FLIGHT CENTRE
LIMITED

November 22, 2006

Dear Shareholder,

I write to update you on the latest developments in relation to the recently announced proposal to privatise Flight Centre Limited and to outline the company's future course of action.

As you will know from our announcement of October 25, Flight Centre's independent directors – Howard Stack and I – believe the privatisation proposal is attractive and can unlock significant value for minority shareholders.

We recommend it to you in the absence of a superior alternative and subject to receiving advice from an independent expert.

Today, the independent directors and the bidding consortium – comprising Flight Centre's founders, led by managing director Graham Turner, and Pacific Equity Partners – have formally signed a Merger Implementation Deed.

This important document has been lodged with the ASX and can be accessed on flightcentre.com. We have enclosed a copy of our ASX release for your information.

The Merger Implementation Deed sets out the processes, terms and conditions under which Flight Centre Limited and the consortium will proceed towards implementation of the privatisation proposal.

Now that this deed is in place, we will proceed to prepare the scheme documents, ahead of their release to ASIC and the ASX and, ultimately, their distribution to shareholders. These documents will include comprehensive details on the proposal for shareholder consideration.

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After the appropriate regulatory approvals have been obtained, shareholders will have the chance to vote on the proposal at an Extraordinary General Meeting.

We anticipate that shareholders will receive scheme documents in January, along with notification of the EGM. This EGM is likely to be held in February next year.

Naturally, the company will keep you informed of important developments.

In addition, a Shareholder Information Helpline has been set-up to assist shareholders who may have questions prior to receiving the scheme documents. The helpline numbers are:

- 1300 661 679 (toll free in Australia)
- (+613) 9415 4386 (for overseas shareholders)

Bruce Brown
Chairman
Flight Centre Limited

<u>Indicative Timetable* (subject to change and regulatory approval)</u>

- November 22: Merger Implementation Deed signed
- January: Scheme documents and notice of EGM sent to shareholders:
- February: EGM held
- March: Payment of $17 scheme consideration and $0.20 special dividend

* Timeframes are indicative only and may be influenced by a number of factors including the timing of regulatory and court approvals and the preparation of scheme documents. Flight Centre will update the market if timeframes change.