



STATEMENT TO AUSTRALIAN SECURITIES EXCHANGE – 15 April 2020

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FLIGHT CENTRE TRAVEL GROUP ANNOUNCES THE DESPATCH OF THE RETAIL
ENTITLEMENT OFFER BOOKLET

The Flight Centre Travel Group (**FLT** or **Flight Centre**) advises that the Retail Offer Booklet, along with personalised Entitlement and Acceptance Forms for the retail component of the 1 for 1.74 accelerated pro rata non-renounceable entitlement offer (**Retail Entitlement Offer**), has now been despatched to shareholders who are eligible to participate in the Retail Entitlement Offer (**Eligible Retail Shareholders**).

Eligible Retail Shareholders can access details of the Retail Entitlement Offer, a copy of the Retail Offer Booklet and apply online at the following website:

www.flightcentroffer.com

Flight Centre encourages Eligible Retail Shareholders who wish to participate in the Retail Entitlement Offer to act promptly in submitting their Entitlement and Acceptance Form. The Retail Entitlement Offer closes at 5.00pm (Sydney time) on Friday, 1 May 2020 (unless extended).

Each Eligible Retail Shareholder's personalised Entitlement and Acceptance Form contains details of that Eligible Retail Shareholder's Entitlement and should be completed in accordance with the instructions provided on the form, and the instructions in the Retail Offer Booklet under "How to Apply".

To participate, Eligible Retail Shareholders must ensure that they have completed their application and paid Application Monies by BPAY®, or by lodging a completed Entitlement and Acceptance Form with your Application Monies paid by cheque, bank draft or money order, so that these are received by Computershare (Flight Centre's registry provider) before 5:00pm (Sydney time) on Friday, 1 May 2020.

If you have any questions in relation to the Entitlement Offer, please contact the FLT Offer Information Line on 1300 146 387 (within Australia) or +61 3 9415 4261 (outside Australia) between 8.30am to 5.30pm (Sydney time) during the Retail Entitlement Offer Period.

Further Information

Further information regarding the Placement and Entitlement Offer is contained in the investor presentation released to the ASX on Monday, 6 April 2020 (**Investor Presentation**).

Macquarie Capital (Australia) Limited and UBS AG, Australia Branch are joint lead managers and underwriters to the Placement and the Entitlement Offer.

Nothing in this announcement constitutes legal, tax or other advice. You should seek appropriate professional advice before making any investment decision.

IMPORTANT NOTICES

This announcement has been authorised by the Board of Flight Centre Travel Group Limited.

This announcement may not be released or distributed in the United States. This announcement does not constitute an offer to sell, or a solicitation of an offer to buy, securities in the United States. The new shares to be offered and sold in the Equity Raising have not been, and will not be, registered under the US Securities Act of 1933 (the **US Securities Act**) or the securities laws of any state or other jurisdiction of the United States, and may not be offered or sold, directly or indirectly, in the United States unless they are offered and sold pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the US Securities Act and applicable US state securities laws.



FLIGHT CENTRE TRAVEL GROUP LIMITED

ACN 003 377 188

Retail Entitlement Offer

1 for 1.74 pro rata accelerated non-renounceable entitlement offer of fully paid ordinary shares in the Company at an issue price of \$7.20 per New Share

Retail Entitlement Offer closes: 5.00pm (Sydney, Australia time) on Friday, 1 May 2020 (unless extended). Valid Applications must be received before that time.

If you are an Eligible Retail Shareholder, this Retail Offer Booklet together with the personalised Entitlement and Acceptance Form which accompanies it are important documents that require your immediate attention. These documents should be read in their entirety. This Retail Offer Booklet is not a prospectus under the *Corporations Act 2001* (Cth) and has not been lodged with the Australian Securities and Investments Commission. You should consult your stockbroker, solicitor, accountant or other professional adviser if you have any questions about the Retail Entitlement Offer. You can also contact the FLT Offer Information Line on 1300 146 387 (from within Australia) or +61 3 9415 4261 (from outside Australia) at any time between 8.30am and 5.30pm (Sydney time), Monday to Friday during the Retail Entitlement Offer Period.

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IMPORTANT NOTICES

This Retail Offer Booklet is dated 15 April 2020. Capitalised terms used in this Retail Offer Booklet have the meaning given to them in Section 7 of this Retail Offer Booklet.

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The Retail Entitlement Offer is made pursuant to section 708AA of the Corporations Act (as notionally modified by ASIC Corporations (Non-Traditional Rights Issues) Instrument 2016/84 and ASIC Corporations (Disregarding Technical Relief) Instrument 2016/73), which allows entitlement offers to be made without a prospectus or other disclosure document. As a result, the Retail Entitlement Offer is not being made under a prospectus and it is important for Eligible Retail Shareholders to read carefully and understand this Retail Offer Booklet and the information about the Company and the Retail Entitlement Offer made publicly available, prior to deciding whether to take up all or part of their Entitlement, take up all of their Entitlement and apply for Additional New Shares under the Oversubscription Facility or do nothing in respect of their Entitlement.

This Retail Offer Booklet does not contain all of the information which an investor may require to make an informed investment decision, nor does it contain all the information which would be required to be disclosed in a prospectus or other disclosure document prepared in accordance with the requirements of the Corporations Act. The information in this Retail Offer Booklet does not constitute financial product advice and does not take into account your investment objectives, financial situation or particular needs.

This Retail Offer Booklet should be read in its entirety before you decide to participate in the Retail Entitlement Offer. In particular you should consider the risk factors that could affect the performance of Flight Centre or the value of an investment in Flight Centre. Please refer to the "Key Risks" section of the Investor Presentation (see Section 4 of this Retail Offer Booklet). This Retail Offer Booklet is not a prospectus under the Corporations Act and has not been lodged with ASIC. By returning an Entitlement and Acceptance Form or otherwise paying for your New Shares through BPAY^{®1} in accordance with the instructions on the Entitlement and Acceptance Form, you will be deemed to have acknowledged that you have read this Retail Offer Booklet and you have acted in accordance with and agree to the terms of the Retail Entitlement Offer detailed in this Retail Offer Booklet.

No overseas offering

This Retail Offer Booklet (including the accompanying Entitlement and Acceptance Form) does not constitute an offer or invitation in any place in which, or to any person to whom, it would not be lawful to make such an offer or invitation. In particular, this Retail Offer Booklet does not constitute an offer to Ineligible Retail Shareholders and may not be distributed in the United States and the New Shares may not be offered or sold, directly or indirectly, to persons in the United States or to any person acting for the account or benefit of any person in the United States.

This Retail Offer Booklet is not to be distributed in, and no offer of New Shares is to be made under the Retail Entitlement Offer, in countries other than Australia and New Zealand.

No action has been taken to register or qualify the Retail Entitlement Offer, the Entitlements, the New Shares, or otherwise permit the public offering of the New Shares, in any jurisdiction other than Australia.

The distribution of this Retail Offer Booklet (including an electronic copy) outside Australia and New Zealand is restricted by law. If you come into possession of the information in this Retail Offer Booklet, you should observe such restrictions and should seek your own advice on such restrictions. Any non-compliance with these restrictions may contravene applicable securities laws.

Foreign exchange control restrictions or restrictions on remitting funds from your country to Australia may apply. Your Application for New Shares is subject to all requisite authorities and clearances being obtained for Flight Centre to lawfully receive your Application Monies.

New Zealand

The New Shares are not being offered to the public within New Zealand other than to existing shareholders of the Company with registered addresses in New Zealand to whom the offer of these securities is being made in reliance on the Financial Markets Conduct Act 2013 and the Financial Markets Conduct (Incidental Offers) Exemption Notice 2016.

This document has been prepared in compliance with Australian law and has not been registered, filed with or approved by any New Zealand regulatory authority. This document is not a product disclosure statement under New Zealand law and is not required to, and may not, contain all the information that a product disclosure statement under New Zealand law is required to contain.

United States

None of the information in this Retail Offer Booklet or the personalised Entitlement and Acceptance Form accompanying it when it is dispatched to Eligible Retail Shareholders (as set out in the "Key dates" section) constitutes

an offer to sell, or the solicitation of an offer to buy, any securities in the United States or to any person acting for the account or benefit of any person in the United States. Neither this Retail Offer Booklet (or any part of it) nor the personalised Entitlement and Acceptance Form, when made available, may be released or distributed, directly or indirectly, to persons in the United States.

Neither the Entitlements nor the New Shares have been, or will be, registered under the U.S. Securities Act of 1933 (the **US Securities Act**) and may not be offered or sold in the United States except in transactions exempt from, or not subject to, the registration requirements of the Securities Act and applicable US state securities laws.

Definitions, currency and time

Defined terms used in this Retail Offer Booklet are contained in Section 7 of this Retail Offer Booklet. All references to time are to Sydney, Australia time, unless otherwise indicated.

Foreign exchange

All references to '\$' are AUD unless otherwise noted.

Taxation

There will be tax implications associated with participating in the Retail Entitlement Offer and receiving New Shares. Section 6 of this Retail Offer Booklet provides a general guide to the Australian income tax, goods and services tax and stamp duty implications of the Retail Entitlement Offer for Eligible Retail Shareholders. The guide does not take account of the individual circumstances of particular Eligible Retail Shareholders and does not constitute tax advice. Neither the Company nor any of its officers or employees, nor its taxation and other advisers, accepts any liability or responsibility in respect of any statement concerning taxation consequences, or in respect of the taxation consequences. Flight Centre recommends that you consult your professional tax adviser in connection with the Retail Entitlement Offer.

Privacy

Flight Centre collects information about each Applicant provided on an Applicant's personalised Entitlement and Acceptance Form for the purposes of processing the Application and, if the Application is successful, to administer the Applicant's shareholding in Flight Centre.

By submitting your personalised Entitlement and Acceptance Form, you will be providing personal information to Flight Centre (directly or through its Share Registry). Flight Centre collects, holds and will use that information to assess your Application. Flight Centre collects your personal information to process and administer your shareholding in Flight Centre and to provide related services to you. Flight Centre may disclose your personal information for purposes related to your shareholding in Flight Centre, including to its Share Registry, Flight Centre's related bodies corporate, agents, contractors and third party service providers, including mailing houses and professional advisers, and to ASX and regulatory bodies. You can obtain access to personal information that Flight Centre holds about you. To make a request for access to your personal information held by (or on behalf of) Flight Centre, please contact Flight Centre through its Share Registry.

Governing law

This Retail Offer Booklet, the Retail Entitlement Offer and the contracts formed on acceptance of the Applications are governed by the law of New South Wales, Australia. Each Applicant submits to the exclusive jurisdiction of the courts of New South Wales, Australia.

No representations

No person is authorised to give any information or to make any representation in connection with the Retail Entitlement Offer which is not contained in this Retail Offer Booklet. Any information or representation in connection with the Retail Entitlement Offer not contained in the Retail Offer Booklet may not be relied upon as having been authorised by Flight Centre, its related bodies corporate or any of their respective directors, officers, employees, agents, advisers or representatives. Except as required by law, and only to the extent so required, none of Flight Centre, its related bodies corporate or any their respective directors, officers, employees, agents, advisers or representatives, or any other person, warrants or guarantees the future performance of Flight Centre or any return on any investment made pursuant to this Retail Offer Booklet.

Past performance

Investors should note that any past performance information given in this Retail Offer Booklet is provided for illustrative purposes only and should not be relied upon as, and is not, an indication of future Flight Centre performance, including future share price performance.

Future performance and forward-looking statements

This Retail Offer Booklet contains certain "forward-looking statements" that are based on management's beliefs, assumptions and expectations and on information currently available to management. Forward-looking statements can generally be identified by the use of forward-looking words such as, "expect", "anticipate", "likely", "intend", "should", "could", "may", "predict", "plan", "propose", "will", "believe", "forecast", "estimate", "target" "outlook",

¹ © registered to BPAY Pty Ltd ABN 69 079 137 518.

"guidance" and other similar expressions within the meaning of securities laws of applicable jurisdictions. Such forward-looking statements include statements regarding the timetable, conduct and outcome of the Offer and the use of proceeds thereof, statements about the plans, objectives and strategies of the management of Flight Centre, statements about the industry and the markets in which Flight Centre operates and statements about the future performance of the Flight Centre businesses. Indications of, and guidance or outlook on, future earnings or financial position or performance, future earnings and distributions are also forward-looking statements.

You are strongly cautioned not to place undue reliance on forward-looking statements, particularly in light of the current economic climate and the significant volatility, uncertainty and disruption caused by the outbreak of COVID-19. Any such statements, opinions and estimates in this Retail Offer Booklet speak only as of the date hereof and are based on assumptions and contingencies subject to change without notice, as are statements about market and industry trends, projections, guidance and estimates. Forward-looking statements are provided as a general guide only. The forward-looking statements contained in this Retail Offer Booklet are not indications, guarantees or predictions of future performance and involve known and unknown risks and uncertainties and other factors, many of which are beyond the control of the Flight Centre group, and may involve significant elements of subjective judgement and assumptions as to future events which may or may not be correct. Forward-looking statements may also assume the success of the Company's business strategies. The success of any of these strategies is subject to uncertainties and contingencies beyond the Company's control, and no assurance can be given that any of the strategies will be effective or that the anticipated benefits from the strategies will be realised in the period for which the forward looking statements may have been prepared or otherwise. Refer to the key risks in Appendix A of the Investor Presentation for a non-exhaustive summary of certain key business, offer and general risk factors that may affect the Flight Centre group. There can be no assurance that actual outcomes will not differ materially from these forward-looking statements. A number of important factors could cause actual results or performance to differ materially from the forward-looking statements, including (without limitation) the risks and uncertainties associated with the ongoing impacts of COVID-19, the Australian and global economic environment and capital market conditions and other risk factors set out in the Investor Presentation. Investors should consider the forward-looking statements contained in this Retail Offer Booklet in light of those risks and disclosures. The forward-looking statements are based on information available to the Company as at the date of this Retail Offer Booklet. No representation, warranty or assurance (express or implied) is given or made in relation to any forward-looking statement by any person (including the Company or any of its advisers). In particular, no representation, warranty or assurance (express or implied) is given that the occurrence of the events expressed or implied in any forward-looking statements in this Retail Offer Booklet will actually occur. Actual operations, results, performance, production targets or achievement may vary materially from any projections and forward-looking statements and the assumptions on which those statements are based. Except as required by law or regulation (including the ASX Listing Rules), the Company disclaims any obligation or undertaking to update forward-looking statements in this Retail Offer Booklet to reflect any changes in expectations in relation to any forward-looking statement or change in events, circumstances or conditions on which any statement is based.

Underwriters

Macquarie Capital (Australia) Limited and UBS AG, Australia Branch (together, the "**Underwriters**") have acted as joint lead managers and underwriters to the Entitlement Offer (including the Retail Entitlement Offer). Neither the Underwriters, nor any of their affiliates or related bodies corporate (as that term is defined in the Corporations Act), nor any of their respective directors, employees, officers, representatives, agents, partners, consultants, advisers or intermediaries (together the "**Underwriter Parties**"), nor the advisers to Flight Centre or any other person including clients named in this document, have authorised, permitted or caused the issue or lodgement, submission, dispatch or provision of this Retail Offer Booklet (or any other materials released by Flight Centre) and, except to the extent expressly referred to in this Retail Offer Booklet, none of them makes or purports to make any statement in this Retail Offer Booklet and there is no statement in this Retail Offer Booklet which is based on any statement by any of them.

Each of the Underwriters is a full service financial institution engaged in various activities, which may include trading, financing, financial advisory, investment management, research, principal investment, hedging, market making, brokerage and other financial and non-financial activities including for which they have received or may receive customary fees and expenses.

Each of the Underwriters is acting for and providing services to Flight Centre in relation to the Entitlement Offer and will not be acting for or providing services to Shareholders or potential investors. Each of the Underwriters have been engaged solely as an independent contractor and are acting solely in a contractual relationship on an arm's length basis with Flight Centre. The engagement of each of the Underwriters is not intended to create any fiduciary obligations, agency or other relationship between the Underwriters and Shareholders or potential investors.

Each of the Underwriters will receive fees and expenses for acting as joint lead managers and underwriters to the Entitlement Offer. The Underwriter Parties may, from time to time, hold interests in the securities of, or earn brokerage, fees or other benefits from Flight Centre and may in the future be lenders to Flight Centre or its affiliates.

Disclaimer

Determination of eligibility of investors for the purposes of the institutional or retail components of the Entitlement Offer is determined by reference to a number of matters, including legal and regulatory requirements, logistical and registry constraints and the discretion of Flight Centre and the Underwriters. To the maximum extent permitted by law, each of Flight Centre and each of the Underwriters and each of their respective affiliates disclaim any duty or liability (including for fault or negligence) in respect of that determination and the exercise or otherwise of that discretion. To the maximum extent permitted by law, the Underwriter Parties exclude and disclaim all liability (including for fault or negligence) for any expenses, losses, damages or costs incurred by you as a result of your participation in or failure to participate in the Retail Entitlement Offer and the information in this Retail Offer Booklet being inaccurate or due to information being omitted from this Retail Offer Booklet and make no representation or warranty, express or implied, as to whether you or your related parties should participate in the Entitlement Offer nor do they make any representations or warranties, express or implied, as to the fairness, currency, accuracy, reliability or completeness of the information in this Retail Offer Booklet.

The Underwriter Parties take no responsibility for any part of this Retail Offer Booklet or any action taken by you on the basis of that information. To the maximum extent permitted by law, each of the Underwriters exclude and disclaim all liability (including, without limitation, any liability arising from fault or negligence on the part of any person) for any direct, indirect, consequential or contingent loss or damage whatsoever arising from the use of any part of this Retail Offer Booklet or otherwise arising in connection with it.

The Underwriter Parties make no recommendation as to whether you or your related parties should participate in the Retail Entitlement Offer nor do they make any representations or warranties, express or implied, to you concerning the Entitlement Offer or any such information, and by returning your personalised Entitlement and Acceptance Form or otherwise paying for your New Shares through BPAY® in accordance with the instructions on your personalised Entitlement and Acceptance Form you represent, warrant and agree that you have not relied on any statements made by the Underwriter Parties in relation to the New Shares or the Entitlement Offer generally and you further expressly disclaim that you are in a fiduciary relationship with any of them.

Risks

An investment in New Shares is subject to investment and other known and unknown risks, some of which are beyond the control of Flight Centre, including possible delays in repayment and loss of income and principal invested. Flight Centre does not guarantee any particular rate of return or the performance of Flight Centre, nor does it guarantee the repayment of capital from Flight Centre or any particular tax treatment.

Shareholders should refer to the "Key risks" section of the Investor Presentation included in Section 4 of this Retail Entitlement Offer Booklet for a summary of general and specific risk factors that may affect Flight Centre.

Trading New Shares

To the maximum extent permitted by law, Flight Centre, each of the Underwriters and each of their respective affiliates and related bodies corporate, and each of their respective directors, officers, partners, employees, consultants, advisers and agents will have no responsibility and disclaim all liability (to the maximum extent permitted by law) to persons who trade New Shares they believe will be issued to them before they receive their holding statements, whether on the basis of confirmation of the allocation provided by Flight Centre or its Share Registry or otherwise, or who otherwise trade or purport to trade New Shares in error or which they do not hold or are not entitled to.

If you are in any doubt, as to these matters you should first consult with your stockbroker, solicitor, accountant or other professional adviser.

No Entitlements trading

Entitlements are non-renounceable and cannot be traded on ASX or any other exchange, nor can they be privately transferred.

This document has been authorised for release to ASX by the Flight Centre Board of Directors.

Chairman's letter

15 April 2020

Dear Shareholder,

On behalf of the board of Flight Centre Travel Group Limited ("**Company**" or "**Flight Centre**"), I invite you to participate in a fully underwritten² accelerated non-renounceable entitlement offer of new shares in Flight Centre ("**New Shares**") at an issue price of \$7.20 per New Share.

Offer

On 6 April 2020, Flight Centre announced its intention to raise approximately \$700 million by way of a fully underwritten² equity raising comprised of a 1 for 1.74 accelerated non-renounceable entitlement offer (to raise approximately \$419 million) ("**Entitlement Offer**") and an institutional placement (to raise approximately \$282 million) ("**Placement**", together with the Entitlement Offer, the "**Offer**").

Flight Centre successfully conducted the Institutional Entitlement Offer to raise approximately \$283 million and the Placement to raise approximately \$282 million, at an issue price of \$7.20 per New Share. New Shares are expected to be issued under the Placement and Institutional Entitlement Offer on 17 April 2020.

The Entitlement Offer comprises:

- an offer to Eligible Institutional Shareholders; and
- an offer to Eligible Retail Shareholders, to which this Retail Offer Booklet relates.

The Offer is fully underwritten² by Macquarie Capital (Australia) Limited and UBS AG, Australia Branch (together, the "**Underwriters**").

Use of proceeds

Proceeds of the Offer will be used to strengthen Flight Centre's balance sheet and liquidity position to trade through this period of dislocation and uncertainty across the travel sector.

Retail Entitlement Offer

This Retail Offer Booklet relates to the Retail Entitlement Offer to raise approximately \$138 million. Under the Retail Entitlement Offer, Eligible Retail Shareholders can subscribe for 1 New Share for every 1.74 Shares they hold as at the Record Date at an issue price of \$7.20 per New Share. The issue price under the Retail Entitlement Offer is the same issue price as for the Institutional Entitlement Offer and Placement, and represents a:

- discount of 16.1% to the TERP³ of \$8.582; and

² Excluding the circumstances described on slide 45 of the Investor Presentation under the heading "Shortfall". Refer to Section 5.6 of this Retail Offer Booklet for a description of the terms and conditions of the underwriting arrangements.

³ Theoretical ex-rights price ("**TERP**") includes Shares issued under the Placement, Institutional Entitlement Offer and the Retail Entitlement Offer. TERP is the theoretical price at which Shares should trade immediately after the ex-date for the Entitlement Offer. TERP is a theoretical calculation only and the actual price at which Flight Centre's Shares trade on ASX immediately after the ex-date for the Entitlement Offer depends on many factors and may not be equal to TERP. TERP is calculated by reference to the closing price of Flight Centre's Shares as traded on ASX of \$9.91 on 19 March 2020, being the last trading day prior to the announcement of the Entitlement Offer.

- 27.3% discount to the closing price of \$9.91 on 19 March 2020.

New Shares issued under the Offer will rank equally with Existing Shares.

The number of New Shares for which you are entitled to subscribe for under the Retail Entitlement Offer is set out in your personalised Entitlement and Acceptance Form that will accompany this Retail Offer Booklet when it is dispatched to Eligible Retail Shareholders on Wednesday, 15 April 2020.

Under the Retail Entitlement Offer, Eligible Retail Shareholders that take up their full Entitlement may also apply for Additional New Shares in excess of their Entitlement, up to a maximum of 25% of their Entitlement, at the Offer Price ("**Oversubscription Facility**"). Additional New Shares will only be available under the Oversubscription Facility to the extent that there are Entitlements under the Retail Entitlement Offer that are not taken up by Eligible Retail Shareholders. Applications under the Oversubscription Facility will be subject to scale back if Eligible Retail Shareholders apply for more Additional New Shares than available under the Oversubscription Facility (see Section 3.4 of this Retail Offer Booklet for further information). Directors of Flight Centre are not entitled to participate in the Oversubscription Facility.

The Entitlement Offer is non-renounceable and therefore your Entitlements will not be tradeable on ASX or otherwise transferable. This means that Eligible Retail Shareholders who do not take up their full Entitlement will receive no value for those Entitlements and their percentage holding in Flight Centre will be reduced.

How to apply

To participate in the Retail Entitlement Offer, please ensure that you validly accept it, before 5:00pm (Sydney, Australia time) on Friday, 1 May 2020. You can accept by paying your Application Monies via BPAY®. If you choose to pay via BPAY® you are not required to submit the Entitlement and Acceptance Form but are taken to make the declarations, representations and warranties on that form and representations outlined below in Section 3.11 of this Retail Offer Booklet. Alternatively, you may submit your completed Entitlement and Acceptance Form together with a cheque, bank draft or money order in Australian currency for the amount of the Application Monies. Detailed payment instructions are set out in the personalised Entitlement and Acceptance Form that accompanies this Retail Offer Booklet.

You should seek appropriate professional advice before making any investment decision. If you have any questions about the Retail Entitlement Offer, please do not hesitate to contact the FLT Offer Information Line on 1300 146 387 (from within Australia) or +61 3 9415 4261 (from outside Australia) at any time between 8.30am and 5.30pm (Sydney time), Monday to Friday during the Retail Entitlement Offer Period or visit our website at www.flightcentreoffer.com).

The Board encourages you to participate in the Retail Entitlement Offer and thanks you for your continued support of Flight Centre.

Yours faithfully,



Gary Smith
Chairman
Flight Centre Travel Group Limited

Summary of Entitlement Offer

Institutional Entitlement Offer	
Ratio	1 New Share for every 1.74 Existing Shares held
Offer Price	\$7.20 per New Share
Size	Approximately 39 million New Shares
Gross proceeds	Approximately \$283 million
Retail Entitlement Offer	
Ratio	1 New Share for every 1.74 Existing Shares held (same as Institutional Entitlement Offer)
Offer Price	\$7.20 per New Share (same as Placement and Institutional Entitlement Offer)
Size	Approximately 19 million New Shares
Gross proceeds	Approximately \$138 million
Total gross proceeds	
Expected total gross proceeds of the Entitlement Offer	Approximately \$421 million

Key dates

Activity	Date
Announcement of the Entitlement Offer	Monday, 6 April 2020
Record Date for Retail Entitlement Offer (7.00pm Sydney, Australia time)	Wednesday, 8 April 2020
Retail Offer Booklet lodged with ASX	Wednesday, 15 April 2020
Retail Offer Booklet and Entitlement and Acceptance Form despatched to Eligible Retail Shareholders	Wednesday, 15 April 2020
Retail Entitlement Offer opens	Wednesday, 15 April 2020
Allotment of New Shares under the Institutional Entitlement Offer and Placement	Friday, 17 April 2020
New Shares issued under the Institutional Entitlement Offer and Placement commence trading	Friday, 17 April 2020
Retail Entitlement Offer closes (5.00pm Sydney, Australia time)	Friday, 1 May 2020
Allotment of New Shares issued under the Retail Entitlement Offer	Friday, 8 May 2020
Normal ASX trading for New Shares issued under the Retail Entitlement Offer commences	Monday, 11 May 2020
Despatch of holding statements for New Shares issued under the Retail Entitlement Offer	Wednesday, 13 May 2020

This timetable above (and each reference to it or to dates in it in this Retail Offer Booklet) is indicative only and subject to change without notice. All times and dates in the timetable refer to Sydney, Australia time. Flight Centre reserves the right to amend any or all of these dates and times subject to the Corporations Act, the ASX Listing Rules and other applicable laws. In particular, Flight

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Centre reserves the right to extend the closing date for the Retail Entitlement Offer, to accept late Applications under the Retail Entitlement Offer (either generally or in particular cases) and to withdraw the Retail Entitlement Offer without prior notice. Any extension of the closing date will have a consequential effect on the allotment date of New Shares. The quotation of New Shares is subject to confirmation from the ASX.

