generated 33% of FY16 TTV
- Consolidating FLT's position as one of world's largest corporate travel managers

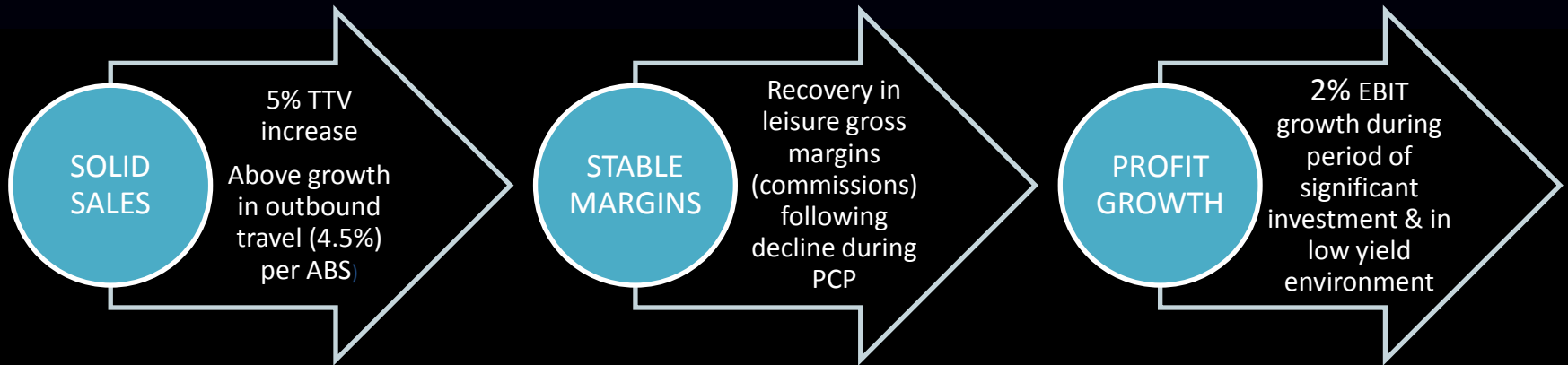
Profit

- Record EBIT in NZ & South Africa
- Growth in Australia, UAE & Canada
- Almost \$AU70m in combined EBIT from Europe & USA (both down slightly)

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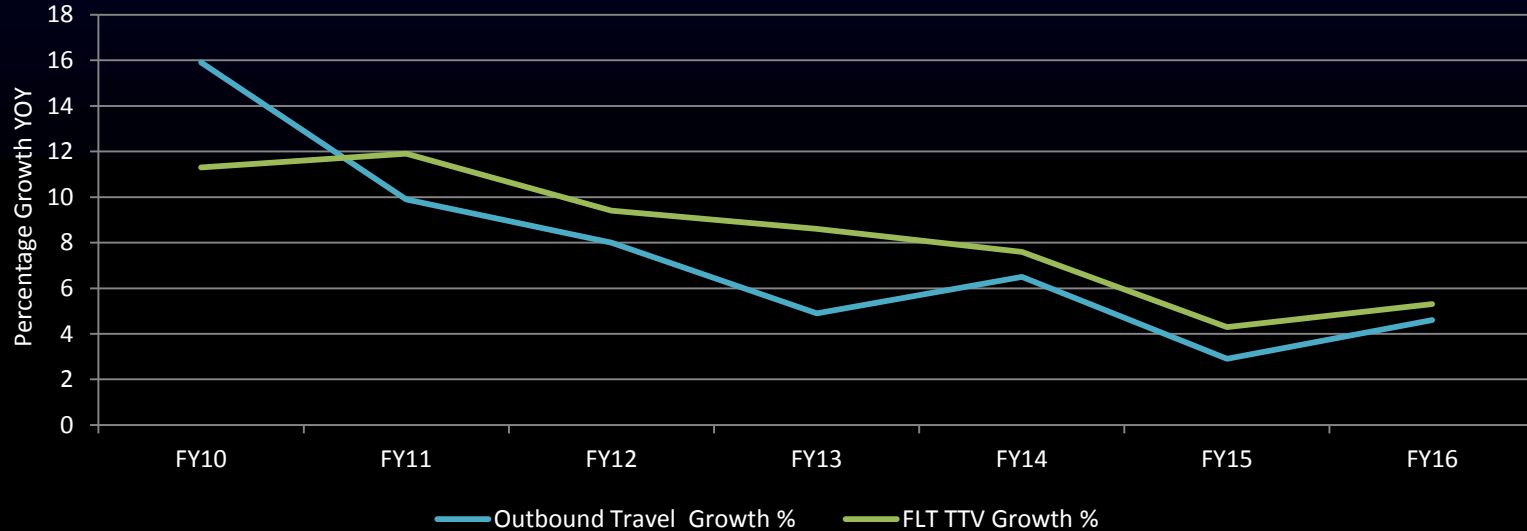
FY16: AUSTRALIA SEGMENT



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FY16: AUSTRALIA SEGMENT – TTV

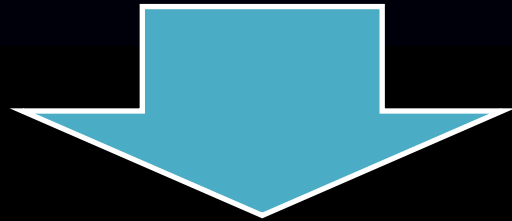


Australian TTV growth continues to outpace outbound travel growth (Source: ABS)



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FY16: AUSTRALIA SEGMENT



Cheap airfares slowing TTV growth and leading to lower than anticipated super overrides

Also stimulating demand in subdued consumer confidence environment



FLT's average international yields down 4% during 2H

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FY16: AUSTRALIA SEGMENT

Leisure

- TTV per shop in line with FY15 – strong growth in hyperstore & expo sales
- Solid growth in some key sectors – coach, cruise, adventure, FX
- Evolving along P2P Index – developing high & low touch offerings
- LCC sales increasing off small base – NXGen strategy
- flightcentre.com.au growing strongly during 2H – increased LCC content & enquiry being channelled online

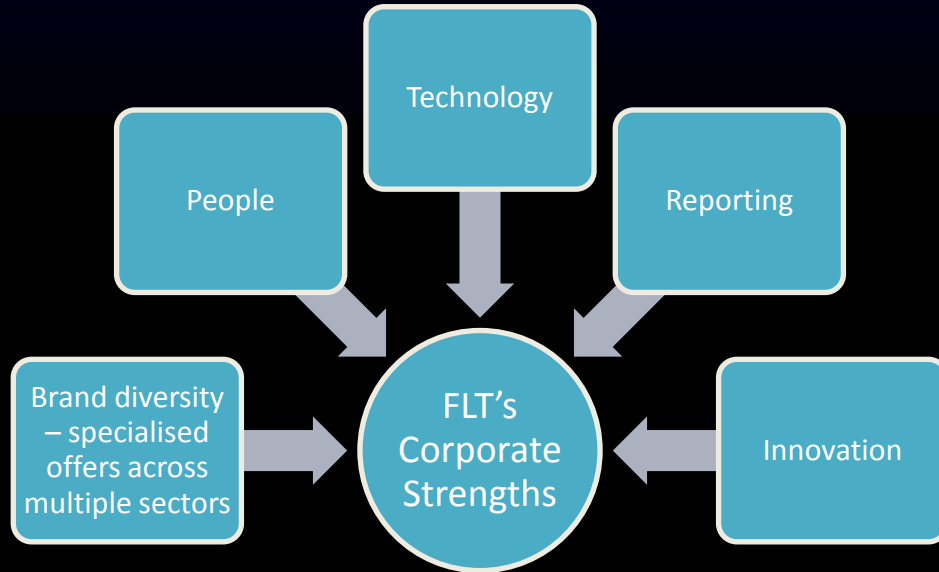
Corporate

- Record TTV in flat market – consolidating leading position
- Account wins offsetting down-trading & some account losses
- Recent wins include 2 of FLT's largest global accounts
- Ongoing development of customer offerings – products, technology, reporting

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CORPORATE VALUE PROPOSITIONS



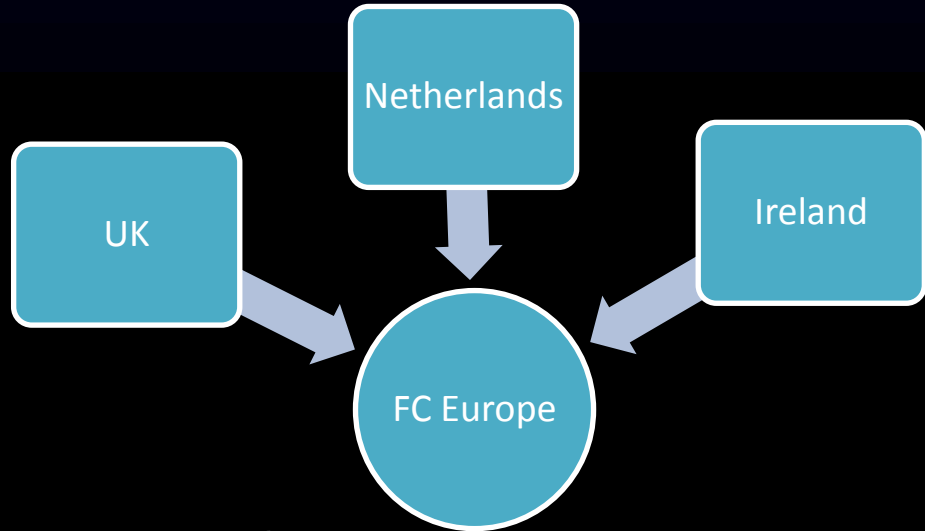
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FY16: EUROPE SEGMENT

KEY FINANCIAL ACHIEVEMENTS

- TTV topped GB1b
- \$AU47.2m EBIT contribution – 2nd best ever
- Strong corporate travel results
- BREXIT uncertainty & investments slowing profit growth



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FY16: EUROPE SEGMENT

Enhanced Geographic & Brand Diversity

- Secured a corporate travel footprint in Continental Europe – FCM Netherlands – & platform for SME expansion
- Opened 1st leisure business outside the UK - Dublin hyperstore (August 16)
- Expansion into Wales - FCBT to open in Cardiff in October 2016
- New brands introduced - Stage & Screen, BYOjet, StudentUniverse/Gapyear merger

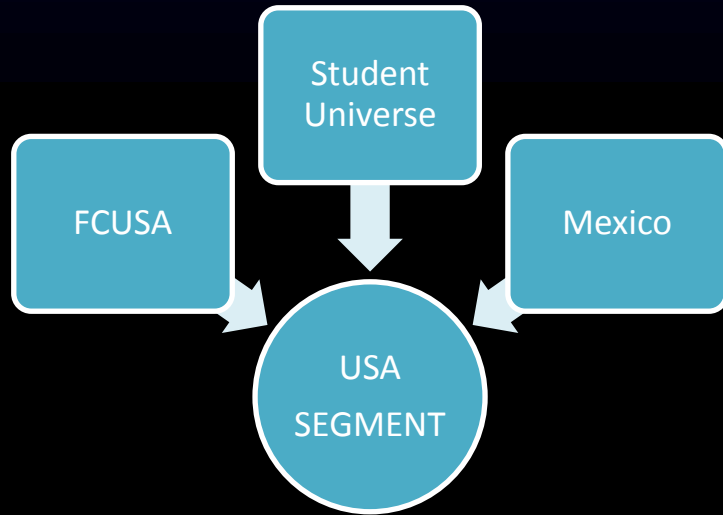
Investment in Key Growth Drivers

- People (pay-rise for front-end sales staff & team leaders)
- Advertising (PACE area) to generate enquiry
- New product ranges (Journeys & Escapes)
- Systems
- Targeting online leisure growth – BYOjet launched, Flight Centre booking engine earmarked for 2H FY17
- Large BDM network in place to win corporate accounts

