

## **MEDIA RELEASE**

**Sydney**  
**12 May 2010**

# **PROPOSED MERGER OF JETSET AND STELLA**

Jetset Travelworld Limited ("Jetset") today announced a proposed merger of equals with Stella Travel Services Holdings Pty Ltd ("Stella"). The Boards of Jetset and Stella have decided to combine the businesses and have signed a conditional merger agreement to that effect.

Tom Dery, Chairman of Jetset said "This merger is a unique opportunity to integrate two complementary travel businesses, adding scale to the combined company in the highly competitive Australasian travel services market. The merged entity will be well positioned to explore further growth opportunities in Australia, New Zealand and the international travel market." The merger is expected to generate efficiency benefits for the combined group.

Andrew Cummins, Chairman of Stella said "Both Jetset and Stella have emerged strongly through recent years and this transaction creates an opportunity to build a business of genuine scale, providing long-term benefits and stability for the merged entity's franchisees and members, staff, suppliers and other trading partners. Consumers will enjoy enhanced innovative and competitive products and services currently offered by both companies."

If approved by Jetset shareholders, the merger will be implemented through the current Stella shareholders being issued with approximately 219,553,000 Jetset ordinary shares. As a result, the current Stella shareholders will hold 50% of the expanded capital of the merged entity.

Based on the last closing price prior to the date of this announcement, post merger Jetset would have a pro-forma market capitalisation of \$439.2 million. Stella's current major shareholders, funds advised by CVC Asia Pacific and UBS, will hold approximately 26.9% and 17.9% respectively of the expanded Jetset shares on issue and Qantas and interests associated with Mr. Spiros Alysandratos will hold 29.0% and 12.6% respectively. Jetset will remain listed on the ASX.

### **Management**

Peter Lacaze will be appointed as CEO of the merged entity. Mr. Lacaze is the current CEO of Stella and has 30 years management experience, including previous CEO roles with both Qantas Holidays and Jetset. Peter Lacaze said, "I am delighted to be rejoining Qantas Holidays and Jetset, and look forward to overseeing the business during its next phase of growth".

Elizabeth Gaines, currently the Group CFO of Stella, will be appointed as CFO of the merged entity. Ms. Gaines is a highly experienced finance executive, having previously held CFO roles with Entertainment Rights Plc and Heytesbury Pty Ltd.

Peter Collins, who has been CEO since the merger with Qantas Holidays and Qantas Business Travel will return to the Qantas Group. Mr. Dery said, "Peter Collins has guided Jetset through a major integration and has done an excellent job managing the business through the global financial crisis."

Following completion, members of the Stella management team will, as a result of their current shareholding in Stella, hold approximately 5.2% of the Jetset shares on issue.

### **Shareholder Approval and Directors' recommendation**

Approval of the merger by Jetset shareholders is required under the Corporations Act and ASX Listing Rules. Shareholders will receive an Explanatory Memorandum, including a Notice of Meeting and Independent Expert's Report, for an Extraordinary General Meeting expected to be held in August 2010.

Each of the Jetset Directors intends to recommend that Jetset shareholders vote in favour of the merger at the Extraordinary General Meeting, subject to the findings of the Independent Expert.

### **Other Matters**

Qantas, Jetset's largest shareholder, has indicated that it will support the proposed merger and vote in favour of it at the upcoming Extraordinary General Meeting, assuming the various conditions in the merger agreement are satisfied.

It is proposed that, following the merger, Jetset's Board will have nine directors and that Tom Dery will continue to be the Chairman. The current owners of Stella will nominate three directors. The Explanatory Memorandum will contain further details of the Board.

The proposed merger will be subject to a number of conditions precedent, which will be outlined in the Explanatory Memorandum that accompanies the Notice of Extraordinary General Meeting. For example, the proposed merger remains subject to review and subsequent clearances from regulatory bodies: ASX, ACCC, ASIC and FIRB.

Jetset is being advised by Deutsche Bank, Grant Samuel, Minter Ellison and Freehills. Stella is being advised by Fort Street Advisers, UBS and Gilbert & Tobin.

### **For more information please contact:**

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**Media conference call:**  
Call name: Jetset / Stella  
Wednesday 12th May 2010, 4.00pm EST

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