Flight Centre also reserves the right not to proceed with the Entitlement Offer in whole or in part at any time prior to allotment and issue of the New Shares. In that event, the relevant Application Monies (without interest) will be returned in full to Applicants.

Cooling off rights do not apply to an investment in New Shares. You cannot withdraw your Application once it has been accepted. Eligible Retail Shareholders wishing to participate in the Retail Entitlement Offer are encouraged to submit their Entitlement and Acceptance Form as soon as possible after the Retail Entitlement Offer opens.

Enquiries

If you have any doubt about whether you should participate in the Retail Entitlement Offer, you should seek professional financial advice from your stockbroker, solicitor, accountant or other professional adviser before making any investment decision.

If you have questions on how to complete the Entitlement and Acceptance Form or how to take up your Entitlement or have lost your Entitlement and Acceptance Form and would like a replacement form, please call the FLT Offer Information Line on 1300 146 387 (inside Australia) and + 61 3 9415 4261 (outside Australia) between 8.30am and 5.30pm (Sydney, Australia time) Monday to Friday during the Retail Entitlement Offer Period.

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1 Summary of options available to you

If you are an Eligible Retail Shareholder⁴, you may take one of the following actions:

- take up all of your Entitlement (see Section 3.3 of this Retail Offer Booklet);
- if you take up all of your Entitlement, you may also apply for Additional New Shares under the Oversubscription Facility (see Section 3.4 of this Retail Offer Booklet);
- take up part of your Entitlement and allow the balance to lapse, in which case you will receive no value for your lapsed Entitlement (see Section 3.5 of this Retail Offer Booklet); or
- do nothing, in which case your Entitlement will lapse and you will receive no value for your lapsed Entitlement (see Section 3.6 of this Retail Offer Booklet).

If you are a retail Shareholder that is not an Eligible Retail Shareholder, you are an “**Ineligible Retail Shareholder**”. Ineligible Retail Shareholders are not entitled to participate in the Entitlement Offer.

Options available to you	Key considerations
<p>Option 1: Take up all of your Entitlement</p>	<ul style="list-style-type: none"> • You may elect to purchase New Shares at the Offer Price (see Section 3 of this Retail Offer Booklet for instructions on how to take up your Entitlement). • The New Shares will rank equally in all respects with Existing Shares from their date of issue. • The Retail Entitlement Offer closes at 5.00pm (Sydney, Australia time) on Friday, 1 May 2020.
<p>Option 2: If you take up all of your Entitlement, apply for Additional New Shares under the Oversubscription Facility</p>	<ul style="list-style-type: none"> • You may elect to purchase New Shares at the Offer Price (see Section 3 of this Retail Offer Booklet for instructions on how to take up your Entitlement). • If you take up all of your Entitlement, you may elect to purchase Additional New Shares up to a maximum of 25% of your Entitlement at the Offer Price (see Section 3 of this Retail Offer Booklet for instructions on how to take up Additional New Shares). • The New Shares and the Additional New Shares will rank equally in all respects with Existing Shares from their date of issue.
<p>Option 3: Take up part of your Entitlement</p>	<ul style="list-style-type: none"> • If you do not take up your Entitlement in full, those Entitlements not taken up will lapse and you will not receive any payment or value for them. • If you do not take up your Entitlement in full, you will have your percentage holding in Flight Centre reduced as a result of the Entitlement Offer.

⁴ See Section 2.4 of this Retail Offer Booklet.

Option 4: Do nothing, in which case your Entitlement will lapse and you will receive no value for your lapsed Entitlements

- If you do not take up your Entitlement, you will not be allocated New Shares and your Entitlement will lapse.
- Your Entitlement to participate in the Retail Entitlement Offer is non-renounceable, which means it is non-transferrable and cannot be sold, traded on ASX or any other exchange, nor can it be privately transferred.
- If you do not take up your Entitlement, you will not receive any payment or value for your Entitlement and will have your percentage holding in Flight Centre reduced as a result of the Entitlement Offer.

2 Overview of the Entitlement Offer

2.1 Overview

Flight Centre intends to raise approximately \$421 million under the Entitlement Offer. Under the Entitlement Offer, Flight Centre is offering Eligible Shareholders the opportunity to subscribe for 1 New Share for every 1.74 Existing Shares held on the Record Date. The Offer Price per New Share is \$7.20.

Flight Centre has also conducted an institutional placement to certain Institutional Investors ("**Placement**") which raised approximately \$282 million.

Flight Centre will use the proceeds of the Entitlement Offer and Placement to ensure Flight Centre has the balance sheet flexibility and liquidity to manage the business through a prolonged period of disruption to the global travel industry.

The Entitlement Offer has two components:

- (a) the Institutional Entitlement Offer – Eligible Institutional Shareholders were given the opportunity to take up all or part of their Entitlement, and a bookbuild process to sell Entitlements not taken up by Eligible Institutional Shareholders as well as New Shares that otherwise would have been offered to Ineligible Shareholders was carried out. The Institutional Entitlement Offer raised approximately \$283 million; and
- (b) the Retail Entitlement Offer (to which this Retail Offer Booklet relates) – Eligible Retail Shareholders will be given the opportunity to take up all or part of their Entitlement, take up all of their Entitlement and apply for Additional New Shares under the Oversubscription Facility, or do nothing in respect of their Entitlement. The Retail Entitlement Offer is expected to raise approximately \$138 million.

Both the Institutional Entitlement Offer and the Retail Entitlement Offer are non-renounceable. Accordingly, Entitlements cannot be traded on the ASX, nor can they be sold, transferred or otherwise disposed of.

New Shares issued under the Retail Entitlement Offer are to be issued at the same price as New Shares issued under the Institutional Entitlement Offer and Placement. In addition, Eligible Shareholders' Entitlements under the Institutional Entitlement Offer and the Retail Entitlement Offer are calculated based on the same ratio.

The Entitlement Offer is fully underwritten⁵ by the Underwriters in accordance with the terms of the Underwriting Agreement (see Section 5.6 of this Retail Offer Booklet).

2.2 Institutional Entitlement Offer and Placement

Flight Centre has already raised approximately \$562 million from Institutional Investors as part of the Institutional Entitlement Offer and Placement, at \$7.20 per New Share.⁶

New Shares are expected to be issued under the Institutional Entitlement Offer and Placement on Friday, 17 April 2020.

⁵ Excluding the circumstances described on slide 45 of the Investor Presentation under the heading "Shortfall". Refer to Section 5.6 of this Retail Offer Booklet for a description of the terms and conditions of the underwriting arrangements.

⁶ Settlement of the Institutional Entitlement Offer is due to occur on 16 April 2020 and is subject to certain conditions and termination events. Refer to Section 5.6 of this Retail Offer Booklet.

2.3 Retail Entitlement Offer

The Retail Entitlement Offer is being made pursuant to section 708AA of the Corporations Act (as notionally modified by ASIC Corporations (Non-Traditional Rights Issues) Instrument 2016/84 and ASIC Corporations (Disregarding Technical Relief) Instrument 2016/73) which allows entitlement offers to be offered without a prospectus, provided certain conditions are satisfied. Flight Centre has also obtained a transaction specific ASIC instrument (ASIC Instrument 20-0337) modifying section 708AA(2)(c) of the Corporations Act to permit Flight Centre to make offers under the Entitlement Offer in reliance on section 708AA of the Corporations Act.

As a result, the Retail Entitlement Offer is not being made under a prospectus and it is important for Eligible Retail Shareholders to read and understand the information on Flight Centre and the Retail Entitlement Offer made publicly available prior to taking up all or part of their Entitlement or taking up all of their Entitlement and applying for Additional New Shares under the Oversubscription Facility. In particular, please refer to the materials in Section 4 of this Retail Offer Booklet and other announcements made by Flight Centre (available at asx.com.au) and all other parts of this Retail Offer Booklet carefully before making any decisions in relation to your Entitlement.

The Retail Entitlement Offer constitutes an offer to Eligible Retail Shareholders, who are invited to apply for 1 New Share for every 1.74 Existing Shares held on the Record Date. The Offer Price of \$7.20 per New Share represents a:

- discount of 16.1% to the TERP⁷ of \$8.582; and
- 27.3% discount to the closing price of \$9.91 on 19 March 2020.

Eligible Retail Shareholders who take up their full Entitlement may also apply to participate in the Oversubscription Facility by applying for Additional New Shares in excess of their Entitlement at the Offer Price, up to a maximum of 25% of their Entitlement.

The Retail Entitlement Offer opens on Wednesday, 15 April 2020. This is also the date when the Retail Offer Booklet will be dispatched, along with a personalised Entitlement and Acceptance Form, to Eligible Retail Shareholders. The Retail Entitlement Offer is expected to close at 5.00pm (Sydney, Australia time) on Friday, 1 May 2020.

Please consult your financial adviser, accountant or other professional adviser if you have any queries or are uncertain about any aspect of the Retail Entitlement Offer. In particular, please refer to the "Key Risks" section of the Investor Presentation (see Section 4 of this Retail Offer Booklet).

2.4 Eligibility of Retail Shareholders

The Retail Entitlement Offer is being offered to all Eligible Retail Shareholders only and has been prepared in accordance with section 708AA of the Corporations Act (as notionally modified by ASIC Corporations (Non-Traditional Rights Issues) Instrument 2016/84) and ASIC Corporations (Disregarding Technical Relief) Instrument 2016/73).

"Eligible Retail Shareholders" are Shareholders on the Record Date who:

- (a) are registered as a holder of Existing Shares;

⁷ Theoretical ex-rights price ("TERP") includes Shares issued under the Placement, Institutional Entitlement Offer and the Retail Entitlement Offer. TERP is the theoretical price at which Shares should trade immediately after the ex-date for the Entitlement Offer. TERP is a theoretical calculation only and the actual price at which Flight Centre's Shares trade on ASX immediately after the ex-date for the Entitlement Offer depends on many factors and may not be equal to TERP. TERP is calculated by reference to the closing price of Flight Centre's Shares as traded on ASX on 19 March 2020, being the last trading day prior to the announcement of the Entitlement Offer.

- (b) have a registered address in Australia or New Zealand as noted on Flight Centre's share register or persons that Flight Centre has determined in its discretion are Eligible Retail Shareholders;
- (c) are not in the United States and are not a person (including nominees or custodians) acting for the account or benefit of a person in the United States in respect of the relevant underlying holders of Existing Shares;
- (d) were not invited to participate in the Institutional Entitlement Offer and were not treated as Ineligible Institutional Shareholders under the Institutional Entitlement Offer (other than as a nominee or custodian, in each case in respect of other underlying holdings); and
- (e) are eligible under all applicable securities laws to receive an offer under the Retail Entitlement Offer.

Ineligible Retail Shareholders are Shareholders who are not Eligible Retail Shareholders, Eligible Institutional Shareholders or Ineligible Institutional Shareholders.

Flight Centre has determined that it is unreasonable to extend the Retail Entitlement Offer to Ineligible Retail Shareholders because of the small number of such Shareholders, the number and value of Shares that they hold and the cost of complying with the applicable regulations in jurisdictions outside Australia and New Zealand, but reserves its right to do so (subject to compliance with relevant laws).

3 How to apply

3.1 Your Entitlement

An Entitlement and Acceptance Form setting out your Entitlement (calculated as 1 New Share for every 1.74 Existing Shares held on the Record Date with fractional entitlements rounded up to the nearest whole number of New Shares) accompanies this Retail Offer Booklet. Eligible Retail Shareholders may subscribe for all or part of their Entitlement. If you have more than one registered holding of Shares, you will be sent more than one Entitlement and Acceptance Form and you will have separate Entitlements for each separate holding.

Any New Shares not taken up by the day the Retail Entitlement Offer closes may be made available to those Eligible Retail Shareholders who took up their full Entitlement and applied for Additional New Shares under the Oversubscription Facility at the Offer Price, up to a maximum of 25% of their Entitlement. There is no guarantee that Eligible Retail Shareholders will receive the number of Additional New Shares applied for under the Oversubscription Facility. Additional New Shares will only be allocated to Eligible Retail Shareholders under the Oversubscription Facility if available and then only if and to the extent that Flight Centre so determines, in its absolute discretion. Any scale-back will be applied by Flight Centre in its absolute discretion. Directors of Flight Centre are not entitled to participate in the Oversubscription Facility.

Please note that the Entitlement stated on your Entitlement and Acceptance Form may be in excess of the actual Entitlement you may be permitted to take up where, for example, you are holding Shares on behalf of a person in the United States (refer to the definition of Eligible Retail Shareholders in Section 2.4 of this Retail Offer Booklet).

Eligible Retail Shareholders who hold Shares in the capacity as trustee, nominee or custodian (or in any other capacity) for a person that is in the United States cannot take up Entitlements or purchase New Shares on behalf of that person. See Section 3.13 of this Retail Offer Booklet for the notice to nominees and custodians.

Eligible Retail Shareholders should be aware that an investment in Flight Centre involves both known and unknown risks. These risks include the possible loss of income and principal invested. Flight Centre does not guarantee any particular rate of return or the performance of the New Shares offered under the Retail Entitlement Offer or the performance of the Company, nor does it guarantee repayment of capital from the Company. The key risks identified by Flight Centre are set out in Appendix A of the Investor Presentation (see Section 4 of this Retail Offer Booklet).

3.2 Options available to you

The number of New Shares to which Eligible Retail Shareholders are entitled is shown on the Entitlement and Acceptance Form that accompanies this Retail Offer Booklet. Eligible Retail Shareholders may:

- (a) take up their Entitlement in full by the Closing Date (refer to Section 3.3 of this Retail Offer Booklet);
- (b) take up all of their Entitlement in full and apply for Additional New Shares under the Oversubscription Facility by the Closing Date (refer to section 3.4 of this Retail Offer Booklet);
- (c) take up part of their Entitlement by the Closing Date, in which case the balance of their Entitlement would lapse (refer to Section 3.5 of this Retail Offer Booklet); or
- (d) do nothing and allow their Entitlement to lapse (refer to Section 3.6 of this Retail Offer Booklet).

The Retail Entitlement Offer is an offer to Eligible Retail Shareholders only. Ineligible Retail Shareholders may not participate in the Retail Entitlement Offer.

Flight Centre reserves the right to reject any Entitlement and Acceptance Form that is not correctly completed or that is received after the Closing Date. The directors of Flight Centre reserve the right to issue any shortfall (including any excess shortfall) under the Offer at their discretion. Any excess shortfall may, subject to the terms of the Underwriting Agreement, be allocated to the Underwriters or to third party investors as directed by the Underwriters. The basis of allocation of any other shortfall will be determined by the directors of Flight Centre at their discretion, taking into account whether investors are existing shareholders, Flight Centre's register and any potential control impacts.

The Closing Date for acceptance of the Retail Entitlement Offer is **5.00pm (Sydney, Australia time) on Friday, 1 May 2020** (however, that date may be varied by Flight Centre, in accordance with the ASX Listing Rules and applicable law).

3.3 Taking up all of your Entitlement

If you wish to take up all of your Entitlement, you are encouraged to make payment via BPAY® by following the instructions set out on the personalised Entitlement and Acceptance Form or available online at www.flightcentroffer.com.

If you are a New Zealand Shareholder who does not have an Australian bank account or do not wish to pay via BPAY®, see Section 3.10 of this Retail Offer Booklet.

Payment must be received by the Share Registry by no later than 5.00pm (Sydney, Australia time) on Friday, 1 May 2020.

3.4 Taking up all of your Entitlement and applying for Additional New Shares

If you take up all of your Entitlement, you may also apply for Additional New Shares under the Oversubscription Facility at the Offer Price, up to a maximum of 25% of your Entitlement. Any Application Monies received for more than your full Entitlement will be treated as applying for as many Additional New Shares as it will pay for in full.

Additional New Shares will only be allocated to Eligible Retail Shareholders if available, and subject to the Corporations Act, ASX Listing Rules and other applicable laws and regulations. If Eligible Retail Shareholders apply for more Additional New Shares than available under the Oversubscription Facility, Flight Centre will scale back applications for Additional New Shares in its absolute discretion having regard to the pro-rata Entitlement of Eligible Retail Shareholders who apply for Additional New Shares.

Directors of Flight Centre are not entitled to participate in the Oversubscription Facility.

3.5 Taking up part of your Entitlement and allowing the balance to lapse

If you wish to take up part of your Entitlement, you are encouraged to make payment by following the instructions set out on the personalised Entitlement and Acceptance Form or available online at www.flightcentroffer.com.

If you are a New Zealand Shareholder who does not have an Australian bank account or do not wish to pay via BPAY®, see Section 3.10 of this Retail Offer Booklet.

If Flight Centre receives an amount that is less than the Offer Price multiplied by your Entitlement, your payment may be treated as an Application for as many New Shares as your Application Monies will pay for in full.

Eligible Retail Shareholders who do not take up their Entitlements in full will not receive any value for those Entitlements they do not take up.

3.6 Allowing your Entitlement to lapse

If you take no action, you will not be allotted your Entitlement.

Any Entitlements which you do not take up will lapse and may be acquired by Eligible Retail Shareholders under the Oversubscription Facility.

By allowing your Entitlement to lapse you will forgo any exposure to increases or decreases in the value of the New Shares had you taken up your Entitlement. Your percentage interest in Flight Centre will also be reduced as a result of the Entitlement Offer.

3.7 Consequences of not taking up all or part of your Entitlement

If you do not take up all or part of your Entitlement in accordance with the instructions set out above, your Entitlements will lapse and those New Shares for which you would have otherwise been entitled under the Retail Entitlement Offer (including New Shares that relate to the portion of your Entitlement that has not been taken up) may be acquired by Eligible Retail Shareholders under the Oversubscription Facility or acquired by the Underwriters or any sub-underwriters.

By allowing all or part of your Entitlement to lapse, you will forgo any exposure to increases or decreases in the value of the New Shares representing that part of your Entitlement not taken up and you will not receive any value for that part of your Entitlement. Your percentage interest in Flight Centre will also be reduced as a result of the Entitlement Offer, to the extent that New Shares are issued under the Entitlement Offer.

3.8 Payment and refunds

You are encouraged to pay your Application Monies using BPAY® if possible (see below at Section 3.9 of this Retail Offer Booklet).

If you are a New Zealand Shareholder who does not have an Australian bank account or do not wish to pay via BPAY®, see Section 3.10 of this Retail Offer Booklet. Cash payments will not be accepted. Receipts for payment will not be issued.

Flight Centre will treat you as applying for as many New Shares as your payment will pay for in full up to your Entitlement.

Any Application Monies received for more than your final allocation of New Shares will be refunded as soon as practicable after the close of the Retail Entitlement Offer. No interest will be paid to applicants on any Application Monies received or refunded.

Refund amounts, if any, will be paid in Australian dollars. You will be paid either by direct credit to the nominated bank account as noted on the share register as at the Closing Date or by cheque sent by ordinary post to your address as recorded on the share register (the registered address of the first-named in the case of joint holders). If you wish to advise or change your banking instructions with the Share Registry you may do so by going to www.investorcentre.com/au and logging into the Investor Centre before the Closing Date.

3.9 Payment by BPAY®

For payment by BPAY®, please follow the instructions on the Entitlement and Acceptance Form or available online at www.flightcentreoffer.com. You can only make payment via BPAY® if you are the holder of an account with an Australian financial institution that supports BPAY® transactions.

If you are paying by BPAY®, please make sure you use the specific Biller Code and your unique Customer Reference Number (**CRN**) on your Entitlement and Acceptance Form. If you have multiple holdings and consequently receive more than one personalised Entitlement and Acceptance Form, when taking up your Entitlement in respect of one of those holdings only use the CRN specific to that holding. If you do not use the correct CRN specific to that holding your Application will not be recognised as valid.

Please note that by paying by BPAY®:

- (a) you do not need to submit your personalised Entitlement and Acceptance Form but are taken to make the declarations, representations and warranties on that Entitlement and Acceptance Form and in Section 3.11 of this Retail Offer Booklet; and
- (b) if you do not pay for your full Entitlement, you are deemed to have taken up your Entitlement in respect of such whole number of New Shares which is covered in full by your Application Monies.

It is your responsibility to ensure that your BPAY® payment is received by the Share Registry by no later than 5.00pm (Sydney, Australia time) on Friday, 1 May 2020. You should be aware that your financial institution may implement earlier cut-off times with regard to electronic payment, and you should therefore take this into consideration in the timing of when you make payment.

3.10 If you are unable to pay by BPAY®

Flight Centre encourages payments by BPAY® if possible.

If you are a New Zealand Shareholder who does not have an Australian bank account or do not wish to pay via BPAY®, you may make payment by completing and returning your personalised Entitlement and Acceptance Form in accordance with the instructions set out on that form and attaching a cheque, bank draft or money order in Australian currency. The cheque, bank draft or money order must be payable to 'Flight Centre Travel Group Limited' and crossed 'Not Negotiable'.

It is your responsibility to ensure that your Entitlement and Acceptance Form and cheque, bank draft or money order is received by the Share Registry by no later than 5.00pm (Sydney, Australia time) on Friday, 1 May 2020 at the address set out below:

Mailing Address

Flight Centre Travel Group Limited
C/- Computershare Investor Services
GPO Box 505
Melbourne Vic 3001

You must ensure cleared funds are held in your account as your cheque, bank draft or money order will be processed as soon as it is received. Please note that you should consider postal and cheque clearance timeframes in meeting this deadline.

Your cheque, bank draft or money order must be:

- (a) payable to 'Flight Centre Travel Group Limited' and crossed 'Not Negotiable';
- (b) for an amount equal to \$7.20 multiplied by the number of New Shares that you are applying for; and
- (c) in Australian currency drawn on an Australian branch of a financial institution. Payment cannot be made in New Zealand dollars. New Zealand resident shareholders must arrange for payment to be made in Australian dollars.

You should ensure that sufficient funds are held in relevant account(s) to cover the Application Monies as your cheque, bank draft or money order will be processed on the day of receipt. If the amount of your cheque, bank draft or money order for Application Monies (or the amount which clears in time for allocation) is insufficient to pay in full for the number of New Shares you have applied for in your Entitlement and Acceptance Form, you will be taken to have applied for such lower whole number of New Shares as your cleared Application Monies will pay for (and to have specified that number of New Shares on your Entitlement and Acceptance Form). Alternatively, your Application will not be accepted.

3.11 Payment through BPAY® or submission of Entitlement and Acceptance Form is binding

A payment made through BPAY® or a completed and lodged Entitlement and Acceptance Form together with the payment of requisite Application Monies constitutes a binding offer to acquire New Shares on the terms and conditions set out in this Retail Offer Booklet and the accompanying Entitlement and Acceptance Form and, once lodged or paid, cannot be withdrawn. If the Entitlement and Acceptance Form is not completed correctly it may still be treated as a valid Application for New Shares. Flight Centre's decision whether to treat an Application as valid and how to construe, amend or complete the Entitlement and Acceptance Form is final.