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FY16: USA SEGMENT



KEY FINANCIAL ACHIEVEMENTS

- Record TTV – topped \$AU3b for 1st time
- FLT's 2nd largest region by sales
- \$AU21.2m EBIT contribution – down slightly on record FY15 result
- Strong performance from StudentUniverse & SME corporate business

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FY16: USA SEGMENT

Corporate

- Continued strong growth from SME corporate business
- Organic expansion into new cities – Raleigh, Minneapolis & Orange County
- FCM Mexico has given FLT a presence in a new & strategically important market

Leisure & Wholesale

- Disappointing bottom-line results
- Investing in branding & marketing – new Liberty TV campaign
- Rationalising wholesale business & seeking greater efficiencies

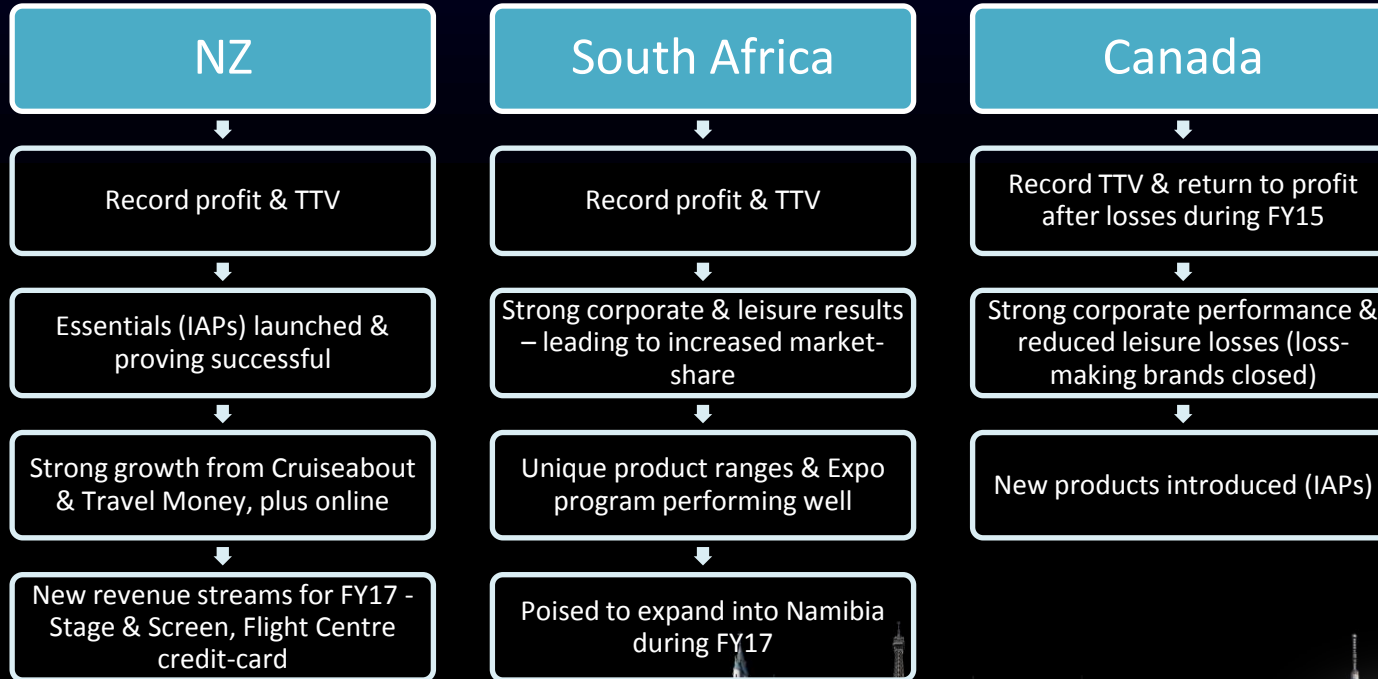
Online

- Strong performance from StudentUniverse
- Sales & profit exceeded expectations
- Opportunities for rapid growth in USA & elsewhere

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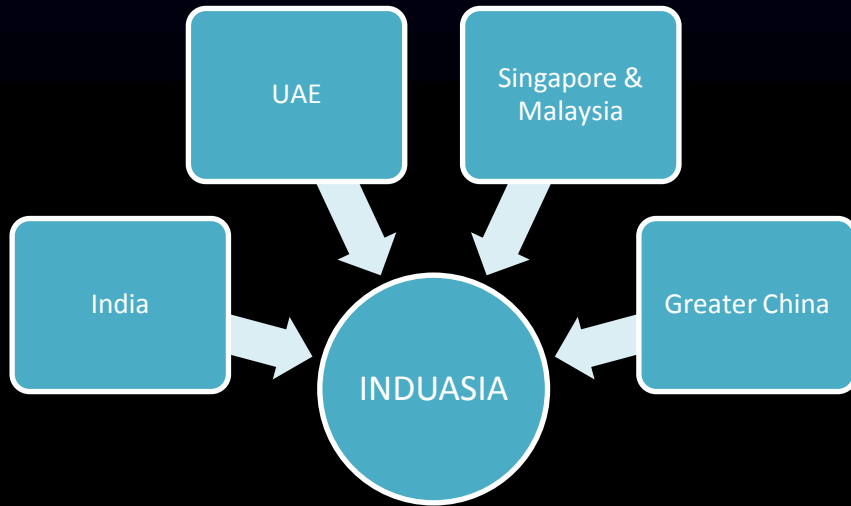
FY16: REST OF WORLD SEGMENT



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FY16: R.O.W SEGMENT – INDUASIA



KEY FINANCIAL ACHIEVEMENTS

- Record TTV in all regions
- Leading to \$988m combined TTV
- EBIT growth in UAE
- Reduced earnings in India, Greater China
- Losses in Singapore but return to profitability expected in FY17

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FY16: R.O.W SEGMENT – INDUASIA



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FY16: OTHER BUSINESSES



Continued growth

Record EBIT & TTV

7 new 99 Bikes shops

Expansion into Adelaide

BMC brand added to wholesale range



Good profit contribution in 1st full year

Asia range launched & performing strongly

Targeting Japan as a new source market

US Hostel range launched – cheaper price points

Strong sales growth in North America



Solid growth across core business units

Working with internal (FLT) & external students

Fitness academy launched



Positive EBIT contribution from joint venture DMC

Now operating in 11 countries in Asia

New products – Local Life, Essence & Masterclass

Operating tours in Asia for external partners

FY16: RESULTS BY COUNTRY

CANADA



TTV: \$1.2b, up 3% in AUD (up 2% in lc)
EBIT: \$0.7m
BUSINESSES: 234

EUROPE



TTV: \$2.2b, up 14% in AUD (up 6% in lc)
EBIT: \$47.2m
BUSINESSES: 299

INDIA



TTV: \$419m, up 9% in AUD (up 2% in lc)
EBIT: \$0.2m
BUSINESSES: 71

GREATER CHINA



TTV: \$271m, up 17% in AUD (up 7% in lc)
EBIT: \$0.0m
BUSINESSES: 44

USA & MEXICO



TTV: \$3.0b, up 22% in AUD (up 8% in lc)
EBIT: \$21.2m
BUSINESSES: 290

UAE



TTV: \$105m, up 23% in AUD (up 9% in lc)
EBIT: \$2.0m
BUSINESSES: 16

SOUTH AFRICA



TTV: \$490m, up 4% in AUD (up 14% in lc)
EBIT: \$12.1m
BUSINESSES: 171

SOUTH EAST ASIA



TTV: \$192m, up 15% in AUD (up 9% in lc)
EBIT: (\$2.2m)
BUSINESSES: 23

AUSTRALIA



TTV: \$10.0b, up 5%
EBIT: \$261.7m
BUSINESSES: 1,561

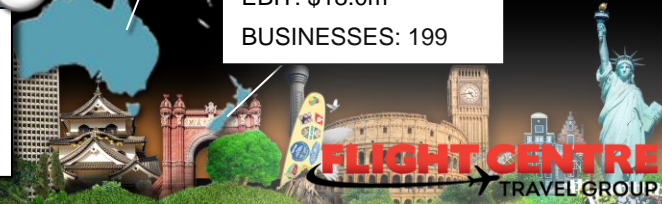
NEW ZEALAND



TTV: \$1.0b, up 17% in AUD (up 20% in lc)
EBIT: \$18.0m
BUSINESSES: 199

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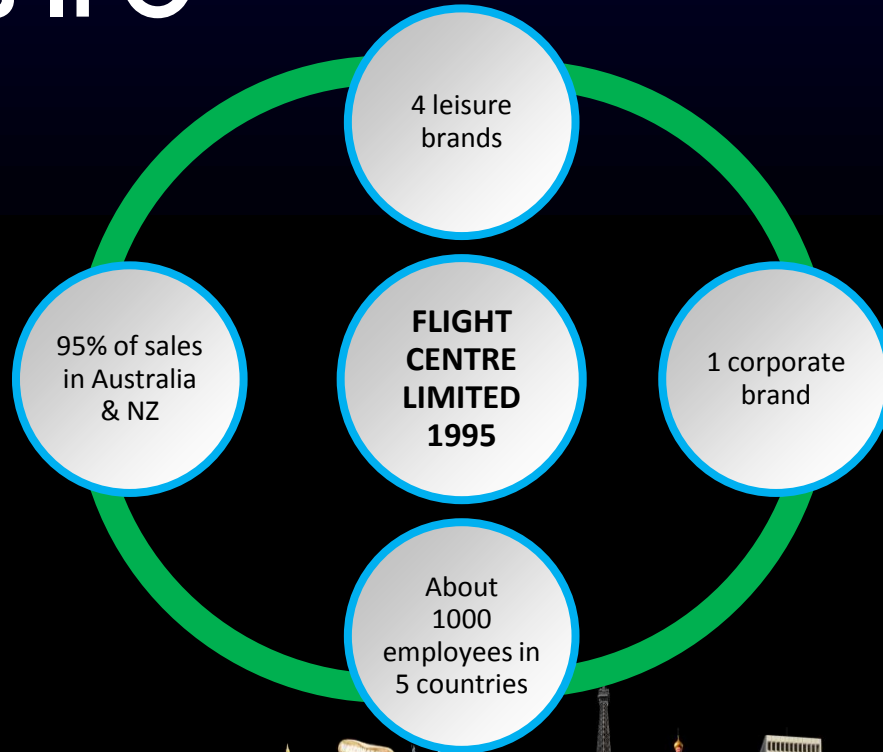
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STRATEGIC UPDATE



FLT AT ITS IPO



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FLT TODAY

Some 40 brands

Travel retailing, corporate, in-destination travel experience, non-travel, youth/student

One third of FY16 sales generated in the Americas & Europe

Generating about 50% of TTV outside Australia

FLIGHT CENTRE TRAVEL GROUP 2016

6 dedicated corporate brands

Now one of the world's largest corporate travel managers

Creating about 1000 new jobs every year

About 19,000 people in 14 countries

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CORPORATE BRANDS



LEISURE / WHOLESALE

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THE WORLD
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FLIGHT CENTRE TRAVEL GROUP ... WHO ARE WE?



