

**JETSET TRAVELWORLD LIMITED**

**2009 ANNUAL GENERAL MEETING – 23 OCTOBER**

**CHAIRMAN'S ADDRESS**

Good morning ladies and gentlemen. I am Tom Dery, the Chairman of Jetset Travelworld Limited and, on behalf of the Board, I would like to extend a very warm welcome to the 2009 Annual General Meeting.

Before I commence, I ask that all mobile phones please be turned off.

This meeting was convened by a Notice of Annual General Meeting dated 22 September 2009. That Notice and the accompanying Explanatory Memorandum was sent to all Members in accordance with the requirements of the *Corporations Act* and the Constitution of the Company.

I am advised by the Company Secretary that a quorum is present, so I will now formally open this Annual General Meeting.

**INTRODUCTIONS**

However, before I go into further detail, I would like to introduce your Directors:

- Gareth Evans - Chief Financial Officer of Qantas Airlines;
- Lesley Grant - Executive Manager Customer and Marketing for Qantas Airways;
- Brett Johnson - General Counsel of Qantas Airways;
- John King - Travel and Tourism Consultant;

- Darren Peisley - Executive Manager Commercial Planning for Qantas Airlines; and
- Peter Spathis - Chief Financial Officer of the Consolidated Travel Group.

Also seated with the Directors are:

- Peter Collins, our CEO; and
- Steve Heesh, the Company Secretary.

I would also like to extend a formal welcome to the Meeting to:

- Our CFO: Nigel Underwood; and
- Our Auditors Martin Sheppard and Julian McPherson from KPMG.

### **MEETING PROCEDURE**

As you are aware, this is a Meeting of the shareholders of Jetset Travelworld Limited. Therefore, only shareholders, their proxies, attorneys or authorised corporate representatives (in the case of corporate shareholders) are entitled to make comments or ask questions on business put to the Meeting, or to vote on the motions at today's meeting. I will brief the meeting in more detail on this prior to commencing the formal business of the meeting.

All other attendees are guests and are welcome as observers at this meeting.

## **ADDRESS - CHAIRMAN**

This is Jetset Travelworld's second AGM as an integrated travel services business following the merger with Qantas Holidays and QBT, and my first AGM as Chairman.

As you are all aware, this last year has been one of enormous economic upheaval and everyone in the travel industry, including travel companies, airlines and hotels, has felt the brunt of the global economic crisis as consumers rein in their discretionary spending. In the light of this, your Company's financial results for the year ended 30 June 2009 were highly creditable. Let me just touch on a number of the highlights:

- total transaction value, that is, total sales of travel products and services, amounted to \$2,377 million;
- profit before tax was \$23.8 million;
- we announced a fully franked final dividend of 2 cents per share, making a total of 7 cents per share for the year;
- cash reserves of approximately \$114 million with no debt; and
- importantly, we made strong progress in our key strategies.

Inevitably, these results reflect the negative impact of the economic crisis as leisure travellers postpone, cancel or downgrade their trips and business travellers reduce the number of flights and downgrade their class of travel.

Other economic factors, which are completely out of our control, have also impacted the Company's results. For instance, Jetset Travelworld holds significant levels of cash and the lower interest rates we now have in the market place have resulted in significantly lower interest income.

Naturally the financial results are reflected in our share price. It is with keen interest that I continue to watch the ups and downs of the global share markets and, whilst I was disappointed with the ongoing deterioration in Jetset Travelworld's share price following the merger, it is fair to say that share price volatility is not unique to Jetset Travelworld. Additionally, Jetset Travelworld is a relatively illiquid stock which exacerbates the volatility. Recovery in the world economy will be the real catalyst for improvement in the share price.

I would now like to invite your CEO, Peter Collins, to brief you on some of the initiatives we have implemented to integrate and strengthen the businesses.

### **ADDRESS - CEO**

Thank you Chairman and good morning ladies and gentlemen.

You have heard the Chairman outline to you Jetset Travelworld's financial result for the year ended 30 June 2009. I would now like to provide you with more detail on some of the initiatives we have implemented during the year to integrate and strengthen the businesses.

Despite the economic difficulties we have had to face, I am pleased with the progress we have made during the year.

Jetset Travelworld retail successfully recruited a net 23 new retail shops between the date of the merger and the end of the financial year. This is record organic growth for the Company and is an enormous compliment to the Jetset Travelworld offering and to the dedication and integrity of our team. New outlets are attracted by our financial stability and the very strong relationships we have with our preferred partners, which allow us to have an advantageous Reward Program to encourage and reward loyalty and year-on-year growth.

Within the retail group, we have also introduced Business Select. This sub-group of our agents specialises in providing corporate travel services to small to medium sized enterprises. This has been a highly successful introduction which helps us to retain agents and makes our network more attractive to new agents. In fact, Business Select was the driving force underlying our strategic alliance with the First Travel Group in New Zealand.

