



STATEMENT TO AUSTRALIAN SECURITIES EXCHANGE - September 14, 2016

## FLIGHT CENTRE TRAVEL GROUP MAKES STRATEGIC INVESTMENT IN IGNITE TRAVEL GROUP

THE Flight Centre Travel Group (FLT) has further diversified its Australian sales network by investing in an emerging travel business specialising in the development and distribution of innovative leisure market models including exclusively curated holiday packages, travel vouchers and rewards programs.

The company has today acquired a minority interest (49%) in the Gold Coast-based Ignite Travel Group (Ignite), an award winning travel retailer with a solid presence in both the B2B and B2C markets.

Ignite was established in 2005 by Randall Deer, the business's current managing director, and has more than 120 employees in three key business units:

1. *MyHolidayCentre* (Holidays), a business that specialises in hand crafted and value added luxury packaged holidays across 14 specific destinations and sectors. Examples include *MyFiji*, *MyHawaii*, *MyQueensland* and the recently launched *MyCruises*. The business offers unique distribution opportunities and models to suppliers, targeting suppliers' excess stock, and uses low-cost channels to promote high quality, great value, short and mid-haul products and cruises to customers
2. *Holiday Exclusives* (Exclusives), a business that sells exclusive, limited time "flash sale" travel vouchers that represent extreme savings to consumers. The vouchers are available through third party websites and databases (B2B) and also directly to consumers via the *Exclusives* website (B2C); and
3. *RewardsCorp* (Rewards), a business that deploys patented models to design and implement unique rewards and promotions programs - predominantly travel-related - for corporate clients (B2B) to offer to their customers. *Rewards* is a full service business that also manages customer redemption (B2C)

The Ignite group's total transaction value during FY17 is expected to exceed \$100million.

FLT managing director Graham Turner said the investment in Ignite would fast-track the business's growth, while also delivering new distribution opportunities to FLT's suppliers and new product options to FLT's customers.

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"Ignite has innovative consumer products and distribution models with strong potential across its core business units in Australia and overseas in the future," Mr Turner said.

"In particular, we see strong and rapid growth opportunities for the Exclusives voucher business, which operates in a market that is exciting and growing rapidly.

"We also see exciting opportunities for FLT as a result of this closer relationship with Ignite.

"For example, FLT's investment will:

- Strategically grow and diversify the company's distribution network by allowing it to tap into new, low-cost B2B and B2C models, plus new customer segments
- Add new market leading consumer products and offers to the existing product range available in store and to its corporate customers; and
- Enhance its value proposition to suppliers by offering new distribution channels that complement FLT's vast on and offline leisure, wholesale and corporate travel networks

"There is also clear opportunity to export Ignite's offerings to FLT's businesses overseas."

Ignite will continue to operate separately from FLT and Mr Deer will continue to oversee the business's daily operations from its Broadbeach base. Following the deal's completion, he will chair a four-person board that will also include two FLT executives and an additional Ignite representative.

Mr Deer said the relationship between FLT and Ignite would bring together two businesses with differing but complementary operating models and create a broad range of opportunities.

"FLT is an incredible business with an unmatched market penetration and network of stores and agents," he said.

"This represents an exceptional opportunity for us to grow market penetration for our unique products and models, both locally and globally, while maintaining our exclusive supply chain relationships."

FLT will use general cash to buy its 49% interest in Ignite.

Provisions are in place for FLT to increase its holding in the future subject to a series of mutual partnership performance requirements. Future payments will be based on the business's results.

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