

**THE WORLD'S LEADING AIRLINE PARTNERSHIP**  
**ALAN JOYCE, QANTAS GROUP CEO**  
**SYDNEY, 6 SEPTEMBER 2012**

Good morning everyone and a warm welcome.

A special welcome to Tim Clark, President of Emirates Airline.

Today we mark a new era for Qantas, for Australian aviation, and for global aviation.

This morning Tim and I signed a Commercial Agreement to form the world's leading airline partnership between Qantas and Emirates.

***AN INTEGRATED PARTNERSHIP***

We have agreed to join forces to give our customers the most comprehensive premium travel experience on the planet.

We will be poised to deliver the best in networks, frequencies, lounges, loyalty programs and customer experience.

There will be no equity investment on either side.

This is a partnership of independent peers, based on shared standards and aspirations.

Pending approval by the regulatory bodies, from April next year Qantas will transfer its hub for European flights from Singapore to Dubai.

Our daily Airbus A380 services to London from Melbourne and Sydney will transit via Dubai's Terminal 3, the world's only purpose-built A380 terminal.

Qantas and Emirates will be the only airlines in the Terminal, so we'll have a big Qantas presence and access to superb lounges and facilities for Qantas customers.

***A NEW ERA PARTNERSHIP***

This agreement represents a step-change for the aviation industry.

It is far bigger than a codeshare. Or even a joint services agreement.

This is the biggest arrangement Qantas has ever entered into with another airline.

A ten year partnership, which will be good for all parts of the Qantas Group.

Subject to regulatory approval, it will include integrated network collaboration with coordinated pricing, sales and scheduling and a benefit-sharing model.

This will deliver significant benefits to our business.

### **GREAT FOR CUSTOMERS**

From April next year we enter a new era.

We will commence flying with 14 daily Qantas-operated or coded Boeing 777 and A380 flights from Adelaide, Brisbane, Melbourne, Perth and Sydney to Dubai, with its 24 hour hub and connection to four continents.

It will mean just one stop to 33 European destinations, seven of them serviced all the way by A380s, including Paris and Rome as well as London.

Regional Australians are used to multi-stop journeys to Europe and home again.

From April next year, for regional travellers it's just two stops to the heart of Europe.

Check in at Rockhampton and collect your bags in Rome. Port Macquarie to Madrid. Even Longreach to Lisbon.

Eligible customers will be welcomed in Emirates lounges across Europe.

Our trans-Tasman customers will benefit through greater frequencies and the potential for new routes.

Business and corporate customers will find that taking care of business is more convenient with over 30 Middle East and North African destinations a short flight from Dubai.

### **THE CUSTOMER EXPERIENCE**

In our discussions Tim and I came up with a guiding principle for this partnership: *Treat each other's customers as your own.*

Our two airlines will, of course, retain their distinct style and identity, but we will match key customer benefits.

Where there is a difference in customer service, we've agreed to make the higher benefit our standard.

Our baggage policies will be the same, and we'll operate from common terminals in Sydney, Melbourne, Dubai and London.

### **FREQUENT FLYERS**

Central to this partnership will be Qantas Frequent Flyer.

Together we will offer the world's best loyalty proposition for Australian flyers.

The biggest benefit, of course, will be the vastly expanded opportunities for Qantas Frequent Flyers to earn and redeem their points.

Qantas and Emirates will provide reciprocal access to tier status benefits which includes end-to-end recognition of customers, lounge access, priority check-in and boarding and more.

I think it's going to give our 8.6 million Frequent Flyers big new incentives, which should be great news for our partners like Optus, Woolworths and David Jones.

So when you purchase that Italian suit at David Jones, remember you are earning points to wear it in Venice.

Or Barcelona. Or Milan.

### **WHY EMIRATES**

A lot has been said about Qantas and aviation partnerships.

I've always made it clear we would not form any new partnership until we found the partner that was absolutely right for us, our customers and our business.

Emirates is one of the world's best airlines with an all wide-body fleet, an amazing global network, and a wonderful reputation for quality.

Its extensive international coverage perfectly complements the strong Qantas presence in North and South America, South Africa and Asia and our domestic, regional and trans-Tasman network.

Respect and mutual confidence is essential for a partnership of this nature.

Tim Clark is an aviation visionary with a meticulous eye for detail, combined with an understated management style.

He commands respect, and he has made this partnership possible.

Qantas alone can't take passengers everywhere – but together Qantas and Emirates can take Australians just about anywhere. With style.

### **THE BUSINESS BENEFITS**

This is all about our customers.

But it is also about creating a sustainable future for Qantas International.

Last year I announced a four pillar plan to turn around that business.

## **GATEWAYS AND PARTNERSHIPS**

One pillar was the use of partnerships to extend our reach.

Through our partnership with Emirates, Dubai will become the Qantas gateway to Europe, the Middle East and North Africa.

Dubai will complement Dallas, the gateway to North America; Santiago for South America; Johannesburg for Southern Africa; and Singapore/Hong Kong for Asia.

Emirates will complement our relationships with American Airlines, LAN, South African Airways and China Eastern, as well as **oneworld**.

Our relationship with British Airways is an important part of the Qantas story.

I have been in discussion with my colleague and friend CEO Willie Walsh, and we have agreed that the time is right to wind up the Joint Services Agreement.

We both value the relationship very highly and our two airlines will continue to work together.

## **GROWING WITH ASIA**

Now to Asia.

We currently have an Asian flying schedule based on travelling via Asia to Europe.

But our Australian business customers want better access to Asia, and so do we.

As you know, we have been looking to address this issue.

By moving our hub for European services to Dubai, we will be able to restructure the Asian network.

Our Asian services will no longer be a subsidiary of the 'Kangaroo Route': they will be dedicated to connecting Australians with our region, and Asian visitors to Australia.

Qantas will increase dedicated capacity to Singapore, and re-time flights to Singapore and Hong Kong to enable many more 'same day' connections across Asia. Our partner Emirates also services South East Asian destinations from Australia.

We are also looking at ways to refine our product and service offerings specifically for the needs of business travellers.

This restructure will result in a significant improvement in the economics of our Asian operations.

## **A STRONG, VIABLE BUSINESS**

A key objective is to make Qantas International strong and viable, and bring it back to profitability.

This partnership will help us do that, while building on our strengths in Qantas Domestic, Qantas Frequent Flyer and Jetstar.

For the vast majority of our Qantas people it will be warmly welcomed because it is all about creating a sustainable future for Qantas.

But there will be changes to our operations, and these will have an impact on various roles.

Our Frankfurt services have been struggling for some time and withdrawal from the route was inevitable.

This Emirates partnership will help us make an orderly withdrawal, and also ensure we can continue to service our customers over the long term.

Along with changes to our schedule, there are likely to be changes to the aircraft types we use in Asia.

We will be working through all these and other changes with our people, as with all relevant stakeholders. However over the long term I see our partnership with Emirates as a platform for growth.

## **BEST FOR GLOBAL TRAVELLERS**

Finally what we are announcing today is a fantastic proposition for our global travellers – literally opening up Europe, the Middle East and North Africa to Qantas business and leisure flyers.

## **BENEFITS TO AUSTRALIA**

And just as it opens up Europe to Australian travellers, it also offers the opportunity to bring many more European visitors to Australia.

Qantas and Emirates will be working together to make the most of the array of opportunities and it's going to be good for Australia.

Let me conclude by thanking Tim and all of his hard working team.

I'd also like to thank all the Qantas people who have worked so hard to bring this together.

It's going to be fantastic for Qantas, Emirates, for Australian tourism and business and for the Australian travelling public.

I'd now like to invite Tim to speak.