



Media Release

NEW SEATS AND INFLIGHT ENTERTAINMENT FOR QANTAS B747s

SYDNEY, 18 February 2010: Qantas announced today it would invest \$400 million to upgrade seats and inflight entertainment on nine Boeing 747-400 aircraft, and reconfigure its Airbus A380 fleet to meet the changing demands of the airline's international customers.

Qantas Chief Executive Officer, Mr Alan Joyce, said the changes would provide all long haul customers with a leading edge and consistent inflight experience and ensure the airline was best placed to meet forecast changes in premium cabin demand.

"The major upgrade will give all our long haul customers access to our award winning seats and inflight entertainment Qantas offers on its flagship aircraft, the A380," Mr Joyce said.

"Customer feedback on the Qantas A380 experience is overwhelmingly positive, and this experience, including the fully flat Skybed in Business, the all-new Economy seat and the inflight entertainment system will be available to customers travelling on Qantas B747-400 services."

"We are committed to investing in premium customer product and service – to meet the increasingly sophisticated needs of our customers, maximise yields and generate revenue and investor returns."

Mr Joyce said Qantas would always be a premium airline committed to offering a premium experience, and First Class would remain available on A380 services where demand existed.

"Maintaining a First offering on flagship routes is essential for Qantas as a premium airline. It is vital that we align this offering with forecast demand which is expected to be relatively slow compared to Business, Premium Economy and Economy," he said.

"Our 14 A380 First suites will be offered on twelve aircraft and on daily services from Sydney and Melbourne to London via Singapore and Los Angeles."

Mr Joyce said the changes were being made to respond to shifting travel trends across the globe.

"While some travel markets are recovering from the economic crisis, our assessment of longer term travel trends, which pre-dates the economic crisis, shows that international premium travel demand is changing," Mr Joyce said.

"Just as Qantas was quick to respond to the downturn, we are now ensuring we are best placed to take advantage of the recovery and continue to invest in fleet, product and service.

"These changes will ensure we remain competitive in terms of aircraft configuration, product and service and that we are better able to ensure capacity is more closely aligned with demand.

"They will also add the equivalent capacity of more than three B747-400s, ensuring we can support future growth while reducing the need to purchase additional aircraft.

“The split A380 fleet will give Qantas greater flexibility to schedule the right aircraft, and the right configuration, on the right route, based on market demand.”

Details of the changes:

B747-400

- nine B747-400 will be upgraded and fitted with Qantas' A380 standard seats and inflight product, including a fully flat Skybed sleeper seat in Business, an award-winning Marc Newson designed and Recaro manufactured seat in Economy and state-of-the-art on-demand Panasonic inflight entertainment in all classes
- First class cabins will be removed and Business seats installed in their place
- the three-class configuration will offer 359 seats (58 Business, 36 Premium Economy and 265 Economy), an increase of 52 seats overall

A380

- 12 A380s will continue to fly with a four-class configuration, including First class, but be refitted to reduce Business seating and increase Premium Economy and Economy seating
- the remaining eight aircraft will be delivered from 2012 in a three-class configuration and with no First cabin
- A380 seat numbers are to be confirmed subject to discussions with Airbus and suppliers

The upgrade and reconfiguration program will commence at the end of 2011 and is scheduled for completion by the end of 2013. It will be funded through the combination of operating cash flows and pre-existing debt facilities. The majority of capital expenditure will take place in 2012.

Further details of the program, including where work will be undertaken, will be confirmed once contractual arrangements are finalised.

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