



16 November 2007

Dear Shareholder

I write to provide details of Flight Centre Limited's (FLT) Share Purchase Plan (SPP).

The SPP will allow shareholders on FLT's register at the close of trade on 13 November 2007 to acquire up to \$5,000 in FLT shares at the same price as those issued and sold to institutional investors that participated in FLT's \$100million share placement (Placement), which was completed on 14 November 2007.

This Placement saw institutional and sophisticated investors acquire approximately 4.25million shares at \$23.50 per share. In line with their stated intention to reduce their overall holding in FLT without surrendering control, FLT's founders sold approximately 2.61m shares in the same institutional book build.

As announced to the market, FLT will use funds raised through the Placement to acquire Liberty Travel, one of the United States' largest and most recognised travel agency networks. The \$US135million acquisition is FLT's largest and will:

- Transform North America into the company's largest market outside of Australia with annual total transaction value set to exceed \$US2billion
- Deliver a profitable leisure and wholesale travel network to complement FLT's profitable and expanding corporate travel operations
- Strengthen FLT's global product offering and relationships with key suppliers

Important details on the SPP, including an application form and key terms and conditions, accompany this letter.

If you wish to participate in the SPP, please read the documentation, complete the application form and return the form and your payment in the envelope provided by 7 December, 2007. Participants in the SPP can also pay via BPAY, as outlined in the accompanying materials.

A handwritten signature in black ink, appearing to read "Graham Turner".

Graham Turner
Managing director

For personal use only

Terms and Conditions

Flight Centre Limited – Share Purchase Plan

How much can I invest?

You may apply for shares in parcels of \$1,010.50, \$3,008.00 or \$4,982.00 based on the issue price of \$23.50. That is, you may apply for 43, 128 or 212 FLT shares .

A maximum \$5,000 limit applies to you even if you receive more than one offer from FLT (e.g. if you are both a sole and joint eligible holder). In any 12 month period, a 'registered holder' may not acquire more than the maximum limit. By applying, you certify that you have not acquired more than the maximum limit under the SPP in the 12 months prior to this application. You make this certification on returning the completed Application Form and cheque, or by paying via electronic means as set out in the Application Form. FLT has not made an offer under a SPP before and shares you acquire on the ASX are not included in calculating the maximum limit.

A reference to '\$' in these Terms and Conditions, the Application Form and in the Managing Director's letter with which this Application Form was enclosed, is a reference to Australian dollars.

How has FLT determined the price?

The issue price of \$23.50 per share is the same at which institutional investors were issued or transferred FLT shares under the Placement and founders' sell down and represents a discount of approximately 10.67% to the volume weighted average price over the five business day period prior to 13 November 2007, when the Placement and founders' sell down was conducted, and a discount of approximately 8.34% to the closing price of FLT shares on 16 November 2007.

The market price of FLT shares may, however, rise or fall between the date of this offer and the date when the shares are allotted under the SPP. Therefore, the value of the shares you receive on the allotment date may be more or less than the issue price for those shares. The current price of FLT's shares can be obtained from the Australian Securities Exchange and is listed in the financial or business section of major daily newspapers circulating in Australia. You should consider obtaining independent financial and taxation advice before making a decision to acquire shares under the SPP.

How much will the SPP raise for FLT?

At the date, of this letter there were approximately 9200 FLT shareholders with registered addresses in Australia and New Zealand. On that basis, the maximum amount that may be raised under the SPP is approximately \$46 million (equivalent to the issue of 1.95 million ordinary shares). The SPP is not underwritten.

Who is eligible to apply under this offer?

You will be a 'registered holder' if you are recorded in the register of members of FLT as a member of FLT and with a registered address in Australia or New Zealand. If you are one of two or more persons recorded in the register of members as jointly holding shares in FLT you are taken to be a single registered holder. A certification in relation to the maximum limit by any one of the joint holders is a certification by all of the joint holders. If a trustee or nominee is expressly noted on the register of members as holding shares on account of another person (a '**beneficiary**') the beneficiary is taken to be the registered holder of the shares and any application or certification by the trustee or nominee is taken to be an application and certification by the beneficiary. If shares are held on your behalf by a trustee or nominee, but the trustee or nominee is not expressly noted on the register of members as holding shares on account of another person, an application by the trustee or nominee is taken to be an application by the registered holder.

Can I transfer my offer to a third party?

The offer is non-renounceable, so you cannot transfer your right to participate in the SPP to a third party.

Can I revoke my acceptance to participate in the SPP?

If you accept the offer to participate in the SPP, your acceptance is irrevocable and cannot be withdrawn.

Do I have to pay any costs?

You only have to pay the amount shown that corresponds to the box you tick on the Application Form which is the number of shares you wish to acquire multiplied by the issue price of \$23.50. You don't have to pay for brokerage, commission or any other transaction

costs. This excludes any transaction costs you may incur from your chosen method of payment (for example, your bank fees from processing a cheque).

When will FLT allot the shares? FLT anticipates shares will be allotted on 13 December 2007, and the company will send you an allotment notice for the shares it allots to you, on 17 December 2007. FLT will apply for the shares allotted to you to be quoted on the Australian Securities Exchange.

What rights will the shares carry?

The new shares will rank equally in all respects with existing shares in FLT and will carry the same voting rights and entitlements to dividends, rights and bonus issues. The new shares will trade under the existing ASX code (FLT).

How do I apply for shares under the SPP?

To apply for shares under this offer, you must:

- Carefully read these terms and conditions.
- On the Application Form accompanying these terms and conditions:
 - Tick the box beside the number of shares you wish to acquire.
 - Complete the cheque details section. Or, if paying via BPAY, see the details on the Application Form.
 - Write your daytime telephone number – in case we have any questions.
 - You don't need to sign the Application Form.
- Write out your cheque payable to "Flight Centre Share Purchase Plan Account".
- Send the Application Form and your cheque using the reply-paid envelope provided.
- Alternatively, please mail to the address below.

By Mail

Flight Centre Limited
Computershare Investor Services Pty Limited
Locked Bag 5240
Brisbane QLD 4001
Australia

Make sure you send your Application Form and cheque allowing enough time for mail delivery, so Computershare Investor Services Pty Limited receives them no later than 5:00pm (Brisbane time) on Friday, 7 December 2007. Application Forms and cheques received after the closing date will not be processed.

Can FLT change the offer?

FLT retains the right to waive strict compliance with any provision of the terms and conditions of the SPP, to amend or vary those terms and conditions and to suspend or terminate the SPP at any time. In addition, FLT may vary the date the offer closes, the date shares are allotted and the date holding statements are dispatched to shareholders. Any variation of date will be notified to the Australian Securities Exchange.