By making a payment by BPAY® or by completing and returning your Entitlement and Acceptance Form with the requisite Application Monies, you will also be deemed to have acknowledged, represented and warranted on your own behalf and on behalf of each person on whose account you are acting that:

- (a) you are (or the person on whose account you are acting is) an Eligible Retail Shareholder;

- (b) you have received, read and understood this Retail Offer Booklet and your Entitlement and Acceptance Form in their entirety;
- (c) you agree to be bound by the terms of the Retail Entitlement Offer, the provisions of this Retail Offer Booklet (and accompanying Entitlement and Acceptance Form), and Flight Centre's constitution;
- (d) you authorise Flight Centre to register you as the holder(s) of New Shares allotted to you under the Retail Entitlement Offer;
- (e) all details and statements in the Entitlement and Acceptance Form are complete and accurate;
- (f) you are over 18 years of age and have full legal capacity and power to perform all of your rights and obligations under the Entitlement and Acceptance Form;
- (g) you accept that there is no cooling off period under the Retail Entitlement Offer and you acknowledge that once Flight Centre receives your Entitlement and Acceptance Form or any payment of Application Monies via BPAY®, you may not withdraw your Application or funds provided except as allowed by law;
- (h) you agree to apply for and be issued up to the number of New Shares specified in the Entitlement and Acceptance Form, or for which you have submitted payment of any Application Monies via BPAY®, at the Offer Price per New Share;
- (i) you authorise Flight Centre, each of the Underwriters, the Share Registry and their respective officers or agents to do anything on your behalf necessary for New Shares to be issued to you, including to act on instructions of the Share Registry upon using the contact details set out in your Entitlement and Acceptance Form;
- (j) you were the registered holder(s) at the Record Date of the Shares indicated on the Entitlement and Acceptance Form as being held by you on the Record Date and are an Eligible Retail Shareholder;
- (k) the information contained in this Retail Offer Booklet and your personalised Entitlement and Acceptance Form is not investment advice nor a recommendation that New Shares are suitable for you given your investment objectives, financial situation or particular needs;
- (l) this Retail Offer Booklet is not a prospectus, does not contain all of the information that you may require in order to assess an investment in Flight Centre and is given in the context of Flight Centre's past and ongoing continuous disclosure announcements to ASX;
- (m) you acknowledge the statement of risks in the section entitled "Key risks" in the Investor Presentation (see Section 4 of this Retail Offer Booklet), and that investments in Flight Centre are subject to risk;
- (n) none of Flight Centre, each of the Underwriters, or their respective related bodies corporate and affiliates and their respective directors, officers, partners, employees, representatives, agents, consultants or advisers, guarantees the performance of the New Shares or the performance of Flight Centre, nor do they guarantee the repayment of capital from Flight Centre;
- (o) you agree to provide (and direct your nominee or custodian to provide) any requested substantiation of your eligibility to participate in the Retail Entitlement Offer and of your holding of Shares on the Record Date;

- (p) you authorise Flight Centre to correct any errors in your personalised Entitlement and Acceptance Form or other form provided by you;
- (q) for the benefit of Flight Centre, the Underwriters and their respective related bodies corporate and affiliates, you acknowledge that you did not receive an invitation to participate in the Institutional Entitlement Offer either directly or through a nominee, you are not an Ineligible Institutional Shareholder under the Institutional Entitlement Offer, you are not an Ineligible Retail Shareholder and are otherwise eligible to participate in the Retail Entitlement Offer;
- (r) you acknowledge and agree that:
 - (i) determination of eligibility of investors for the purposes of the Institutional Entitlement Offer and the Retail Entitlement Offer was determined by reference to a number of matters, including legal and regulatory requirements, logistical and Share Registry constraints and the discretion of Flight Centre and/or each of the Underwriters; and
 - (ii) each of Flight Centre and each of the Underwriters and their respective related bodies corporate and affiliates disclaim any duty or liability (including for negligence) in respect of that determination and the exercise of that discretion to the maximum extent permitted by law;
- (s) the law of any place does not prohibit you from being given this Retail Offer Booklet and the Entitlement and Acceptance Form, nor does it prohibit you from making an application for New Shares and that you are otherwise eligible to participate in the Retail Entitlement Offer;
- (t) for the benefit of Flight Centre, each of the Underwriters and their respective related bodies corporate and affiliates, you acknowledge that you are not in the United States and you are not acting for the account or benefit of a person in the United States and you are not otherwise a person to whom it would be illegal to make an offer of or issue of New Shares under the Retail Entitlement Offer and under any applicable laws and regulations;
- (u) you understand and acknowledge that neither the Entitlements nor the New Shares have been, or will be, registered under the US Securities Act or the securities laws of any state or other jurisdiction in the United States. Accordingly, you understand that the Entitlements may not be taken up by, and the New Shares may not be offered or sold to, persons in the United States or persons who are acting for the account or benefit of a person in the United States;
- (v) you are subscribing for or purchasing the New Shares outside the United States in an "offshore transaction" (as defined in Rule 902(h) under the US Securities Act) in reliance on Regulation S under the US Securities Act;
- (w) you are not engaged in the business of distributing securities;
- (x) you and each person on whose account you are acting have not and will not send this Retail Offer Booklet, the Entitlement and Acceptance Form or any other materials relating to the Retail Entitlement Offer to any person in the United States or any other country outside Australia and New Zealand;
- (y) if in the future you decide to sell or otherwise transfer the New Shares acquired under the Retail Entitlement Offer you will only do so in "regular way" transactions on ASX or Chi-x where neither you nor any person acting on your behalf knows, or has reason to know, that the sale has been pre-arranged with, or that the purchaser is, in the United States;

- (z) you are eligible under applicable securities laws to exercise Entitlements and acquire New Shares under the Retail Entitlement Offer;
- (aa) if you are acting as a nominee or custodian, each beneficial holder on whose behalf you are submitting the Entitlement and Acceptance Form is resident in Australia or New Zealand and is not in the United States and is not acting for the account or benefit of a person in the United States, and you have not sent this Retail Offer Booklet, the Entitlement and Acceptance Form or any information relating to the Retail Entitlement Offer to any such person; and
- (bb) you make all other representations and warranties set out in this Retail Offer Booklet.

3.12 Brokerage and stamp duty

No brokerage fee is payable by Eligible Retail Shareholders who accept their Entitlement. No stamp duty is payable for subscribing for New Shares under the Retail Entitlement Offer.

3.13 Notice to nominees and custodians

The Retail Entitlement Offer is being made to all Eligible Retail Shareholders. Nominees or custodians with registered addresses in Australia or New Zealand, irrespective of whether they participate under the Institutional Entitlement Offer, may also be able to participate in the Retail Entitlement Offer in respect of some or all of the beneficiaries on whose behalf they hold Existing Shares, provided that the applicable beneficiary would satisfy the criteria for an Eligible Retail Shareholder.

Nominees and custodians who hold Shares as nominees or custodians will have received, or will shortly receive, a letter from Flight Centre. Nominees and custodians should consider carefully the contents of that letter and note in particular that the Retail Entitlement Offer is not available to:

- (a) beneficiaries on whose behalf they hold Existing Shares who would not satisfy the criteria for an Eligible Retail Shareholder;
- (b) Eligible Institutional Shareholders who received an offer to participate in the Institutional Entitlement Offer (whether they accepted their Entitlement or not);
- (c) Ineligible Institutional Shareholders who were ineligible to participate in the Institutional Entitlement Offer; or
- (d) Shareholders who are not eligible under all applicable securities laws to receive an offer under the Retail Entitlement Offer.

In particular, persons acting as nominees or custodians for other persons may not take up Entitlements on behalf of, or send any documents relating to the Retail Entitlement Offer to, any person in the United States or any person that is acting for the account or benefit of a person in the United States.

Flight Centre is not required to determine whether or not any registered holder is acting as a nominee or custodian or the identity or residence of any beneficial owners of Shares. Where any holder is acting as a nominee or custodian for a foreign person, that holder, in dealing with its beneficiary, will need to assess whether indirect participation by the beneficiary in the Retail Entitlement Offer is compatible with applicable foreign laws. Flight Centre is not able to advise on foreign laws.

3.14 Rights of Flight Centre

For the avoidance of doubt, Flight Centre reserves the right (in its absolute sole discretion) to reduce the number of Entitlements, New Shares or Additional New Shares allocated to Eligible Retail Shareholders, or persons claiming to be Eligible Retail Shareholders, if their claims prove to be overstated or if they (or their nominees/custodians) fail to provide information to substantiate their claims. In that case Flight Centre may, in its discretion and subject to the terms of the Underwriting Agreement, require the relevant Shareholder to transfer excess New Shares to each of the Underwriters at the Offer Price per New Share. If necessary, the relevant Shareholder may need to transfer Existing Shares held by them or purchase additional Shares on-market to meet this obligation. The relevant Shareholder will bear any and all losses and expenses caused by subscribing for New Shares in excess of their Entitlement and any actions they are required to take in this regard.

By applying under the Offer, you irrevocably acknowledge and agree to do the above as required by Flight Centre in its absolute discretion. You acknowledge that there is no time limit on the ability of Flight Centre to require any of the actions set out above.

Flight Centre also reserves the right to reject any acceptance of an Entitlement that it believes comes from a person who is not eligible to accept an Entitlement.

3.15 Withdrawal of the Entitlement Offer

Subject to applicable law, Flight Centre reserves the right to withdraw the Entitlement Offer at any time. If Flight Centre exercises this right it will refund any Application Monies received in relation to New Shares not already issued in accordance with the Corporations Act and will do so without interest being payable to Applicants. In circumstances where New Shares have been allotted under the Institutional Entitlement Offer, provided it is able to obtain any necessary regulatory relief, Flight Centre will only be able to withdraw the Offer with respect to New Shares to be issued under the Retail Entitlement Offer.

Refund amounts, if any, will be paid in Australian dollars. You will be paid either by direct credit to the nominated bank account as noted on the share register as at the Closing Date or by cheque sent by ordinary post to your address as recorded on the share register (the registered address of the first-named in the case of joint holders).

3.16 Risks

Eligible Retail Shareholders should be aware that an investment in Flight Centre involves risks. The key risks identified by Flight Centre are set out in the Investor Presentation in Section 4 of this Retail Offer Booklet, but these are not an exhaustive list of the risks associated with an investment in the Shares. You should consider these risks carefully in light of your personal circumstances, including financial and taxation issues, before making an investment decision in connection with the Retail Entitlement Offer.

3.17 Further enquiries

If you have not received or you have lost your Entitlement and Acceptance Form, or have any questions regarding the Entitlement Offer, please contact the FLT Offer Information Line on 1300 146 387 (within Australia) and + 61 3 9415 4261 (outside of Australia) at any time from 8.30am to 5.30pm (Sydney, Australia time) Monday to Friday, during the Retail Entitlement Offer Period. If you have any further questions, you should contact your stockbroker, solicitor, accountant or other professional adviser.

4 ASX Announcement and Investor Presentation



STATEMENT TO AUSTRALIAN SECURITIES EXCHANGE – 6 APRIL 2020

NOT FOR DISTRIBUTION TO US NEWSWIRE SERVICES OR DISTRIBUTION IN THE UNITED STATES

EQUITY CAPITAL RAISING TO STRENGTHEN BALANCE SHEET PLUS ENHANCED LIQUIDITY

The Flight Centre Travel Group (**Flight Centre** or **FLT**) is pleased to announce a comprehensive package of initiatives designed to strengthen its balance sheet and liquidity position in the context of prevailing market uncertainties and position it for future growth.

The initiatives announced today complement the previously announced cost reduction and cash preservation initiatives implemented by FLT to help overcome the unprecedented travel and trading restrictions imposed by governments in response to the COVID-19 pandemic.

The initiatives announced today include:

- A ~\$700 million fully underwritten¹ equity capital raising, comprising a ~\$282 million institutional placement (**Placement**) and a ~\$419 million 1-for-1.74 accelerated pro rata non-renounceable entitlement offer (**Entitlement Offer**) (together, the **Equity Raising**);
- A \$200 million increase in commitments from existing lenders; and
- Confirmation that the previously announced cost control initiatives and cash preservation initiatives are anticipated to reduce annualised operating expenses by approximately \$1.9 billion² (to approximately \$65 million per month, by the end of July 2020).

¹ Excluding the founder commitments under the institutional component of the Entitlement Offer and the circumstances described on slide 45 of FLT's investor presentation released to ASX on 6 April 2020 (**Investor Presentation**) under the heading "Shortfall". Refer to paragraph 2.2 of the Key Risks in the Investor Presentation for a description of the terms and conditions of the underwriting arrangements. Assumes that an additional 229,466 FLT shares are issued prior to the record date for the Entitlement Offer pursuant to the exercise of awards that have vested under FLT's Long Term Retention Plan, noting that the actual number of FLT shares that are issued may be less than this number depending on whether the participants exercise their vested awards in time. These amounts are subject to rounding.

² Compared to operating cost base between July 2019 and February 2020 of approximately \$227 million per month.

The combination of these initiatives is expected to ensure Flight Centre can trade through an extended period of uncertainty and disruption, can continue to deliver high quality travel services to customers and can capitalise on opportunities as market conditions improve.

EQUITY RAISING

FLT has today announced a fully underwritten³ Equity Raising of approximately \$700 million comprising a Placement and an Entitlement Offer.

The Placement and the Entitlement Offer will result in the issue of approximately 97.2 million⁴ new fully paid ordinary shares in FLT (**New Shares**), representing approximately 96.1% of existing Flight Centre shares on issue. Each New Share issued under the Placement and the Entitlement Offer will rank equally with existing shares on issue.

Placement

The approximately \$282 million Placement is fully underwritten⁵ and will be offered to institutional investors at \$7.20 per share, representing a 27.3% discount to the last traded price of \$9.91 on 19 March 2020 (prior to the trading halt in FLT's shares). The Placement is being conducted today, Monday, 6 April 2020.

In accordance with Class Waiver Decision – Temporary Extra Placement Capacity – granted by ASX on 31 March 2020, the Placement is within FLT's placement capacity calculated as if FLT's placement capacity under Listing Rule 7.1 is 25% and not 15%, and by reference to the number of FLT shares that may be issued under the Entitlement Offer, and accordingly no shareholder approval is required in connection with the Placement. FLT shares issued under the Placement do not have rights to participate in the Entitlement Offer.

Entitlement Offer

The Entitlement Offer of approximately \$419 million will consist of a 1-for-1.74 accelerated pro rata non-renounceable entitlement offer, including:

³ Please refer to note 1 in this announcement.

⁴ Assumes that an additional 229,466 FLT shares are issued prior to the record date for the Entitlement Offer pursuant to the exercise of awards that have vested under FLT's Long Term Retention Plan, noting that the actual number of FLT shares that are issued may be less than this number depending on whether the participants exercise their vested awards in time.

⁵ Please refer to note 1 in this announcement.

- a fully underwritten⁶ institutional entitlement offer to raise approximately \$280 million (**Institutional Entitlement Offer**); and
- a fully underwritten⁷ retail entitlement offer to raise approximately \$138 million, which will open on Wednesday, 15 April 2020 and close at 5pm (Sydney time) on Friday, 1 May 2020 (**Retail Entitlement Offer**).

Under the Entitlement Offer, eligible shareholders are invited to subscribe for 1 FLT share for every 1.74 shares they hold as at 7.00pm (Sydney time) on Wednesday, 8 April 2020 (the **Record Date**). All New Shares in the Entitlement Offer will be issued at a price of \$7.20 per New Share which represents:

- A 27.3% discount to the last close price of \$9.91 on 19 March 2020;
- A 16.1% discount to the theoretical ex-rights price (**TERP**⁸) of \$8.58.

Major shareholders the Turner, Harris and James families have committed to taking up a portion of their pro rata entitlements, in total representing a financial commitment of approximately \$25 million.

Entitlements cannot be traded on the ASX or transferred. Eligible shareholders who do not take up their entitlement under the Entitlement Offer in full or in part, will not receive any value in respect to those Entitlements not taken up.

Macquarie Capital (Australia) Limited and UBS AG, Australia Branch are joint lead managers and underwriters to the Equity Raising.

FLT's shares will remain in a trading suspension pending completion of the Placement and the Institutional Entitlement Offer.

Institutional Entitlement Offer

Eligible institutional shareholders will be invited to participate in the Institutional Entitlement Offer, which is being conducted today, Monday, 6 April 2020. Eligible institutional shareholders can choose to take up all, part or none of their entitlements under the

⁶ Please refer to note 1 in this announcement.

⁷ Please refer to note 1 in this announcement.

⁸ Theoretical ex-rights price (TERP) includes the shares issued under the Placement, Institutional Entitlement Offer and the Retail Entitlement Offer. TERP is the theoretical price at which Shares should trade immediately after the ex-date for the Entitlement Offer. TERP is a theoretical calculation only and the actual price at which Shares trade on ASX immediately after the ex-date for the Entitlement Offer will depend on many factors and may not be equal to TERP. TERP is calculated by reference to the closing price of FLT's Shares as traded on ASX on 19 March 2020, being the last trading day prior to the announcement of the Entitlement Offer.

Entitlement Offer. Entitlements not taken up by institutional shareholders cannot be traded on market or transferred. Entitlements not taken up by eligible institutional shareholders, and institutional entitlements that would otherwise have been offered to ineligible institutional shareholders, will be offered to new and existing institutional shareholders concurrently with the Institutional Entitlement Offer.

Retail Entitlement Offer

Eligible retail shareholders with a registered address in Australia or New Zealand will be invited to participate in the Retail Entitlement Offer. The Retail Entitlement Offer will open on Wednesday, 15 April 2020 and close at 5.00pm (Sydney time) on Friday, 1 May 2020.

Eligible retail shareholders who take up their entitlement in full can also apply for additional shares in excess of their entitlement up to a maximum of 25% of their entitlement under an oversubscription facility.

Further details about the Retail Entitlement Offer will be set out in the retail offer booklet, which FLT expects to lodge with the ASX and dispatch on 15 April 2020.

INCREASED COMMITMENT FROM EXISTING LENDERS AND COVENANT WAIVERS

FLT's existing banking group has agreed⁹ to provide a total of \$200 million in bilateral term facilities and waive covenant testing for the June 2020 and December 2020 testing periods across both new and existing facilities. Total facilities of \$450 million are in place and are subject to a minimum liquidity covenant of \$350 million.

COST CONTROL AND CASH PRESERVATION INITIATIVES

FLT is in the process of implementing a raft of cost saving initiatives designed to ensure that it can: trade through an extended period of uncertainty and disruption; continue to deliver high quality travel services to customers; and capitalise on opportunities as market conditions improve.

The initiatives are expected to result in \$1.9 billion¹⁰ of annualised cost reductions, resulting in anticipated monthly operating cash costs of approximately \$65 million, and be implemented by the end of July 2020. One-off costs of approximately \$210 million¹¹ will be

⁹ Subject to the satisfaction of certain conditions.

¹⁰ Compared to operating cost base between July 2019 and February 2020 of approximately \$227 million per month.

¹¹ Excludes non-cash PPE write-offs.

required to implement the cost reductions. The additional net operating cash losses during the transition period are expected to be approximately \$155 million.¹²

FLT has previously announced plans to close a large number of leisure shops throughout the world. FLT plans to close more than 50% of global leisure shops, including more than 40% of Australian leisure shops.

Flight Centre has moved to significantly reduce occupancy costs of the remaining retail network, by renegotiating rental agreements with landlords, discussions to date have been positive as FLT has pursued cost savings including rent-free periods and more flexible trading hours.

In addition, Flight Centre is also exploring the sale of its Melbourne head office site.

GOVERNMENT SUPPORT

FLT welcomes stimulus packages that governments throughout the world are delivering to help businesses retain as many workers as possible and overcome the extraordinary trading conditions they are facing.

In Australia, FLT continues to proactively engage with state and federal governments to discuss various support mechanisms that would help the company preserve more jobs for the future.

Flight Centre welcomes the Federal Government's JobKeeper initiative. The impact of the initiative is still being assessed; however, Flight Centre believes it will receive material support, both in terms of payments and an ability to retain more staff.

LIQUIDITY POSITION AND BALANCE SHEET FLEXIBILITY

The combination of these capital, liquidity and cost-related initiatives will provide FLT with substantial additional liquidity and balance sheet flexibility to trade through this period of dislocation and uncertainty across the travel sector.

¹² Management's estimate of aggregate net operating cash losses to be incurred during transition period whilst cost saving initiatives are implemented, incremental to the approximately \$65 million run-rate operating cash outflow per month and approximately \$210 million one-off cash costs to implement.

The package of initiatives provides FLT with approximately \$2.3 billion of liquidity (adjusted¹³ as at 29 February 2020) and a monthly cash operating cost base of approximately \$65 million (post one-off implementation costs of approximately \$210 million¹⁴).

FLIGHT CENTRE IS A LEADING GLOBAL TRAVEL AND TOURISM COMPANY

For over 30 years, Flight Centre has been delivering high quality travel services to its customers. In this time, it has transitioned from a leisure travel agency to a full-service leisure travel and corporate travel management business spanning 23 countries.

Prior to the COVID-19 outbreak and the implementation of unprecedented containment measures by governments in Australia and internationally, FLT had been on track to deliver a record year of TTV in FY20, after generating \$12.4 billion TTV in 1H20 (+11.2% on pcp) and further records of TTV in both January and February.

IMPACT OF COVID-19, TRADING UPDATE AND OUTLOOK

The COVID-19 containment initiatives that have been introduced domestically and globally have created an unprecedented challenge for the travel industry.

As one of the world's largest leisure and corporate travel managers, FLT has been, and will continue to be, significantly impacted by recent events, including:

- Unprecedented government-imposed travel restrictions;
- Major reduction in airline capacity;
- Nationwide “shut down” requirements imposed by governments which impact upon travel-related businesses; and,
- Consumer cautiousness associated with travel, and particularly isolation requirements.

After tracking at record levels through to the end of February 2020, total global transaction value (TTV) fell in March 2020 to 20-30% of normal levels , following increased restrictions on international travel, domestic border controls, self-isolation and trading with regard to non-essential services.

¹³ Taking into account the cost saving and capital raising initiatives, but prior to any unwind of working capital, one off-costs to implement cost saving initiatives or additional net operating cash losses expected during the transition period. Please refer to slide 24 in the Investor Presentation for further information.

¹⁴ Excludes non-cash PPE write-offs.

Based on these restrictions, further TTV declines are likely in the coming weeks as travel restrictions continue.

Despite this, Flight Centre continues to generate some revenues through long term travel bookings, intra-state and intra-region travel, repatriation services, essential services, government work, aircraft charters and alternative revenue streams.

The company has also continued to win and retain corporate accounts and secured contracts with annual spends in the order of \$250 million during March 2020.

In the longer term, as the one of the top 5 largest global corporate travel management companies and given the company's strong leisure sector presence, Flight Centre is uniquely positioned to benefit from the rebound in the travel industry.

COMMENTS FROM FLT MANAGING DIRECTOR GRAHAM TURNER:

"The steps we are taking and the strategies we are initiating are carefully considered and are designed to ensure that we:

- Overcome the challenges that we – and most other businesses across most industries – will face in the near-term; and,
- Are ready and well placed to benefit when the trading cycle improves, and as unprecedented travel and trading restrictions are lifted.

"These restrictions are widespread globally and now typically include full bans on international travel, domestic border closures and the forced closures of shops that are not deemed to be providing essential services. Together, they mean that our people are currently processing a fraction of the normal volumes at this time of year and the vast proportion of work previously carried out by our people has stopped. It is – without question – the most challenging period we have encountered in over 30 years in business and it is inevitable that some businesses across our industry will fail, given the significant loss of revenue that they will be experiencing now and for at least the next few months. With this funding in place and additional liquidity, we are in a much stronger position and are well placed to weather a prolonged downturn, which currently seems the likely scenario, and to then take advantage of the significant opportunities that will arise once conditions normalise".

Flight Centre was advised by Luminis Partners (in affiliation with Evercore) as financial advisor, King & Wood Mallesons and Allen & Overy as legal counsel.

Equity raising timetable

Event	Date
Announcement of Offer	Monday, 6 April 2020
Institutional Entitlement Offer and Placement opens	
Institutional Entitlement Offer and Placement closes	Monday, 6 April 2020
Suspension lifted and trading resumes	Tuesday, 7 April 2020
Record date for the Entitlement Offer (7:00pm Sydney time)	Wednesday, 8 April 2020
Retail Entitlement Offer Opens	Wednesday, 15 April 2020
Retail Entitlement Offer Booklet despatched	
Settlement of new shares issued under the Institutional Entitlement Offer and the Placement	Thursday, 16 April 2020
Allotment and normal trading of New Shares issued under the Institutional Entitlement Offer and the Placement	Friday, 17 April 2020
Retail Entitlement Offer closes (5:00pm Sydney time)	Friday, 1 May 2020
Settlement of Retail Entitlement Offer	Thursday, 7 May 2020
Allotment of New Shares issued under Retail Entitlement Offer	Friday, 8 May 2020
Normal trading of New Shares issued under Retail Entitlement Offer	Monday, 11 May 2020
Despatch of holding statements in respect of New Shares issued under the Retail Entitlement Offer	Wednesday, 13 May 2020

Note: The timetable above is indicative only and may be subject to change. Flight Centre reserves the right to amend any or all of these dates and times without notice, subject to the Corporations Act, the ASX Listing Rules and other applicable laws.

ADDITIONAL DETAILS

Further details of the Entitlement Offer are set out in the Investor Presentation pack provided to the ASX today (**Investor Presentation**). The pack contains important information including key risks and foreign selling restrictions with respect to the Placement and the Entitlement Offer.

ENDS: Media & investor enquiries to haydn_long@flightcentre.com, + 61 418 750454

IMPORTANT NOTICES

This announcement has been authorised by the Board of Flight Centre Travel Group Limited.

This announcement may not be released or distributed in the United States. This announcement does not constitute an offer to sell, or a solicitation of an offer to buy, securities in the United States. The new shares to be offered and sold in the Equity Raising have not been, and will not be, registered under the US Securities Act of 1933 (the **US Securities Act**) or the securities laws of any state or other jurisdiction of the United States, and may not be offered or sold, directly or indirectly, in the United States unless they are offered and sold pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the US Securities Act and applicable US state securities laws.

This announcement contains certain "forward-looking statements" that are based on management's beliefs, assumptions and expectations and on information currently available to management. Forward-looking statements can generally be identified by the use of forward-looking words such as, "expect", "anticipate", "likely", "intend", "should", "could", "may", "predict", "plan", "propose", "will", "believe", "forecast", "estimate", "target" "outlook", "guidance" and other similar expressions within the meaning of securities laws of applicable jurisdictions. Such forward-looking statements include statements regarding the timetable, conduct and outcome of the Equity Raising and the use of proceeds thereof, statements about the plans, objectives and strategies of the management of FLT, statements about the industry and the markets in which FLT operates and statements about the future performance of the FLT businesses. Indications of, and guidance or outlook on, future earnings or financial position or performance, future earnings and distributions are also forward-looking statements.

You are strongly cautioned not to place undue reliance on forward-looking statements, particularly in light of the current economic climate and the significant volatility, uncertainty and disruption caused by the outbreak of COVID-19. Any such statements, opinions and estimates in this announcement speak only as of the date hereof and are based on assumptions and contingencies subject to change without notice, as are statements about market and industry trends, projections, guidance and estimates. Forward-looking statements are provided as a general guide only. The forward-looking statements contained in this announcement are not indications, guarantees or predictions of future performance and involve known and unknown risks and uncertainties and other factors, many of which are beyond the control of FLT and its subsidiaries, and may involve significant elements of subjective judgement and assumptions as to future events which may or may not be correct. Forward-looking statements may also assume the success of the FLT's business strategies. The success of any of these strategies is subject to uncertainties and contingencies beyond the FLT's control, and no assurance can be given that any of the strategies will be effective or that the anticipated benefits from the strategies will be realised in the period for which the forward looking statements may have been prepared or otherwise. Refer to the key risks in Appendix A of the Investor Presentation for a non-exhaustive summary of certain key business, offer and general risk factors that may affect FLT and its subsidiaries.

