



Media Release

QANTAS GROUP RESTRUCTURES FLEET PLAN

SYDNEY, 23 August 2012: The Qantas Group today announced it would restructure its Boeing 787 aircraft delivery schedule as part of the five-year Qantas International turnaround plan.

There is no change to the Group's plans for the B787-8 aircraft. Deliveries of 15 B787-8s to Jetstar will continue as planned, with the first aircraft to arrive in the second half of 2013. This will enable the transfer of Airbus A330 aircraft from Jetstar to Qantas Domestic, and the eventual retirement of Qantas' Boeing 767 fleet.

Fifty B787-9 options and purchase rights will be retained and brought forward by almost two years, available for delivery from 2016. However, firm commitments for 35 B787-9s will be cancelled. The restructure means a two-year delay in the Group's first B787-9 delivery.

The changes will result in a reduction in capital expenditure commitments that would equal US\$8.5 billion at list prices.

Qantas Group CEO Alan Joyce said the changes were consistent with the goals of the Group's broader strategy.

"Qantas continues to practice disciplined capital management and, in the context of returning Qantas International to profit, this is a prudent decision," Mr Joyce said. "The B787 is an excellent aircraft and remains an important part of our future. However, circumstances have changed significantly since our order several years ago. It is vital that we allocate capital carefully across all parts of the Group.

"Qantas has always maintained flexibility in its fleet plan and made changes when required. We have now substantially completed our fleet renewal program for the Qantas Group, with 114 new aircraft delivered over the past four years. Our average scheduled passenger fleet age is 8.3 years, the lowest since privatisation and highly competitive by international standards.

"We have 12 A380s in service across our long-haul network and the reconfiguration of nine B747s will be complete by late 2012. Boeing 737-800s will continue to enter the Qantas Domestic fleet as part of the Group's existing fleet plan, while Airbus A330s will transfer from Jetstar as B787s are delivered. And Jetstar's domestic and pan-Asian fleet requirements will be met over the long-term by our existing A320 order book and the arrival of B787-8s.

"Fifty B787-9s will remain available to the Group from 2016, in line with the timeframe of the Qantas International turnaround plan.

"We have the right fleet strategy to deliver continued customer satisfaction and position us for sustainable growth over the long term, while enabling us to retain flexibility and manage our capital requirements appropriately."

Total cash inflow from the restructure will be US\$433 million, with US\$355 million in 2012/2013. These cash flows will result in a net impact on Underlying PBT¹ and Statutory PBT of approximately US\$140 million, to be recognised in the first half of 2012/2013.

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¹ Underlying PBT is a non-statutory measure used by Management and the Group's chief operating decision-making bodies as the primary measure to assess the financial performance of the Group.