In the wholesale arena, Qantas Holidays has seen significant improvements in its engagement with travel agent networks. Sales of Viva! Holidays packages have increased as a consequence of the introduction of new airlines such as Air Canada, Cathay Pacific, Etihad, Singapore Airlines and the Virgin Blue Group.

In independent trade surveys, our wholesale companies have improved their service levels across the board, which is attracting travel agents to our offering.

Additionally, we introduced “Trip”, a reward and recognition program which incentivises travel consultants to sell more of our product.

One of the success stories of the year was the speed with which we were able to switch our resources and marketing efforts to renew our focus on domestic packages. This was in response to the trend for people to stay in Australia rather than travel overseas, and we saw pleasing success. Our ability to react quickly to the market will continue to be a feature of our activities across the Company.

Moving onto corporate, QBT has an enviable customer base of government agencies and blue-chip companies. During last year, QBT successfully introduced new technologies designed to provide self-service online reporting facilities and to assist customers in reducing their overall travel spend. This means that QBT now offers very competitive reporting capability.

QBT has also brought its non-Qantas ticket volumes in-house to the National Ticket Centre which is a Jetset Travelworld subsidiary. This allows us to keep margins within the Group and consolidates our volumes.

Historically, we have not been very strong in the online space other than as a supplier to qantas.com. However, to maintain our position as a major product distributor, we have recently introduced READYROOMS.COM™, our proprietary online site for the sale of hotel rooms. Whilst initially we will sell only accommodation, in time, we will expand the site to offer ancillary travel products. At the same time, we have refreshed and modernised the Jetset and Travelworld

websites. While customers can book through these sites, the principal objective is to drive foot traffic to our retail outlets.

Thank you. I will now pass you back to the Chairman.

**ADDRESS – CHAIRMAN (Resumes)**

Thank you Peter.

Looking to the future, whilst there is talk of economic recovery, we are yet to see any sustained evidence of a return of that level of consumer sentiment which has been driving travel for the past few years.

What is important is that we continue our focus on stringent cost containment and the implementation of processes and procedures designed to improve efficiency and speed to market. Jetset Travelworld's underlying business is fundamentally strong and we have created an enviable growth platform from which the business can be built and expanded into the future.

Finally, I would like to take a moment to recognise the spirit of the Jetset Travelworld employees. The first year of a merger can be unsettling on all levels and everyone has pulled together magnificently, showing flexibility and determination to overcome the difficulties the year presented. In particular I would like to pay specific attention to the outstanding effort and dedication of Peter Collins who has had the very difficult task of unifying what were previously three separate organisations.

## **FORMAL BUSINESS**

Now let me move to the formal business of our Annual General Meeting.

For the purposes of voting procedures at today's meeting, only shareholders, their proxies, attorneys and authorised corporate representatives can vote on the motions at today's meeting and will have the opportunity to make comments or ask questions in respect of all items of business. These people have been issued with a green registration card for the purposes of identification.

If, at the appropriate time, shareholders, their proxies and attorneys wish to make a comment or ask a question, I ask you to please raise your identification card and when asked to address the meeting, state your name and status. If you are an authorised corporate representative, please state your name and the name of the company you are representing.

Now I move to the first item of business.

### **ITEM A: FINANCIAL REPORT, DIRECTORS' REPORT AND INDEPENDENT AUDIT REPORT**

The Company's 2009 Annual Report contains the Financial Statements of Jetset Travelworld Limited, the Consolidated Financial Statements of Jetset Travelworld Limited and its subsidiaries and the Reports of the Directors and Auditor for the year ended 30 June 2009.



As required by the *Corporations Act 2001*, the Financial Statements have been approved by the Directors. They have been audited by KPMG and an unqualified Independent Audit Report has been provided to shareholders.

As mentioned previously, Martin Sheppard and Julian McPherson of KPMG are present at this Meeting. The Financial Statements and Reports have also been lodged with the Australian Securities Exchange and the Australian Securities and Investments Commission as required by the ASX Listing Rules and the *Corporations Act 2001* respectively.

In accordance with the requirements of section 317 sub-section (1) of the *Corporations Act 2001*, the Financial Report, Directors' Report and Independent Audit Report for the financial year ended 30 June 2009 are laid before this Annual General Meeting.

I now open the floor to discussion on this item of business.

**Do any shareholders, proxy holders, attorneys or authorised corporate representatives have any questions or comments relating to the management and audit of the Company and its accounts?**

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I believe that shareholders as a whole at today's meeting have now had a reasonable opportunity to ask questions about and make comments on the financial report, directors' report and auditor's report and the business and

management of Jetset Travelworld Limited. Accordingly, I now close the discussion on this item.