There can be no assurance that actual outcomes will not differ materially from these forward-looking statements. A number of important factors could cause actual results or performance to differ materially from the forward-looking statements, including (without limitation) the risks and uncertainties associated with the ongoing impacts of COVID-19, the Australian and global economic environment and capital market conditions and other risk factors set out in the Investor Presentation. Investors should consider the forward-looking statements contained in this announcement in light of those risks and disclosures. The forward-looking statements are based on information available to FLT as at the date of this announcement.

No representation, warranty or assurance (express or implied) is given or made in relation to any forward-looking statement by any person (including FLT or any of its advisers). In particular, no representation, warranty or assurance (express or implied) is given that the occurrence of the events expressed or implied in any forward-looking statements in this announcement will actually occur. Actual operations, results, performance, production targets or achievement may vary materially from any projections and forward-looking statements and the assumptions on which those statements are based. Except as required by law or regulation (including the ASX Listing Rules), FLT disclaims any obligation or undertaking to update forward-looking statements in this announcement to reflect any changes in expectations in relation to any forward-looking statement or change in events, circumstances or conditions on which any statement is based.

Operational update and equity raising

6 April 2020



Important information and disclaimer

The following notice and disclaimer applies to this investor presentation (**Presentation**) and you are therefore advised to read this carefully before reading or making any other use of this Presentation or any information contained in this Presentation. By accepting this Presentation you represent and warrant that you are entitled to receive this Presentation in accordance with the restrictions, and agree to be bound by the limitations, contained within it.

This Presentation has been prepared by Flight Centre Travel Group Limited (ACN 003 377 188) (**FLT, Company**) and is dated 6 April 2020. This Presentation has been prepared in connection with the Company's proposed fully underwritten¹ equity raising (**Offer**) of new fully paid ordinary shares (**New Shares**) in FLT, comprising:

- A placement of New Shares to institutional and sophisticated investors (**Placement**) under section 708A of the Corporations Act
- A pro rata non-renounceable accelerated entitlement offer to certain eligible shareholders of the Company (**Entitlement Offer**).
- The Entitlement Offer is being made to:
 - eligible institutional shareholders of FLT (**Institutional Entitlement Offer**); and
 - eligible retail shareholders of FLT (**Retail Entitlement Offer**).

under section 708AA of the Corporations Act 2001 (Cth) (**Corporations Act**) (as modified by the Australian Securities and Investments Commission Corporations (**ASIC**) (Non-Traditional Rights Issues) Instrument 2016/84).

Summary information

This Presentation contains summary information about FLT and its subsidiaries (**Group**) and their respective activities which are current as at the date of this Presentation. The information in this Presentation is of a general nature and does not purport to be complete nor does it contain all information which a prospective investor may require in evaluating a possible investment in the Company or that would be required in a prospectus or product disclosure statement prepared in accordance with the requirements of the Corporations Act.

This Presentation should be read in conjunction with FLT's other periodic and continuous disclosure information lodged with the ASX, which are available at www.asx.com.au.

Market and industry data

Certain market and industry data used in connection with this Presentation may have been obtained from research, surveys or studies conducted by third parties, including industry or general publications. None of FLT, its representatives or advisers have independently verified any such market or industry data provided by third parties or industry or general publications.

Not an offer

This Presentation is for information purposes only and is not a prospectus, disclosure document, product disclosure statement or other offering document under Australian law or any other law (and will not be lodged with ASIC). This Presentation is not and should not be considered an offer or an invitation to acquire entitlements or New Shares or any other financial products. The Retail Entitlement Offer will be made on the basis of the information contained in the retail offer booklet to be prepared for eligible retail shareholders in Australia and New Zealand (**Retail Offer Booklet**), and made available following its lodgement with ASX. Any eligible retail shareholder in Australia or New Zealand who wishes to participate in the Retail Entitlement Offer should consider the Retail Offer Booklet before deciding whether to apply for New Shares under the Retail Entitlement Offer. Anyone who wishes to apply for New Shares under the Retail Entitlement Offer will need to apply in accordance with the instructions contained in the Retail Offer Booklet and the entitlement and acceptance form.

This Presentation does not constitute an offer to sell, or the solicitation of an offer to buy, any securities in the United States or any other jurisdiction in which such an offer would be illegal. The securities referred to in this Presentation have not been, and will not be, registered under the US Securities Act of 1933 (the **US Securities Act**) or the securities laws of any state or other jurisdiction of the United States, and may not be offered or sold, directly or indirectly, in the United States unless the securities have been registered under the US Securities Act (which FLT has no obligation to do or procure) or are offered or sold pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the US Securities Act and applicable U.S. state securities laws. This Presentation may not be distributed or released in the United States.

The distribution of this Presentation in jurisdictions outside Australia may also be restricted by law and any such restrictions should be observed. Any failure to comply with such restrictions may constitute a violation of applicable securities laws (see Selling Restrictions in Appendix B of this Presentation). By accepting this Presentation you represent and warrant that you are entitled to receive such presentation in accordance with the above restrictions and agree to be bound by the limitations contained therein.

Not financial product advice

This Presentation does not constitute financial product or investment advice or any recommendation to acquire New Shares or accounting, legal or tax advice.

Each recipient of this Presentation should make its own enquiries and investigations regarding all information in this Presentation including but not limited to the assumptions, uncertainties and contingencies which may affect future operations of the Group and the impact that different future outcomes might have on the Group. Information in this Presentation is not intended to be relied upon as advice to investors or potential investors and has been prepared without taking account of any person's individual investment objectives, financial situation or particular needs. Before making an investment decision, prospective investors should consider the appropriateness of the information having regard to their own investment objectives, financial situation and needs and seek legal, accounting and taxation advice appropriate to their jurisdiction. FLT is not licensed to provide financial product advice in respect of the New Shares. Cooling off rights do not apply to the acquisition of New Shares under the Offer.

Important information and disclaimer (cont.)



Investment risk

An investment in New Shares is subject to known and unknown risks, some of which are beyond the control of the Group, including possible delays in repayment and loss of principal and income invested. The Company does not guarantee any particular rate of return or the performance of the Group, nor does it guarantee the repayment of capital from the Company or any particular tax treatment. Persons should have regard to the risk factors outlined in Appendix A of this Presentation.

Financial data

All dollar values are in Australian dollars (A\$ or AUD) unless otherwise stated.

This Presentation includes certain historical financial information as at 31 December 2019, being:

- the historical consolidated balance sheet as at 31 December 2019 (the **Historical Financial Information**); and
- the pro forma consolidated balance sheet as at 31 December 2019 assuming completion of the Offer (net of transaction costs) (the **Pro Forma Historical Financial Information**).

The Historical Financial Information, and the Pro Forma Historical Financial Information are collectively referred to as Financial Information. The Financial Information has been included in this Presentation in relation to the Offer and should not be used for any other purpose. This Presentation includes certain unaudited historical financial information extracted from the Group's monthly management reporting as at 29 February 2020 (the **Other Financial Information**).

The Financial Information and the Other Financial Information is intended to present readers with information to assist them in understanding the underlying historical financial position of the FLT Group.

The Directors of FLT (the **Directors**) are responsible for the preparation and presentation of the Financial Information and the Other Financial Information.

The Historical Financial Information was derived from the interim consolidated financial statements of FLT for the six months ended 31 December 2019, which were reviewed by Ernst & Young in accordance with Australian Auditing Standards, and on which an unqualified limited assurance conclusion was issued. The Historical Financial Information has been prepared using the recognition and measurement requirements of Australian Accounting Standards (AAS). The Historical Financial Information provided in this Presentation is for illustrative purposes only and is not represented as being indicative of the Company's views on its future financial condition and/or performance.

The Pro Forma Historical Financial Information has been derived from the historical consolidated balance sheet as at 31 December 2019, and adjusted for pro forma adjustments relating to the Offer less transaction costs as if they had occurred as at 31 December 2019. The Pro Forma Historical Financial Information has been prepared by the Company in accordance with the measurement and recognition requirements of AAS other than it includes adjustments which have been prepared in a manner consistent with AAS that reflect the impact of certain transactions as if they had occurred as at 31 December 2019.

The Financial Information is presented in an abbreviated form insofar as it does not include all the presentation and disclosures, statements or comparative information as required by AAS and other mandatory professional reporting requirements applicable to general purpose financial reports prepared in accordance with the Corporations Act.

Investors should also note that the pro forma historical balance sheet is for illustrative purposes only.

Recipients of this Presentation should also be aware that the financial data in this Presentation includes certain measures not recognised under AAS or International Financial Reporting Standards (IFRS) ("non-IFRS financial information") as allowed under ASIC Regulatory Guide 230: "Disclosing non-IFRS financial information". These non-IFRS financial measures do not have a prescribed definition under AAS or IFRS and therefore may not be directly comparable to similarly titled measures presented by other entities. These should not be construed as an indication of, or an alternative to, corresponding financial measures determined in accordance with AAS or IFRS. Although we believe these non-IFRS financial measures provide useful information for measuring the financial performance and condition of the business, readers are cautioned not to place undue reliance on any non-IFRS financial measures included in this Presentation. These measures include:

- EBITDA, which is profit before income tax, interest, depreciation and amortisation;
- TTV, which is total transaction value, representing the price at which travel products and services have been sold across FLT's various operations, both as an agent for various airlines and other service providers and as a principal, plus revenue and other income from other sources;
- net working capital, which represent working capital assets (excluding cash) net of working capital liabilities. The analysis of working capital assets and working capital liabilities is set out on page 24; and

The Company believes this non-IFRS financial information provides, and these non-GAAP financial measures provide, useful information to users in measuring the financial performance and conditions of the Group.

Important information and disclaimer (cont.)



Going concern basis of preparation

The Group has experienced severe disruptions to its business as a result of the impacts of the COVID-19 pandemic.

The Financial Information has been prepared on a going concern basis, which contemplates continuity of the Company's normal business activities and the realisation of assets and the settlement of liabilities in the ordinary course of business.

As set out in the significant risks in Appendix A, there is material uncertainty whether the Company will continue as a going concern. The ability of the Group to meet its working capital requirements so as to settle its liabilities as and when they fall due is dependent upon its ability to raise sufficient capital through the Offer contemplated in this Presentation. The Directors of the Company believe that the funds raised together with the appropriate operating measures will be sufficient to provide the necessary working capital beyond the next 12 months.

Should the Offer not proceed, the Company will undertake further cost reduction initiatives and/or consider additional capital options.

Should the Company be unable to raise sufficient capital and reduce its cost base as contemplated in this Presentation, there is a material uncertainty whether the Company will be able to continue as going concern and therefore whether it will be able to meet its commitments as and when they become due and payable and realise its assets and discharge its liabilities in the normal course of business and at the amounts stated in the historical balance sheet.

The historical consolidated balance sheet does not include any adjustments relating to the recoverability and classification of recorded asset amounts nor to the amounts and classification of liabilities that might be necessary should the Company not continue as going concerns.

Effect of rounding

A number of figures, amounts, percentages, estimates and calculations of value in this Presentation are subject to the effect of rounding.

Forward-looking statements and forecasts

This Presentation contains certain "forward-looking statements" that are based on management's beliefs, assumptions and expectations and on information currently available to management. Forward-looking statements can generally be identified by the use of forward-looking words such as, "expect", "anticipate", "likely", "intend", "should", "could", "may", "predict", "plan", "propose", "will", "believe", "forecast", "estimate", "target", "outlook", "guidance" and other similar expressions within the meaning of securities laws of applicable jurisdictions. Such forward-looking statements include statements regarding the timetable, conduct and outcome of the Offer and the use of proceeds thereof, statements about the plans, objectives and strategies of the management of FLT, statements about the industry and the markets in which FLT operates and statements about the future performance of the FLT businesses. Indications of, and guidance or outlook on, future earnings or financial position or performance, future earnings and distributions are also forward-looking statements.

Important information and disclaimer (cont.)



You are strongly cautioned not to place undue reliance on forward-looking statements, particularly in light of the current economic climate and the significant volatility, uncertainty and disruption caused by the outbreak of COVID-19. Any such statements, opinions and estimates in this Presentation speak only as of the date hereof and are based on assumptions and contingencies subject to change without notice, as are statements about market and industry trends, projections, guidance and estimates. Forward-looking statements are provided as a general guide only. The forward-looking statements contained in this Presentation are not indications, guarantees or predictions of future performance and involve known and unknown risks and uncertainties and other factors, many of which are beyond the control of the Group, and may involve significant elements of subjective judgement and assumptions as to future events which may or may not be correct. Forward-looking statements may also assume the success of the Company's business strategies. The success of any of these strategies is subject to uncertainties and contingencies beyond the Company's control, and no assurance can be given that any of the strategies will be effective or that the anticipated benefits from the strategies will be realised in the period for which the forward looking statements may have been prepared or otherwise. Refer to the key risks in Appendix A of this Presentation for a non-exhaustive summary of certain key business, offer and general risk factors that may affect the Group.

There can be no assurance that actual outcomes will not differ materially from these forward-looking statements. A number of important factors could cause actual results or performance to differ materially from the forward-looking statements, including (without limitation) the risks and uncertainties associated with the ongoing impacts of COVID-19, the Australian and global economic environment and capital market conditions and other risk factors set out in this Presentation. Investors should consider the forward-looking statements contained in this Presentation in light of those risks and disclosures. The forward-looking statements are based on information available to the Company as at the date of this Presentation.

No representation, warranty or assurance (express or implied) is given or made in relation to any forward-looking statement by any person (including the Company or any of its advisers). In particular, no representation, warranty or assurance (express or implied) is given that the occurrence of the events expressed or implied in any forward-looking statements in this Presentation will actually occur. Actual operations, results, performance, production targets or achievement may vary materially from any projections and forward-looking statements and the assumptions on which those statements are based. Except as required by law or regulation (including the ASX Listing Rules), the Company disclaims any obligation or undertaking to update forward-looking statements in this Presentation to reflect any changes in expectations in relation to any forward-looking statement or change in events, circumstances or conditions on which any statement is based.

Past performance

This Presentation contains a pro forma historical consolidated balance sheet. Past performance and pro forma historical financial information given in this Presentation is given for illustrative purposes only and should not be relied upon as (and is not) an indication of the Group's views on its future financial performance or condition. Investors should note that past performance, including past share price performance, of FLT cannot be relied upon as an indicator of (and provides no guidance as to) future performance of the Group including future share price performance. The historical financial information contained in this Presentation is, or is based on, information that has previously been released to the market.

The information in this Presentation has been obtained from or based on sources believed by FLT to be reliable.

Disclaimer

Neither the underwriters (Underwriters), nor any of their or FLT's respective advisers nor any of their respective affiliates or related bodies corporate, nor any of their respective directors, officers, partners, employees or agents (together, the Beneficiaries), have authorised, permitted or caused the issue, submission, dispatch or provision of this Presentation and, except to the extent referred to in this Presentation, none of them makes or purports to make any statement in this Presentation and there is no statement in this Presentation which is based on any statement by any of them.

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To the maximum extent permitted by law, the Company, the Underwriters and their respective advisers, and each of their respective Beneficiaries make no representation or warranty, express or implied, as to the currency, accuracy, reliability or completeness of information in this Presentation and, with regards to each Underwriter, it and its advisers, and each of their respective Beneficiaries take no responsibility for any part of this Presentation or the Offer.

Each Underwriter and its advisers, and each of their respective Beneficiaries make no recommendations as to whether you or your related parties should participate in the Offer nor do they make any representations or warranties to you concerning the Offer. You represent, warrant and agree that you have not relied on any statements made by the Underwriters, their advisers, or any of their respective Beneficiaries in relation to the Offer. You further expressly disclaim that you are in a fiduciary relationship with any of FLT, the Underwriters or their advisers or any of their respective Beneficiaries.

You acknowledge and agree that determination and eligibility of investors for the purposes of the Offer is determined by reference to a number of matters, including legal and regulatory requirements and the discretion of FLT and the Underwriters. You further acknowledge and agree that FLT and the Underwriters and their respective Beneficiaries exclude and expressly disclaim any duty or liability (including for negligence) in respect of the exercise of that discretion, to the maximum extent permitted by law.

The Underwriters may have interests in the securities of the FLT, including by providing investment banking services to FLT. Further, the Underwriters may act as market maker or buy or sell those securities or associated derivatives as principal or agent. The Underwriters may receive fees for acting in their capacity as a lead manager and underwriter to the Offer.

Statements made in this Presentation are made only as at the date of this Presentation. None of the Underwriters, nor any of their or FLT's respective advisers nor any of their respective Beneficiaries have any obligation to update statements in this Presentation. The information in this Presentation remains subject to change without notice. FLT reserves the right to withdraw the Offer or vary the timetable for the Offer without notice.

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Executive summary

Impact of COVID-19	<ul style="list-style-type: none"> — Governments globally have recommended that citizens do not travel at this time — Many governments have imposed travel restrictions on non-citizens entering, or citizens leaving their countries — Flight Centre has seen total transaction value (TTV) tracking at ~20-30% of normal levels in March 2020 — Further declines in TTV are expected in coming weeks as travel restrictions continue
Cost saving initiatives	<ul style="list-style-type: none"> — Flight Centre is targeting total annualised cost reduction of more than \$1.9bn¹ <ul style="list-style-type: none"> — Closure of more than 50% of leisure shops globally, including more than 40% of Australian leisure outlets — Significantly reducing occupancy costs across the remaining leisure shop network — Initially ~6,000 support and sales roles stood down temporarily or, in some instances, made redundant — Immediate pause in sales and marketing media spend — Elimination of all other non-essential capital expenditure (e.g. IT)
Trading update and outlook	<ul style="list-style-type: none"> — Very low revenue environment likely to continue in the short term — Flight Centre continues to generate revenue (intra-state and intra-region travel (e.g. mine sites), longer term leisure bookings, government clients / essential services and aircraft charters) — The cost saving, balance sheet and liquidity initiatives announced today expected to ensure: <ul style="list-style-type: none"> — Flight Centre can trade through the current period of uncertainty and disruption across the global travel industry; — Continue to deliver high quality travel services to customers as market conditions improve
Balance sheet and liquidity initiatives	<ul style="list-style-type: none"> — Total of \$200m in additional bilateral term facilities provided by existing banking syndicate² — ~\$700m fully underwritten³ equity raising (Equity Raising or Offer): <ul style="list-style-type: none"> — ~\$282m institutional placement (Placement) — ~\$419m 1 for 1.74 accelerated pro rata non-renounceable entitlement offer (Entitlement Offer), including: <ul style="list-style-type: none"> — institutional entitlement offer (Institutional Entitlement Offer) to raise ~\$280m; and — retail entitlement offer (Retail Entitlement offer) to raise ~\$138m, — The Offer will be conducted at \$7.20 per New Share (Offer Price), representing a: <ul style="list-style-type: none"> — 27.3% discount to the last traded price of \$9.91 on 19 March 2020 — 16.1% discount to TERP⁴ of \$8.582

Notes: 1. Compared to operating cost base between July 2019 and February 2020 of ~\$227m per month. 2. Subject to the satisfaction of certain conditions. 3. Excluding the founder commitments under the institutional component of the Entitlement Offer and the circumstances described on slide 45 of this Presentation under the heading "Shortfall". Refer to paragraph 2.2 of the Key Risks in this Presentation for a description of the terms and conditions of the underwriting arrangements. Assumes that an additional 229,466 FLT shares are issued prior to the record date for the Entitlement Offer pursuant to the exercise of awards that have vested under FLT's Long Term Retention Plan, noting that the actual number of FLT shares that are issued may be less than this number depending on whether the participants exercise their vested awards in time. 4. Theoretical ex-rights price (TERP) includes the shares issued under the Placement, Institutional Entitlement Offer and the Retail Entitlement Offer. TERP is the theoretical price at which Shares should trade immediately after the ex-date for the Entitlement Offer. TERP is a theoretical calculation only and the actual price at which Shares trade on ASX immediately after the ex-date for the Entitlement Offer will depend on many factors and may not be equal to TERP. TERP is calculated by reference to the closing price of FLT's Shares as traded on ASX on 19 March 2020, being the last trading day prior to the announcement of the Entitlement Offer.

A comprehensive package

Flight Centre has implemented a comprehensive package of initiatives to ensure it has the balance sheet flexibility and liquidity to trade through a prolonged period of disruption to the travel industry

1) Cost reduction and cash preservation

- Annualised cost reduction of +\$1.9bn¹
 - **Network:** Immediate and rolling closure of more than 50% of leisure shops globally and ongoing lease negotiations
 - **Workforce:** Initially ~6,000 support and sales staff stood down temporarily (in some instances, made redundant) from a workforce of 20,000
 - **Sales and marketing:** media expenditure paused (\$18m reduction per month)
 - **Capex:** Elimination of all other non-essential capital expenditure
- Anticipated run-rate monthly operating cash costs of ~\$65m
 - Implemented by end July 2020
 - One-off implementation costs of ~\$210m²

2) Comprehensive lender support

- Banking group support, including:
 - Additional facilities:
 - \$200m of new commitments
 - Bilateral term facilities (364 day)
 - Covenant relief:
 - Waiver of operating leverage, fixed charge coverage and shareholder funds covenant testing at June 2020 and December 2020
 - Waiver of Material Adverse Effect clause as it relates to COVID-19
 - Waivers apply to existing and new facilities
- Total facilities of \$450m
 - Subject to \$350m minimum liquidity covenant

3) Balance sheet flexibility and liquidity

- Fully underwritten³ ~\$700m Equity Raising, comprising:
 - ~\$282m Institutional Placement
 - ~\$419m Entitlement Offer
- Dividend:
 - \$40m retained via cancellation of 1H20 dividend
 - No future dividends to be paid while current bank facilities in place without banks' consent
- Exploring possible sale of Melbourne head office site (~\$60m)

Notes:

1. Compared to operating cost base between July 2019 and February 2020 of ~\$227m per month.

2. Excludes non-cash PPE write-offs.

3. Excluding the founder commitments under the institutional component of the Entitlement Offer and the circumstances described on slide 45 of this Presentation under the heading "Shortfall". Refer to paragraph 2.2 of the Key Risks in this Presentation for a description of the terms and conditions of the underwriting arrangements. Assumes that an additional 229,466 FLT shares are issued prior to the record date for the Entitlement Offer pursuant to the exercise of awards that have vested under FLT's Long Term Retention Plan, noting that the actual number of FLT shares that are issued may be less than this number depending on whether the participants exercise their vested awards in time.

Flight Centre

A leading global travel and tourism company



9 Flight Centre Travel Group

Flight Centre is a leading global travel and tourism company



Flight Centre remains a leading global travel and tourism company; with strong brand recognition and customer loyalty across our Corporate, Leisure and Online platforms, we are positioned to take advantage of the recovery in travel and leisure markets globally

Strong brand

- Leading global travel business; strong recognition and customer loyalty across Corporate, Leisure and Online
- Flight Centre brand recognised as the highest awareness and consideration in the leisure travel market in Australia
- Two-brand approach in Corporate sector penetrates SME / travel management company sectors

Scale travel player

- Leading presence in key markets; Australia, NZ & South Africa
- Top five corporate travel management company globally

Diversified revenue streams

- **Corporate:** Multi brand strategy with a leading technology offering
- **Leisure:** Multi brand strategy with a loyal customer base

Global footprint

- More than half of TTV now generated offshore
- Operations in 23 countries globally
- Leisure shop network in six countries globally

Management team

- Strong and experienced management team
- 180 years of combined experience at Flight Centre
- Track record of delivering TTV, revenue and earnings growth

Positioned to take advantage of the recovery in travel and leisure market globally

Well positioned to benefit from a recovery in travel and tourism



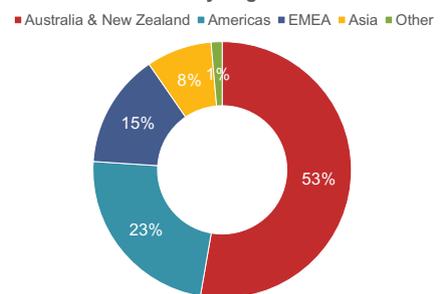
Flight Centre is well positioned to benefit from recovering travel and tourism

- Flight Centre has a 30+ year history of delivering high quality travel services to customers
- In this time, it has transitioned from a leisure travel agency business to a full service leisure and corporate travel company:
 - Consistently delivered revenue, earnings and TTV growth
 - Operating across 23 geographies
 - 20,000 employees globally
- Flight Centre remains an attractive investment proposition:
 - Flight Centre brand recognised as the highest awareness and consideration in the leisure travel market in Australia
 - Revenue diversified by pillar and geography
 - Strong management team with a track record of delivering TTV, revenue and earnings growth, including following periods of travel and tourism sector disruption
 - Recovery periods post downturns have produced FLT's strongest growth
- Corporate and domestic travel is expected to lead the recovery:
 - Flight Centre is well positioned to take advantage of this
 - Top 5 global travel management company operating in over 100 countries
- Flight Centre is positioned to benefit from market consolidation, as customers place more trust in strong brands and businesses

Global TTV by Pillar – FY19¹



Global TTV by Region – FY19



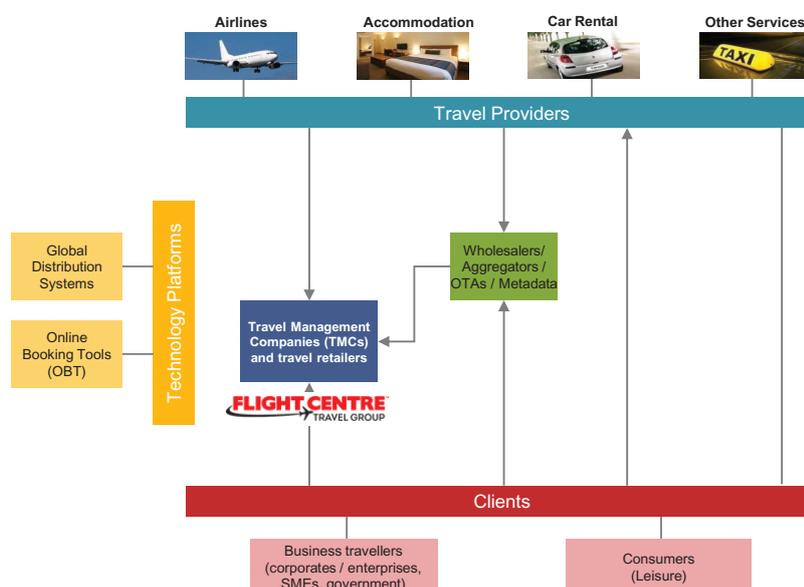
Note: 1. Excludes other segment and other/support & wholesale.

