



Media Release

QANTAS TO INCREASE DOMESTIC, REGIONAL AND TASMAN FARES IN RESPONSE TO HIGH FUEL PRICES

SYDNEY, 11 February 2011: Qantas announced today it would increase domestic, regional and Tasman air fares by up to five per cent as the second part of its response to high oil and jet fuel prices.

The changes will apply to tickets issued on or after 25 February. Qantas last week announced increases to its international fuel surcharges for tickets issued on or after 19 February.

Qantas Chief Executive Officer, Mr Alan Joyce, said that, having removed domestic, regional and Tasman fuel surcharges in early 2009, a modest fare increase was the most appropriate way to recover some of the higher fuel costs for these operations.

“Airlines in Australia and around the world continue to monitor oil and fuel prices very closely, and many have already responded to the current high prices with changes to their surcharges and fares,” Mr Joyce said.

“Domestic, regional and Tasman fares have been under review and, while we have been absorbing higher fuel costs for some time, this increase is an appropriate response to this significant and additional cost to our business.

“After fuel hedging and this change to our fares, Qantas will still not fully recover these higher fuel costs. Nor can we rule out further increases in the future should they be necessary.”

Examples of new year round, all-inclusive one way lead in fares (A\$ from 25 February) include:

Routes	New	Previous
▪ Sydney-Melbourne	\$109	\$104
▪ Adelaide-Melbourne	\$103	\$99
▪ Canberra-Melbourne	\$114	\$109
▪ Brisbane-Townsville	\$165	\$159
▪ Perth-Sydney	\$265	\$255
▪ Sydney-Wagga Wagga	\$120	\$115
▪ Brisbane-Rockhampton	\$85	\$81
▪ Melbourne-Auckland	\$272	\$262

Year to date average prices for both West Texas Intermediate Crude Oil and Singapore Jet Fuel are at their highest since FY08, and higher than first half FY11 prices. The price of Singapore Jet Fuel, for example, has increased from an average of US\$88 a barrel in September 2010, to US\$110 a barrel in January 2011, and is US\$117 a barrel today.

Qantas has hedged 74 per cent of its remaining fuel requirement in FY11 at a worst-case crude oil price of US\$95.48 per barrel, including option premium.



Jetstar will also address the impact of higher fuel prices on its domestic and international operations via adjustments to air fares in selected markets and increases in ancillary revenue, including baggage charges.

Note: For breaking Qantas news via Twitter, go to <http://twitter.com/qantasmedia>

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