IRREVERENCE

We don't believe in conventional wisdom.
We take our business seriously but not ourselves.

EGALITARIANISM

No status or privilege, self important people don't fit in here.

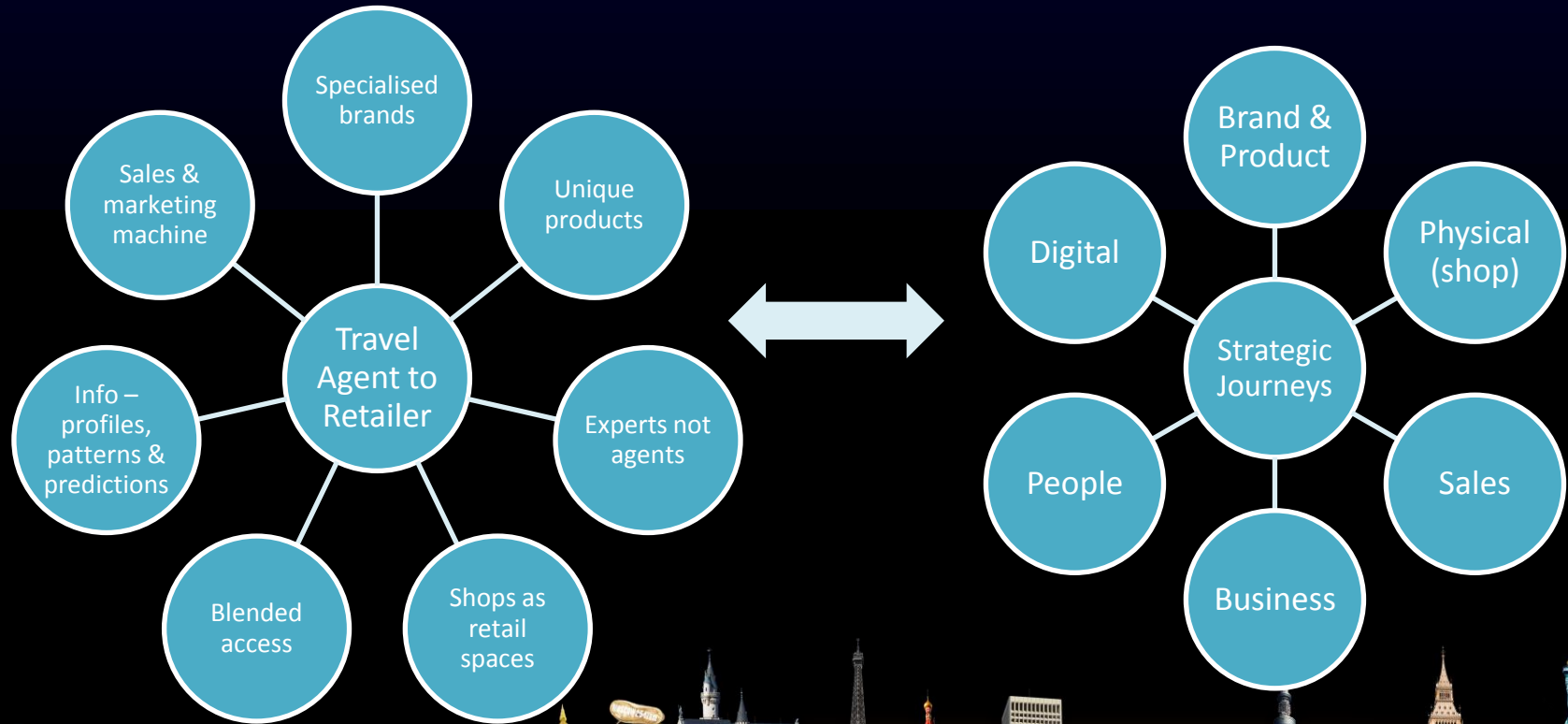
OWNERSHIP

We take full responsibility and treat the business as our own.

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STRATEGIC EVOLUTION



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LONGER TERM GROWTH DRIVERS

JANUS...

The Roman god of beginnings, gates, transitions, time, doorways, passages and endings

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FLT ... The next 20 years

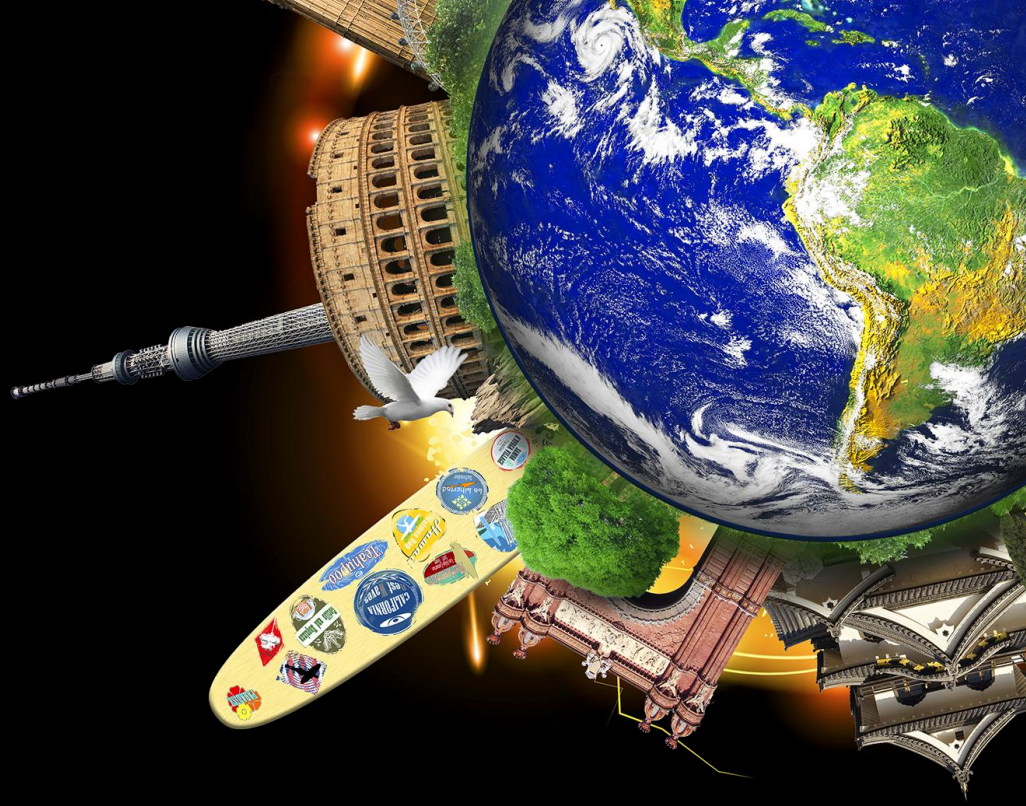


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Janus One

LEISURE TRAVEL RETAILING





OUR JOURNEY FROM TRAVEL AGENT TO
*World's Best Person to Person
Travel Experience Retailer*

TRAVEL RETAILING ... The P2P index

CORE LEISURE VOLUME

85-90% of Australian TTV

OTA

- High volume, low touch, low margin

CONTACT CENTRES

- 24/7 telephone sales & assist

FLAGSHIP STORES

- Hyperstores
- Megastores

COMMUNITY

- Shopping centres
- CBD and strip locations

HOME BASED

- Associates

EVENTS

- Travel Expos, Discover Europe, Discover America

Low touch, low cost offerings

Higher touch offerings

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SHOP JOURNEY: THEN AND ...



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... FLIGHT CENTRE NOW



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... FLIGHT CENTRE NOW



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Launched in August 16 and on track to deliver \$3m in TTV in month 1



- Airfare-led package brand with ability to make personalised recommendations
- New Route Perfect planning tool introduced



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Aunt Betty

Sign in | Help

Plan your trip | Top itineraries

Plan & Book your perfect trip to Europe!

Easily plan your trip based on your travel preferences, budget and personal style. Save up to 20% by booking as a custom package!

Watch our Video



Plan your trip:

Starting in:

Vacation type:



Romantic



Friends



Family



Solo

For how long? days

Trip budget



Economy



Moderate



Luxury

Ending in:

Show me my trip!
No worries! customize later on!

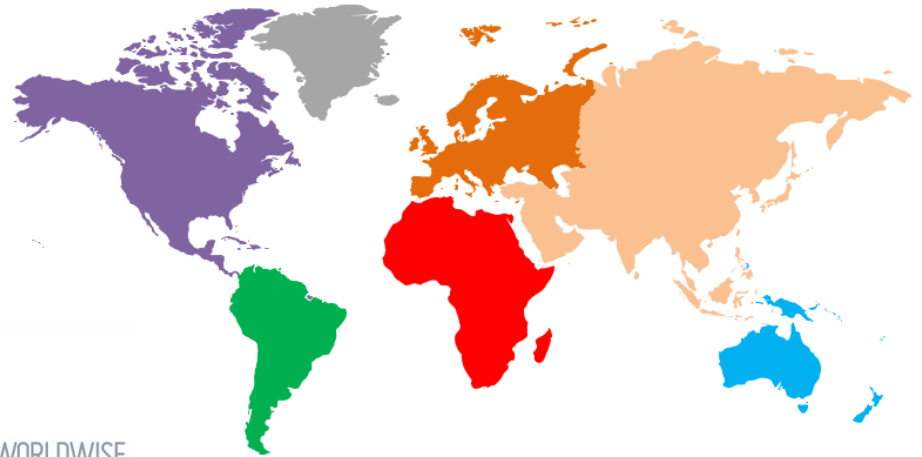
Janus Two
**IN-DESTINATION
TRAVEL
EXPERIENCES**



TRAVEL EXPERIENCE NETWORK

Vision:

Distributing and Delivering
Amazing In-Destination Travel
Experiences



FCTG WORLDWIDE

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2. TRAVEL EXPERIENCE NETWORK



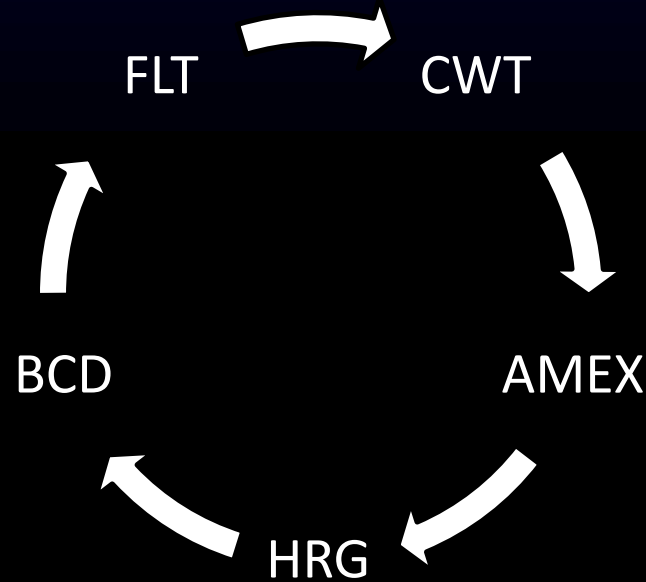
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Janus Three
**CORPORATE
TRAVEL**



TRULY GLOBAL: The Big 5

By sales, FLT now ranks among the world's top 5 corporate travel managers



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FLT'S CORPORATE BRANDS



- ✓ TMC
- ✓ SME
- ✓ Entertainment / Sport
- ✓ MICE
- ✓ Education
- ✓ Consulting
- ? Low Cost Corporate



Campus Travel
The Smart Choice



Now turning over more than \$6b per year

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Experts in business travel

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travel calculator

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Case Study

Awards

Making a difference to your business travel



Client case studies - proven success



Your business travel partner all over
the world



Personal service built around your
priorities



THE MAKING OF THE DRESSMAKER

WHEN STAGE AND SCREEN WAS CAST TO MANAGE TRAVEL FOR THE PRODUCTION OF HIGHLY ACCLAIMED FILM THE DRESSMAKER, THEY FOLLOWED A CAREFULLY PREPARED SCRIPT LONG BEFORE THE DRESSMAKER HAD ITS WORLD PREMIERE AT THE TORONTO INTERNATIONAL FILM FESTIVAL IN 2015, STAGE AND SCREEN WAS WORKING BEHIND THE SCENES TO HELP BRING THE FILM TO THE SCREEN.

