

# Profit & Loss

Half Year Ending 31 December 2000

	2000 A\$000	1999 A\$000
<b>Operating profit before tax</b>	<b>27,833</b>	<b>24,012</b>
Income tax	10,440	8,270
Operating Profit after tax but before equity interests	17,393	15,742
Less outside equity interests	-	-
<b>Operating profit after tax attributable to members of Flight Centre Limited</b>	<b>17,393</b>	<b>15,742</b>
Retained profits at beginning of financial period	61,044	41,254
Total available for appropriation	78,437	56,996
Dividends provided for or paid	9,112	8,163
<b>RETAINED PROFITS AT END OF FINANCIAL PERIOD</b>	<b>69,325</b>	<b>48,833</b>

# Balance Sheet

As at 31 December 2000

Consolidated	31 Dec 2000 A\$000	31 Dec 1999 A\$000	30 Jun 2000 A\$000
<b>CURRENT ASSETS</b>			
Cash	162,505	113,252	166,616
Receivables	77,270	56,782	77,500
Inventories	682	55	280
Other – Prepayments	4,167	2,257	2,095
<b>Total Current Assets</b>	<b>244,624</b>	<b>172,346</b>	<b>246,491</b>
<b>NON-CURRENT ASSETS</b>			
Investments	1,982	722	3,123
Property, plant & equipment	43,460	23,323	30,463
Intangibles	25,601	20,923	22,567
Other	3,629	2,629	3,973
<b>Total Non-current Assets</b>	<b>74,672</b>	<b>47,597</b>	<b>60,126</b>
<b>TOTAL ASSETS</b>	<b>319,296</b>	<b>219,943</b>	<b>306,617</b>
<b>CURRENT LIABILITIES</b>			
Accounts Payable	146,133	94,373	146,559
Borrowings	11,506	4,283	12,957
Provisions	19,768	20,382	31,039
Other	79	43	53
<b>Total Current Liabilities</b>	<b>177,486</b>	<b>119,081</b>	<b>190,608</b>
<b>NON-CURRENT LIABILITIES</b>			
Borrowings	23,722	16,160	15,583
Provisions	2,530	2,623	2,565
Other	472	119	229
<b>Total Non-current Liabilities</b>	<b>26,724</b>	<b>18,902</b>	<b>18,377</b>
<b>TOTAL LIABILITIES</b>	<b>204,210</b>	<b>137,984</b>	<b>208,985</b>
<b>NET ASSETS</b>	<b>115,086</b>	<b>81,959</b>	<b>97,632</b>
<b>EQUITY</b>			
Capital	46,787	34,545	38,259
Reserves	(1,026)	(1,419)	(1,671)
Retained Profits	69,325	48,833	61,044
<b>TOTAL EQUITY</b>	<b>115,086</b>	<b>81,959</b>	<b>97,632</b>



**FLIGHT CENTRE LIMITED**

ACN 003 377 188

**Half Yearly Results**

**31 December, 2000**

## REGISTERED OFFICE

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Brisbane QLD 4000  
Phone: (07) 3211 3390

## SHARE REGISTRY

Corporate Registry  
Services Pty. Ltd,  
Central Plaza One,  
345 Queen Street,  
Brisbane QLD 4000  
Phone: (07) 3233 9653



## RESULT

Flight Centre has recorded an increase in consolidated net operating profit after tax of 10.5% on the corresponding period last year, to \$17.4 million for the half-year ended December 31, 2000. Operating profit before tax rose by 15.9% to \$27.8 million from \$24 million in 1999. This result reflects a reasonable performance by the company, given the economic climate in the first six months of the fiscal year.

The company has also increased its retail presence by 14 per cent during the period, to 647 stores at December 31. The company now has more than 3,200 employees.

The half-year result was achieved on a turnover of \$1.354 billion which represents an increase of 32% compared with the corresponding period last year of \$1.026 billion.

The basic earnings per share is 21.1 cents per share, compared with 19.3 cents last year.

## Dividend

In view of the company's result and in line with dividend policy, the Directors have declared a fully franked interim dividend of 11 cents per share, payable on April 12, 2001 to shareholders registered on March 30, 2001. This return is 10% higher than the interim dividend of 10 cents per share for the half-year ended 31 December 1999. The dividend represents a payout ratio of 52%.