Flight Centre plays a critical role in the travel management industry



Flight Centre plays a critical role as an intermediary between the travel provider and customer

Travel management industry value chain



For travel providers

- Speaking with an agent provides opportunity to "upsell," driving margin expansion
- High yielding business with a wider distribution network and travel providers
- Leisure intermediary brands like Flight Centre, offer major marketing avenues and vastly expanded reach

For travel clients

- **Convenience:** available to help customers make informed decisions via multiple channels
- **Service:** Knowledge and know-how providing a more personalized service than travel providers
- **Scope:** helps customer to make comparisons – a knowledgeable travel agent will help clients find the ideal vacation for them while saving time
- **Choice:** Wider choice of products
- **Booking:** The booking of travel, both leisure and corporate is still a highly outsourced activity
- **Time:** saving time
- **Access:** to additional benefits and products

Business strengths



Flight Centre is a recognised global travel business with strong brand recognition and customer loyalty across its Corporate, Leisure and Online platforms

Corporate	Leisure	Online
<ul style="list-style-type: none"> • Unique approach – only large travel management company with two brands (Corporate Traveller and FCM Travel Solutions) delivering scalable, organic growth • Winning blend of technology and people in large market (FCM Travel Solutions) and SME (Corporate Traveller) • Global reach – one of few travel management companies capable of winning and managing large enterprise, global accounts (first US\$1bn travel management contract won in January 2020) • Wide choice of air and land content, globally negotiated and distributed, online and offline • Strong growth prospects – well placed to capitalise in a large, highly fragmented & growing global sector (US\$1.5 trillion addressable market)¹ • Continuing to win business – accounts with annualised spend of circa \$250m won in March 2020 globally 	<ul style="list-style-type: none"> • Flight Centre's largest business sector by TTV • Leading market-share in Australia, NZ and South Africa • Smaller and more specialised offerings in the UK, USA and Canada • Omni / multi-channel offerings • Growing share through new and emerging models, including B2B • Transformation underway and opportunity to accelerate 	<ul style="list-style-type: none"> • Emerging stable of online travel agencies (OTAs) and retail branded sites • StudentUniverse, BYOjet, Aunt Betty and flightcentre.com • \$880m in 1H20 TTV in leisure e-commerce sales • Strong enquiry generator for leisure network

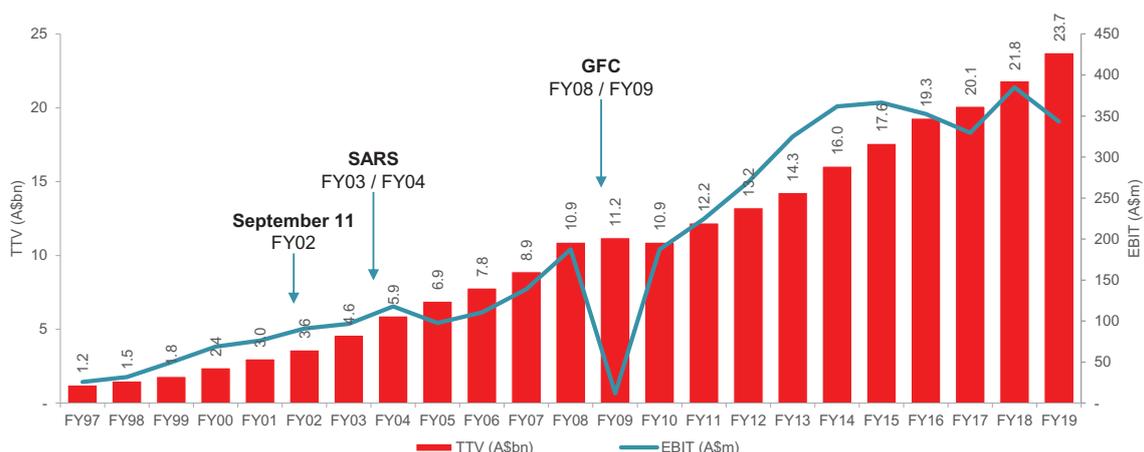
13 Flight Centre Travel Group Note: 1. Source: ABTA.

History of growth and profitability



Flight Centre has a track record of delivering consistent total transaction value and earnings growth

- **Total Transaction Value:** TTV CAGR of 14.4% from FY97 to FY19
- **Earnings :** EBIT CAGR of 12.5% from FY97 to FY19
- **Recovery:** Rapid earnings growth following a number of global travel and tourism shocks (September 11, SARS and the GFC)
 - TTV CAGR of 10.2% between FY10 and FY14 post the GFC
 - Following SARS outbreak Flight Centre benefitted from an industry wide uptick in short-term resident departures in Australia
 - Positive mix shift generally experienced following previous downturns over the last 20 years, driving margin improvement



14 Flight Centre Travel Group

Experienced management team



Strong management team with a long history in the business



Graham "Skroo" Turner
Global Managing Director
and CEO

- Co-founder with 39 years of experience at Flight Centre
- Nearly 50 years experience in the travel industry



Melanie Waters-Ryan
Chief Executive Officer
of Leisure

- 33 years at Flight Centre
- Held senior management roles during major global travel and tourism shocks
- Group COO for 8 years



Chris Galanty
Chief Executive Officer
of Corporate

- 23 years at Flight Centre
- Successfully guided the UK business through GFC and Brexit
- Formerly head of Flight Centre's EMEA business



Adam Campbell
Chief Financial
Officer

- 14 years at Flight Centre in Australian and global roles
- 5 years as CFO
- 25 years senior finance experience



Dean Smith
President of
America Leisure

- 24 years with Flight Centre
- Broad experience across the leisure and wholesale sectors
- Oversaw the Americas business emergence from the GFC to become a key earnings contributor



Steve Norris
Managing Director
EMEA

- 18 years with Flight Centre
- Vast experience in leisure and corporate travel sectors
- Appointed EMEA MD in January 2020



James Kavanagh
Managing Director
Australia

- 23 years industry experience, including 16 years at Flight Centre
- Strong background in corporate travel
- International experience



Charlene Leiss
Managing Director
The Americas

- 24 years industry experience, including 13 years at Flight Centre and 11 years at Garber Travel (acquired by FLT)
- Strong corporate sales and BDM background
- Has overseen strong corporate growth in the USA and Americas

Strong culture, with many long-standing members of the team who have assisted in navigating previous travel and tourism shocks

Business update, cost saving initiatives and outlook

Impact of COVID-19

The COVID-19 pandemic and associated containment initiatives are have caused unprecedented disruption to the tourism and travel industries

Government restrictions	<ul style="list-style-type: none"> — Governments globally have recommended that citizens do not travel at this time — Many governments have imposed travel restrictions on non-citizens entering, or citizens leaving their countries — Flight Centre has seen total transaction value (TTV) tracking at ~20-30% of normal levels in March 2020 — Further declines in TTV are expected in coming weeks as travel restrictions continue
Leisure	<ul style="list-style-type: none"> — Leisure customers are cautious around: <ul style="list-style-type: none"> — Strict isolation policies when entering their destination and upon returning to Australia — Infection risk both during travel and at their destination — Flow on effects of unemployment and lower consumer confidence are likely to also impact future demand
Corporate	<ul style="list-style-type: none"> — Major corporate travellers have significantly restricted travel in many cases banning all non-essential (and in some cases all) travel by their employees — Flight Centre continues to generate revenue – essential services, charters, intra-state (e.g. mine sites) and intra-region travel — Continuing to win business – accounts with annualised spends of circa \$250 million won globally in March 2020 — Positioned to benefit from account wins and strong retention when conditions recover and restrictions are lifted
Working capital	<ul style="list-style-type: none"> — Flight Centre’s working capital position is expected to at least partially unwind: <ul style="list-style-type: none"> — Reduction in near-term demand for travel — May be further impacted to the extent counterparties do not comply with their obligations — Flight Centre Leisure refund policy: <ul style="list-style-type: none"> — Provides customer refunds when refunds received from suppliers — Credit notes are offered as an alternative to refunds — Refunded international airfare cancellations incur a \$300 cancellation charge in Australia¹ — Flight Centre Corporate refund policy unchanged

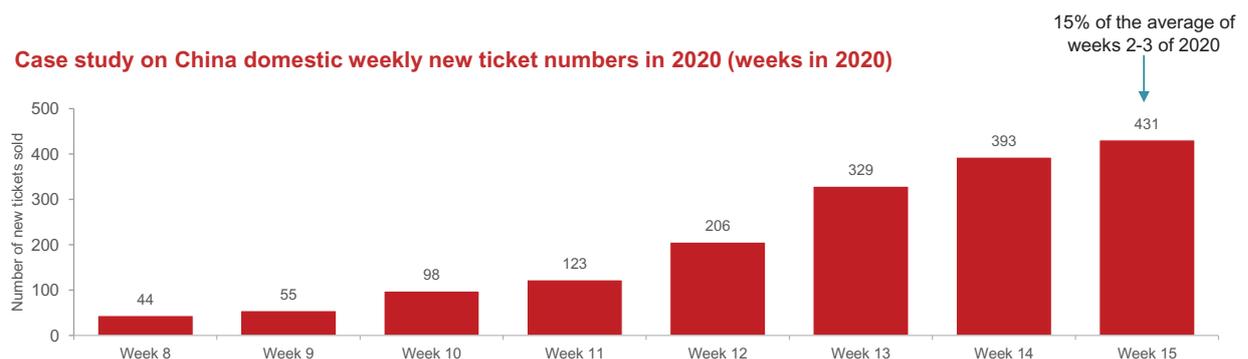
Note: 1. Intended to cover commission otherwise earned.

Ongoing revenue generation

Despite COVID-19, Flight Centre is adapting and continues to generate revenue

- **Long term leisure:** Longer term leisure bookings still being made – travellers looking through an extended booking window
- **Intra-state:** Intra-state and intra-region travel, plus land bookings (hotels, limousines and cars)
- **Repatriation:** Repatriating stranded travellers
- **Essential services:** Catering to essential services – activity currently in mining sector
- **Government:** administering hotel isolation program (NSW) and helping with staffing and operation of call centres
- **Charters:** Aircraft charters – meeting demand flowing from loss of scheduled services, increased capacity to meet social distancing requirements
- **Greenshoots:** starting to appear in Flight Centre’s China business through travel demand (Corporate) – see case study below

Case study on China domestic weekly new ticket numbers in 2020 (weeks in 2020)



Cash preservation actions

Management has moved to dramatically reduce costs, targeting more than \$1.9bn¹ savings annually

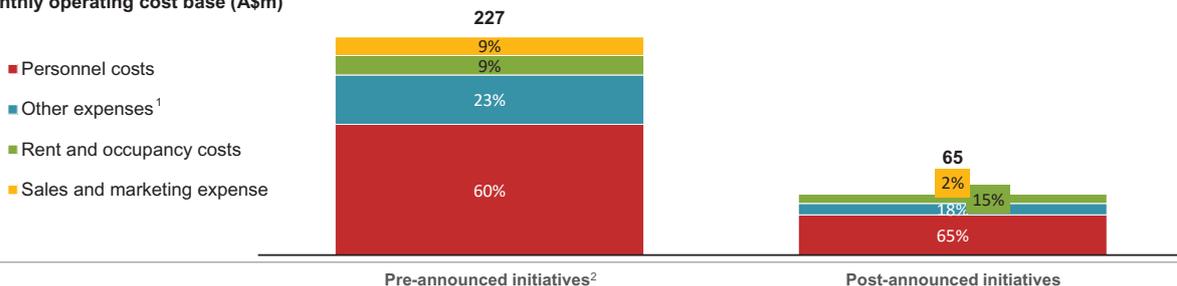
Store footprint	<ul style="list-style-type: none"> — Closure of more than 50% of global leisure shops, including more than 40% of Australian leisure shops — Flight Centre has moved to significantly reduce occupancy costs of the remaining retail network, by renegotiating rental agreements with landlords — Discussions to date have been positive as Flight Centre has pursued cost savings including rent-free periods and more flexible trading hours
Workforce	<ul style="list-style-type: none"> — Made the difficult decision to temporarily reduce its ~20,000 person global workforce, initially with ~6,000 support and sales roles globally either stood down temporarily or, in some instances, made redundant — This includes ~3,800 individuals in Australian support and sales roles who will be temporarily stood down — Further reductions in future — Flexible working arrangements and transition from full-time to part-time — Initiatives to encourage employees taking leave — Recruitment freeze — The impact of the JobKeeper initiative will be considered in future workforce decisions
Operating costs	<ul style="list-style-type: none"> — Expected run-rate monthly net operating cash outflow of ~\$65m² — Sales and marketing media spend paused (saving ~\$18m per month)
Working capital	<ul style="list-style-type: none"> — Flight Centre's working capital position is expected to at least partially unwind as a result of the reduction in near-term demand for travel and may be further impacted to the extent counterparties do not comply with their obligations
Capital expenditure	<ul style="list-style-type: none"> — Discretionary IT projects paused — All other non-essential capital expenditure will be deferred
One off costs	<ul style="list-style-type: none"> — One-off cash costs to implement cost saving initiatives of ~\$210m³ — The one-off costs include an amount for redundancies, which may be able to be mitigated as a result of the JobKeeper initiative — Additional net operating cash losses expected during transition of ~\$155m⁴

Notes: 1. Compared to operating cost base between July 2019 and February 2020 of ~\$227m per month. 2. Management estimate of operating cash outflows while COVID-19 market disruption cost saving initiatives are required. 3. Excludes non-cash PPE write-offs. 4. Management's estimate of aggregate net operating cash losses to be incurred during transition period whilst cost saving initiatives are implemented, incremental to ~\$65m run-rate operating cash outflow per month and ~\$210m one-off cash costs to implement.

Operating cost base

Flight Centre's cost base is being substantially reduced, with further opportunities to aggressively cut costs in an extended downturn

Monthly operating cost base (A\$m)



	Pre-announced initiatives ²	Post-announced initiatives
Timing		By end July 2020
One-off costs to achieve (A\$m)		\$210m ³
Australia stores (#)	944	516
Global (ex Australia stores) (#)	593	222
% reduction in rent and occupancy		52%
% reduction in personnel costs		69%
Sales and marketing (A\$m per month)	19.4	1.3

Notes:
1. Other expenses includes: technology, consulting and entertainment and communication and IT
2. Average monthly cost base between July 2019 and February 2020
3. Excludes non-cash PPE write-offs.

Government support

Along with others in the travel and leisure industry, Flight Centre continues to actively engage with governments globally on various initiatives

- Flight Centre welcomes the various policy packages that governments throughout the world are delivering to help businesses retain as many workers as possible and overcome the extraordinary trading conditions currently faced
- We continue to engage proactively with governments in all regions that we operate
- In Australia, Flight Centre continues to proactively engage with state and federal governments to discuss various support mechanisms that would help the company preserve jobs
- Specific initiatives announced to date include:
 - Significant wage subsidies to support Flight Centre retain essential employees in Australia, Finland, France, Germany, Ireland, the Netherlands, Sweden, Switzerland and the United Kingdom
 - Reduced or delayed tax payments, specific financial support and/or government loans available in Australia, China, France, Germany, Hong Kong, Ireland, the Netherlands, Sweden and the United Kingdom
 - Significant government benefits for employees stood down in Australia, China, Denmark, Finland, France, Norway, Switzerland and the United Kingdom
- Flight Centre welcomes the Australian Government's JobKeeper initiative. The impact of the initiative is still being assessed, however the company believes it will receive material support, both in terms of payments and an ability to retain more staff

Trading update and outlook

- The combination of cost saving and capital raising initiatives Flight Centre announced today will ensure Flight Centre can:
 - trade through the current period of uncertainty and disruption across the global travel industry;
 - continue delivering high quality travel services to customers as market conditions improve; and
 - take advantage of opportunities as the travel and tourism industry recovers
- Flight Centre has performed a bottom up analysis of cash flow saving initiatives:
 - Reduction in costs by more than \$1.9bn on an annualised basis driven by:
 - **Network:** Immediate and rolling closure of more than 50% of leisure shops globally (800 in total) and ongoing lease negotiations
 - **Workforce:** ~6,000 support and sales roles initially stood down temporarily (in some instances, made redundant) from a workforce of 20,000
 - **Sales and marketing:** media expenditure paused (\$18m per month)
 - **Capex:** elimination of all other non-essential capital expenditure
 - Post implementation of cost saving initiatives, expected to be completed by end July 2020, monthly cash operating costs and capital expenditure is expected to be ~\$65m
- After taking into account the cost saving and capital raising initiatives, Flight Centre has total available liquidity of \$2,269 million as at 29 February 2020, prior to any unwind of working capital, one off-costs to implement cost saving initiatives or additional net operating cash losses expected during the transition period (see page 24)

Capital structure and liquidity



23 Flight Centre Travel Group

Liquidity buffer



Liquidity position

As at 29 February 2020	\$m
Cash and investments (pre-offer) ¹	1,290
Minimum headroom under existing facilities	100
Additional headroom from bank facility expansion	200
Net proceeds from the equity raising	679
Total available liquidity as at 29 February 2020	2,269

The above table excludes the proceeds of sale from the Melbourne property and the \$350m minimum liquidity covenant

Working capital position

As at 29 February 2020	\$m
Working capital assets (excl. cash and investments)	1,124
Working capital liabilities (excl. client creditors)	792
Client creditor liability	1,018

- Flight Centre's working capital position is expected to at least partially unwind as a result of the reduction in near-term demand for travel and may be further impacted to the extent counterparties do not comply with their obligations
- Flight Centre provides leisure customer refunds when received from suppliers, or alternatively credit notes are offered / refunded international airfare cancellations charged \$300 in Australia²

Cost saving initiatives

	\$m
One-off cash costs to implement cost saving initiatives ³	~210
Expected run-rate monthly net operating cash outflow ⁴	~65
Additional net operating cash losses expected during transition ⁵	~155

Working capital assets (excl. cash and investments)

As at 29 February 2020	\$m
Retail and corporate debtors	543
Trade and other receivables	69
Override debtors	330
Accrued revenue	66
Prepayments	56
Other	60
Working capital assets (excl. cash)	1,124

Working capital liabilities (excl. client creditors)

As at 29 February 2020	\$m
Trade creditors	294
Accrued expenses	313
Employee benefits provision	112
Deferred revenue	66
Other	7
Working capital liabilities (excl. client creditors)	792

Represents client cash held before payment to suppliers included in total available liquidity as at 29 February 2020

Notes: All figures presented are unaudited management accounts as at 29 February 2020. 1. Includes client cash and client investments of \$887m. Cash and investments balances per general ledger. 2. Intended to cover commission otherwise earned on international airfares. 3. Excludes non-cash PPE write-offs. 4. Management estimate of operating cash outflows while COVID-19 market disruption cost saving initiatives are required, before any impact of the Australian Government's JobKeeper program. 5. Management's estimate of aggregate net operating cash losses to be incurred during transition period whilst cost saving initiatives are implemented, incremental to ~\$65m run-rate operating cash outflow per month and ~\$210m one-off cash costs to implement.

Pro forma balance sheet



A\$m	31 December 2019 Unaudited ¹	Impact of equity raising ²	31 December 2019 Unaudited pro forma
Assets			
Cash	837.7	679.0	1,516.7
Other current & non current assets	2,864.1	6.3	2,870.4
Total assets	3,701.8	685.3	4,387.1
Total liabilities			
	2,293.9	-	2,293.9
Net assets			
	1,407.9	685.3	2,093.2
Equity			
Share capital	397.3	685.3	1,082.6
Retained earnings and reserves	1,010.4	-	1,010.4
Non-controlling interests	0.2	-	0.2
Total Equity	1,407.9	685.3	2,093.2

Notes: 1. Extracted from the 31 December 2019 half year accounts which were subject to review. Note 2. Proforma Adjustments: \$700m equity raise, transactions costs of \$21m with \$6.3m Deferred Tax Asset

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Details of the offer

Details of the offer



Offer structure	<ul style="list-style-type: none"> — ~\$700m fully underwritten¹ equity raising (Equity Raising or Offer): <ul style="list-style-type: none"> — ~\$282m institutional placement (Placement) — ~\$419m 1 for 1.74 accelerated pro rata non-renounceable entitlement offer (Entitlement Offer), consisting of: <ul style="list-style-type: none"> — institutional entitlement offer (Institutional Entitlement Offer) expected to raise ~\$280m; and — retail entitlement offer (Retail Entitlement offer²) expected to raise ~\$138m — Approximately 97.2 million new fully paid ordinary shares in Flight Centre (New Shares) to be issued under the Equity Raising, representing approximately 96.1% of existing Flight Centre shares on issue
Offer price	<ul style="list-style-type: none"> — All shares under the Placement and Entitlement Offer will be issued at a fixed price of \$7.20 per New Share (Offer Price) — The Offer Price represents: <ul style="list-style-type: none"> — 27.3% discount to the last traded price of \$9.91 on 19 March 2020 — 16.1% discount to TERP³ of \$8.582
Institutional Entitlement Offer and Placement	<ul style="list-style-type: none"> — The Placement and Institutional Entitlement Offer will be conducted by way of a bookbuild process on Monday, 6 April 2020 — Entitlements under the Institutional Entitlement Offer that are not taken up and entitlements of ineligible institutional shareholders and ineligible retail shareholders under the Entitlement Offer will be offered for sale in the bookbuild
Retail Entitlement Offer	<ul style="list-style-type: none"> — The Retail Entitlement Offer will open on Wednesday, 15 April 2020 and close on Friday, 1 May 2020
Ranking	<ul style="list-style-type: none"> — New shares issued under the Equity Raising will rank equally in all respects with Flight Centre's existing ordinary shares
Founder intentions	<ul style="list-style-type: none"> — The founders intend to subscribe for ~\$25m of New Shares in aggregate
Underwriters	<ul style="list-style-type: none"> — Macquarie Capital (Australia) Limited and UBS AG, Australia Branch are joint lead managers and underwriters to the Equity Raising — The Placement and the Entitlement Offer are underwritten (except for founder commitments under the Institutional Entitlement Offer and the circumstances described on slide 45 under "Shortfall") representing proceeds of ~\$700m (including founder commitments)
Use of funds	<ul style="list-style-type: none"> — Proceeds of the Offer will be used to ensure Flight Centre has the balance sheet flexibility and liquidity to manage the business through a prolonged period of disruption to the global travel industry

Notes: 1. Excluding the founder commitments under the institutional component of the Entitlement Offer and the circumstances described on slide 45 of this Presentation under the heading "Shortfall". Refer to paragraph 2.2 of the Key Risks in this Presentation for a description of the terms and conditions of the underwriting arrangements. Assumes that an additional 229,466 FLT shares are issued prior to the record date for the Entitlement Offer pursuant to the exercise of awards that have vested under FLT's Long Term Retention Plan, noting that the actual number of FLT shares that are issued may be less than this number depending on whether the participants exercise their vested awards in time. 2. The Retail Entitlement Offer is only available to eligible retail shareholders with a registered address in Australia or New Zealand on the Record Date – see the Retail Offer Booklet for further details on eligibility once available. 3. Theoretical ex-rights price (TERP) includes the shares issued under the Placement, Institutional Entitlement Offer and the Retail Entitlement Offer. TERP is the theoretical price at which Shares should trade immediately after the ex-date for the Entitlement Offer. TERP is a theoretical calculation only and the actual price at which Shares trade on ASX immediately after the ex-date for the Entitlement Offer will depend on many factors and may not be equal to TERP. TERP is calculated by reference to the closing price of FLT's Shares as traded on ASX on 19 March 2020, being the last trading day prior to the announcement of the Entitlement Offer.

Offer timetable



Event	Date
Announcement of Offer, Institutional Entitlement Offer and Placement opens	Monday, 6 April 2020
Institutional Entitlement Offer and Placement closes	Monday, 6 April 2020
Suspension is lifted and trading resumes on an "ex-entitlement" basis	Tuesday, 7 April 2020
Record date for the Entitlement Offer (7:00pm Sydney time)	Wednesday, 8 April 2020
Retail Entitlement Offer opens and Retail Entitlement Offer Booklet despatched	Wednesday, 15 April 2020
Settlement of new shares issued under the Institutional Entitlement Offer and the Placement	Thursday, 16 April 2020
Allotment and normal trading of New Shares issued under the Institutional Entitlement Offer and the Placement	Friday, 17 April 2020
Retail Entitlement Offer closes (5:00pm Sydney time)	Friday, 1 May 2020
Settlement of Retail Entitlement Offer	Thursday, 7 May 2020
Allotment of New Shares issued under the Retail Entitlement Offer	Friday, 8 May 2020
Normal trading of New Shares issued under the Retail Entitlement Offer	Monday, 11 May 2020
Despatch of holding statements in respect of New Shares issued under the Retail Entitlement Offer	Wednesday, 13 May 2020

All dates and times are indicative and FLT reserves the right to amend any or all of these events, dates and times subject to the Corporations Act 2001 (Cth), ASX Listing Rules and other applicable laws. All times and dates are in reference to Sydney, Australia time.