The film which stars Kate Winslet, Liam Hemsworth, Judy Davis and Hugo Weaving is set in a small Australian town in the 1950s and explores the themes of revenge, love and creativity. With producer Sue Haskin and director Jocelyn Moorhouse behind the camera, Stage and Screen knew from the outset that The Dressmaker was going to be a special film.

PRE-PRODUCTION

While filming began in August 2014, for Stage and Screen the real work began in late 2013 and continued for many months before and after the cameras started rolling. Working with their clients Film Art Media, the Stage and Screen team meticulously planned every detail in order to overcome many logistical challenges.

The shoot required the cast and crew to travel far and wide - from a small country town in the shadow of the You Yangs range near Geelong to Horsham in Central North Victoria and the Docklands Studios in Southbank. With much of the filming taking place over an hour's drive from Melbourne, a fleet of hire cars was required for up to four months at a time to transport over 100 cast and crew.

In addition, a stellar international cast from all corners of the globe were required in Melbourne at various stages of the filming. Flights, private houses and hotel accommodation, and car hire all had to be organised for cast members including Kate Winslet (and her family).



STAGE IN
motion

stageandscreen.com.au

Australian: Cpt Co Pty Ltd (ABN 20 003 273 536) trading as Stage and Screen, ACN 623 464 816. Ref: No. 40422, 529464563

Registered with permission of Film Art Media.

**stageandscreen**
TRAVEL SERVICES



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THINK TANK 2015

BE PART OF THE ACADEMIC TRAVEL REVOLUTION
AND FUTURE PROOF YOUR TRAVEL PROGRAM
FOR GREATER OPERATIONAL EFFICIENCIES.

WHEN 13 DEC - 15 DEC 2015 WHERE SPICERS HIDDEN VILE, OLD
WHO ACADEMIC TRAVEL THOUGHT LEADERS INCLUDING KEYNOTE SPEAKER
CINDY SHUMATE, PRINCETON UNIVERSITY TRAVEL PROGRAM MANAGER.

KEY TECHNOLOGY TRAVEL DATA DRIVING PROGRAM STRATEGY WITH DATA ANALYTICS INNOVATING LEADERS
BENEFITS OF USING A SOLE PROVIDER UNIVERSITY TRAVEL PROGRAMS VS CORPORATE TRAVEL PROGRAMS

CHANGING THE WORLD THROUGH
ACADEMIC TRAVEL



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Our Services



Event Management

Our event management teams assist clients with all logistical elements associated with your event.

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Event Production

Our event production teams integrate strategic business communication with theatrical know-how.

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Incentives, Reward & Recognition

Our incentive marketing team design and implement online incentive programs for customers, employees and channel resellers.

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Digital & Design

Our digital, graphic and event design team shape events communications to resonate with their target audiences.

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Latest Event Management News

Paper is far from dead - at least for corp...

May 30, 2016

cievents gets creative with its two new le...

May 30, 2016

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@cievents
Sight, sound, taste..
#eventprofs - here's why #multisensory #events are the way forward:

t.co/ihahINGZE4
t.co/AdD0V4G31w

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4TH DIMENSION
BUSINESS TRAVEL CONSULTING

Business Strategy
Innovation
Branding
Marketing
Analysis
Ideas
Strategy
Management

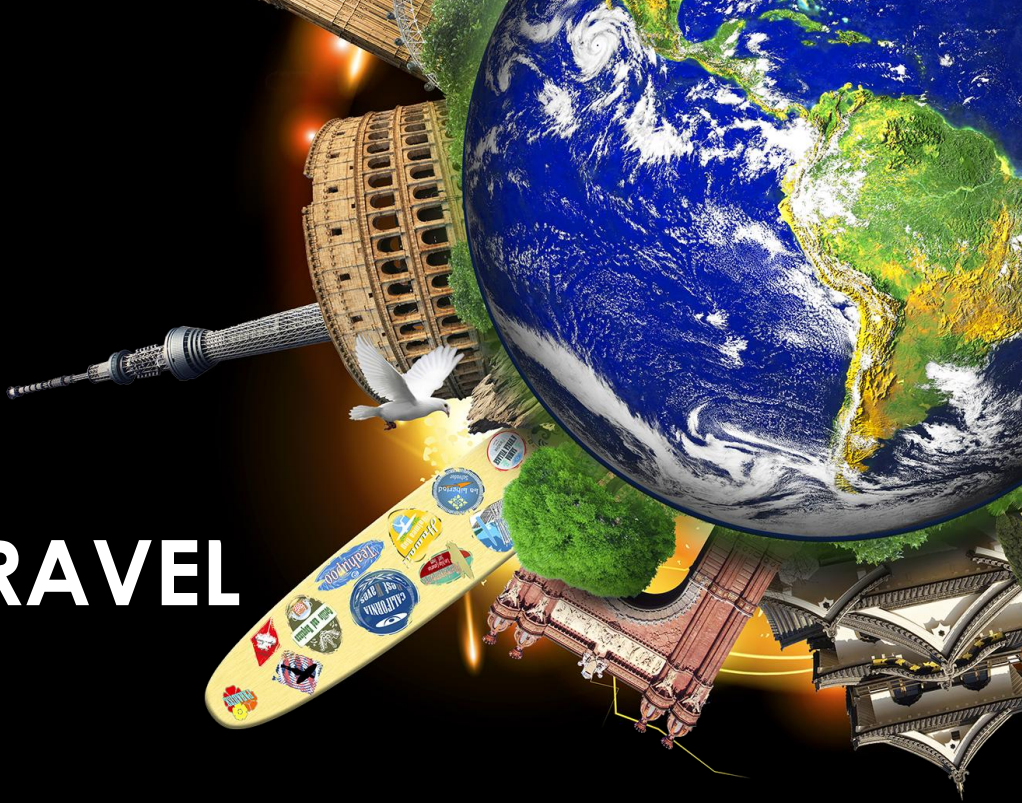
Innovation
Branding
Marketing
Analysis
Ideas
Strategy
Management

23:35:60
Business Strategy
Innovation
Branding
Marketing
Analysis
Ideas
Strategy
Management

23:35:60

Janus Four

STUDENT/YOUTH TRAVEL



Highly Coveted Youth Travelers

Multiple long-haul trips per year

18 – 30 years-old

Explore new destinations

Global explorers

\$200b-a-year industry

Educational, leisure & altruistic travel purposes

Long-term customer base

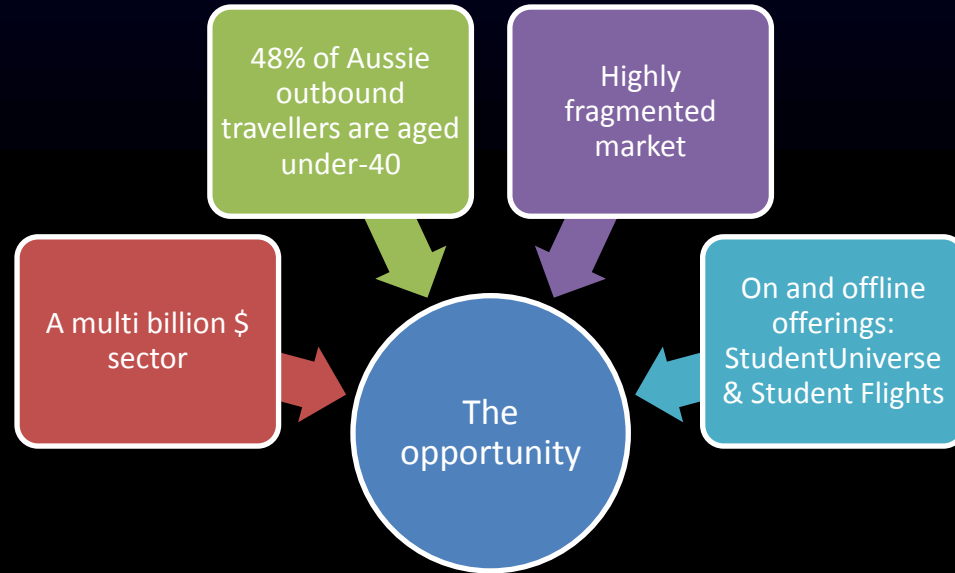
High yield

Flexible dates

Future business travelers



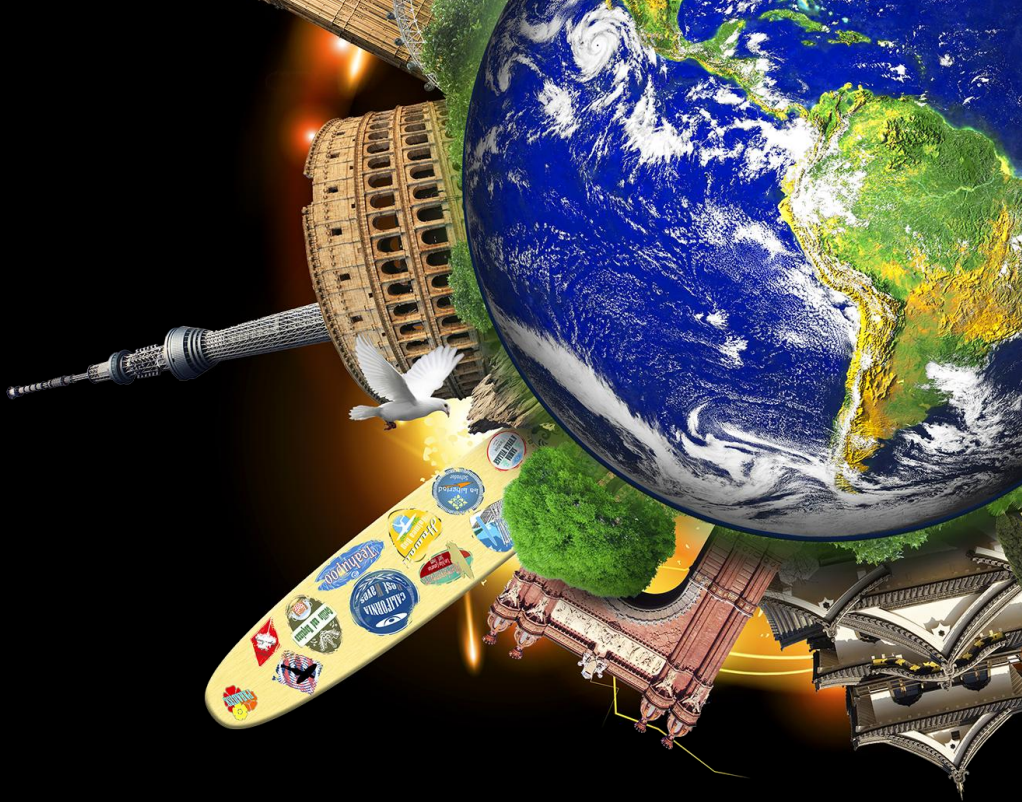
THE YOUTH SECTOR



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Janus Five
**OTHER
BUSINESSES**



OTHER BUSINESSES

ADJACENT TO TRAVEL

BUSINESS MODEL

FIRST CLASS
EDUCATION GROUP

HEALTH
WISE

MW
moneywise[®]
GLOBAL

99 BIKES

ADVANCE TRADERS

TRAVEL
MONEY
GROUP

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TRAVEL
MONEY OZ



CURRENCY EXCHANGE
SERVICES

Quick and easy to use
Currency exchange rates
Aids us, we'll bring it simple

Sushi Master

GIFTS 'N' STYLE



PEDAL GROUP

Our purpose...