## **ITEM B: REMUNERATION REPORT**

I would now like to move to item B(1) of the Notice of Meeting, which concerns the adoption of the Remuneration Report.

The Remuneration Report forms part of the Directors' Report and contains information about the Board policy for determining the nature and amount of remuneration of Directors and Executives.

It also provides details of remuneration paid to the Directors and the Key Management Personnel of the Company. This Report appears on pages 32 to 39 of the 2009 Annual Report.

You will note from the Notice of Meeting that the resolution in relation to this Remuneration Report is advisory.

However, it will provide the Directors and the Company with shareholder feedback as to the appropriateness of the Company's remuneration policy. The outcome of the vote on this resolution will be taken into account when formulating remuneration policies and practices for next year. The principles embodied in the Company's current remuneration framework are detailed in the Remuneration Report.

I now open the floor to discussion on this item of business.

**Do any shareholders, proxy holders, attorneys or authorised corporate representatives have any questions or comments relating to the Remuneration Report?**

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I believe that shareholders as a whole at today's meeting have now had a reasonable opportunity to ask questions about, and make comments on, the Remuneration Report.

Prior to putting the motion for the adoption of the Remuneration Report to the Meeting, I would like to inform you that your Directors hold proxies representing **187,344,493** shares; that is **85.3%** of the company's shares on issue.

The shareholders who have appointed members of the Board to represent them at this Meeting have voted on this resolution as follows:

For:	<b>186,443,036</b>
Against:	<b>315,584</b>
Abstain:	<b>311,853</b>
Open:	<b>274,020</b>

These proxies will only be exercised if it is necessary to go to a poll.

I now formally put the motion for the following ordinary non-binding resolution:

“That, for the purposes of sections 250R(2) and (3) of the *Corporations Act 2001*, the Remuneration Report for the financial year ended 30 June 2009, submitted as part of the Directors' Report for the financial year ended 30 June 2009, be adopted.”

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I call for a show of hands on the motion.

1. Would all those in favour please raise their green registration cards?
2. Would all those against please now raise their green registration cards?

Thank you, I declare the resolution passed.

## **ITEM C: RE-ELECTION OF DIRECTORS**

I would now like to move to item C of the Notice of Meeting, which concerns the re-election of Directors

### **1. Brett Johnson**

We will turn first to Brett Johnson's proposed re-election, being item C(2) in the Notice of Meeting.

Pursuant to Rule 3.3(a) of the Company's Constitution, Mr. Johnson retires at this Annual General Meeting. As he is entitled to and eligible for re-election, he seeks re-election as a Director of the Company at this Meeting.

Brett Johnson was appointed as a Director by the Board on 27 February 2009. His biography appears in the 2009 Annual Report and Notice of this Meeting and I will take that as read.

I now open the floor to discussion in relation to any aspect of the motion for Brett Johnson's re-election.

**Do any shareholders, proxy holders, attorneys or authorised corporate representatives have any questions or comments relating to the re-election of Mr. Johnson?**

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As there is no further discussion on the motion for the election of Brett Johnson as a director, I will close the discussion on that motion.

Prior to putting the motion for the re-election of Mr. Johnson to the Meeting, I would like to inform you that your Directors hold proxies representing **187,344,493** shares; that is **85.3%** of the Company's shares on issue. The shareholders who have appointed members of the Board to represent them at this Meeting have voted on this resolution as follows:

For:	<b>186,998,955</b>
Against:	<b>26,000</b>
Abstain:	<b>45,518</b>
Open:	<b>274,020</b>

These proxies will only be exercised if it is necessary to go to a poll.

I now formally put the motion for the following ordinary resolution:

“That Brett Stuart Johnson, a Director retiring in accordance with Rule 3.3(a) of the Company's Constitution, and being eligible, is re-elected as a Director of the Company.”

I call for a show of hands on the motion.

1. Would all those in favour please raise their green registration cards?
2. Would all those against please now raise their green registration cards?

Thank you, I declare the resolution passed. Congratulations Brett.

## **2. Darren Peisley**

We now move to item C(3) concerning the proposed re-election of Darren Peisley as a director.

Pursuant to Rule 3.3(a) of the Company's Constitution, Mr. Peisley retires at this Annual General Meeting. As he is entitled to and eligible for re-election, he seeks re-election as a Director of the Company at this Meeting.

Darren Peisley was appointed as a Director by the Board on 5 May 2009. His biography appears in the 2009 Annual Report and Notice of this Meeting and I will take that as read.

I now open the floor to discussion in relation to any aspect of the motion for Darren Peisley's re-election.

