ACN 003 377 188

FLIGHT CENTRE LIMITED

SUMMARY OF FINANCIAL RESULTS

THREE MONTHS TO MARCH 31 2005

RESULTS IN BRIEF (Unaudited)	**Mar Qtr 2005**	Mar Qtr 2004	Chg %
Total Transaction Value (TTV)	$1.7billion	$1.5billion	15.2
Revenue	$230million	$203million	13.0
Income Margin	13.23%	13.48%	
EBITDA	$38.8million	$38.6million	0.7
Profit before tax	$29.6million	$30.2million	(2.1)
Profit before tax and before goodwill	$32.1million	$32.7million	(1.8)
Profit after tax	$19.4million	$20.8million	(6.7)
Basic EPS	20.6cents	21.7cents	(5.1)
Basic EPS – before goodwill	23.3c	24.4c	(4.5)
Selling staff	5611	4847	15.8
Shop numbers	1181	1096*	7.8

*Historical shop numbers have been restated

Third Quarter Highlights

- $29.6 million profit before tax – result similar to 2003/04
- Healthy profit growth in Australian retail and corporate, New Zealand
- Strong sales globally – TTV up 15.2%
- Full Throttle launched – $60 million annual profit contribution by end of third year
- Expansion of FCm Travel Solutions – Singapore and India join network

Future Outlook

- Ready for peak trading period – shop upstaffing and new web facilities in place
- Ongoing cost reductions – organisational redesign and discretionary spending
- A profit result in line with 2003/04 is still targeted as peak trading period begins

MEDIA RELEASE AND STATEMENT TO ASX – April 28, 2005

FLIGHT CENTRE RECORDS $29.6 MILLION THIRD QUARTER PROFIT

FLIGHT Centre Limited has achieved a $29.6 million profit before tax during the third quarter of the 2004/05 fiscal year.

The company's result is similar to the corresponding period of 2003/04, when it recorded a $30.2 million profit before tax.

Profit after tax for the three months to March 31, 2005 was $19.4 million, compared to $20.8 million a year earlier.

The company again achieved record sales, with total transaction value increasing 15.2% to $1.74 billion during the period.

Flight Centre Limited chairman Norman Fussell said third quarter highlights included:

- Sales increases in all countries
- Continued profit growth in the Australian retail and corporate businesses
- A return to profit growth in New Zealand during the period
- Expansion of the FCm Travel Solutions network into Singapore and India. The corporate travel management network now extends into more than 20 countries.

"The sales performance is particularly pleasing and reflects the company's ability to adapt and grow its business in a highly competitive trading environment," he said.

“The result also reflects continued demand from customers for the broad range of services the company’s leisure, corporate and online travel outlets provide.

“Flight Centre Limited’s strengths continue to be its ability to offer customers choice of product, opportunity to interact face-to-face with experienced travel consultants, or online; and a range of specialised brands that reflect the travelling public’s diverse needs.”

<u>Year to Date</u>

In the nine months to March 31, 2005, Flight Centre Limited achieved:

- Total transaction value of $5 billion, up 18%
- Revenue of $650 million, up 15%
- EBITDA of $103.4 million, down 2%
- A $76.1 million profit before tax, down 7%
- A $49.9 million profit after tax, down 9%
- Basic earnings per share before goodwill of 61.1 cents, down 8%

Flight Centre Limited chief executive officer Shane Flynn said upstaffing over the past year had led to a 15.8% increase in selling staff numbers at March 31, while shop numbers had increased 7.8% to 1181.

“We have continued to develop our ‘clicks and mortar’ network by building our in-store sales force and, at the same time, enhancing our online capabilities,” Mr Flynn said.

“This will be our competitive advantage in the years ahead because it will allow us to offer our customers the convenience and flexibility of a true multi channel sales system.

“We have already enjoyed considerable success in growing our online business and this has been achieved with a minimal promotional spend.

“Our first major promotional campaign for the flightcentre.com.au website has just been launched in Queensland and early results from this Search. Compare. Book. campaign have been extremely encouraging.”

Increased costs have affected the company’s profit results for the year. Comprehensive cost reviews are underway and action has been initiated.

Contributing factors include:

- A significant increase in operating costs, including future project costs fully expensed
- Costs associated with redundant positions in Australia and New Zealand
- A $6.7 million increase in depreciation and amortisation expenses year to date ($2.8 million increase during the third quarter)

The company’s cost reduction strategies have delivered some benefits during the third quarter, but dollar savings have been offset by the initial investment in Full Throttle.

Future Outlook

Mr Flynn said the cost and structural reviews this year would lay the foundations for continued future growth.

“While the major benefits of Full Throttle will not be seen until 2005/06 and beyond, some cost savings will flow through during the later stages of 2004/05,” he said.

“In addition, we have significantly boosted our sales network this year and are well placed to capitalise on the opportunities that arise during our peak fourth quarter.

“Given favourable trading conditions during the last quarter, which is traditionally our busiest trading period, we still believe a full year profit result in line with 2003/04 is achievable.”

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