*Enriching mind, body,
earth and soul with
the freedom of riding.*



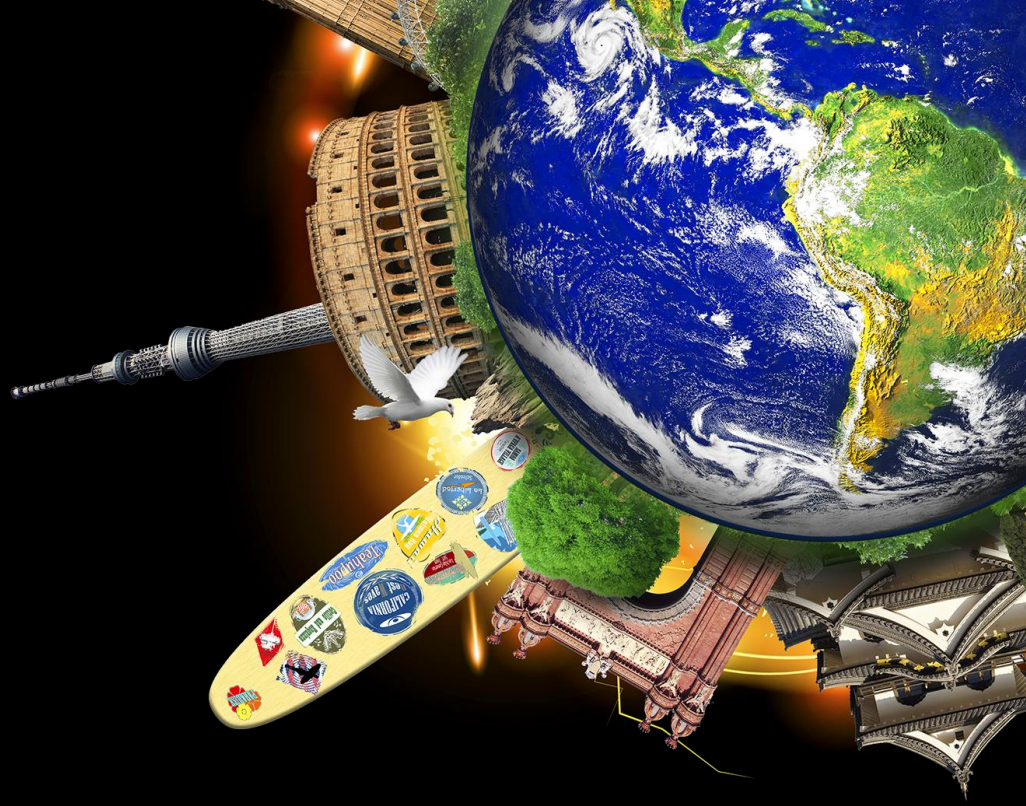
ADVANCE TRADERS 

99 BIKES

LET'S **RIDE**

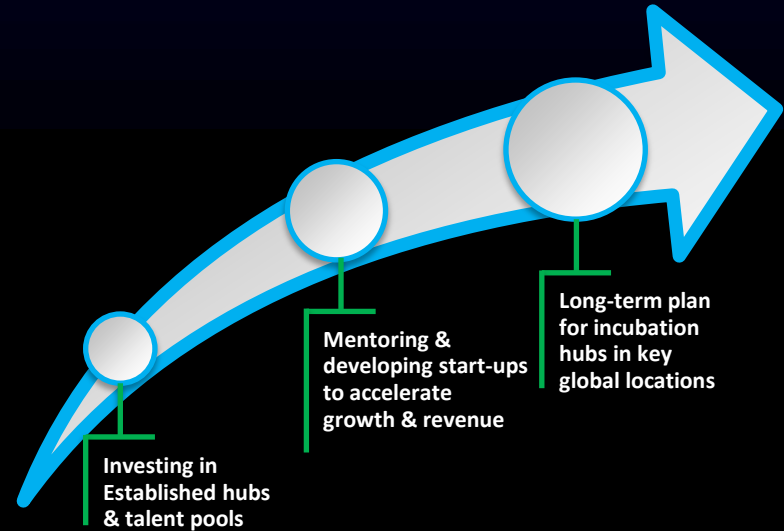
Janus Six

**INCUBATION/
ACCELERATION/
INVESTMENT**



INCUBATION/ACCELERATION/ INVESTMENT

Objective: To establish the world's leading travel accelerator, incorporating areas of our DNA and contributing to our future story



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Achieving the Objective?

- Why would we do this?
- What does it look like?
- How are we going to make this work?

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Light Centre Travel Group Business

FLT ... Our strategic anchors



1. Make it easy to buy from us and thus lead to sticky and deep customer relationships
2. Famous distinctive brands with expertise
3. Scalable growth

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DIGITAL STRATEGY

We have a clear global digital commerce strategy.

Improving usability and bookability.

Investing in scalability.

Blending offline and online.

Unique access to agents.



BOOK WITH ME: COMING SOON

A blended travel initiative

- Allows customers to seamlessly transact with their consultant when & how they want

Personalised URLs

- Customer can use the consultant's personal Flight Centre URL to book online, while maintaining the personalised management of their travel arrangements

Earmarked for launch during FY17

- Pilot program set to begin this week in Australia

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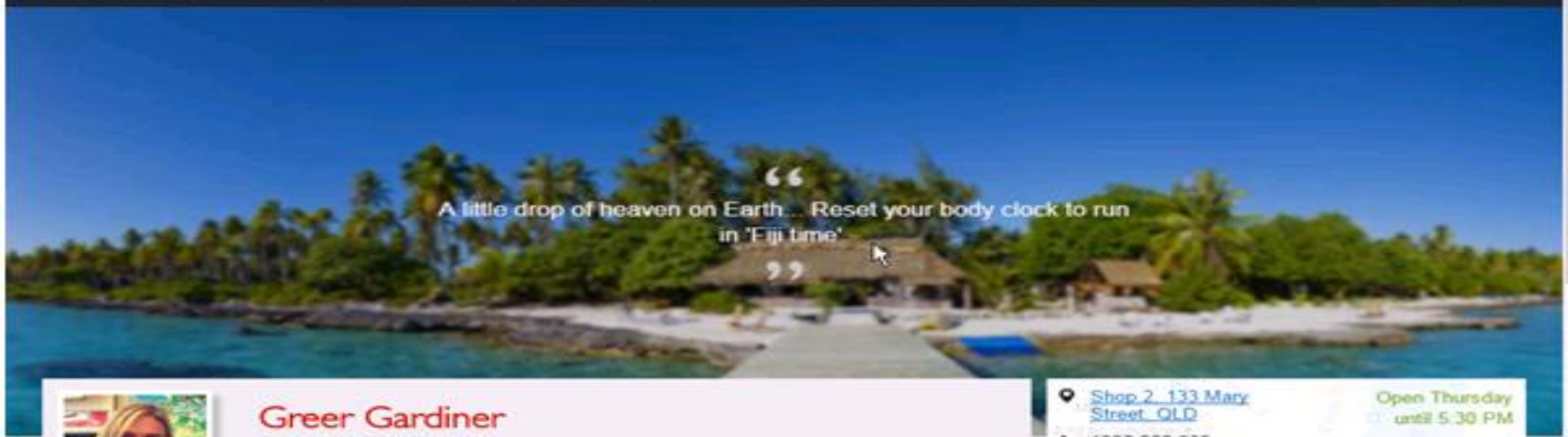


FLIGHT CENTRE

133 133

My Wishlist

Home Get a Quote Flights Holidays Hotels Rail Tours Cruises Car Hire Extras Destinations Deals Contact Experts



“ A little drop of heaven on Earth... Reset your body clock to run in 'Fiji time' ”



Greer Gardiner

36

Countries

94

Cities

My name is Greer, and I am the Flight Centre Brand Ambassador! You have probably seen me on the new Flight Centre Advertising Campaign. I have travelled extensively all over the world and would love to share my experiences and handy hints with you. #BookWithMeFC#BookwithGreer

Shop 2, 133 Mary Street, OLD Open Thursday until 5:30 PM
1300 069 229



MARKET CONDITIONS & OUTLOOK



FY17: GUIDANCE

- Impossible to provide meaningful FY17 profit guidance after 8 weeks' trade & in volatile conditions
- Q4 conditions continued into July but some recovery in August
- Will continue to monitor market conditions & performance during Q1
- Expect to provide more detailed FY17 guidance at AGM (November 9)

Subdued trading environment in some countries but also obvious growth opportunities

FLT will be disappointed if it does not improve on its FY16 results

Key improvement strategies in place for short & long-term

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FY17: GROWTH DRIVERS - PRODUCTIVITY