Appendix A: Key risks

Key risks

INTRODUCTION

This section describes the key business risks of investing in FLT together with the risks relating to participation in the Offer which may affect the value of FLT shares and its ability to operate as a going concern. It does not describe all the risks of an investment. Before investing in the Company, you should be aware that an investment in FLT has a number of risks, some of which are specific to FLT and some of which relate to listed securities generally, and many of which are beyond the control of FLT.

Investors should consult their own professional, financial, legal and tax advisers about those risks and the suitability of investing in light of their particular circumstances. Investors should also consider publicly available information on FLT (including information available on the ASX website) before making an investment decision.

The risks are categorised as follows:

1. Key business risks
2. Offer and general risks

References to "FLT", "the Company" or "the Group" in the key risks section of this Presentation include FLT and its related bodies corporate (as defined in the Corporations Act 2001 (Cth)), where the context requires.

Key risks (cont.)

1. KEY BUSINESS RISKS

1.1 Travel industry disruption and the impact of COVID-19

The Company's operating and financial performance is dependent on the health of the travel industry generally. A decline in the domestic and/or international travel industry, whether as a result of a particular event (such as a war, terrorist attack, outbreak of disease epidemic/pandemic or a natural disaster, such as earthquakes and volcanic ash clouds), economic conditions (such as a decrease in consumer and business demand), or any other factors would have a material adverse effect on the Company's operating and financial performance.

The events relating to COVID-19 have recently resulted in unprecedented restrictions on domestic and international travel, major reductions in airline capacity and general disruption to the tourism industry. These restrictions have been imposed by domestic and international governments and regulatory authorities, and/or implemented as a matter of best practice during a health crisis. These developments have resulted in declining demand for international and domestic travel and tourism services (including hotels, accommodation and tourism activities) and an increase in travel cancellation rates, which has had a very significant short term impact and is expected to have a very significant medium term impact on the Company's business and operations and in particular, the demand for its services. There is continued uncertainty as to the duration of and further impact of COVID-19 including (but not limited to) in relation to government, regulatory or health authority actions, work stoppages, lockdowns, quarantines, travel restrictions and the impact on the Australian and global economy. There is a risk that if the spread of COVID-19 continues, and/or the actions taken to combat COVID-19 persist, FLT's operational and financial performance could deteriorate further. There is no certainty that demand for FLT's services will normalise to a level existing prior to the impact of COVID-19 (or how long such normalisation could take), even once the domestic and international travel restrictions are lifted.

Key risks (cont.)

1.2 General economic conditions

The Company's operating and financial performance is influenced by a variety of general economic and business conditions in Australia and overseas. A prolonged deterioration in general economic conditions, including a decrease in consumer and business demand, would likely have a material adverse effect on the Company's business or financial condition (or both). This risk is heightened in the current uncertain economic environment.

In light of recent Australian and Global macroeconomic events, including but not limited to the global impact of COVID-19, it is likely that Australia will experience an economic downturn of uncertain severity and duration which would affect discretionary spending on travel and leisure and the operating and financial performance of the Group.

Furthermore, the containment measures implemented in response to COVID-19 are expected to result in significant and prolonged dislocation to economies globally, including in many of the markets in which FLT operates. It is anticipated that many of the markets in which FLT operates will have economic downturns of uncertain severity and duration, which could affect (a) the desire of people to travel in those markets; and (b) spending on travel and leisure in those markets, which would in turn impact on the operating and financial performance of the Group.

There are also other changes in the macroeconomic environment which are also beyond the control of FLT and may be exacerbated in an economic recession or downturn. These include, but are not limited to:

- changes in inflation, interest rates and foreign currency exchange rates;
- changes in employment levels and labour costs, which will affect the cost structure of the Group;
- changes in aggregate investment and economic output; and
- other changes in economic conditions which may affect the revenue or costs of the Group.

Due to the impact of COVID-19, many of these factors are in a state of change, and may have an adverse impact on the financial position and prospects of the Group in the future. If market conditions continue to deteriorate, FLT may need to take additional measures in order to respond and there is a risk of future impairment of the carrying value of the Company's assets.

Key risks (cont.)

1.3 Supplier risk

The Company's business activities and financial performance are reliant on suitable contractual arrangements being negotiated with major airlines, global distribution system providers, and other suppliers of goods and services. The Company's supply chain consists of a complex series of travel providers and intermediaries, including a clearing system operated by the International Air Transport Association. There are a variety of credit risks inherent in this supply chain which are particularly heightened in the current economic environment. A dispute, or a breakdown in the relationship, between the Company and its suppliers, a failure to reach a suitable arrangement with a particular supplier, or the failure of a supplier to pay or otherwise satisfy its contractual obligations (including as a result of insolvency, financial stress or the impacts of COVID-19), could have an adverse effect on the reputation and/or the financial performance of the Company. The recent Australian and Global macroeconomic events described in paragraph 1.2 may also have an adverse impact on the financial position of the Group's suppliers, which may impact their ability to carry on business with the Company.

To the extent suppliers, partners or counterparties (such as international airlines, whose operations have been completely or substantially suspended) are facing financial stress, they may seek to change the terms upon which they engage with, cease or significantly reduce engagement with the Company (including through the reduced supply of inventory), or in extreme cases, may not pay their debts as and when they fall due. Such circumstances may impact upon the operations and financial performance of FLT.

1.4 Customer risk

Recent developments in international and domestic travel restrictions as a result of COVID-19 have resulted in a significant disruption to customer bookings and travel plans. As a result of the unprecedented travel restrictions, the Company has experienced a significant increase in the number of customer requests for travel cancellations and refunds. The high volume of cancellation and refund requests during the COVID-19 crisis has placed significant strain on the Group's resources and its refunds policies and procedures in general in responding to and processing customer requests for refunds and the return of customer monies, which may have an adverse impact on FLT's operational and financial performance. Customers may also seek a chargeback (or reversal) for certain types of card purchases. Any such actions may place significant strain on the Group's resources which may have an adverse impact on FLT's operational and financial performance. See also paragraph 1.5 regarding the risks associated with the Company's working capital requirements.

Uncertainty in relation to the future of the travel industry may also have detrimental effect on the confidence of customers in the ability of the Group to recover from this disruption to the industry and continue to operate in future. The Group's cancellation and refunds policies and procedures and/or the imposition of cancellation fees or charges by the Group during the COVID-19 crisis may also expose the Group to regulatory scrutiny or other action, media attention, consumer actions and/or cause reputational damage to the Group. See also paragraph 1.11 regarding regulatory risk, paragraph 1.24 regarding litigation risk, and paragraph 1.20 regarding diminution of customer satisfaction and loyalty.

Key risks (cont.)

1.5 Working capital requirements

The Company's business model includes payment terms relating to the pre-payment by customers for travel and tourism related services and the maintenance of large corporate credit balances, and related payment terms between the Company and its suppliers. To the extent these terms of payment and supply change, customers seek refunds (particularly in the current environment), customers seek chargebacks/reversals, receivables are uncollectable fully or partly, contract assets on balance sheet are unrecoverable or counterparties do not act consistently with supply terms, FLT may need to obtain additional working capital financing. In addition, transactional banking facilities, including credit card processing facilities, operated by the Company may be withdrawn by the banks or other providers, or the terms and conditions of those facilities may be materially amended, which may have an adverse impact on FLT's operational and financial performance. The Company's working capital position may be further impacted to the extent the current economic environment increases the risk of counterparties not complying with their obligations. The continued decline in sales as a result of COVID-19 and ongoing expenses associated with operating the business will also continue to place significant pressure on the Company's level of working capital. To the extent FLT does not have sufficient liquidity to manage its working capital cycle, FLT will not be able to continue operating its business in the ordinary course. See also slide 4 regarding going concern basis of preparation of financial information included in this Presentation.

Slide 24 of this Presentation sets out an illustrative liquidity buffer based on a combination of FLT's initiatives, including the equity injection contemplated under the Offer, extension of FLT's debt facilities headroom and FLT's most up-to-date estimates of its working capital position. These estimates have been impossible to predict with accuracy due to the shut-down of business operations arising from COVID-19, particularly in some of the geographic areas in which FLT operates. While FLT has provided the illustrative liquidity position using all information currently available to it, there can be no assurance that this illustration will capture or predict all of the actions which may be taken by customers, suppliers and debtors of the Group that impact its working capital requirements.

1.6 Cost reduction

The cost reduction initiatives outlined in this Presentation have been based on cost-saving initiatives already undertaken by FLT, together with a number of assumptions made with respect to the Company's ability to achieve these cost-saving targets, one-off-costs associated with realisation of those cost savings and legal advice in respect to the Company's rights with respect to its employees, landlords, customers and suppliers. Inability to meet these cost-saving targets may impact upon the Company's operations and financial performance. There is a risk that these assumptions are not correct, such that the cost-saving initiatives are not as effective as currently anticipated by management, or the one-off costs required to implement these cost reduction initiatives are larger than anticipated.

Slides 19 and 20 of this Presentation set out significant cash preservation actions to be implemented by FLT and illustrate the projected impact of those actions on FLT's operating cost base. These actions include changes to the store footprint, employee cost base, operating and capital expenditure plans. This Presentation sets out initiatives contemplated at launch of the Offer, however Flight Centre may require more aggressive initiatives in the case of an extended downturn. Given the dynamic nature of the current environment, there can be no assurance that these initiatives and other cost-out efforts can or will be achieved as or to the extent envisaged by FLT.

Key risks (cont.)

1.7 Financing risk

The Company has obtained waivers for its operating leverage, fixed charges coverage and shareholder funds covenants for the period ending 30 June 2020 and 31 December 2020. To the extent that the Company's operational or financial position does not improve or deteriorates further, there is no assurance that it will be able to obtain further financial accommodation or relief from covenant testing from its financiers in the future. In such circumstances, financiers may require that their loans be repaid immediately, which may have a material adverse effect on the Company's future financial performance and position. Further, any additional deterioration in the economic or business environment may impact the Company and this may also result in financiers requiring their loans to be repaid.

In addition, as part of the liquidity measures undertaken by the Company, it has obtained commitments, subject to the satisfaction of certain conditions, for new 364 day facilities totalling \$200 million with the Company's existing financiers. Although it is envisaged that this will assist the Company in surviving the current economic challenges, there can be no assurance that the Company will be able to extend, repay or refinance the facilities in whole or in part at maturity.

The Company will be subject to an additional covenant on its level of liquidity. If this is breached, financiers may require their loans to be repaid immediately, which may have a material adverse effect on the Company's future financial performance and position.

1.8 Human resources risk

The Company is dependent upon the experience of its Directors, key senior management and staff generally. The loss of any key personnel (i.e. by death, total or permanent disablement or resignation), as well as high staff turnover could cause disruption to the conduct of the Company's business in the short term and negatively affect the Company's operating and financial performance.

The workforce rationalisation being undertaken as outlined in this Presentation could also cause significant disruption to operations and impact on the Company's ability to retain high quality staff, operate its business in the ordinary course, effectively manage operational risks and/or take advantage of a recovery in the sector when the travel restrictions cease. In addition, while the actions taken by the Company to preserve cash and the Company's survival are believed by the Directors to have been appropriate and consistent with those taken across the industry, the area of labour relations is often the subject of dispute and possible legal and industrial relations challenge.

In addition, any outbreak of COVID-19 within the Company's workforce or disruption caused to operations as a result of the Company's remote working arrangements could have an adverse effect on the operating and financial performance of the Group.

Recent controversy in Australia and abroad on the subject of award and minimum conditions payments (including wages and overtime) also raises risks for the Group as with a large number of employers in Australia and overseas. While the Group has processes in place to ensure compliance with applicable labour laws, the overlap of workplace agreements, awards and industrial relations rules can give rise to risks of breaches having occurred in the countries in which the Group operates.

1.9 Growth strategy execution and business model disruption

The Company may not be able to execute effectively the strategies for its current and future acquired businesses. Future growth strategies which target expansion of existing business could expose FLT to additional or unforeseen costs, which may strain financial or management resources. There is also a risk of disruption to the Company's business models and/or those of its suppliers due to factors that are outside the control of FLT. Such disruption could adversely impact the Company's reputation and financial performance. The severe disruption to the Australian and global economy, and specifically the travel and tourism sectors is likely to impact upon the Company's ability to drive its growth agenda in the short and medium term.

Key risks (cont.)

1.10 Acquisition and investment risk

From time to time, the Company evaluates acquisition and divestment opportunities. Any past or future acquisitions or disposals would cause a change in the sources of the Company's earnings and result in variability of earnings over time. Integration of new businesses may be costly and occupy management's time. The financial performance of investments and the economic conditions they operate within may result in investment impairment should the recoverable amount of the investment fall below its carrying value.

1.11 Regulatory risk

Regulatory action against the Group under legislation and government policy may adversely affect the Group. For example, as a retailer of travel and travel-related products, the Group engages in extensive promotional and other advertising activities, conducts a foreign currency exchange business and processes its employees' and customers' personal information/data. Further, the Group's various cancellations and refunds policies and procedures and/or the imposition of cancellation fees or charges during the COVID-19 crisis may also expose it to regulatory scrutiny or action. Any media attention, regulatory scrutiny or other action taken against the Group members in any of the countries in which it operates may have adverse effects on the reputation of the Group or on its operating and financial performance. Similarly, a variation in law or regulation requiring the Company or any of its other businesses to hold or treat customer deposits differently to the way in which these are currently managed may have financial implications for the Group.

A variation in legislation and government policy may also affect the Group and the business environment in which it operates. Legislative changes could directly and indirectly alter consumer demand for and consumer attitudes towards international or domestic travel. In particular, anti-money laundering, anti-bribery and corruption, counter-terrorism financing, and sanctions compliance have been the subject of significant regulatory change and enforcement in recent years.

The Group's business activities and operations are located in jurisdictions in both the developed and developing world with varying degrees of political and judicial stability, including some countries with a relatively high inherent risk with regard to money laundering, bribery, corruption and terrorism-financing. This, for example, exposes the Group to the risk of unauthorised payments or offers of payments to or by employees, agents or distributors that could be in violation of applicable anti-corruption laws. Some of these risks are also inherited from businesses or entities acquired as part of past acquisitions which may not have been detected as part of the due diligence process at the time. Risks also include possible delays or disruptions resulting from a refusal to, or disruptions resulting from a refusal to, make so-called facilitation payments or any other form of benefit inconsistent with the Group's policy or applicable laws.

A failure to operate effective and fully compliant programs to combat money laundering, bribery, corruption and terrorist financing or to ensure compliance with economic sanctions or where breaches (whether involving the Group's related bodies corporate or employees) are only detected following an acquisition of a business or entity, could have serious legal and reputational consequences for the Group and its employees. Consequences can include fines, criminal and civil penalties, civil claims, reputational harm, consumer class actions and limitations on doing business in certain jurisdictions.

Key risks (cont.)

1.12 Climate change

Transitioning to a lower-carbon economy may entail extensive policy, legal, technology and market changes to address mitigation and adaptation requirements related to climate change. Physical risks resulting from climate change can be event driven or longer term shifts in climate patterns and may have financial implications for the Company, such as indirect impacts from supply chain disruption and travel patterns and habits of customers. There is uncertainty about how the Company's customers will respond to the effects of climate change (and therefore on possible changes in customer demand).

1.13 Business systems risk

The Company relies on the performance, reliability and availability of its information technology, communication and other business systems. Any damage to, or failure of, the Company's key systems may result in disruptions to the Company's business (especially its online services). Any failures of, or malicious attacks on, the Company's business systems or any compromise to the security of data (including any personal information / data) held by the Company may similarly impact both the Company's business and its reputation. Financial penalties for data breaches can be significant, which if levied on FLT could have an adverse effect on the reputation and the financial performance of the Company. The workforce rationalisation being undertaken by the Company, as well as the disruption caused to operations as a result of COVID-19, and the Company's remote working arrangements may also affect its information technology, communications and other business systems.

1.14 Financial risk

Access to capital is a fundamental requirement to achieve the Company's business objectives and to meet its financial obligations when they fall due. The inability to maintain a strong balance sheet or to secure new capital or credit facilities (from time to time) on favourable terms could impact upon the Company's operational and financial performance and the ability to meet its ongoing liquidity needs.

There is no guarantee that equity or debt funding will be available to FLT on favourable terms or at all or that, when an existing facility expires or is otherwise terminated (e.g. due to an event of default), FLT will be able to refinance that debt facility on reasonable terms.

As a borrower of capital, the Company is exposed to fluctuations in interest rates which may increase the cost of servicing the Company's debt. Developments in global financial markets, such as the impact of COVID-19, may adversely affected the liquidity of global credit markets and the Company's access to those markets. This may have a material adverse effect on the Company's future financial performance and position.

1.15 Taxation risks

A change to the current taxation regime in Australia or overseas, including changes in interpretation or application of the law by courts or taxation authorities, may affect FLT or its shareholders. Tax liabilities are the responsibility of each individual shareholder.

Key risks (cont.)

1.16 Currency risk

The Company operates internationally and is exposed to foreign exchange risk arising from currency exposures on future cash flows. The Company actively measures these exposures and has measures in place to manage some of that exposure. However, notwithstanding those measures, the movement of foreign exchange rates could still have an adverse effect on the Company's operating and financial performance. See also paragraph 1.2 regarding the risks in relation to the current economic environment.

The Company consolidates results of overseas businesses into Group results and the performance of overseas businesses in Australian dollars when reported in Group financial statements may vary due to the movement of foreign exchange rates. This could have an adverse effect on the Company's financial performance.

Furthermore, due to the nature of the Company as an international tourism business, changes to foreign exchange rates impact upon the underlying demand for travel and tourism services. The movement of foreign exchange rates are beyond the Company's control, and could still have an adverse effect on the Company's operating and financial performance.

1.17 Investment risks

The Company invests funds it receives in the course of conducting its business. The value of those investments or the return on them may rise or fall as a result of circumstances beyond the Company's control, including general economic conditions in Australia or overseas. Risks associated with returns on investments are particularly acute during periods of elevated global financial market volatility, such as those experienced post the outbreak of the global COVID-19 pandemic. The Company only invests funds with selected counterparties, under a Board-approved Treasury Policy, but the risk of counterparty default is heightened during periods of global financial market volatility, which could lead to the loss of funds invested.

1.18 Insurance

FLT maintains insurance cover that is consistent with standard industry practice, including workers compensation, business interruption, property damage, public liability and product liability, cyber, directors and officers and professional indemnity insurance. However, no assurance can be given that such insurance will be available in the future on commercially reasonable terms or that any cover will be adequate and available to cover all or any future claims.

1.19 Political, economic and social instability

The Company has operations in 23 countries and sells travel products in over 95 countries worldwide. The ability of the Company to sell travel products in those countries is uncertain. Regional, political, economic or social instability (including as a result of COVID-19) could negatively impact sales or the payment for sales.

Key risks (cont.)

1.20 Diminution of customer satisfaction and loyalty

The Company's business model is significantly dependant on customer satisfaction and loyalty. The operational and financial challenges associated with COVID-19, the associated impact on the travel and tourism industry and FLT's response to these challenges, could impact upon customer satisfaction and loyalty, the reputation of the Group and its ability to attract customers in future. A loss of customer satisfaction or loyalty may also materialise as a result of changing community expectations, activism in relation to particular travel destinations or activities which are booked through the Group, and in the event that the Group's employees fail to comply with approved customer service and pricing policies in relation to the pricing, terms and conditions offered to customers. Any diminution in customer satisfaction and customer loyalty or the Group's reputation may have an adverse impact on the operating and financial performance and position of FLT.

See also paragraph 1.4 and 1.11 in relation to the risks associated with an increase in customer refunds.

1.21 Change in consumer preferences

FLT is exposed to changes within the specific travel markets in which FLT operates, whether as a result of changes in or to key markets, changes in product availability, as well as changes in consumer travel trends and sentiment towards travel in general. Consequently, a failure by the Company to predict or respond to any such changes could adversely impact the Company's future operating and financial performance.

1.22 Leisure shop closure

FLT's leisure shop network has been an important part of its growth as a business throughout its corporate history. The significant reduction in the size of the leisure shop network may negatively influence FLT's brand and ability to generate sales and sales growth.

1.23 Accounting standards may change

Accounting standards may change. This may affect the reported earnings of FLT and its financial position from time to time. The Company has previously and will continue to assess and disclose, when known, the impact of adopting new accounting standards in its periodic financial reporting.

1.24 Risk of litigation, claims and disputes

The Group may be subject to litigation, class actions (including consumer / customer class actions, securities / shareholder class actions, and employee class actions), and other claims and disputes in the course of its business in each of the jurisdictions it operates, including employment disputes, contractual disputes, indemnity claims, consumer actions, claims for infringement by the Group of others' intellectual property rights, occupational and personal claims, regulatory enforcement actions (see also paragraphs 1.4 regarding customer risk, 1.8 regarding human resources risk and 1.11 regarding regulatory risks) and claims in relation to creative content. The Group's business activities and operations are located in various countries around the world. There are risks that a business operated by the Group or its employees might engage in conduct that is inconsistent with the Group's Code of Conduct, consumer, trade or other regulations that apply in its various jurisdictions, or agreements with its suppliers or customers. Any litigation, class actions, claims or disputes, including the costs of settling claims and operational impacts, could materially adversely affect the Group's business, operating and financial performance.

Key risks (cont.)

2. OFFER AND GENERAL RISKS

2.1 Investment in equity capital and COVID-19

There are general risks associated with investments in equity capital. The trading price of FLT's ordinary shares on ASX may fluctuate with movements in equity capital markets in Australia and internationally. This may result in the market price for the New Shares being less or more than the Offer Price.

Generally applicable factors which may affect the market price of FLT's ordinary shares include:

- the impact of COVID-19, including on health of workforce, the industry, customers, supply chains and travel restrictions;
- general movements in Australian and international stock markets, including market volatility;
- investor sentiment and the risk of contagion;
- Australian and international economic conditions and outlook, including changes in interest rates, the rate of inflation, exchange rates, commodity prices, employment levels and consumer demand;
- changes in Australian and foreign government regulation and fiscal, monetary and regulatory policies;
- loss of key personnel and delays in replacement;
- announcement of new technologies;
- geo-political instability, including international hostilities, acts of terrorism, the response to COVID-19 and travel restrictions;
- natural disasters, extreme weather events and catastrophes, whether in global, regional or local scale;
- epidemics and pandemics such as COVID-19;
- operating results of the Group that may vary from expectations of securities analysts and investors;
- changes in market valuations of other travel companies; and
- future issues of FLT equity securities.

The share prices for many listed companies have in recent times been subject to wide fluctuations and volatility, which in many cases may reflect a diverse range of non-company specific influences referred to above, including the general state of the economy, the response to COVID-19, investor uncertainty, geo-political instability, and global hostilities and tensions. In particular, the events relating to COVID-19 have recently resulted in significant market falls and volatility both in Australia and overseas, including in the prices of securities trading on the ASX.

Key risks (cont.)

There is continued uncertainty as to the further impact of COVID-19 on the Australian economy and share markets including in relation to governmental action, work stoppages, university and school stoppages, lockdowns, quarantines, travel restrictions and the impact on the Australian economy and equity and debt capital markets. Any of these events and resulting fluctuations may materially adversely impact the market price of FLT's ordinary shares. It is also possible that new risks may emerge as a result of domestic or foreign markets experiencing extreme stress, or existing risks (including the impacts of COVID-19) may evolve in ways that are not currently foreseeable. The equity capital markets have in the past and may in the future be subject to significant volatility.

No assurances can be given that the New Shares will trade at or above the Offer Price. None of FLT, its Board, the Underwriters, or any other person guarantees the market performance of the New Shares.

Furthermore, following the cancellation of the dividend declared in respect to the period ending 31 December 2019, there can be no assurance that investors will receive dividends in the future. Any distributions prior to Feb 2022 will be with banks' consent.

2.2 Equity raising risk

Macquarie Capital (Australia) Limited (ABN 79 123 199 548) ("**MCAL**") and UBS AG, Australia Branch (ABN 47 088 129 613) ("**UBS**", together with MCAL, the "**Underwriters**") will be acting as underwriters, joint lead managers and bookrunners to the Offer. FLT entered into an underwriting agreement with the Underwriters in respect of the Offer on 4 April 2020 (which was subsequently amended on 6 April 2020) ("**Underwriting Agreement**").

Key terms of Underwriting Agreement

Each Underwriter's obligations under the Underwriting Agreement, including to underwrite the Offer (other than with respect to the pre-commitments of the founding shareholders), and manage the Offer, are conditional on certain matters, including the timely delivery of due diligence process materials, ASX and ASIC granting the applicable waivers and modifications, the execution of pre-commitment letters by the founding shareholders (and those letters not being terminated), and that certain debt facilities and related commitments and waivers (refer to Slide 8) remain in place.

Key risks (cont.)

If certain conditions are not satisfied or certain events occur, the Underwriters may terminate the Underwriting Agreement. Termination of the Underwriting Agreement by both Underwriters would have an adverse impact on the total amount of proceeds that could be raised under the Offer. The events which may trigger termination of the Underwriting Agreement include (but are not limited to) the following:

- the S&P/ASX 200 Index closes at a level that is 12.5% or more below the level at market close on the Business Day immediately preceding the date of the Underwriting Agreement (3 April 2020):
 - on the opening date of the Institutional Offer (i.e. 6 April 2020); or
 - on the Business Day that is the Business Day immediately prior to the Institutional Settlement Date (i.e. 15 April 2020);
 - on two consecutive Business Days during the period from the date of entry into the Underwriting Agreement (4 April 2020) until the Retail Settlement Date (7 May 2020); or
 - on the Business Day that is the Business Day immediately prior to the Retail Settlement Date (6 May 2020).
- in the reasonable opinion of an Underwriter, the Offer materials contain (whether by omission or otherwise) any statement which is false, misleading or deceptive in a material respect or they otherwise do not comply with the Corporations Act or any other applicable law in a material respect;
- in the reasonable opinion of an Underwriter, any material statement or estimate in any Offer materials which relates to a future matter is or becomes incapable of being met;
- any cleansing notice lodged with ASX is or becomes defective, or any amendment or update to a cleansing notice is issued or is required to be issued under the Corporations Act and, in each case, the defective cleansing notice or amendment or update to a cleansing notice is adverse from the point of view of an investor;
- ASIC applies for an order under certain provisions of the Corporations Act in respect of the Offer or the Offer materials or ASIC commences certain actions or investigations against FLT or its directors or officers in relation to the Offer or the Offer materials;
- FLT is prevented from allotting and issuing the New Shares in accordance with the Underwriting Agreement;
- ASX makes any official statement to any person, or indicates to FLT or an Underwriter that it will not grant permission for the official quotation of the shares being issued under the Offer, or the approval for the official quotation is subsequently withdrawn, qualified (other than by customary conditions) or withheld by ASX;
- FLT ceases to be admitted to the official list of ASX or FLT's shares are suspended from trading on, or cease to be quoted on, ASX (excluding a trading halt or suspension contemplated by the Underwriting Agreement in order to conduct the Institutional Entitlement Offer);
- there are certain delays in the timetable for the Offer;
- any member of the FLT group becomes insolvent or there is an act or omission which is likely to result in a Group member becoming insolvent;
- FLT withdraws the Offer;
- FLT fails to deliver a certificate when required to under the Underwriting Agreement;

Key risks (cont.)

