



STATEMENT TO AUSTRALIAN SECURITIES EXCHANGE – October 6, 2016

FLIGHT CENTRE TRAVEL GROUP STRENGTHENS

PRESENCE IN EMERGING INDIA TRAVEL MARKET

THE Flight Centre Travel Group (FLT) has diversified its India business and gained a stronger presence in one of the world's fastest growing travel markets.

The company has today agreed to acquire the business assets of the Bengaluru-based (Bangalore) Travel Tours Group (TTG), a leading local travel group with interests in foreign exchange, the MICE sector and in leisure, corporate and wholesale travel.

During its 2016 financial year (FY16), the family-controlled company generated almost \$AU150million in total transaction value (TTV) from its 18 locations.

TTV from FLT's established businesses in India during FY16 reached \$AU419million, with about 70% coming from the large FCM corporate business. The remainder came from FLT's emerging MICE and FX operations, plus a small network of leisure travel shops.

Based on FY16 results, the combined India business would have surpassed South Africa to become FLT's sixth largest country by sales behind Australia, the USA, the UK, Canada and New Zealand.

Managing director Graham Turner said the acquisition would make FLT a more significant player in the emerging India travel market and would significantly diversify its offering, which was previously heavily weighted towards corporate travel.

"This will enhance FLT's scale in sectors where it already has a strong or emerging presence, including corporate travel, FX and MICE, and give the company a stronger platform for growth in key leisure sectors," Mr Turner said.

"TTG has a strong leisure travel presence in the key South India markets of Bengaluru and Chennai, which will complement FLT's Flight Shops offering in the country's north and west.

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"FLT will also gain access to superior leisure product ranges that TTG tailors for the Indian market and additional management expertise, given that TTG's owner, Shравan Gupta, will continue with the company."

Mr Gupta will report to Rakshit Desai, FLT's leader in India, following the acquisition's completion.

TTG employs 380 people and operates five key brands:

- Travel Tours - a full service travel and tour company
- Travel Air - leisure shops in Bangaluru
- Travel Air Representations - a wholesale division that represents a number of leading international brands in India
- Splendour Holidays - an inbound charter and tour operator; and
- Go Avenues - an inbound destination management company that focuses on the MICE sector

To fund the acquisition, FLT will use a combination of cash and equity in the combined India business.

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