

Chairman's Address

2010 Annual General Meeting of Jetset Travelworld Limited

1. Welcome and Meeting Opening

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 2010 Annual General Meeting.

As a quorum of shareholders is present, I declare the meeting open.

2. Introduction of Directors

Before I go into further detail, I would like to introduce your Directors. Seated beside me is Peter Lacaze our Managing Director and Chief Executive Officer. The other Directors seated in the front row are: Andrew Cummins, Gareth Evans, Brett Johnson, Adrian MacKenzie, James Millar, Michael Riches and Peter Spathis.

Also seated beside me is Steve Heesh, the Company Secretary. I would also like to extend a formal welcome to the Meeting to:

- Members of our Management Team including Elizabeth Gaines our Chief Financial Officer, Stephanie Belton our General Counsel;
- Our Legal Adviser, Costas Condoleon from Minter Ellison;
- Our Auditors Martin Sheppard and Julian McPherson from KPMG.

3. Commentary

This is Jetset Travelworld's first AGM following the merger with Stella Travel Services. Although the merger completed on 30 September this year, it was the principal focus, both for our business as a whole and for me as Chairman, for a large part of the 2010 financial year.

Before I go further, I would just like to remind you that, when I speak of the 2010 financial year, I am speaking only of Jetset Travelworld and its results with no reference to, or contribution from, Stella.

As you are all aware, this last year has been somewhat volatile, with signs of economic improvement offset by a lack of certainty about the future and a resultant lack of forward commitment by consumers. However, a strong Australian dollar drove many Australians offshore for holidays and this was certainly very positive for our businesses overall.

The year was also marked by continued success of the retail division in recruiting new, high quality franchise and affiliate members, continued development of the Business Select group of agents and strong growth in sales of Viva! Holidays products by the wholesale division. Benefits flowing



from implementation of travel management technology by QBT and the establishment of readyrooms.com.au will benefit the merged business going forward.

I would like to touch briefly on some of the financial highlights:

- Total transaction value of \$2,199 million;
- Profit before tax of \$19 million (before charging \$4.5 million of costs associated with the merger with Stella);
- Cash holdings of \$114 million; and
- A second half result significantly better than that of the first half.

These results reflect the emergent recovery of the leisure market in the second half which was partially offset by the continued softness in the corporate travel market.

I would like to address the decision of the Board to suspend the final dividend for the year ended 30 June 2010. In suspending the dividend, the Board took account of the requirement to retain sufficient cash reserves to complete the integration of the merger with Stella. Cash reserves will continue to be monitored very closely by both management and the Board into the future.

With completion of the merger on 30 September 2010, the process of integration of the Jetset Travelworld and Stella Travel Services businesses commenced. Prior to that date detailed planning was carried out to ensure the integration process would be undertaken methodically in order to optimise the benefits of bringing the two businesses together while continuing to operate each on a “business as usual” basis.

I expect to be able to provide shareholders with details of the synergies derived from the merger and its progress when I report on the half-year results in February 2011.

I look forward to reporting to shareholders on the merged group’s results in more detail in February 2011 at the time of the release of the half year report. At that time, I expect to be able to provide some guidance in relation to the second half of the 2011 financial year.

