



# Media Release

## **QANTAS AND JETSET TO FORM LEADING TRAVEL BUSINESS**

**SYDNEY, 21 February 2008:** Qantas Airways Limited (Qantas) and Jetset Travelworld Limited (Jetset) today announced a proposed merger which will create a leading vertically integrated travel services business in Australia with significant growth potential.

Under the terms of the agreement, Jetset will acquire Qantas Holidays and Qantas Business Travel from Qantas in exchange for Jetset scrip. Post transaction, Qantas will own 58 per cent of Jetset's share capital.

The Chief Executive Officer of Qantas, Mr Geoff Dixon, said the merged entity would sell travel services to the total value of around \$3 billion a year and generate revenues in excess of \$800 million a year, making it one of the top travel businesses in the region.

"This is a strategic alignment that will bring together two of the strongest brands in travel, capitalising on each business's individual expertise enabling them, as a group, to build the scale needed to grow into a major industry force," he said.

Mr Dixon said:

- Jetset Travelworld was one of Australia's oldest and largest travel agency franchise groups with around 630 locations;
- Qantas Holidays was Australia's largest travel wholesaler; and
- Qantas Business Travel was the country's largest corporate travel management business in what was a growing sector.

"The merged entity will remain listed on the ASX under the Jetset brand, with the various businesses operating under their existing trading names."

Mr Dixon said the transaction would provide significant benefits to the businesses, their customers, and shareholders as the complementary strengths of each of the areas were harnessed in the one integrated grouping.

He said the merged entity would:

- have access to broader travel product content;
- benefit from potential revenue and cost synergies;
- provide customers with a one-stop-shop and an enhanced product range;
- offer multi-channel distribution, including direct and indirect channels as well as an improved dynamic packaging/online offering; and
- offer a more attractive proposition for potential Jetset Travelworld franchisees.

Mr Dixon said the transaction was an extension of the Qantas Group's segmentation strategy, aimed at providing greater autonomy and unlocking the value in its portfolio businesses.

"The transaction will create shareholder wealth and synergies will make it earnings per share positive. It will also provide a platform for growth for both Qantas Holidays and Qantas Business Travel."

He said:

- John King would continue as Jetset's Chairman, with Qantas having the right to appoint four of the seven-member Board;
- Peter Collins, currently Group General Manager Qantas Holidays, and Andrea Slark, currently Qantas General Manager Strategy Mergers and Acquisitions, had been appointed to lead the combined company as Group Chief Executive Officer and Chief Financial Officer respectively; and
- Jetset's existing management team would continue to head up existing Jetset business units following completion of the merger.

Mr Dixon said no redundancies were planned and the employment terms and conditions of existing Qantas and Qantas Holidays employees would be maintained.

He said that pending review by the Australian Competition and Consumer Commission and receipt of approval by the Foreign Investment Review Board, the transaction was expected to be completed by 30 April 2008.

Mr Dixon said Jetset Travelworld Limited would be accounted for as a subsidiary of the Qantas Group.

*The merger will require approval by a majority of Jetset shareholders at a shareholders' meeting, which is expected to take place in April 2008.*

**Peter Collins**

Peter Collins' 20-year career with Qantas has spanned a range of areas including industrial relations, sales strategy and pricing, and yield management. He has held a number of senior roles at Qantas in Australia and overseas, including postings in New Zealand, the Philippines and Indonesia. He was previously General Manager of Qantas Holidays in 1999, with responsibilities including sales strategy and pricing, wholesale operations management and inventory and revenue management, and returned to Qantas Holidays as Group General Manager in 2007. In recent years, Peter has held the positions of General Manager International Pricing and Yield, Regional General Manager Australia Sales and General Manager Sales Strategy. Peter has served on a number of boards including Air Pacific Limited, the South Australian Tourism Commission, the New Zealand Tourism Industry Association and Harvey's Choice Holidays. Peter has a Bachelor of Economics and a Master of Business.

**Andrea Slark**

Since joining Qantas in 2004 as General Manager Strategy Mergers and Acquisitions, Andrea Slark has been involved in a number of important strategic projects for the Qantas Group, including the investment in Vietnam-based Pacific Airlines. Andrea has extensive financial and investor relations experience and has assisted numerous companies in the preparation of management and statutory accounts. Prior to joining Qantas, she was Group Manager Corporate Development for Pacifica Group Limited and was previously an Associate Director of Deloitte Corporate Finance and Coopers & Lybrand Finance. Andrea is a fellow of the Institute of Chartered Accountants in England and Wales.

**Qantas Airways** is Australia's largest domestic and international airline group. It employs around 36,000 people, operates a fleet of around 220 aircraft and carries more than 36 million passengers a year across a network covering Australia, Asia and the Pacific, the Americas, Europe and Africa. In addition to its flying brands – Qantas and Jetstar – the Qantas Group operates a diverse range of portfolio businesses including Qantas Engineering, Airports, Qantas Freight Enterprises and Qantas Holidays.

**Qantas Holidays** is one of Australia's leading wholesalers of domestic and international holiday packages, providing flights and accommodation under the Qantas Holidays and Viva! Holidays brands in conjunction with Qantas Group airlines and other airlines. Qantas Holidays currently sells package holidays and related travel services to over 1.1 million travellers a year.

**Qantas Business Travel** offers a complete travel management solution for businesses with centrally coordinated travel management that require travel policy customisation and travel with multiple airlines. It is the largest business travel management service in Australia, with six offices and more than 460 staff.

**Jetset Travelworld Group** is one of Australia's largest retail agency networks, comprising approximately 630 agencies under the recognised Jetset and Travelworld brands as well as an extensive affiliate member network. JTG agents provide extensive travel services for leisure and corporate markets with the recent acquisition of the assets of Orient Pacific Holidays adding a new wholesale division for the Group and re-establishing a presence in the Pacific niche markets for network members.

**Issued by Qantas Corporate Communication (Q3723)**

**Media Enquiries: Sophia Connelly**

**T: 02 9691 3473 E: [sophiaconnelly@qantas.com.au](mailto:sophiaconnelly@qantas.com.au)**