



Media Release



QANTAS ANNOUNCES INTERNATIONAL SCHEDULE CHANGES

SYDNEY, 5 June 2008: The Qantas Group today announced changes to its international services as it continues to manage the impact of high oil prices.

The Chief Executive Officer of Qantas, Mr Geoff Dixon, said the changes, which follow last week's announcement regarding domestic services, included market exits, capacity cuts and the replacement of Qantas services with Jetstar services on a number of routes.

Mr Dixon said the cost of fuel had changed the way the Qantas Group had to do business over the next two years.

"We have to look closely at each individual market, including the number of frequencies we operate and which of our flying businesses is better suited to serve those destinations."

Mr Dixon said Japan and South East Asia would be the most affected markets by the schedule changes.

"The Japan-Far North Queensland market has also been particularly difficult for Qantas for a number of years. At current fuel prices, the Group would lose more than \$100 million operating to Japan under our existing schedule."

Mr Dixon said Qantas would engage the tourism industry at seeking better ways of offering viable options for inbound tourism into the future.

Mr Dixon said the changes to the Japan schedule included:

- the withdrawal of Qantas' thrice-weekly Melbourne-Tokyo (Narita) A330 return services from September 2008;
- a reduction in Qantas' Sydney-Tokyo (Narita) A330 return services from nine to seven return services per week from September 2008;
- Jetstar's withdrawal from the Cairns-Osaka-Nagoya route from December 2008;
- the replacement of Qantas' 14 weekly B767 Cairns-Tokyo (Narita) services with a daily Jetstar non-stop A330 two-class service from December 2008; and
- the introduction of new Gold Coast-Tokyo (Narita) services five times per week, operated by Jetstar with two-class A330s from December 2008, in addition to Jetstar's daily Sydney-Gold Coast-Osaka services.

Mr Dixon said that under the new schedules, the Qantas Group would continue to offer significant capacity – more than 11,500 seats per week – between Japan and Queensland.

To support the schedule changes, Jetstar would need to free up A330 aircraft and, as a result, would:

- withdraw from its Sydney-Kuala Lumpur operation to make available an A330 aircraft; and
- replace its existing three weekly A330 services that operated between Sydney and Ho Chi Minh City with five A320 return services on the new route of Sydney-Darwin-Ho Chi Minh City from September 2008.

He said Jetstar would also replace Qantas on:

- the Perth-Denpasar route, with up to four Jetstar A320 services taking over from Qantas' B737-800 services from December 2008; and
- Perth-Jakarta, with three Jetstar A320 return services per week replacing the existing three Qantas B737-800 services from December 2008.

Mr Dixon said Qantas would close its pilot base in Cairns, with around 40 Cairns-based pilots returning to Sydney or other bases.

"Qantas will maintain its existing cabin crew base in Cairns to service domestic operations, and Jetstar will establish a new base for pilots and cabin crew in Perth from October," he said.

Mr Dixon said that as a result of the international schedule changes, there would be a small number of job losses in Cairns and Japan. These were in addition to those flagged in last week's announcement, which were expected to be in the low hundreds, and would also be managed initially on a voluntary basis.

He said in addition to the Asian flight changes, Qantas would reduce its B747-400 Sydney-Los Angeles services from 17 to 15 per week, following the commencement of A380 flights on the route at the end of the year.

"Using the larger A380s on a spread of our USA services will enable us to grow Melbourne-Los Angeles capacity and maintain our total current capacity levels from Australia to the USA."

Mr Dixon said Qantas had done everything possible to mitigate the effects of the schedule changes we have been forced to make.

"We will continue to work with individual markets and look for opportunities as conditions improve to address capacity issues and reinstate services where and when we can."