



Media Release

QANTAS GROUP: NEW QANTAS AIRLINES STRUCTURE, EXECUTIVE TEAM

SYDNEY, 22 May 2012: The Qantas Group today announced a restructure of the Qantas Airlines business and changes to its executive team as it enters the next phase of the five-year transformation plan launched in August 2011.

After being restructured over the coming months, Qantas International and Qantas Domestic – currently combined as 'Qantas Airlines' – will be formally managed as two distinct businesses. Each will have its own CEO and its own operational and commercial functions. Their financial results will also be reported separately. The new structure will be effective from 1 July 2012.

This change will enable a greater focus on the priorities of turning around the Qantas International business and enhancing the strong Qantas Domestic business, as part of the overall Group strategy.

A number of changes will be made to the Qantas Group's executive management under Chief Executive Officer Alan Joyce. The new Qantas Group Executive Committee will be as follows.

- **Simon Hickey, CEO Qantas International.** Mr Hickey is currently CEO, Qantas Frequent Flyer.
- **Lyell Strambi, CEO, Qantas Domestic.** Mr Strambi is currently Group Executive, Qantas Airlines Operations.
- **Jayne Hrdlicka, CEO, Jetstar Group.** Ms Hrdlicka is currently Group Executive, Strategy and Technology. The Strategy and Technology function will move under Chief Financial Officer Gareth Evans.
- **Lesley Grant, CEO, Qantas Frequent Flyer.** Ms Grant was formerly the Group Executive responsible for developing Qantas' new international strategy.
- **Jon Scriven, Group Executive, People and Office of the CEO.**
- **Olivia Wirth, Group Executive, Government and Corporate Affairs**
- **Brett Johnson, General Counsel**
- **Gareth Evans, Chief Financial Officer**

Jetstar Group CEO Bruce Buchanan, having successfully built Jetstar into the leading low fares carrier across Asia, will leave the Group. Mr Buchanan will remain Jetstar for the next six months to assist with the transition. He will then provide consultancy services to the Group for an additional 18 months.

As a consequence of the revised structure, Rob Gurney, Group Executive Commercial and Freight, Qantas Airlines, has decided that it is appropriate to leave the Group.

Mr Joyce said the restructure would strengthen the Qantas Group's portfolio and help deliver its strategic goals.

"Over the past 18 months we have established a clear path to building a better, more competitive Qantas," he said. "Our foundations are strong, with the two most profitable airlines in the domestic market, one of the world's best loyalty programs and Jetstar targeting the fast-growing Asian leisure travel market.

"We have begun the process of restoring Qantas International to a sustainable position. Yesterday we announced that we will consolidate our heavy maintenance operations in Australia to maximise the benefits of our next-generation fleet of aircraft. And other initiatives are underway across the Group to increase efficiency and productivity.



“The restructure I announce today advances this essential program of change. It recognises that the Qantas Group is a true portfolio business.

“Qantas Domestic and Qantas International face very different situations. Qantas Domestic is strong and profitable. We are seeing the most sustained levels of high customer satisfaction on domestic services since 2004, and we are the airline of choice for corporate Australia.

“But we cannot be complacent – we must continue to offer customers the best network, frequency and flying experience in the domestic market, and find new ways to earn and reward their loyalty.

“Qantas International, a great airline with a rich history, is loss-making and does not deliver sustainable returns. However, we are committed to turning it around through the five-year strategy we announced last year, based on flying to global gateways, deeper alliances, smart investment in product and disciplined capital management.

“Formally separating the management of Qantas International and Qantas Domestic will ensure that we can independently run each business according to its specific priorities and market conditions.

“These measures give us the right structure to address the challenges and opportunities we face – and the right people.

“Simon Hickey has achieved record profits at Qantas Frequent Flyer, which now has 8.5 million members and is now a powerful brand in its own right. Lyell Strambi is an outstanding aviation executive with experience running all aspects of Qantas’ operations, while Lesley Grant’s credentials as former Group Executive Customer and Marketing make her well-placed to manage Qantas Frequent Flyer.

“Jayne Hrdlicka has been vital to the development of the Group’s strategy and will have an important job managing the Jetstar business across multiple markets following a successful period of expansion under Bruce Buchanan.

“I would also like to express my appreciation for the significant contribution Rob Gurney has made to Qantas over the past 14 years, and I wish him well in his future endeavours.

“Operationally, it will continue to be business as usual for Qantas customers and employees. We will be carefully working through the details of the separation of Qantas International and Qantas Domestic over the next few months. Relevant stakeholders will be kept informed and consulted as required and further announcements made at the appropriate time.”

Mr Buchanan has decided after nine years with the Qantas Group it is time to leave the company and explore new opportunities. This will include working with other Australian companies seeking to expand into growth markets within Asia, just as he has done with the Jetstar Group of airlines.

“I’m extremely proud of my time at Jetstar working with a team of very talented people who pioneered a way of setting up airlines across Asia,” Mr Buchanan said.

“If we can export airlines - a business where we have no natural advantages - there are no limits to where we can leverage our Australian ingenuity.

“I’m looking forward to continuing my work with Alan and the Qantas Group over the next couple of years, while helping other businesses expand across Asia.”

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