## Employee Share and Option Plan

In line with offers made in previous years, the company again made an offer to employees under the Employee Share Plan to acquire shares. A significant number of employees took the opportunity to invest further with the company. The company has made use of the Flight Centre Employee Option Plan, as agreed to by shareholders at the 1997 Annual General Meeting.

The option plan is a powerful tool for increasing performance and retaining key people.

## REVIEW OF OPERATIONS

### Australia

The company has continued to expand its operations with Australia having opened 73 new businesses in the first half of the 2001 financial year. This included twenty-four new Flight Centres, eight Corporate Travellers', two Student Flights, two Great Holiday Escapes', four Stage & Screen's, 18 On-line teams and 20 other businesses. In line with this expansion, turnover has increased by 23% to \$954 million. Operating profit before tax has increased by 25% on the corresponding period last year. Australia is still the major contributor of profit to the group and accounts for more than 85% of the profit before tax.

There were many factors that had the potential to influence customers' travel patterns, including the GST, the Olympics and the impacts of the falling Australian dollar. The company believes it has overcome these hurdles and expects to achieve improved results in the traditionally stronger second half of the year.

## International

In the international operations, similar increases in turnover and profit before tax have been experienced, with South Africa and East Canada recording 55% and 39% increases in before tax profit as compared to the same period in the previous financial year. Whilst Western Canada and the United Kingdom did not achieve the same growth in after tax profit percentages, they continue to be profitable and both have increased their turnover by more than 70%. New Zealand's growth in profit before tax of 27% represents another strong performance. The country contributes more than 15% to the group's profit before tax.

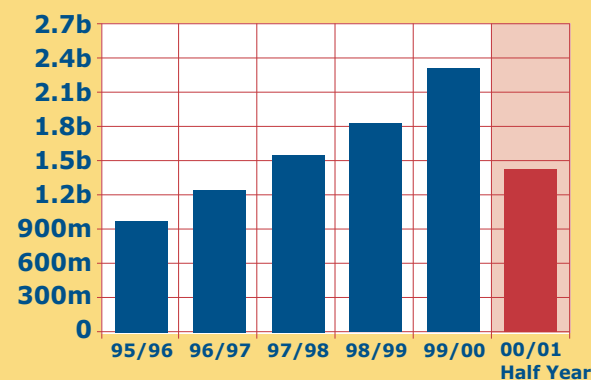
The United States, the newest area of Flight Centre, opened two new businesses during the six months to bring the total number of shops in the Los Angeles area to 11. Costs to date in establishing this business have been greater than anticipated. The company remains confident of long term benefits of their investment.

## Outlook

The company's first half result was reasonable in the face of some difficult conditions in its largest market, Australia. It forecasts strong contributions from its overseas operations in the second half, partially offset by the investment in the start up of the USA operation. The United Kingdom will have a strong second half and is expected to contribute more than \$1 million profit to the group. New Zealand continues to be strong with profits on target to be in the vicinity of more than 40% up on last year. Canada and South Africa also forecast strong improvements in profits.

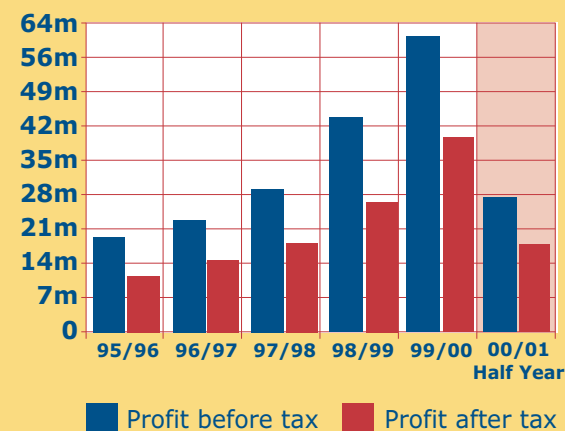
### TURNOVER

Half Year ending 31 December 2000



### PROFIT AFTER TAX

Half Year ending 31 December 2000



### SHOP NUMBERS

As at 31 December 2000

