

Qantas Airways Limited
2002 Annual General Meeting – 17 October 2002
CEO's Address

As was evident from Margaret's remarks, we are living in a period of profound change and uncertainty, the effects of which are being felt within and beyond the aviation industry.

This includes those developments that we might not have imagined or thought possible a little over a year ago: the terrorist attacks in America; the collapse of Ansett; the war on terror; and, in recent days, the awful bombing attack in Bali.

In this latest, most tragic event, Qantas - again moving as Margaret said with speed, efficiency and compassion – diverted aircraft from around the world to meet the needs of many concerned Australians.

The fact is few companies in Australia have to deal with as many uncertainties as Qantas. We have had to adapt rapidly to very dramatic short-term shocks and experience tells us we will need to do so again in the future. These may be negative shocks, requiring defensive measures. They may also be positive opportunities that we must move quickly to take advantage of.

So a single objective stands clear: to make Qantas ready for anything. And this goal informs every aspect of our decision making.

So when we purchase new planes, we look for not only efficiency and performance but also a mix of aircraft that can accommodate changing passenger requirements.

As we grow our subsidiary businesses, we give ourselves more stability through business cycles, plus exciting commercial options for the long term.

When we plan our aircraft program, we include “slide rights” on new aircraft delivery and we vary the retirement dates of older aircraft to give us maximum flexibility should our needs change.

Our recent capital raising gives us even greater financial depth to take rapid advantage of emerging opportunities. We have substantial lines of credit in the event of a prolonged downturn. We have a sophisticated fuel hedging program to provide some cost stability in times of crisis.

The tragic events of the past few days remind us again of the virtues of a strong and viable Qantas, as well as our important role within Australia’s national and defence-related infrastructure.

Our size, our scale, our skills and resources are not only critical to our ability to compete on the global stage but are also essential when things go wrong and help is needed for our fellow Australians – at times when Qantas stands ready to make a difference.

Qantas has served Australia admirably for over 82 years. We have performed particularly well in recent years. But I, the Board and the senior management are convinced we can do even better.

With respect to the current financial year, the first three months have shown a continuation of the trends in both load and yield that were seen in the second half of the last financial year. Subject to any external events, we expect that these trends will continue for the remainder of 2002/03.

Finally, I would like to assure you that we are working hard to ensure that this great company is ready to succeed, whatever the future may hold, for your long term benefit and that of our passengers and our employees.