



**Annual General Meeting – 28 November 2008
CEO's Address**

Firstly, let me say it has been a privilege to serve as CEO of Qantas for the past eight years. I am immensely grateful for the opportunities I have been given, and satisfied at the results we have achieved.

And I would like to thank Qantas Board members over the past eight years for their counsel and support.

In particular I would like to acknowledge the three Chairmen with whom I have worked so closely: Gary Pemberton, Margaret Jackson and, for the past year, Leigh Clifford.

And I would like to thank you and all our other shareholders for continuing to support this great enterprise.

Also. I am delighted to be handing over to Alan Joyce. As Leigh said, Alan is a great aviation executive and will be a wonderful CEO for Qantas. The future of Qantas is certainly in very safe hands.

Nevertheless, Alan takes over at yet another challenging time. I wish it were otherwise. This week Qantas has announced significant capacity and other adjustments in response to the global financial crisis. These measures are always regrettable but they are both necessary and prudent.

I leave today with one simple and positive message: the Qantas Group is now a multi-dimensional enterprise. It has two strong airlines in Qantas and Jetstar that can cover the total spectrum of passengers from premium right through business, premium-economy, economy and the ultra-budget conscious.

The wise purchase of aircraft types means the group can deliver a very close fit between capacity and demand. And the network of regional, national and international routes gives us a range of options and a flexibility other airlines can only envy.

So while there is a real need for discipline in the short term, the long term investment in new routes, fleet, product and service will continue, and provide the platform for ongoing success.

The innovation never stops.

Qantas Airlines continues to find new opportunities, with the first non-stop Buenos Aires service launched this week. A stand alone and vastly enhanced frequent flyer program is being rolled out. And the new A380 is so successful, it has become a destination in its own right!

Jetstar will be even more important to the group as premium demand slows. We have seen the launch over recent weeks of the first international services from Perth, and now Darwin is being built up as an important domestic and international flying hub. From next week, Jetstar will be directly serving Singapore, Bali and also Ho Chi Minh City from Darwin. Jetstar is also making a major commitment to the Japanese market with increased services and a major marketing push.

Here in Australia, Qantas is increasing services and capacity to the far north of Western Australia, where demand continues to boom, with a new Kalgoorlie-Adelaide service next year, and increased capacity through the upgrade to B737 aircraft between Perth and Karratha and Port Hedland.

And of course, both Qantas and Jetstar are stimulating demand with attractive deals for travellers.

So, as I said, this large and complex Qantas Group enterprise is surprisingly nimble and agile. If something is working, it can be expanded rapidly. If it is not, then the group can react quickly.

So I leave Qantas very confident indeed of its soundness as a business, the depth of talent in its management and people, and the scale and quality of its operations.

The next step forward for Qantas will be to participate in consolidation of the aviation industry. The goal will be to position Qantas for the full modernisation of the industry, and enable this great Australian company to succeed as a great global enterprise.

But that is a task that awaits Alan and his team. I have no doubt that they will succeed and I wish them every success.