



**Annual General Meeting – 21 October 2009  
CEO's Address**

**Navigating a Challenging Environment**

As Leigh outlined, we have made decisive short term decisions to manage the current environment.

But we are equally focused on our long term goal of aviation excellence: building the world's best premium and low fares airlines in Qantas and Jetstar.

Qantas and Jetstar are already in, or just outside, the top five airlines in the world in their categories. This is judged annually by a huge pool of around 15 million global passengers in the independent Skytrax survey.

But we have more to do.

**Qantas – Best Premium Airline**

Qantas remains at the centre of the Group's operations, with the network, schedule, product, service and on-time performance that makes it the best airline for business and premium leisure travellers.

Recently we announced our Q Future program. This is all about a new way of doing business to help Qantas work smarter, streamline processes and eradicate duplication. Areas of focus will include IT, procurement, fuel conservation, fleet utilisation and aircraft configuration.

We believe Q Future will help us realise significant margin improvements, with a targeted \$1.5 billion in permanent savings over three years.

Over the course of the past year we have also stripped back management layers to speed up decision-making and to give our frontline people more power.

At the heart of everything we do is a relentless focus on our customers. As Leigh noted, we have made great strides in customer satisfaction over recent months.

Our business improvements will allow us to maintain the necessary levels of investment in outstanding product and service.

We opened our \$10 million Centre of Service Excellence in December last year to ensure our staff deliver consistently excellent service.

Thousands of our people have already undertaken training at the Centre.

We plan to invest more than \$150 million on our airport terminals over the next three years. Here in Perth, of course, we are well into the \$75 million development of Qantas domestic terminal.

And then there's our fleet. We continue to have preferential access to aircraft financing markets and this supports our ambitious fleet plan, with more than 160 aircraft on order over the next ten years.

Since October last Qantas has carried more than 300,000 passengers on our new A380s, generating outstanding customer feedback.

This August we took delivery of our fourth A380 with two more due by the end of the year, out of a total of 20 to arrive by 2015.

We continue to expand our network reach. With the addition of Buenos Aires to our network in November last year, Qantas now flies to every continent bar the Antarctic.

### **Jetstar – Outstanding Growth**

Jetstar is the Qantas Group's low fares brand, and now the world's largest low-cost long-haul carrier. It has achieved outstanding growth over just five years and already cemented its lowest fares market position.

During the year Jetstar replaced Qantas' loss making operations in domestic New Zealand and Japan. For the Group, there has been a significant turnaround in the performance of these services.

In May 2009, Jetstar was second only to Qantas as the largest carrier operating in the Australian international market.

The Group also increased its ownership in Jetstar Asia and Jetstar Pacific giving the Group a sturdy platform for future growth in the world's highest potential aviation market.

### **Transforming for Future Success**

Looking ahead, the leadership team is focused on creating a lean and responsive organisation so that we can deliver on our commitment to aviation excellence in both our airlines.

And in doing so we aim to deliver solid returns for you, our shareholders, because your support makes it possible for the Group to invest and grow.

Finally I want to say something about our people.

It is a privilege to lead more than 35,000 Qantas Group employees.

They have immense pride in – and a passion for – our business. No matter how big the challenges, they always rise to the occasion and respond magnificently.

With this passion, and the skill and effort of all our Qantas Group people, I have every confidence that we will meet our aspiration to build the world's best premium and low fares airlines.