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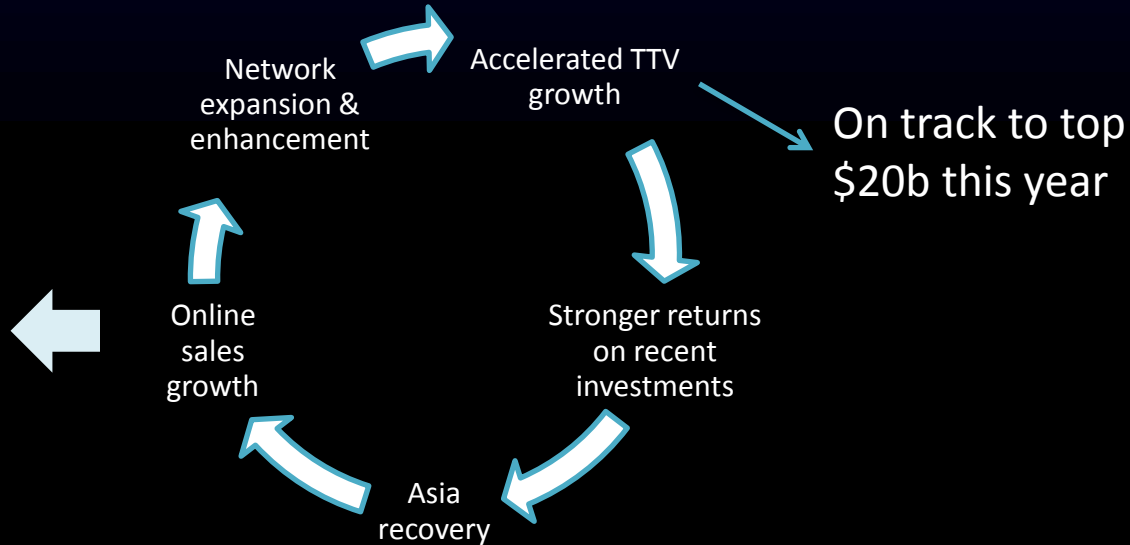


FY17: OTHER GROWTH DRIVERS

- Dedicated online brands growing strongly

- Transactional websites being rolled out globally

- Driving the blended model



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TTV GROWTH: ON TRACK TO TOP \$20b

FY97:
\$1b+

FY04:
\$5b+

FY08:
\$10b+

FY17:
\$20b+

If TTV exceeds \$20b this year, sales will have increased more than 16-fold in 20 years

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FY17: ONLINE EXPANSION

12 months ago, FLT generated almost all of its online leisure TTV by selling scheduled carriers' fares on flightcentre.com.au

FY15: Almost all online TTV generated in Australia

FY16: Major increase in capabilities & presence globally

FY17: Should generate more than \$1b in TTV online

More brands, more fares online, more transactional sites on the way

By the end of FY17, FLT will have a significant online presence in Australia, the Americas, Europe, South Africa, New Zealand, the UAE & Asia

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STUDENTUNIVERSE: GROWING STRONGLY

Strong profit and TTV contribution since acquisition

International expansion opportunities – China, Canada, UK

Synergies – dNA area created, access to FLT student fares

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FY17: GROWTH DRIVERS – EXPANSION

Targeting 6-8% sales staff growth globally

Organic growth, complemented by strategic acquisitions (vertical & horizontal opportunities)

Will have more than 20,000 people & more than 3000 sales teams

Entering new geographies (organic expansion & acquisitions)

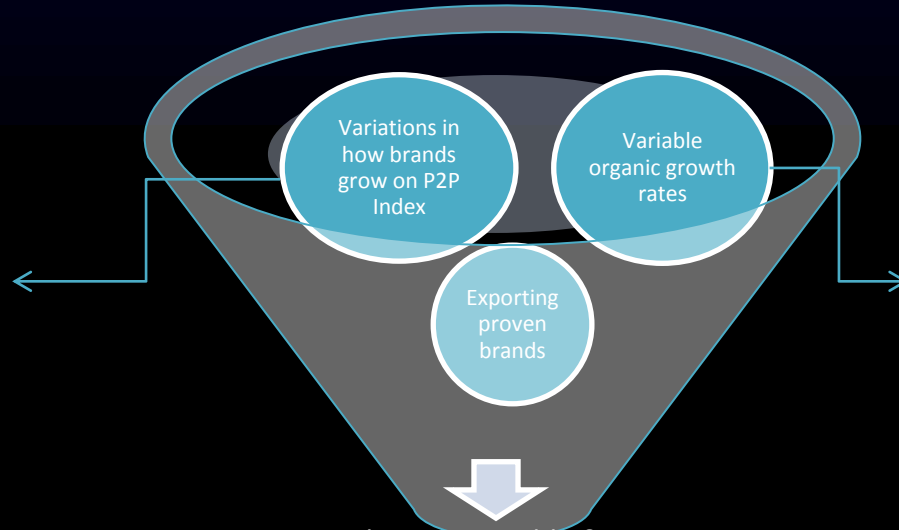
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FY17: FLT'S GROWTH RECIPE

FCB in Australia has a strong shop presence & has been growing at edges of P2P Index

Growing network of flagship shops – hyper and megastores



Rates differ from brand to brand & from country to country

Brands that are performing well typically grow more rapidly

Delivering sensible & cost effective organic expansion

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FY17: EUROPE & THE AMERICAS

Europe

- Some ongoing uncertainty in UK following BREXIT vote
- Some recovery expected during FY17 as leisure & corporate travellers adapt
- Experienced management team in place, brand & geographic diversity

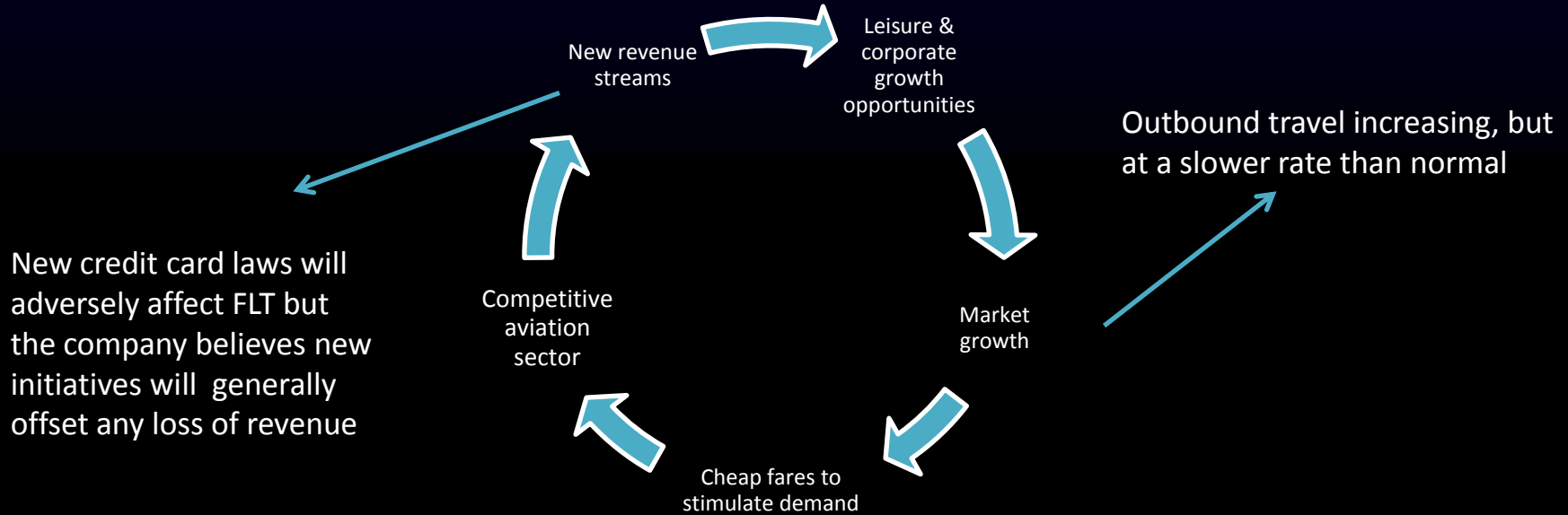
Americas

- Benefits flowing from combined Americas leadership structure
- Ongoing growth opportunities in several key sectors – corporate, student/youth
- Some recovery expected in leisure & wholesale - low-cost kiosk (leisure) to open in 1H
- Low yield environment at start of FY17 – Zika Virus affecting demand to some key locations

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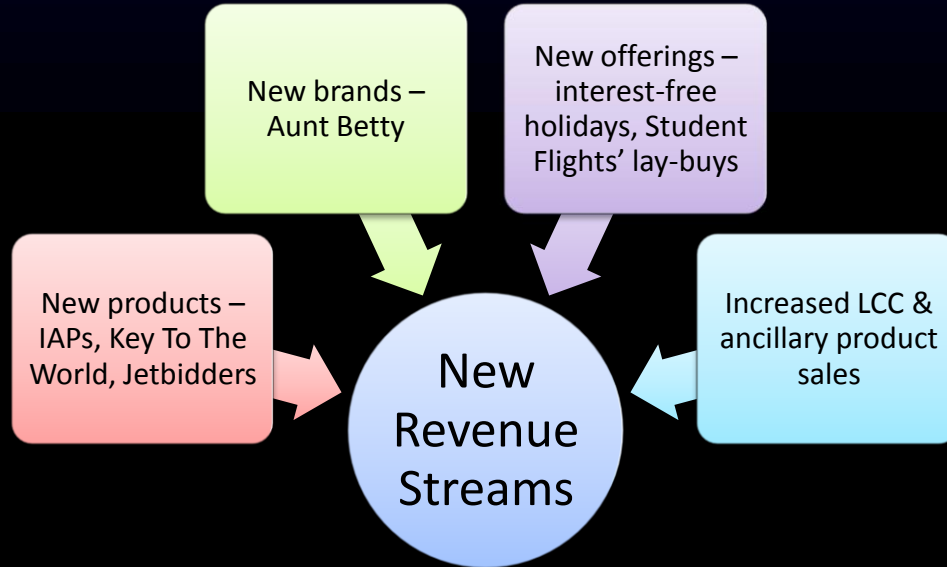
FY17: AUSTRALIA



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FY17: AUSTRALIA – NEW REVENUE STREAMS

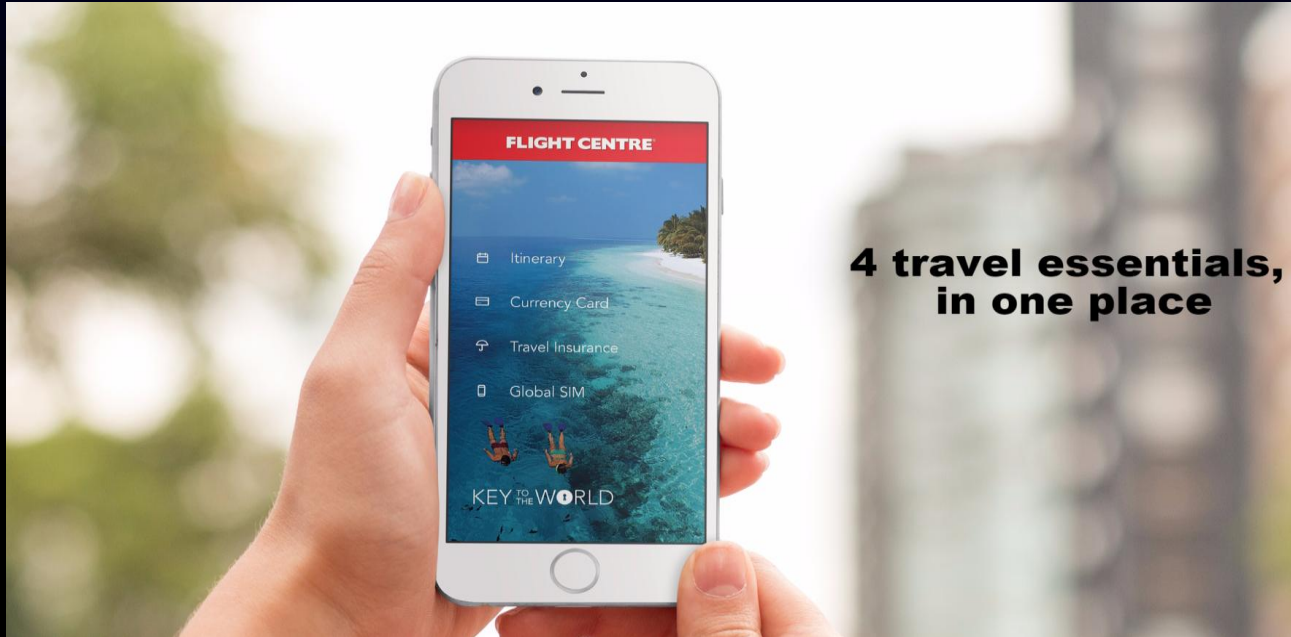


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FY17: NEW PRODUCTS – KEY TO THE WORLD