- a director of FLT:
 - is charged with an indictable offence or any regulatory body commences any public action against the director or announces that it intends to take any such action; or
 - is disqualified from managing a corporation under certain provisions of the Corporations Act;
- a change in the directors or senior management of FLT is announced or occurs;
- civil or criminal proceedings are brought against FLT or its directors or officers in relation to any fraudulent, misleading or deceptive conduct by or on behalf of FLT (whether or not in connection with the Offer);
- the Underwriters form the view (acting reasonably) that the results of the due diligence investigations are misleading or deceptive (or likely to mislead or deceive) whether by omission or otherwise;
- in relation to the debt facilities:
 - FLT breaches, or defaults under, any provision, undertaking, covenant or ratio of any material financing arrangement which has a material adverse effect on FLT; and
 - an event of default, potential event of default, review event which gives a lender or financier the right to accelerate or require repayment of the debt or financing or other similar event occurs under or in respect of any material financing arrangement;
- there is an event or occurrence which makes it illegal, or commercially impossible for the Underwriters to satisfy a material obligation under the Underwriting Agreement, or to market, promote or settle the Offer (including, without limitation, any acts, statute, order, rule, regulation, directive or request of any government or government agency, orders of any courts, lockdowns, lock-outs, forced closures, restrictions on mobility, or interruptions or restrictions in transportation which has this impact);
- a representation or warranty made or given by FLT under the Underwriting Agreement proves to be, has been or becomes, untrue or incorrect;
- FLT fails to comply with its obligations under the Underwriting Agreement;
- a statement in any confirmation certificate to the Underwriters from FLT is false, misleading, inaccurate, untrue or incorrect;
- there is an adverse change in the assets or liabilities, financial position or performance, profits or losses or prospects of FLT or the FLT group, including any adverse change in the assets or liabilities, financial position or performance, profits or losses or prospects of FLT or the FLT group from those disclosed to ASX in accordance with the ASX Listing Rules prior to the date of the Underwriting Agreement or in the ASX materials;
- a law or any new regulation is made or a new policy is adopted or official announcement is made that a law or new regulation will be introduced in Australia or any State or Territory of Australia or the United States other than any other than any law, regulation or policy which has been publicly announced by the Government of the Commonwealth of Australia or any State or Territory of Australia or the United States, or certain government agencies in Australia or the United States prior to entry into the Underwriting Agreement;

Key risks (cont.)

- in respect of any one or more of Australia, New Zealand, the United Kingdom, the United States, any member state of the European Union or the People's Republic of China:
 - hostilities not existing at the date of Underwriting Agreement commence (whether war has been declared or not) or a major escalation in existing hostilities occurs (whether war has been declared or not);
 - a state of emergency is declared (other than as already declared prior to entry into the Underwriting Agreement); or
 - a significant terrorist attack is perpetrated; or
- any of the following occurs:
 - a general moratorium on commercial banking activities in Australia, Hong Kong, the United States or the United Kingdom is declared by the relevant central banking authority in those countries, or there is a material disruption in commercial banking or security settlement or clearance services in any of those countries;
 - trading in all securities quoted or listed on ASX, the London Stock Exchange, the New York Stock Exchange or the Hong Kong Stock Exchange is suspended or limited in a material respect for 1 day (or a substantial part of 1 day) on which that exchange is open for trading, or a Level 3 "market-wide circuit breaker" is implemented by the New York Stock Exchange upon a 20% decrease against the prior day's closing price of the S&P 500 Index only; or
 - any adverse change or disruption to the existing financial markets or political or economic conditions in Australia, Hong Kong, the United States or the United Kingdom, or any adverse change, or development involving a prospective adverse change, in any of those conditions or markets.

The ability of an Underwriter to terminate the Underwriting Agreement in respect of some events will depend on whether, in the reasonable opinion of the Underwriter, the event:

- a) has had or is likely to have, a material adverse effect on the success of the Offer, the ability of the Underwriter to market or promote the Offer, the willingness of persons to apply for, or settle obligations to subscribe for, New Shares under the Offer or the price or likely price at which the New Shares are likely to trade on ASX; or
- b) has given, or is likely to give, rise to a contravention by the Underwriter or its affiliates of, or the Underwriter or its affiliates being involved in a contravention of, any applicable law, or a liability for the Underwriter or its affiliate.

For the purposes of the Underwriting Agreement, the effect of any matter, fact, event, circumstance, act, omission or otherwise (an **Event**) on any of the matters referred to in paragraph (a) will be determined by assessing or considering (without limitation) the likely effect of the Event on a decision of an investor to invest in the New Shares as if that decision to invest was made after the occurrence of that Event and not by considering only the number and extent of valid applications received before the occurrence of that Event.

Key risks (cont.)



In the event that:

- a) FLT withdraws the Offer (other than as a result of both Underwriters terminating the Underwriting Agreement); or
- b) both Underwriters terminate the Underwriting Agreement as a result of FLT failing to perform or observe any of its obligations under the Underwriting Agreement that are within its control,

then subject to the calculation provisions for the agreed fee provisions in the Underwriting Agreement, each Underwriter will be entitled to the full percentage fee payable to the Underwriter under the Underwriting Agreement in respect of the institutional component of the Offer (with that percentage being applied to the gross proceeds of the alternative offer(s)) if at any time within 2 months of that withdrawal or termination, FLT (or any member of the Group) directly or indirectly reaches financial close or other completion on any offering of securities (or enters into an agreement which later reaches financial close or other completion).

For details of other fees payable to the Underwriters, see the Appendix 3B released to ASX on 6 April 2020.

The Company also gives certain representations, warranties and undertakings to the Underwriter and an indemnity to the Underwriter and its affiliates subject to certain carve-outs.

Shortfall

The Underwriting Agreement provides that an Underwriter will not be issued any shares that would either cause it to (i) notify the Treasurer under the Foreign Acquisitions and Takeovers Act 1975 (Cth), (ii) breach published Foreign Investment Review Board policy or (iii) breach the 20% takeover threshold contained in Chapter 6 of the Corporations Act 2001 (Cth). The issue size is approximately 97.2 million shares or 96.1% of the existing shares on issue. If an Underwriter is required to take up shares on issue which would otherwise cause it to breach or notify under these provisions then, for the purposes of ASIC Report 612 (March 2019), (i) it will still fund its respective proportion of the underwritten proceeds in accordance with and subject to the terms of the underwriting agreement by the completion date, (ii) the number of excess shortfall shares would be up to its respective proportion of the number of shares to be issued under the Offer pursuant to the terms of the Underwriting Agreement less the number of shares that have been pre-committed or sub-underwritten and the number of shares that the Underwriter is able to take up without causing it to breach or notify under these provisions when aggregated with plus any additional interests the Underwriter and its affiliates hold at the relevant settlement dates other than through its underwriting commitment; and (iii) it would enter into an arrangement for any excess shortfall shares to be issued to it, or to third party investors, after close of the offer at the same price as the Offer price. No material impact on control is expected to arise as a consequence of these arrangements or from any shareholder taking up their entitlement under the Entitlement Offer where there is an excess shortfall.

The directors of FLT reserve the right to issue any shortfall (including any excess shortfall) under the Offer at their discretion. Any excess shortfall may, subject to the terms of the Underwriting Agreement, be allocated to the Underwriters or to third party investors as directed by the Underwriters. The basis of allocation of any other shortfall will be determined by the directors of FLT at their discretion, taking into account whether investors are existing shareholders, FLT's register and any potential control impacts.

Key risks (cont.)



2.3 Risks of dilution

Shareholders who do not participate in the Placement for a pro rata share, and/or do not take up all of their entitlements under the Entitlement Offer, will have their percentage security holding in FLT diluted. Investors may also have their investment diluted by future capital raisings by FLT. FLT may issue new securities in the future to finance acquisitions or pay down debt which may, under certain circumstances, dilute the value of an investor's interest.

Appendix B: International offer restrictions



47 Flight Centre Travel Group

International offer restrictions



This document does not constitute an offer of New Shares of the Company in any jurisdiction in which it would be unlawful. In particular, this document may not be distributed to any person, and the New Shares may not be offered or sold, in any country outside Australia except to the extent permitted below.

Canada (British Columbia, Ontario and Quebec provinces)

This document constitutes an offering of New Shares only in the Provinces of British Columbia, Ontario and Quebec (the **Provinces**) and to those persons to whom they may be lawfully distributed in the Provinces, and only by persons permitted to sell such New Shares. This document is not, and under no circumstances is to be construed as, an advertisement or a public offering of securities in the Provinces. This document may only be distributed in the Provinces to persons that are "accredited investors" within the meaning of NI 45-106 – *Prospectus Exemptions*, of the Canadian Securities Administrators.

No securities commission or similar authority in the Provinces has reviewed or in any way passed upon this document, the merits of the New Shares or the offering of New Shares and any representation to the contrary is an offence.

No prospectus has been, or will be, filed in the Provinces with respect to the offering of New Shares or the resale of such securities. Any person in the Provinces lawfully participating in the offer will not receive the information, legal rights or protections that would be afforded had a prospectus been filed and receipted by the securities regulator in the applicable Province. Furthermore, any resale of the New Shares in the Provinces must be made in accordance with applicable Canadian securities laws which may require resales to be made in accordance with exemptions from dealer registration and prospectus requirements. These resale restrictions may in some circumstances apply to resales of the New Shares outside Canada and, as a result, Canadian purchasers should seek legal advice prior to any resale of the New Shares.

The Company as well as its directors and officers may be located outside Canada and, as a result, it may not be possible for purchasers to effect service of process within Canada upon the Company or its directors or officers. All or a substantial portion of the assets of the Company and such persons may be located outside Canada and, as a result, it may not be possible to satisfy a judgment against the Company or such persons in Canada or to enforce a judgment obtained in Canadian courts against the Company or such persons outside Canada.

Any financial information contained in this document has been prepared in accordance with Australian Accounting Standards and also comply with International Financial Reporting Standards and interpretations issued by the International Accounting Standards Board. Unless stated otherwise, all dollar amounts contained in this document are in Australian dollars.

International offer restrictions (cont.)



Statutory rights of action for damages and rescission

Securities legislation in certain of the Provinces may provide purchasers with, in addition to any other rights they may have at law, rights of rescission or to damages, or both, when an offering memorandum that is delivered to purchasers contains a misrepresentation. These rights and remedies must be exercised within prescribed time limits and are subject to the defenses contained in applicable securities legislation. Prospective purchasers should refer to the applicable provisions of the securities legislation of their respective Province for the particulars of these rights or consult with a legal adviser.

The following is a summary of the statutory rights of rescission or to damages, or both, available to purchasers in Ontario. In Ontario, every purchaser of the New Shares purchased pursuant to this document (other than (a) a "Canadian financial institution" or a "Schedule III bank" (each as defined in NI 45-106), (b) the Business Development Bank of Canada or (c) a subsidiary of any person referred to in (a) or (b) above, if the person owns all the voting securities of the subsidiary, except the voting securities required by law to be owned by the directors of that subsidiary) shall have a statutory right of action for damages and/or rescission against the Company if this document or any amendment thereto contains a misrepresentation. If a purchaser elects to exercise the right of action for rescission, the purchaser will have no right of action for damages against the Company. This right of action for rescission or damages is in addition to and without derogation from any other right the purchaser may have at law. In particular, Section 130.1 of the Securities Act (Ontario) provides that, if this document contains a misrepresentation, a purchaser who purchases the New Shares during the period of distribution shall be deemed to have relied on the misrepresentation if it was a misrepresentation at the time of purchase and has a right of action for damages or, alternatively, may elect to exercise a right of rescission against the Company, provided that (a) the Company will not be liable if it proves that the purchaser purchased the New Shares with knowledge of the misrepresentation; (b) in an action for damages, the Company is not liable for all or any portion of the damages that the Company proves does not represent the depreciation in value of the New Shares as a result of the misrepresentation relied upon; and (c) in no case shall the amount recoverable exceed the price at which the New Shares were offered.

Section 138 of the *Securities Act (Ontario)* provides that no action shall be commenced to enforce these rights more than (a) in the case of any action for rescission, 180 days after the date of the transaction that gave rise to the cause of action or (b) in the case of any action, other than an action for rescission, the earlier of (i) 180 days after the purchaser first had knowledge of the fact giving rise to the cause of action or (ii) three years after the date of the transaction that gave rise to the cause of action. These rights are in addition to and not in derogation from any other right the purchaser may have.

Certain Canadian income tax considerations. Prospective purchasers of the New Shares should consult their own tax adviser with respect to any taxes payable in connection with the acquisition, holding or disposition of the New Shares as any discussion of taxation related matters in this document is not a comprehensive description and there are a number of substantive Canadian tax compliance requirements for investors in the Provinces.

Language of documents in Canada. Upon receipt of this document, each investor in Canada hereby confirms that it has expressly requested that all documents evidencing or relating in any way to the sale of the New Shares (including for greater certainty any purchase confirmation or any notice) be drawn up in the English language only. *Par la réception de ce document, chaque investisseur canadien confirme par les présentes qu'il a expressément exigé que tous les documents faisant foi ou se rapportant de quelque manière que ce soit à la vente des valeurs mobilières décrites aux présentes (incluant, pour plus de certitude, toute confirmation d'achat ou tout avis) soient rédigés en anglais seulement.*

International offer restrictions (cont.)



Germany

This document has not been, and will not be, registered with or approved by any securities regulator in Germany. Accordingly, this document may not be made available, nor may the New Shares be offered for sale, in Germany except in circumstances that do not require a prospectus under Article 1(4) of Regulation (EU) 2017/1129 of the European Parliament and the Council of the European Union (the "Prospectus Regulation").

In accordance with Article 1(4)(a) of the Prospectus Regulation, an offer of New Shares in Germany is limited to persons who are "qualified investors" (as defined in Article 2(e) of the Prospectus Regulation).

Hong Kong

WARNING: This document has not been, and will not be, registered as a prospectus under the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Cap. 32) of Hong Kong, nor has it been authorised by the Securities and Futures Commission in Hong Kong pursuant to the Securities and Futures Ordinance (Cap. 571) of the Laws of Hong Kong (the "SFO"). No action has been taken in Hong Kong to authorise or register this document or to permit the distribution of this document or any documents issued in connection with it. Accordingly, the New Shares have not been and will not be offered or sold in Hong Kong other than to "professional investors" (as defined in the SFO and any rules made under that ordinance).

No advertisement, invitation or document relating to the New Shares has been or will be issued, or has been or will be in the possession of any person for the purpose of issue, in Hong Kong or elsewhere that is directed at, or the contents of which are likely to be accessed or read by, the public of Hong Kong (except if permitted to do so under the securities laws of Hong Kong) other than with respect to New Shares that are or are intended to be disposed of only to persons outside Hong Kong or only to professional investors. No person allotted New Shares may sell, or offer to sell, such securities in circumstances that amount to an offer to the public in Hong Kong within six months following the date of issue of such securities.

The contents of this document have not been reviewed by any Hong Kong regulatory authority. You are advised, to exercise caution in relation to the offer. If you are in doubt about any contents of this document, you should obtain independent professional advice.

New Zealand

This document has not been registered, filed with or approved by any New Zealand regulatory authority under the Financial Markets Conduct Act 2013 (the **FMC Act**).

The New Shares are not being offered to the public within New Zealand other than to existing shareholders of the Company with registered addresses in New Zealand to whom the offer of these securities is being made in reliance on the FMC Act and the Financial Markets Conduct (Incidental Offers) Exemption Notice 2016.

International offer restrictions (cont.)



Other than in the Entitlement Offer, the New Shares may only be offered or sold in New Zealand (or allotted with a view to being offered for sale in New Zealand) to a person who:

- is an investment business within the meaning of clause 37 of Schedule 1 of the FMC Act;
- meets the investment activity criteria specified in clause 38 of Schedule 1 of the FMC Act;
- is large within the meaning of clause 39 of Schedule 1 of the FMC Act;
- is a government agency within the meaning of clause 40 of Schedule 1 of the FMC Act; or
- is an eligible investor within the meaning of clause 41 of Schedule 1 of the FMC Act (and, if an eligible investor, have provided the necessary certification).

Norway

This document has not been approved by, or registered with, any Norwegian securities regulator under the Norwegian Securities Trading Act of 29 June 2007. Accordingly, this document shall not be deemed to constitute an offer to the public in Norway within the meaning of the Norwegian Securities Trading Act of 2007.

The New Shares may not be offered or sold, directly or indirectly, in Norway except to "professional clients" (as defined in the Norwegian Securities Trading Act of 29 June 2007 no.75 (Section 10-6) and including non-professional clients having met the criteria for being deemed to be professional and for which an investment firm has waived the protection as non-professional in accordance with the procedures in this regulation).

Singapore

This document and any other materials relating to the New Shares have not been, and will not be, lodged or registered as a prospectus in Singapore with the Monetary Authority of Singapore. Accordingly, this document and any other document or materials in connection with the offer or sale, or invitation for subscription or purchase, of New Shares, may not be issued, circulated or distributed, nor may the New Shares be offered or sold, or be made the subject of an invitation for subscription or purchase, whether directly or indirectly, to persons in Singapore except pursuant to and in accordance with exemptions in Subdivision (4) of Division 1, Part XIII of the Securities and Futures Act, Chapter 289 of Singapore (the "SFA"), or as otherwise pursuant to, and in accordance with the conditions of any other applicable provisions of the SFA.

This document has been given to you on the basis that you are (i) an existing holder of the Company's shares, (ii) an "institutional investor" (as defined in the SFA) or (iii) an "accredited investor" (as defined in the SFA). In the event that you are not an investor falling within any of the categories set out above, please return this document immediately. You may not forward or circulate this document to any other person in Singapore.

Any offer is not made to you with a view to the New Shares being subsequently offered for sale to any other party. There are on-sale restrictions in Singapore that may be applicable to investors who acquire New Shares. As such, investors are advised to acquaint themselves with the SFA provisions relating to resale restrictions in Singapore and comply accordingly.

International offer restrictions (cont.)



Switzerland

The offering of the New Shares in Switzerland is exempt from requirement to prepare and publish a prospectus under the Swiss Financial Services Act (**FinSA**) because such offering is made to professional clients within the meaning of the FinSA only and the New Shares will not be admitted to trading on any trading venue (exchange or multilateral trading facility) in Switzerland. This document does not constitute a prospectus pursuant to the FinSA, art. 652a, or art. 752 of the Swiss Code of Obligations (in its version applicable during the transitory period after entering into force of FinSA on January 1, 2020) or a listing prospectus within the meaning of art. 27 et seqq. of the SIX Listing Rules (in their version enacted on January 1, 2020, and to be applied during the transitory period), and no such prospectus has been or will be prepared for or in connection with the offering of the New Shares.

United Arab Emirates

Neither this document nor the New Shares have been approved or passed on in any way by the Emirates Securities and Commodities Authority (**ESCA**) or any other governmental authority in the United Arab Emirates. The Company has not received authorisation from the ESCA or any other governmental authority to market or sell the New Shares within the United Arab Emirates. This document does not constitute, and may not be used for the purpose of, an offer of securities in the United Arab Emirates. No services relating to the New Shares, including the receipt of applications, may be rendered within the United Arab Emirates.

No offer or invitation to subscribe for New Shares is valid, or permitted from any person, in the Abu Dhabi Global Market or the Dubai International Financial Centre.

United Kingdom

Neither this document nor any other document relating to the offer has been delivered for approval to the Financial Conduct Authority in the United Kingdom and no prospectus (within the meaning of section 85 of the Financial Services and Markets Act 2000, as amended (**FSMA**)) has been published or is intended to be published in respect of the New Shares.

This document is issued on a confidential basis to "qualified investors" (within the meaning of section 86(7) of the FSMA) in the United Kingdom, and the New Shares may not be offered or sold in the United Kingdom by means of this document, any accompanying letter or any other document, except in circumstances which do not require the publication of a prospectus pursuant to section 86(1) of the FSMA. This document should not be distributed, published or reproduced, in whole or in part, nor may its contents be disclosed by recipients to any other person in the United Kingdom.

Any invitation or inducement to engage in investment activity (within the meaning of section 21 of the FSMA) received in connection with the issue or sale of the New Shares has only been communicated or caused to be communicated and will only be communicated or caused to be communicated in the United Kingdom in circumstances in which section 21(1) of the FSMA does not apply to the Company.

International offer restrictions (cont.)



In the United Kingdom, this document is being distributed only to, and is directed at, persons (i) who have professional experience in matters relating to investments falling within Article 19(5) (investment professionals) of the Financial Services and Markets Act 2000 (Financial Promotions) Order 2005 (FPO), (ii) who fall within the categories of persons referred to in Article 49(2)(a) to (d) (high net worth companies, unincorporated associations, etc.) of the FPO or (iii) to whom it may otherwise be lawfully communicated (together "relevant persons"). The investments to which this document relates are available only to, and any offer or agreement to purchase will be engaged in only with, relevant persons. Any person who is not a relevant person should not act or rely on this document or any of its contents.

5 Additional information

5.1 Responsibility for this Retail Offer Booklet

This Retail Offer Booklet (including the enclosed ASX Announcement and Investor Presentation and attached Entitlement and Acceptance Form) has been prepared by Flight Centre. No party other than Flight Centre has authorised or caused the issue of this Retail Offer Booklet, or takes any responsibility for, or makes or gives any statements, representations or undertakings in, this Retail Offer Booklet.

5.2 Date of this Retail Offer Booklet

This Retail Offer Booklet is dated 15 April 2020. Subject to the following paragraph, statements in this Retail Offer Booklet are made only as of the date of this Retail Offer Booklet unless otherwise stated and the information in this Retail Offer Booklet remains subject to change without notice. Flight Centre is not responsible for updating this Retail Offer Booklet.

The ASX Announcement and Investor Presentation set out in Section 4 of this Retail Offer Booklet are current as at the date on which they were released. There may be additional announcements that are made by Flight Centre (including after the date of this Retail Offer Booklet) that may be relevant to your consideration of whether to take up your Entitlement. Therefore, it is prudent that you check whether any further announcements have been made by Flight Centre before submitting an Application.

5.3 Ranking of New Shares

The New Shares (including any Additional New Shares) issued under the Retail Entitlement Offer will be fully paid and rank equally with Existing Shares with effect from their date of issue.

The rights attaching to the New Shares are set out in Flight Centre's constitution and are regulated by the Corporations Act, Listing Rules and general law.

5.4 Allotment, quotation and trading

Flight Centre has applied for quotation of the New Shares on ASX in accordance with Listing Rule requirements. If ASX does not grant quotation of the New Shares, Flight Centre will repay all Application Monies (without interest).

Subject to ASX approval being granted, it is expected that the New Shares allotted under the Retail Entitlement Offer will commence trading on a normal basis on Monday, 11 May 2020. Application Monies will be held by Flight Centre on trust for Applicants until the New Shares are allotted. No interest will be paid on Application Monies, and any interest earned on Application Monies will be for the benefit of Flight Centre and will be retained by Flight Centre irrespective of whether New Shares are issued.

It is the responsibility of Applicants to determine the number of New Shares allotted and issued to them prior to trading in such Shares. The sale by an Applicant of New Shares prior to receiving their holding statement is at the Applicant's own risk. Flight Centre and the Underwriters disclaim all liability whether in negligence or otherwise (to the maximum extent permitted by law) to persons who trade New Shares before receiving their holding statements, whether on the basis of confirmation of the allocation provided by Flight Centre or the Share Registry or otherwise.

5.5 Reconciliation

In any entitlement offer, investors may believe that they own more Shares on the Record Date than they ultimately do. This may result in a need for reconciliation to ensure all Eligible Shareholders have the opportunity to receive their full Entitlement.

Flight Centre may need to issue a small quantity of additional New Shares to ensure all Eligible Shareholders have the opportunity to receive their appropriate allocation of New Shares. The price at which these New Shares would be issued, if required, is the same as the Offer Price.

Flight Centre reserves the right (in its absolute sole discretion) to reduce the number of Entitlements or New Shares allocated to Eligible Shareholders, or persons claiming to be Eligible Shareholders, if their claims prove to be overstated, or if they (or their nominees/custodians) fail to provide information to substantiate their claims. See Section 3.14 of this Retail Offer Booklet for further details.

5.6 Underwriting

The Underwriters are acting as underwriters, joint lead managers and bookrunners to the Offer. Flight Centre entered into an underwriting agreement with the Underwriters in respect of the Offer on 4 April 2020 (which was subsequently amended on 6 April 2020).

Key terms of Underwriting Agreement

Each Underwriter's obligations under the Underwriting Agreement, including to underwrite the Offer (other than with respect to the pre-commitments of the founding shareholders), and manage the Offer, are conditional on certain matters, including the timely delivery of due diligence process materials, ASX and ASIC granting the applicable waivers and modifications, the execution of pre-commitment letters by the founding shareholders (and those letters not being terminated), and that certain debt facilities and related commitments and waivers (refer to Slide 8 of the Investor Presentation) remain in place.

