

FLIGHT CENTRE LIMITED ACQUIRES TERTIARY TRAVEL SPECIALIST

FLIGHT Centre Limited has continued its expansion into specialised areas of the travel market with the acquisition of a corporate agency that services the academic sector.

The company today completed the \$2.5 million acquisition of privately owned Kistend Travel, a niche corporate agency that provides end-to-end travel services to Victoria's major universities, as well as an increasing number of interstate educational institutions, TAFE Colleges and secondary schools.

Kistend, which has operated in Melbourne since 1989, employs 30 people and generates total transaction value of \$25 million-a-year. Clients range from university staff travelling for business reasons to professors undertaking international study tours.

Flight Centre Limited chairman Norman Fussell said the deal was in line with the company's strategy of acquiring agencies with good business models and strong records of success in niche areas of the travel market.

"Kistend Travel is a well-run business and has enjoyed great success in a highly specialised area," he said.

"The business is profitable and is expected to generate good returns on investment from October 1 this year, when Kistend will officially become part of Flight Centre Limited.

"With this strategic acquisition, Flight Centre Limited will be well placed to take advantage of the opportunities that are available in this niche market."

Mr Fussell said Kistend Travel would become part of the company's Corporate Division in Australia, which includes the Corporate Traveller, TQ3, SBT Business Travel Solutions, Stage & Screen, Campus Travel and CI Events brands.

Flight Centre Limited Corporate Division general manager Daniel O'Brien said Kistend would operate alongside Campus Travel, which was launched in November last year to tap into the \$100 million-a-year national university travel market.

“Kistend Travel is the market leader in this area and will be a great addition to our stable of business travel brands,” he said.

“There are also good synergies created by bringing our businesses together. For example, Flight Centre Limited can share its state-of-the-art technological solutions, while the successful Kistend business model has the potential to be rolled out interstate and, in the longer term, internationally.”

Kistend Travel founder Bonnie Tsui will continue to manage the business.

Ms Tsui said she and her team looked forward to growing Kistend as part of the Flight Centre Limited Group.

“Looking to the future, there are enormous benefits for our people and our operations,” she said.

“For Kistend’s customers it will also be a win-win. They will enjoy the same level of personal service they expect from Kistend, plus the benefits of being part of one of the world’s leading travel groups, with its technology, systems and expertise.”

At the end of the 2002-2003 fiscal year, Flight Centre Limited had 1054 retail shops and corporate travel offices in Australia, New Zealand, the United Kingdom, South Africa, North America and Hong Kong.

The company recorded a pre-tax profit of \$102.3 million and total transaction value of \$4.6 billion during 2002-2003.

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