**Do any shareholders, proxy holders, attorneys or authorised corporate representatives have any questions or comments relating to the re-election of Mr. Peisley?**

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As there is no further discussion on the motion for the election of Darren Peisley as a director, I will close the discussion on that motion.



Prior to putting the motion for the re-election of Mr. Peisley to the Meeting, I would like to inform you that your Directors hold proxies representing **187,344,493** shares; that is **85.3%** of the Company's shares on issue. The shareholders who have appointed members of the Board to represent them at this Meeting have voted on this resolution as follows:

For:	<b>186,998,955</b>
Against:	<b>26,000</b>
Abstain:	<b>45,518</b>
Open:	<b>274,020</b>

These proxies will only be exercised if it is necessary to go to a poll.

I now formally put the motion for the following ordinary resolution:

“That Darren Arthur Peisley, a Director retiring in accordance with rule 3.3(a) of the Company's Constitution, and being eligible, is re-elected as a Director of the Company.”

I call for a show of hands on the motion.

1. Would all those in favour please raise their green registration cards?
2. Would all those against please now raise their green registration cards?

Thank you, I declare the resolution passed. Congratulations Darren.

### **3. Gareth Evans**

We now move to item C(4) concerning the proposed re-election of Gareth Evans as a director.

Pursuant to Rule 3.6(a) of the Company's Constitution, Mr. Evans retires at this Annual General Meeting. As he is entitled to and eligible for re-election, he seeks re-election as a Director of the Company at this Meeting.

Gareth Evans was appointed as a Director by the Board on 25 July 2008. His biography appears in the 2009 Annual Report and Notice of this Meeting and I will take that as read.

I now open the floor to discussion in relation to any aspect of the motion for Gareth Evan's re-election.

**Do any shareholders, proxy holders, attorneys or authorised corporate representatives have any questions or comments relating to the appointment of Mr. Evans?**

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As there is no further discussion on the motion for the election of Gareth Evans as a director, I will close the discussion on that motion.

Prior to putting the motion for the re-election of Mr. Evans to the Meeting, I would like to inform you that your Directors hold proxies representing **187,344,493** shares; that is **85.3%** of the Company's shares on issue. The shareholders who have appointed

members of the Board to represent them at this Meeting have voted on this resolution as follows:

For:	<b>187,002,955</b>
Against:	<b>27,000</b>
Abstain:	<b>40,518</b>
Open:	<b>274,020</b>

These proxies will only be exercised if it is necessary to go to a poll.

I now formally put the motion for the following ordinary resolution:

“That Gareth Rawlett Evans, a Director retiring in accordance with Rule 3.6(a) of the Company’s Constitution, and being eligible, is re-elected as a Director of the Company.”

I call for a show of hands on the motion.

1. Would all those in favour please raise their green registration cards?
2. Would all those against please now raise their green registration cards?

Thank you, I declare the resolution passed. Congratulations Gareth.

**Peter Spathis**

We now move to item C(5) concerning the proposed re-election of Peter Spathis as a director.

Pursuant to Rules 3.6(a) and 3.6(b) of the Company's Constitution, Mr. Spathis retires at this Annual General Meeting. As he is entitled to and eligible for re-election, he seeks re-election as a Director of the Company at this Meeting.

Peter Spathis was appointed as a Director by the Board on 30 June 2002. His biography appears in the 2009 Annual Report and Notice of this Meeting and I will take that as read.

I now open the floor to discussion in relation to any aspect of the motion for Peter Spathis' re-election.

**Do any shareholders, proxy holders, attorneys or authorised corporate representatives have any questions or comments relating to the re-election of Mr Spathis?**

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As there is no further discussion on the motion for the election of Peter Spathis as a director, I will close the discussion on that motion.

Prior to putting the motion for the re-election of Mr. Spathis to the Meeting, I would like to inform you that your Directors hold proxies representing **187,344,493** shares; that is **85.3%** of the Company's shares on issue. The shareholders who have appointed

members of the Board to represent them at this Meeting have voted on this resolution as follows:

For:	<b>186,803,955</b>
Against:	<b>231,000</b>
Abstain:	<b>35,518</b>
Open:	<b>274,020</b>

These proxies will only be exercised if it is necessary to go to a poll.

I now formally put the motion for the following ordinary resolution:

“That Peter Spathis, a Director retiring in accordance with Rules 3.6(a) and 3.6(b) of the Company’s Constitution, and being eligible, is re-elected as a Director of the Company.”

I call for a show of hands on the motion.

1. Would all those in favour please raise their green registration cards?
2. Would all those against please now raise their green registration cards?

Thank you, I declare the resolution passed. Congratulations Peter.

### **CLOSURE**

Ladies and gentlemen that concludes the formal business of the Meeting. Thank you for your attendance and interest in Jetset Travelworld Limited.

I now declare the Meeting closed.