If certain conditions are not satisfied or certain events occur, the Underwriters may terminate the Underwriting Agreement. Termination of the Underwriting Agreement by both Underwriters would have an adverse impact on the total amount of proceeds that could be raised under the Offer. The events which may trigger termination of the Underwriting Agreement include (but are not limited to) the following:

- the S&P/ASX 200 Index closes at a level that is 12.5% or more below the level at market close on the business day immediately preceding the date of the Underwriting Agreement (3 April 2020):
 - on the opening date of the Institutional Entitlement Offer (i.e. 6 April 2020); or
 - on the business day that is the business day immediately prior to the Institutional Entitlement Offer settlement date (i.e. 15 April 2020);
 - on two consecutive business days during the period from the date of entry into the Underwriting Agreement (4 April 2020) until the Retail Entitlement Offer settlement date (7 May 2020); or
 - on the business day that is the business day immediately prior to the Retail Entitlement Offer settlement date (6 May 2020).
- in the reasonable opinion of an Underwriter, the Offer materials contain (whether by omission or otherwise) any statement which is false, misleading or deceptive in a material

respect or they otherwise do not comply with the Corporations Act or any other applicable law in a material respect;

- in the reasonable opinion of an Underwriter, any material statement or estimate in any Offer materials which relates to a future matter is or becomes incapable of being met;
- any cleansing notice lodged with ASX is or becomes defective, or any amendment or update to a cleansing notice is issued or is required to be issued under the Corporations Act and, in each case, the defective cleansing notice or amendment or update to a cleansing notice is adverse from the point of view of an investor;
- ASIC applies for an order under certain provisions of the Corporations Act in respect of the Offer or the Offer materials or ASIC commences certain actions or investigations against Flight Centre or its directors or officers in relation to the Offer or the Offer materials;
- Flight Centre is prevented from allotting and issuing the New Shares in accordance with the Underwriting Agreement;
- ASX makes any official statement to any person, or indicates to Flight Centre or an Underwriter that it will not grant permission for the official quotation of the shares being issued under the Offer, or the approval for the official quotation is subsequently withdrawn, qualified (other than by customary conditions) or withheld by ASX;
- Flight Centre ceases to be admitted to the official list of ASX or Shares are suspended from trading on, or cease to be quoted on, ASX (excluding a trading halt or suspension contemplated by the Underwriting Agreement in order to conduct the Institutional Entitlement Offer);
- there are certain delays in the timetable for the Offer;
- any member of the Flight Centre group becomes insolvent or there is an act or omission which is likely to result in a Flight Centre group member becoming insolvent;
- Flight Centre withdraws the Offer;
- Flight Centre fails to deliver a certificate when required to under the Underwriting Agreement;
- a director of Flight Centre:
 - is charged with an indictable offence or any regulatory body commences any public action against the director or announces that it intends to take any such action; or
 - is disqualified from managing a corporation under certain provisions of the Corporations Act;
- a change in the directors or senior management of Flight Centre is announced or occurs;
- civil or criminal proceedings are brought against Flight Centre or its directors or officers in relation to any fraudulent, misleading or deceptive conduct by or on behalf of Flight Centre (whether or not in connection with the Offer);
- the Underwriters form the view (acting reasonably) that the results of the due diligence investigations are misleading or deceptive (or likely to mislead or deceive) whether by omission or otherwise;

- in relation to the debt facilities:
 - Flight Centre breaches, or defaults under, any provision, undertaking, covenant or ratio of any material financing arrangement which has a material adverse effect on Flight Centre; and
 - an event of default, potential event of default, review event which gives a lender or financier the right to accelerate or require repayment of the debt or financing or other similar event occurs under or in respect of any material financing arrangement;
- there is an event or occurrence which makes it illegal, or commercially impossible for the Underwriters to satisfy a material obligation under the Underwriting Agreement, or to market, promote or settle the Offer (including, without limitation, any acts, statute, order, rule, regulation, directive or request of any government or government agency, orders of any courts, lockdowns, lock-outs, forced closures, restrictions on mobility, or interruptions or restrictions in transportation which has this impact);
- a representation or warranty made or given by Flight Centre under the Underwriting Agreement proves to be, has been or becomes, untrue or incorrect;
- Flight Centre fails to comply with its obligations under the Underwriting Agreement;
- a statement in any confirmation certificate to the Underwriters from Flight Centre is false, misleading, inaccurate, untrue or incorrect;
- there is an adverse change in the assets or liabilities, financial position or performance, profits or losses or prospects of Flight Centre or the Flight Centre group, including any adverse change in the assets or liabilities, financial position or performance, profits or losses or prospects of Flight Centre or the Flight Centre group from those disclosed to ASX in accordance with the ASX Listing Rules prior to the date of the Underwriting Agreement or in the ASX materials;
- a law or any new regulation is made or a new policy is adopted or official announcement is made that a law or new regulation will be introduced in Australia or any State or Territory of Australia or the United States other than any other than any law, regulation or policy which has been publicly announced by the Government of the Commonwealth of Australia or any State or Territory of Australia or the United States, or certain government agencies in Australia or the United States prior to entry into the Underwriting Agreement;
- in respect of any one or more of Australia, New Zealand, the United Kingdom, the United States, any member state of the European Union or the People's Republic of China:
 - hostilities not existing at the date the Underwriting Agreement commences (whether war has been declared or not) or a major escalation in existing hostilities occurs (whether war has been declared or not);
 - a state of emergency is declared (other than as already declared prior to entry into the Underwriting Agreement); or
 - a significant terrorist attack is perpetrated; or
- any of the following occurs:
 - a general moratorium on commercial banking activities in Australia, Hong Kong, the United States or the United Kingdom is declared by the relevant central banking

authority in those countries, or there is a material disruption in commercial banking or security settlement or clearance services in any of those countries;

- trading in all securities quoted or listed on ASX, the London Stock Exchange, the New York Stock Exchange or the Hong Kong Stock Exchange is suspended or limited in a material respect for 1 day (or a substantial part of 1 day) on which that exchange is open for trading, or a Level 3 "market-wide circuit breaker" is implemented by the New York Stock Exchange upon a 20% decrease against the prior day's closing price of the S&P 500 Index only; or
- any adverse change or disruption to the existing financial markets or political or economic conditions in Australia, Hong Kong, the United States or the United Kingdom, or any adverse change, or development involving a prospective adverse change, in any of those conditions or markets.

The ability of an Underwriter to terminate the Underwriting Agreement in respect of some events will depend on whether, in the reasonable opinion of the Underwriter, the event:

- (a) has had or is likely to have, a material adverse effect on the success of the Offer, the ability of the Underwriter to market or promote the Offer, the willingness of persons to apply for, or settle obligations to subscribe for, New Shares under the Offer or the price or likely price at which the New Shares are likely to trade on ASX; or
- (b) has given, or is likely to give, rise to a contravention by the Underwriter or its affiliates of, or the Underwriter or its affiliates being involved in a contravention of, the Corporations Act or any applicable law or a liability for the Underwriter or its affiliate.

For the purposes of the Underwriting Agreement, the effect of any matter, fact, event, circumstance, act, omission or otherwise (an "**Event**") on any of the matters referred to in paragraph (a) will be determined by assessing or considering (without limitation) the likely effect of the Event on a decision of an investor to invest in the New Shares as if that decision to invest was made after the occurrence of that Event and not by considering only the number and extent of valid applications received before the occurrence of that Event.

In the event that:

- (a) Flight Centre withdraws the Offer (other than as a result of both Underwriters terminating the Underwriting Agreement); or
- (b) both Underwriters terminate the Underwriting Agreement as a result of Flight Centre failing to perform or observe any of its obligations under the Underwriting Agreement that are within its control,

then subject to the calculation provisions for the agreed fee provisions in the Underwriting Agreement, each Underwriter will be entitled to the full percentage fee payable to the Underwriter under the Underwriting Agreement in respect of the institutional component of the Offer (with that percentage being applied to the gross proceeds of the alternative offer(s)) if at any time within 2 months of that withdrawal or termination, Flight Centre (or any member of the Flight Centre group) directly or indirectly reaches financial close or other completion on any offering of securities (or enters into an agreement which later reaches financial close or other completion).

For details of other fees payable to the Underwriters, see the Appendix 3B released to ASX on 6 April 2020.

The Company also gives certain representations, warranties and undertakings to the Underwriter and an indemnity to the Underwriter and its affiliates subject to certain carve-outs.

Shortfall

The Underwriting Agreement provides that an Underwriter will not be issued any shares that would either cause it to (i) notify the Treasurer under the *Foreign Acquisitions and Takeovers Act 1975* (Cth), (ii) breach published Foreign Investment Review Board policy or (iii) breach the 20% takeover threshold contained in Chapter 6 of the Corporations Act. The issue size is approximately 97.2 million shares or 96.1% of the existing shares on issue. If an Underwriter is required to take up shares on issue which would otherwise cause it to breach or notify under these provisions then, for the purposes of ASIC Report 612 (March 2019), (i) it will still fund its respective proportion of the underwritten proceeds in accordance with and subject to the terms of the underwriting agreement by the completion date, (ii) the number of excess shortfall shares would be up to its respective proportion of the number of shares to be issued under the Offer pursuant to the terms of the Underwriting Agreement less the number of shares that have been pre-committed or sub-underwritten and the number of shares that the Underwriter is able to take up without causing it to breach or notify under these provisions when aggregated with plus any additional interests the Underwriter and its affiliates hold at the relevant settlement dates other than through its underwriting commitment; and (iii) it would enter into an arrangement for any excess shortfall shares to be issued to it, or to third party investors, after close of the offer at the same price as the Offer Price. No material impact on control is expected to arise as a consequence of these arrangements or from any shareholder taking up their entitlement under the Entitlement Offer where there is an excess shortfall.

The directors of Flight Centre reserve the right to issue any shortfall (including any excess shortfall) under the Offer at their discretion. Any excess shortfall may, subject to the terms of the Underwriting Agreement, be allocated to the Underwriters or to third party investors as directed by the Underwriters. The basis of allocation of any other shortfall will be determined by the directors of Flight Centre at their discretion, taking into account whether investors are existing shareholders, Flight Centre's register and any potential control impacts.

5.7 Continuous disclosure

Flight Centre is a "disclosing entity" under the Corporations Act and is subject to regular reporting and disclosure obligations under the Corporations Act and the ASX Listing Rules, including the preparation of annual reports and half yearly reports.

Flight Centre is required to notify ASX of information about specific events and matters as they arise for the purposes of ASX making that information available to the stock markets conducted by ASX. In particular, Flight Centre has an obligation under the ASX Listing Rules (subject to certain exceptions) to notify ASX immediately of any information of which it is or becomes aware which a reasonable person would expect to have a material effect on the price or value of Flight Centre Shares. That information is available to the public from ASX and can be accessed at www.asx.com.au.

Some documents are required to be lodged with ASIC in relation to Flight Centre. These documents may be obtained from, or inspected at, an ASIC office.

5.8 No cooling off rights

Cooling off rights do not apply to an investment in New Shares. You cannot withdraw your Application once it has been made or accepted.

5.9 Rounding of Entitlements

Where fractions arise in the calculation of an Entitlement, they will be rounded up to the nearest whole number of New Shares.

5.10 Not financial product or investment advice

This Retail Offer Booklet and the accompanying Entitlement and Acceptance Form is for information purposes only and is not a prospectus, disclosure document or other offering document under the Corporations Act or any other law and has not been lodged with ASIC. It is also not financial product or investment advice or a recommendation to acquire New Shares and has been prepared without taking into account your objectives, financial circumstances or particular needs. This Retail Offer Booklet should not be considered to be comprehensive and does not purport to contain all the information that you may require to make a decision about whether to submit your Entitlement and Acceptance Form and invest in New Shares. This Retail Offer Booklet should be read in conjunction with Flight Centre's other periodic statements and continuous disclosure announcements lodged with ASX which are available at www.asx.com.au.

Before making an investment decision, you should consider the appropriateness of the information in this Retail Offer Booklet having regard to your own objectives, financial situation and needs and seek legal and taxation advice appropriate to your jurisdiction. If you have any questions about whether you should participate in the Entitlement Offer, you should seek professional financial advice before making any investment decision. Flight Centre is not licensed to provide financial product advice in respect of New Shares.

5.11 Financial data

All dollar values are in Australian dollars (\$A).

All financial data is presented as at 31 December 2019 unless otherwise stated.

5.12 Ineligible Shareholders

All Shareholders who do not satisfy the criteria to be Eligible Retail Shareholders or Eligible Institutional Shareholders are Ineligible Shareholders. Ineligible Shareholders are not entitled to participate in the Entitlement Offer, unless Flight Centre otherwise determines.

The restrictions upon eligibility to participate in the Entitlement Offer arise because Flight Centre has determined, pursuant to ASX Listing Rule 7.7.1(a) and section 9A(3)(a) of the Corporations Act, that it would be unreasonable to extend the Entitlement Offer to Ineligible Shareholders. This decision has been made after taking into account the relatively small number of Ineligible Shareholders, the number and value of New Shares to which those Ineligible Shareholders would otherwise be entitled and the potential costs of complying with legal and regulatory requirements in the jurisdictions in which the Ineligible Shareholders are located in relation to the Entitlement Offer.

Flight Centre, in its absolute discretion, may extend the Entitlement Offer to any Shareholder if it is satisfied that the Entitlement Offer may be made to the Shareholder in compliance with all applicable laws. Flight Centre, in its absolute discretion, reserves the right to determine whether a Shareholder is an Eligible Retail Shareholder, Eligible Institutional Shareholder or an Ineligible Shareholder. To the maximum extent permitted by law, Flight Centre disclaims all liability in respect of such determination.

6 Australian taxation consequences

Below is a general guide to the Australian income tax, goods and services tax (**GST**) and stamp duty implications of the Retail Entitlement Offer for Eligible Retail Shareholders that hold their New Shares on capital account. In addition, the guide below applies only to Eligible Retail Shareholders who are Australian tax resident individuals, companies or complying superannuation entities. The guide does not apply to Eligible Retail Shareholders who:

- (a) hold Shares as revenue assets or trading stock (which will generally be the case if you are a bank, insurance company or carry on a business of share trading), or are subject to the Taxation of Financial Arrangements regime in Division 230 of the *Income Tax Assessment Act 1997*, or are exempt from Australian income tax;
- (b) acquired the Shares in respect of which their Entitlements are issued under any employee share scheme or where New Shares are acquired pursuant to any employee share scheme; or
- (c) may be subject to special tax rules, such as insurance companies, partnerships, tax exempt organisations, trusts (except where expressly stated), non-complying superannuation funds (except where expressly stated) or temporary residents.

The guide does not take account of the individual circumstances of particular Eligible Retail Shareholders and does not constitute tax advice. It does not purport to be a complete analysis of the potential tax consequences of the Retail Entitlement Offer and is intended as a general guide to the Australian income tax, GST and stamp duty implications. Eligible Retail Shareholders should seek advice from an appropriate professional adviser in relation to the tax implications of the Retail Entitlement Offer based on their own individual circumstances.

The comments below are based on the Australian tax law as it applies as at 5.00pm (Sydney, Australia time) on 15 April 2020. Other than as expressly discussed or specified, the comments do not take into account or anticipate changes in Australian tax law or future judicial interpretations of law after this time. The comments also do not take into account tax legislation of any country other than Australia.

6.1 Issue of Entitlement

The issue of the Entitlement should be non-assessable non-exempt income and should not, in itself, result in any amount being included in the assessable income of an Eligible Retail Shareholder.

6.2 Exercise of Entitlement and Acquisition of Additional New Shares

New Shares will be acquired where the Eligible Retail Shareholder exercises all or part of their Entitlement and, to the extent relevant, participates in the Oversubscription Facility, under the Retail Entitlement Offer.

An Eligible Retail Shareholder should not derive any assessable income, or make any capital gain or loss, at the time of exercising their Entitlement under the Retail Entitlement Offer.

For Australian capital gains tax (**CGT**) purposes, New Shares will be taken to have been acquired on the day that an Eligible Retail Shareholder exercises their Entitlement. The cost base of each New Share will be equal to the Offer Price payable for each New Share plus certain non-deductible incidental costs the Eligible Retail Shareholder incurs in acquiring, holding and disposing of the New Shares.

6.3 Lapse of Entitlement

If an Eligible Retail Shareholder does not accept all or part of their Entitlement in accordance with the instructions set out above, then that Entitlement will lapse and the Eligible Retail Shareholder will not receive any consideration for their Entitlement that is not taken up. There should be no tax implications for an Eligible Retail Shareholder from the lapse of the Entitlement.

6.4 Taxation in respect of dividends on New Shares

Any future dividends or other distributions made in respect of New Shares will be subject to the same income taxation treatment as dividends or other distributions made on Existing Shares held in the same circumstances.

6.5 Disposal of New Shares

The disposal of New Shares should constitute a disposal for CGT purposes.

On disposal of a New Share, an Eligible Retail Shareholder will make a capital gain if the capital proceeds received on disposal exceed the cost base of the New Share. An Eligible Retail Shareholder will make a capital loss if the capital proceeds are less than the reduced cost base of the New Share.

Eligible Retail Shareholders that are individuals, trusts or complying superannuation entities and that have held their New Shares for 12 months⁸ or more at the time of disposal should be entitled to apply the applicable CGT discount factor to reduce the capital gain (after offsetting capital losses). The CGT discount factor is 50% for individuals and trusts and 33 $\frac{1}{3}$ % for complying superannuation entities.

Eligible Retail Shareholders will be taken to have acquired New Shares on the day they exercise their Entitlement or participate in the Oversubscription Facility under the Retail Entitlement Offer. Accordingly, to be eligible for the CGT discount, the New Shares must be held for at least 12 months⁹ after the date that the Eligible Retail Shareholder exercised their Entitlement.

6.6 Provision of TFN and/or ABN

Flight Centre may be required to withhold tax from you on payments of dividends that are not fully franked, at the specified rate, and remit such amounts to the Australian taxation office, unless you have provided an Australian Business Number (**ABN**), Tax File Number (**TFN**), or you have informed Flight Centre that you are exempt from quoting your ABN or TFN.

You are not required to provide your ABN or TFN to Flight Centre, however you may choose to do so. If you have previously quoted your ABN, TFN or have notified Flight Centre than an exemption from quoting your TFN or ABN exists, that quotation or exemption will also apply in respect of any New Shares acquired by you.

6.7 GST and stamp duty

No Australian GST or stamp duty should be payable in respect of the issue, exercise or lapse of Entitlements or the acquisition of New Shares pursuant to the Retail Entitlement Offer.

Subject to certain requirements, there may be a restriction on the entitlement of Eligible Retail Shareholders to claim an input tax credit for any GST incurred on costs associated with the acquisition or disposal of New Shares (such as brokerage or adviser fees).

⁸ The ATO measures the period of 12 months for this purpose exclusive of both the acquisition date and the disposal date.

⁹ See above footnote.

7 Definitions

ABN means Australian Business Number.

Additional New Shares means New Shares in excess of an Eligible Shareholder's Entitlement.

Applicant means an Eligible Retail Shareholder who has submitted a valid Application.

Application means the arranging for payment of the relevant Application Monies through BPAY® in accordance with the instructions on the Entitlement and Acceptance Form or the submission of an Entitlement and Acceptance Form accompanied by the relevant Application Monies.

Application Monies means the aggregate amount payable for the New Shares applied for through BPAY® or in a duly completed Entitlement and Acceptance Form.

ASIC means the Australian Securities and Investments Commission.

ASX means ASX Limited (ACN 008 624 691) or, where the context requires, the securities exchange operated by it on which Shares are quoted.

ASX Announcement means the announcement released to ASX by Flight Centre on 6 April 2020 in connection with the Entitlement Offer, incorporated in Section 4 of this Retail Offer Booklet.

BPAY® means registered to BPAY Pty Ltd ABN 69 079 137 518.

CGT means capital gains tax.

Company or **Flight Centre** or means Flight Centre Travel Group Limited (ACN 003 377 188).

Closing Date means the day the Retail Entitlement Offer closes, expected to be 5.00pm (Sydney, Australia time) on Friday, 1 May 2020.

Corporations Act means the *Corporations Act 2001* (Cth).

Eligible Institutional Shareholder means an Institutional Shareholder on the Record Date to whom each of the Underwriters determine in their discretion:

- (a) is eligible to participate in the Institutional Entitlement Offer; and
- (b) successfully receives an offer on behalf of Flight Centre under the Institutional Entitlement Offer,

and is not in the United States (and who, for the avoidance of doubt, is not an excluded institutional shareholder under the Underwriting Agreement).

Eligible Retail Shareholder has the meaning in Section 2.4 of this Retail Offer Booklet.

Eligible Shareholder means a person who is an Eligible Institutional Shareholder or an Eligible Retail Shareholder.

Eligible U.S. Fund Manager means a dealer or other professional fiduciary organised, incorporated or (if an individual) resident in the United States that is acting solely for an account (other than an estate or trust) held for the benefit or account of persons that are not U.S. Persons (as defined in Rule 902(k) of the US Securities Act) for which it has and is exercising investment discretion, within the meaning of Rule 902(k)(2)(i) of Regulation S under the US Securities Act.

Entitlement means the right to subscribe for 1 New Share for every 1.74 Existing Shares held by Eligible Shareholders on the Record Date, pursuant to the Entitlement Offer.

Entitlement and Acceptance Form means the personalised entitlement and acceptance form that accompanies this Retail Offer Booklet.

Entitlement Offer means the pro rata accelerated non-renounceable entitlement offer of New Shares to Eligible Shareholders to raise approximately A\$421 million at the Offer Price on the basis of 1 New Share for every 1.74 Existing Shares held on the Record Date, and comprised of the Institutional Entitlement Offer and the Retail Entitlement Offer.

Existing Shares means the Shares already on issue on the Record Date.

GST means goods and services tax imposed in Australia pursuant to the *A New Tax System (Goods and Services Tax) Act 1999* (Cth).

Ineligible Institutional Shareholder means an Institutional Shareholder that is not an Eligible Institutional Shareholder.

Ineligible Retail Shareholder means a retail Shareholder that is not an Eligible Retail Shareholder.

Ineligible Shareholder means an Ineligible Institutional Shareholder and an Ineligible Retail Shareholder.

Institutional Entitlement Offer means the accelerated pro rata non-renounceable entitlement offer of New Shares to Eligible Institutional Shareholders under the Entitlement Offer.

Institutional Investor means a person who the Underwriters reasonably believe to be a person to whom an offer of New Shares may be made:

- (a) in Australia without issue of a prospectus under Chapter 6D, any other lodgement (in each case disregarding the operation of sections 708A and 708AA), registration or approval with or by a government agency (other than one with which Flight Centre is willing to comply); or
- (b) in selected jurisdictions outside Australia, to whom an offer of New Shares may be made without registration, lodgement of a formal disclosure document or other formal filing in accordance with the laws of that particular foreign jurisdiction (except to the extent to which Flight Centre, at its absolute discretion, is willing to comply with such requirements),

in each case who is not in the United States (other than Eligible U.S Fund Managers) and will acquire the New Shares in 'offshore transactions' (as defined in Rule 902(h) under the US Securities Act) in compliance with Regulation S under the US Securities Act.

Institutional Shareholder means a Shareholder who is an Institutional Investor.

Investor Presentation means the presentation to investors released to the ASX on 6 April 2020, incorporated in Section 4 of this Retail Offer Booklet.

Listing Rules means the official listing rules of ASX.

New Shares means Shares to be allotted and issued under the Entitlement Offer, including (as the context requires) to each of the Underwriters or any sub-underwriters.

Offer means the Entitlement Offer and the Placement.

Offer Price means \$7.20 per New Share, being the price payable per New Share under the Entitlement Offer.

Oversubscription Facility means the opportunity for Eligible Retail Shareholders who take up all of their Entitlement to also apply for Additional New Shares in excess of their Entitlement up to a maximum of 25% of their Entitlement.

Placement means the institutional placement of New Shares at the Offer Price.

Record Date means 7.00pm (Sydney, Australia time) on 8 April 2020.

Retail Entitlement Offer means the pro rata non-renounceable entitlement offer of New Shares to Eligible Retail Shareholders under the Entitlement Offer.

Retail Entitlement Offer Period means the period from Wednesday, 15 April 2020 to Friday, 1 May 2020.

Retail Offer Booklet means this document (including the personalised Entitlement and Acceptance Form accompanying it).

Section means a section of this Retail Offer Booklet.

Share means a fully paid ordinary share in the capital of the Company.

Share Registry means Computershare Investor Services Pty Limited (ABN 48 078 279 277).

Shareholder means a registered holder of Shares.

TFN means tax file number.

Underwriters means Macquarie Capital (Australia) Limited (ABN 79 123 199 548) and UBS AG, Australia Branch (ABN 47 088 129 613).

Underwriting Agreement means the underwriting agreement entered into on 4 April 2020 between Flight Centre and the Underwriters (which was subsequently amended on 6 April 2020).

US Securities Act means the United States Securities Act of 1933, as amended.

8 Corporate information

Company

Flight Centre Travel Group Limited
Level 2, 275 Grey Street
South Brisbane QLD 4101 Australia

Media and Investor Relations contact

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Underwriters

Macquarie Capital (Australia) Limited
50 Martin Place
Sydney NSW 2000 Australia

UBS AG, Australia Branch
Level 16, Chifley Tower
2 Chifley Square
Sydney NSW 2000

Share Registry

Computershare Investor Services Pty Limited
Level 1, 200 Mary Street
Brisbane, QLD 4000 Australia

Legal adviser

King & Wood Mallesons
Level 61, Governor Phillip Tower
1 Farrer Place
Sydney NSW 2000 Australia

Flight Centre Retail Entitlement Offer information line

Australia: 1300 146 387
International: +61 3 9415 4261
Open 8.30am to 5.30pm (Sydney, Australia time) Monday to Friday during the Retail Entitlement Offer Period

