

ASX/Media Release

QANTAS AND JETSTAR ADJUST THIRD QUARTER CAPACITY SETTINGS

13 January 2022: Qantas and Jetstar are adjusting flying levels to better match travel demand in light of the sudden growth in COVID-19 cases.

The Qantas Group now expects domestic capacity for the third quarter of FY22 to be at around 70 per cent of pre-COVID levels, down from the 102 per cent that had been planned.

The schedule changes are focused on reducing frequency of services and size of aircraft to minimise inconvenience for passengers as much as possible.

The Group's total international capacity for the same period will fall from 30 per cent to around 20 per cent of pre-COVID levels. This reduction is driven by increased travel restrictions in countries like Japan, Thailand and Indonesia and is mostly impacting Jetstar's leisure routes. Other markets – such as London, Los Angeles, Vancouver, Johannesburg and India – continue to perform well.

Customers will be contacted directly from late January if their booking is impacted by cancellations and offered alternative flights that in most cases are likely to be a difference of a few hours if travelling domestically.

Qantas and Jetstar continue to have 100 per cent of their available Australian-based crew stood up, which has helped to minimise the resourcing impacts of some needing to self-isolate during the summer peak. This 100 per cent crewing level will be maintained despite the capacity reductions announced today, giving both airlines a significant buffer to manage ongoing isolation requirements and resulting in a more reliable schedule for passengers.

An assessment on the financial impact of these changes will be given at the Group's half year results in late February, by which time a clearer picture will have emerged on swing factors such as actual demand levels; potential loosening or tightening of travel restrictions in countries overseas; and consumer response to the reopening of Western Australia next month. No material adjustments have been made to capacity expectations for Q4 FY22.

Qantas Group CEO Alan Joyce said: "The sudden uptick in COVID cases is having an obvious impact on consumer behaviour across various sectors, including travel, but we know it's temporary.

"Thankfully, Australia has one of the world's highest vaccination rates and the Omicron variant is milder than its predecessors. So, as challenging as this current phase is, we're optimistic that it is likely to fast track a return to normal.

"People are already looking beyond what's happening now with early bookings for the Easter holidays in April looking promising for both domestic and international.

"We have the flexibility to add capacity back if demand improves earlier than expected, but 70 per cent still represents a lot of domestic flying and it's a quantum improvement on the levels we faced only a few months ago.



“Our focus on cash positive flying remains, notwithstanding some of the costs that we’ll have to absorb from this sudden drop in demand.

“Can I thank our people who have done an outstanding job of helping over a million Australians travel over the summer holidays, and to our customers for their ongoing understanding as we make our way through these latest challenges. This is a difficult time right across the community, but something we’ll get through,” added Mr Joyce.

To give customers more confidence when they book international and domestic flights, Qantas has [extended Fly Flex](#), which enables customers to change their travel dates as often as they need, fee-free (a fare difference may apply).

ADVICE FOR ALL CUSTOMERS

- Customers will be contacted directly by Qantas or their Travel Agent from late January if their booking has been impacted by a flight cancellation.
- Customers are asked to please wait to hear from Qantas or their Travel Agent before taking any action, including cancelling their flight. This will help avoid long wait times on customer contact channels.
- When Qantas cancels a flight, we rebook the passenger on the next available flight to their booked destination (if possible), at no additional cost. Alternatively, they can choose a flight credit or a refund. Customers won’t be charged any change or cancellation fees.
- Customers should ensure their contact details are up to date in their Qantas booking or with their Travel agent.

Media Enquiries: Qantas Media +61 418 210 005 gantasmedia@qantas.com.au

Investor Relations Enquiries: +61 0416 058 178 filipkidon@qantas.com.au

Authorised for release by the Group General Counsel and Company Secretary

