



MEDIA RELEASE AND STATEMENT TO ASX – December 21, 2005

FLIGHT CENTRE LIMITED LAUNCHES AUSTRALIAN FRANCHISE MODEL

FLIGHT Centre Limited has launched a franchise model in its Australian leisure travel business.

For the first time, the company will allow agents from within the company and from within the broader travel industry to buy franchise stores in the Escape Travel brand.

Travel agents that take advantage of the franchising opportunity will:

- Become part of Australasia's largest retail travel group, Flight Centre Limited, a globally recognised company
- Gain access to the systems, infrastructure, product, marketing expertise and support structures that have underpinned Flight Centre Limited's success
- Be able to draw on the expertise of a franchising support team dedicated to developing and growing the business

Flight Centre Limited chairman Graham Turner said the move would fast-track Escape Travel's growth, particularly in regional locations, and help Flight Centre Limited increase market share among the "middle market" niche.

"Escape Travel is a profitable and emerging brand that specialises in discount holiday packages and cruises," Mr Turner said.

"There are great opportunities to expand Escape Travel's shop and online presence in Australia and to ultimately overtake some of the agencies that target this sector of the market.

“With our franchising operation, we will focus on new sites throughout Australia, with a particular focus on regional areas where franchising represents an extremely cost effective means of expansion.”

Franchising general manager Mark Aponas heads the support team, which also includes Mark Williams, the former leader of Harvey World Travel’s franchising operation.

“Franchising presents exciting new opportunities for travel agents both within our company and elsewhere in the industry to become part of Australasia’s most successful retail travel group,” Mr Aponas.

“We have created the first turn-key franchising solution in the travel industry to ensure franchisees have access to the systems and processes that have been integral to Escape Travel’s and Flight Centre Limited’s success.”

Escape Travel was originally known as Great Holiday Escape and was rebranded in 2004. The brand now has more than 50 shops across Australia’s East Coast and targets travellers aged 28 and above, with a focus on couples and family groups.

Flight Centre Limited’s store and online sales network generated \$1.9 billion in total transaction value during the first quarter of 2005/06. The company achieved a \$23 million pre tax profit during this period.

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