



Media Release

CHANGES TO QANTAS GROUP NEW ZEALAND, CHINA AND INDIA SERVICES

SYDNEY, 17 February 2009: The Qantas Group today announced changes to its New Zealand, China and India operations.

New Zealand

- from 10 June 2009, Jetstar will commence New Zealand domestic services and Qantas will cease operating its New Zealand domestic network
- Qantas will introduce changes to its trans-Tasman services and flights to the United States from Auckland, increasing frequency and improving connections for international customers, including to New York

China

- Qantas Sydney-Shanghai A330 services will increase to seven per week (daily) from 31 March 2009.
- Qantas Melbourne-Shanghai services (currently two per week) will cease from 31 March 2009.
- Qantas Sydney-Beijing services (currently three per week) will cease from 17 April 2009.

India

- Qantas three-times-a-week Mumbai services will operate via Singapore from mid-May, with connections from Sydney, Melbourne, Brisbane, Perth and Adelaide (Qantas) and Cairns and Darwin (Jetstar).

Qantas Group CEO, Mr Alan Joyce, said Qantas had been closely monitoring its international operations since the global economic situation deteriorated in late 2008.

“Airlines around the world are confronting significantly changed operating conditions and have to ensure capacity is best matched to demand,” he said.

“The Qantas Group is performing well in this difficult environment, but we are not immune from the need to address under-performing routes.

“We are reluctantly making changes to our China and India schedules, but will continue to offer significant capacity into both countries as they remain important business and leisure markets.

“These changes are about adjusting our schedules to meet the needs of those markets alongside our own need to generate reasonable returns on our operations.”

Mr Joyce also announced significant changes to Qantas’ New Zealand schedule and Trans-Tasman schedule, including the launch of Jetstar domestic operations in New Zealand, together with significant increases in Qantas’ trans-Tasman frequency and product.

“New Zealand is a key market for the Qantas Group, and we are a large employer there. These changes will consolidate our presence in New Zealand, and follow our recent move to expand our Auckland Telephone Sales call centre to service customers from the United Kingdom, South Africa and United States.

“Our proven two-brand model, with Qantas and Jetstar, enables the Qantas Group to respond to market challenges and opportunities more flexibly than competitors.

“The dynamics of the New Zealand domestic and trans-Tasman markets, however, are unique and particularly in the current environment, we need to be flexible to ensure we remain competitive. This means applying our two brand strategy and utilising the right airline, with the right cost base and product, for the right market, to offer competitive, sustainable services.”

“Our history across the Tasman goes back to 1940, we launched New Zealand domestic services in 2001 and we have been a major contributor to the country’s economy and tourism industry for many years,” he said.

From 10 June, the Qantas Group will operate more than 140 trans-Tasman return services each week between Australia and Auckland, Christchurch, Wellington and Queenstown, as well as a daily B747-400 service between Auckland and Los Angeles. The new international schedule to/from New Zealand will include:

- improved timing of the daily Auckland-Los Angeles service to provide a connection to Qantas’ daily New York service;
- Melbourne-Auckland services increasing from two to three flights per day, operated by B737 aircraft;
- Sydney-Auckland services increasing from four to five flights per day, operated by a mix of B767 and B737 aircraft; and
- the cancellation of weekend services between Brisbane and Wellington.

The remainder of the Group’s trans-Tasman services will remain unchanged. Qantas will operate its last domestic New Zealand service on Tuesday 9 June 2009, with Jetstar to commence services on Wednesday 10 June.

Jetstar’s domestic network will cover Auckland, Christchurch, Wellington and Queenstown. The change means the Qantas Group will no longer offer services to Rotorua.

Mr Joyce said that from 10 June, Qantas’ New Zealand subsidiary, Jetconnect, which operates a fleet of B737 aircraft, would focus its operations on the Tasman.

“Jetconnect’s current fleet will be progressively upgraded, initially with three new next generation B737-800s to be delivered between September and November,” Mr Joyce said.

“The B737-800 aircraft will be used on both the Sydney-Auckland and Melbourne-Auckland routes, offering 12 Business and 156 Economy class seats, individual in-seat video screens for every passenger and new seating styled by Qantas Creative Director Marc Newson.”

The investment in new aircraft will see the last B737-300s retired from the Qantas fleet.

Mr Joyce said both Qantas and Jetstar were firmly focused on the transition and customers booked on Qantas domestic New Zealand services from 10 June would be contacted and booked on alternate flights.

Qantas will codeshare on the new Jetstar domestic New Zealand service for all customers holding a Qantas international and/or trans-Tasman sector in the same itinerary.

Qantas Group employment levels in New Zealand are expected to increase as a result of the changes.

“Group employment levels will increase, however there will be an impact on Qantas jobs in Christchurch and, to a lesser extent, Wellington,” Mr Joyce said.

“There will be some opportunities for Qantas and Jetconnect employees to take up positions with Jetstar. For those who do not, we will offer appropriate separation packages and support.”

Note: New Zealand and Mumbai changes subject to regulatory approval.