More than
50,000 in
circulation
in 1st nine
weeks



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FY17: NEW PRODUCTS – KEY TO THE WORLD

Unique Offering

- World 1st digital travel wallet – lock in the exchange rate for up to 10 currencies
- Created by Travel Money Oz, MasterCard & Cover-More

Roll-out Underway

- Launched mid-July 2016 & available through the FLT brands and via www.keytotheworld.com.au
- App available from the app store and Google Play

Key Features

- Single login portal access to foreign currency, travel insurance, itinerary, international phone & data needs
- Reload on the go, chip & PIN protected, ATM compatible, contactless payment enabled where MasterCard is accepted

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Login 

Client Sign Up 

Operator Sign Up 

Home About Clients Operators Contact



*Any flight.
Anywhere.
Anytime.*

FY17: GROWTH OPPORTUNITIES – LCCs



- LCCs had 16.4% international market-share in Australia during CY15
- Market-share (to date) peaked at 18.7% during CY10
- Opportunities to work with LCCs to increase load factors, which are relatively low (Source: BITRE)

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MARKET CONDITIONS: POSITIVE TRENDS

Healthy competition: 53 international passenger airlines servicing Australia during CY15

Stability: Only one change (Etihad replacing Thai) to Australia's top-10 airlines between CY10 & CY15 (see Supplementary Details)

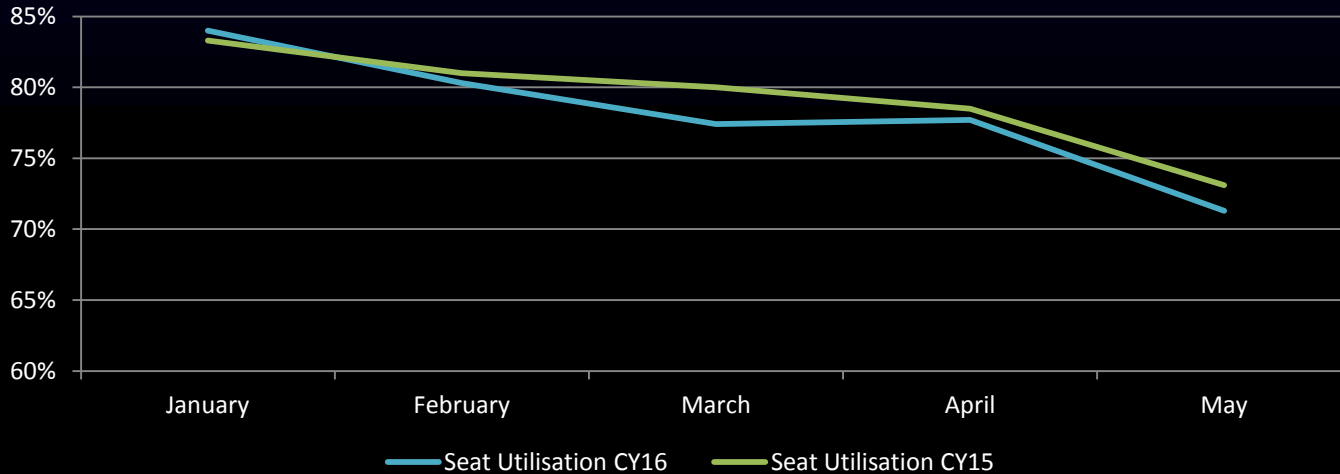
International capacity increasing: Solid growth YTD after 1.5% increase in CY15 (see Supplementary Details))

Cheap fares: Lower Seat Utilisation YTD than during CY15, leading to pricing pressure

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MARKET CONDITIONS: LOWER SEAT UTILISATION

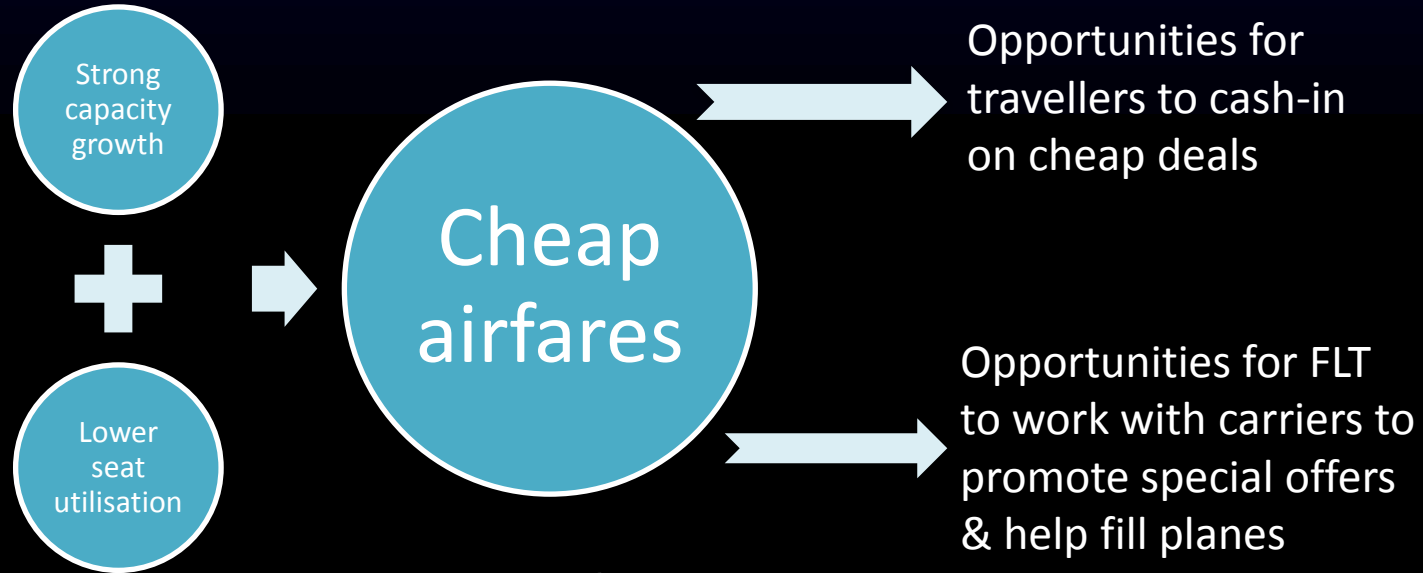


Airlines are adding international capacity during CY16 but seat utilisation is falling, leading to ...

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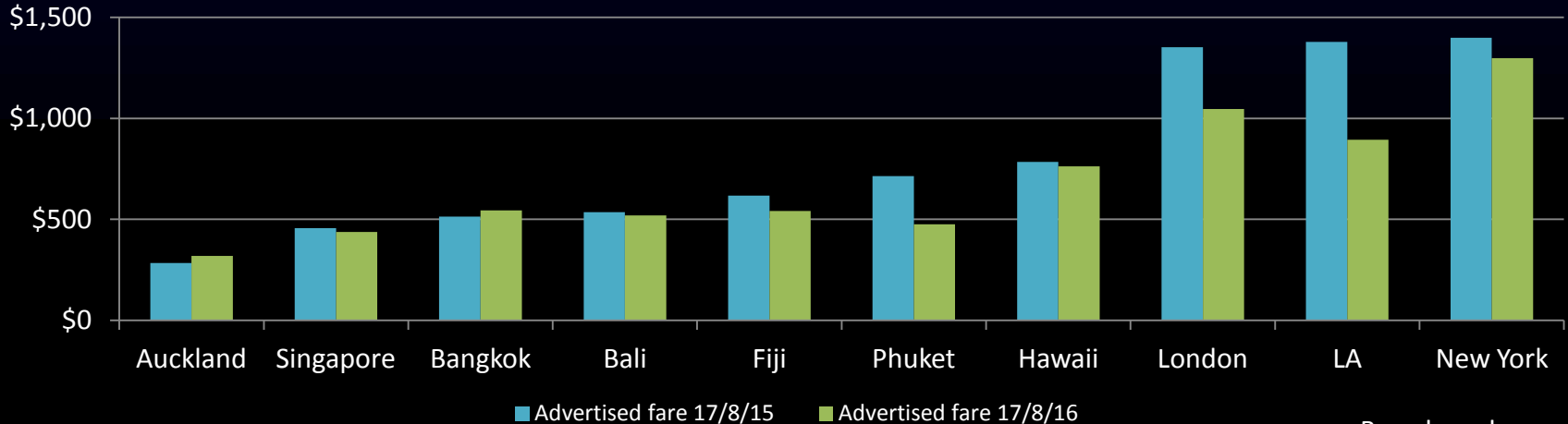
MARKET CONDITIONS: GOLDEN ERA OF TRAVEL



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MARKET CONDITIONS: FALLING FARES



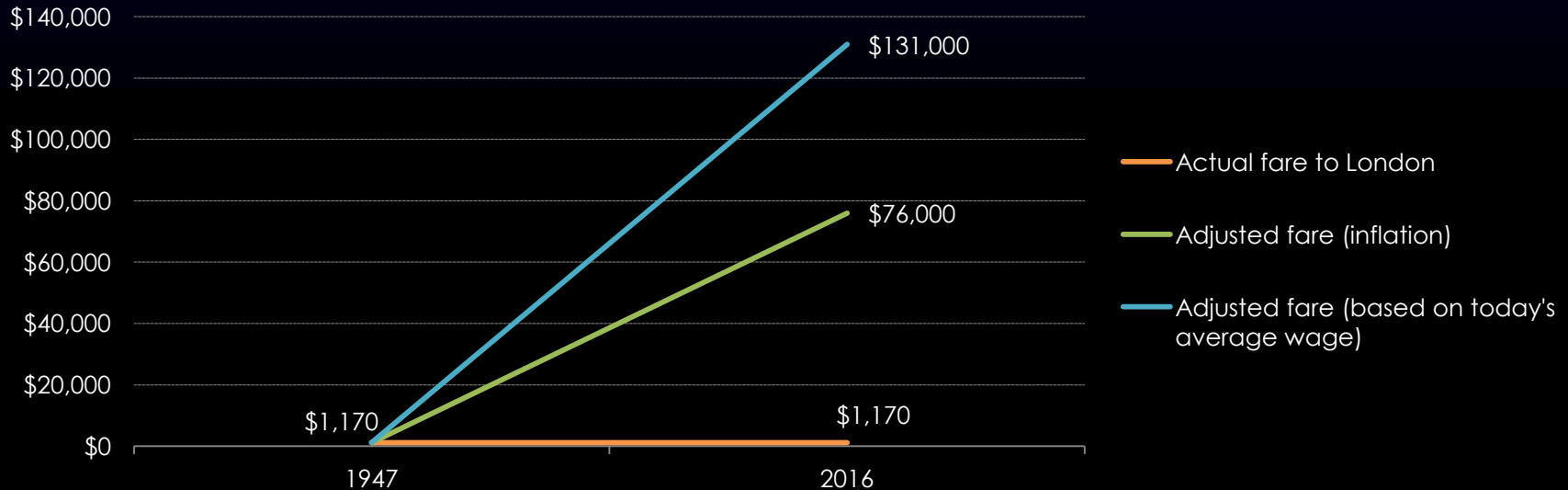
Headline fares to the 10 top destinations were almost 15% cheaper than last year.
8 of 10 headline fares were cheaper, 2 were slightly more expensive

Based on cheapest advertised return fares from Sydney

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FALLING FARES: THE TURNER INDEX



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AN AMAZING INDUSTRY!

Best ever breadth and
depth of travel to buy!

More affordable than
ever!



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DIVIDENDS & CAPITAL MANAGEMENT

FY16 DIVIDENDS



Dividends are fully franked & represent a 62% return of underlying NPAT to shareholders – slightly above FLT's dividend policy

CAPITAL MANAGEMENT

- Plan to retain sufficient cash to fund growth initiatives, capitalise on opportunities & buffer FLT from future economic downturns
- Board committed to returning any surplus cash in future to shareholders via the method it believes is most appropriate at the time
- Options may include:
 - Increased dividend pay-out ratio
 - One-off return (2 special dividends issued previously)
 - Buy-back – attractive option if share-price is undervalued

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QUESTIONS?



SUPPLEMENTARY DETAILS



5-YEAR GROWTH TRAJECTORY

	JUNE 2016	JUNE 2015	JUNE 2014	JUNE 2013	JUNE 2012
TTV	\$19,305m	\$17,598m	\$16,049m	\$14,259m	\$13,238m
Income margin	13.8%	13.6%	14.0%	13.9%	13.8%
EBITDA	\$413.9m	\$417.0m	\$378.4m	\$395.2m	\$330.7m
PBT	\$345.0m	\$366.3m	\$323.8m	\$349.2m	\$290.4m
NPAT	\$244.6m	\$256.6m	\$206.9m	\$246.1m	\$200.1m
EPS	242.4c	254.7c	205.8c	245.6c	200.1c
DPS	152.0c	152.0c	152.0c	137.0c	112.0c
ROE	18.2%	20.2%	18.8%	24.0%	23.3%
Capex	\$121.0m	\$82.9m	\$58.0m	\$53.5m	\$55.5m
Selling staff	14,760	14,433	13,575	12,701	12,130
General cash	\$506.7m	\$564.7m	\$476.0m	\$433.8m	\$400.8m
Client cash	\$809.3m	\$813.3m	\$785.6m	\$793.2m	\$631.7m
Cash and cash equivalents	\$1,316.0m	\$1,378.0m	\$1,261.6m	\$1,227.0m	\$1,032.5m
Investments	\$204.5m	\$75.7m	\$41.2m	\$36.8m	\$59.9m
Cash and investments	\$1,520.5m	\$1,453.7m	\$1,302.8m	\$1,263.8m	\$1,092.4m

FY16 TTV MILESTONES

On average, FLT sold more than \$50m worth of travel globally every day during FY16

Australia: Topped \$10b for 1st time

USA: Topped \$AU3b for 1st time

South Africa: Topped R5b for 1st time

New Zealand: Topped \$AU1b for 1st time

- FLT exceeded \$AU1b in TTV in 5 of 10 regions

- Combined TTV in Asia, India & UAE reached \$988m



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FY16: STRATEGIC ACQUISITIONS & RATIONALE

StudentUniverse

- Leading online platform with proprietary technology
- Ability to sell restricted student/youth fares online
- Strong growth prospects in USA & globally

BYOjet

- Ultra low cost airfare specialist
- Cheaper alternative to many of the larger OTAs
- Rolled out in UK in August 16

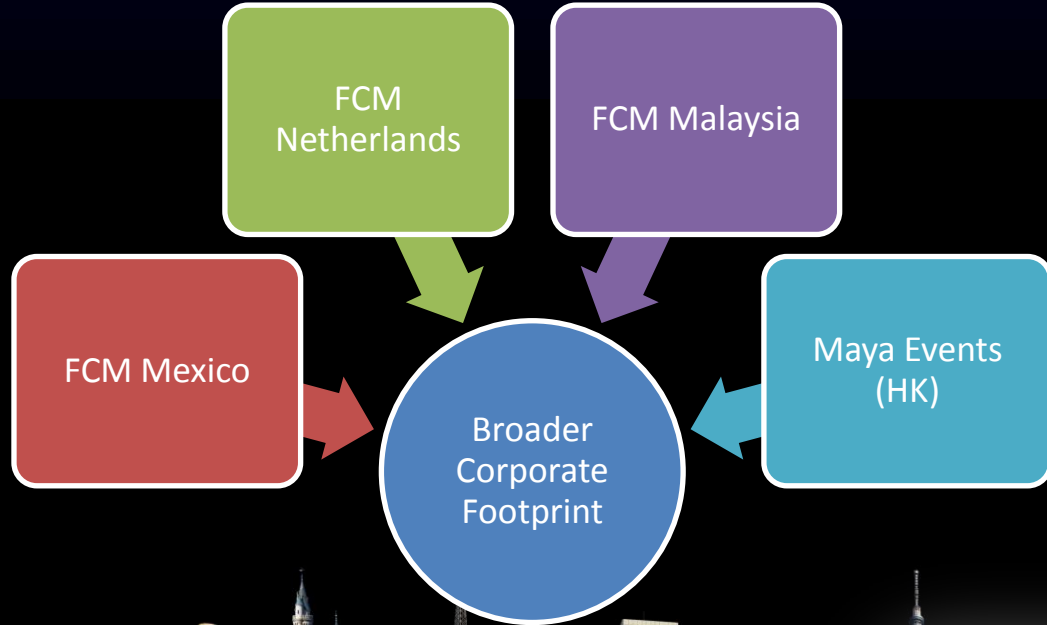
Online businesses achieving TTV growth in order of 20%

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FY16: STRATEGIC ACQUISITIONS & RATIONALE

Bolstering the global FCM network & events' offering by acquiring businesses in key locations

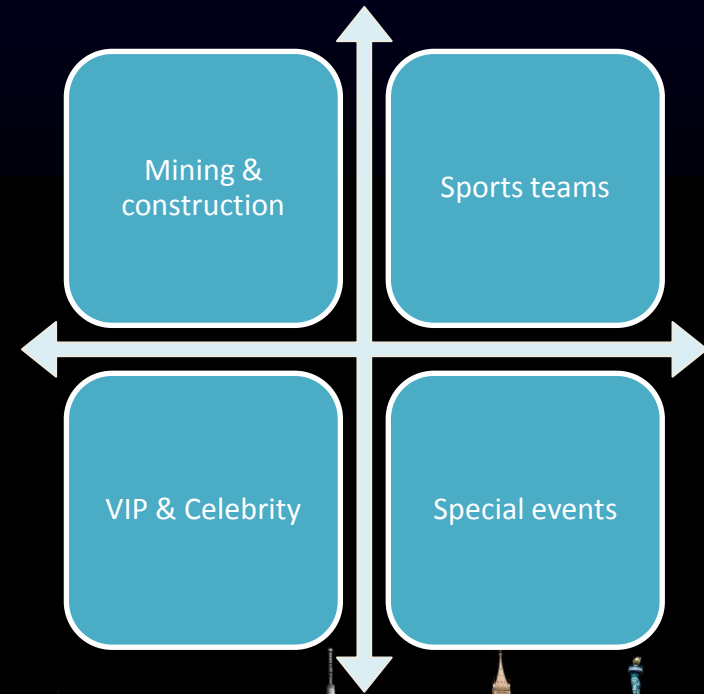


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FY16: STRATEGIC ACQUISITIONS - AVMIN

- Charter & logistics specialist - profitable in 1st year
- High profile client list – blue chip companies, VIPs, celebrities & sports teams
- Long-term Remote Airport Management contract with Santos
- Developed Jetbidders product to link charter operators with customers



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FY16: OPERATING CASH FLOW

- \$356.6m operating cash inflow over full year, in line with FY15
- Major swings in operating cash flow typically brought about by timing of airline payment cycle (BSP)
- FLT's cash builds during peak 2H booking periods for payment to suppliers after peak travel seasons during the following 1H
- 1H outflow typically follows a strong 2H inflow

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AUSTRALIA'S TOP-10 CARRIERS

2015 Calendar Year

1. Qantas
2. Emirates
3. Jetstar
4. Singapore Airlines
5. Virgin
6. Air New Zealand
7. Cathay Pacific
8. Malaysia Airlines
9. Air Asia X
10. Etihad

Other airlines
had 27.2%
combined
market-share
in CY15

2010 Calendar Year

1. Qantas
2. Singapore Airlines
3. Air New Zealand
4. Emirates
5. Jetstar
6. Virgin
7. Cathay Pacific
8. Malaysia Airlines
9. Thai
10. Air Asia X

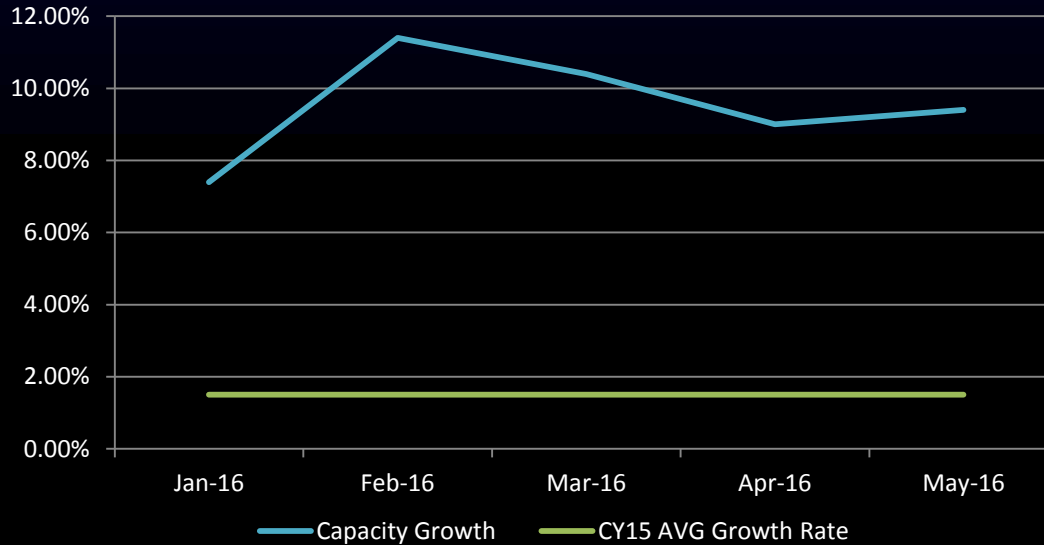
Other airlines
had 26.1%
combined
market-share
in CY10

(Source: BITRE market-share data)

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INTERNATIONAL CAPACITY GROWTH



After modest growth during CY15, international capacity is up strongly in Australia during CY16 (Source: BITRE)

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