

ASX/Media Release

QANTAS GROUP EXPANDS INVESTMENT IN CUSTOMERS

- New interior of QantasLink A220s revealed; first flights now on sale.
- Order for 8 additional A321XLRs for Qantas Domestic.
- Acceleration of Wi-Fi on international flights from late 2024.
- Major digital investment to help streamline travel experience on the ground.
- Jetstar adding more than 400,000 seats to meet strong demand for low fare leisure travel¹.
- New trial with banks to proactively refund COVID flight credits.

Sydney, 22 February 2024: The Qantas Group has revealed what customers can expect from its Airbus A220s when the new aircraft start flying commercially next month, as part of a multi-billion dollar investment pipeline over the next few years.

The cabin unveiling was one of several customer-focussed elements that formed part of the Qantas Group's Half Year [results](#), from better service to more low fares.

QANTASLINK A220 CABINS

QantasLink has now taken delivery of the first two of 29 Airbus A220 jet aircraft, which will steadily replace its long-serving fleet of Boeing 717s.

The A220 will fly between cities like Melbourne, Hobart, Brisbane and Canberra as well to key regional cities like Coffs Harbour and Launceston. With double the range of the 717s they replace, the A220 can fly between any two points in Australia and to several offshore destinations, creating new route options in future.

Key features customers can expect are:

- Space for 137 passengers across two cabins, with 10 Business seats in a 2-2 configuration and 127 seats in Economy in a 2-3 configuration.
- The largest windows of any single aisle aircraft and a cabin with a greater sense of space.
- Fast, free Wi-Fi, allowing customers to stay connected, as well as the improved Qantas Entertainment App for streaming content to their own device.
- An integrated personal device holder and USB A and C charging in both Economy and Business; additional wireless charging pad in Business.
- More comfortable Economy seat with extra padding compared with the 717.
- Around 20 per cent more overhead locker space for all customers.
- Reduction in noise footprint of up to 50 per cent and reduction in carbon emissions of 25 per cent.

(Please see factsheet for more information.)

The first A220 commercial flights are on sale today for travel from 1 March 2024 on Melbourne-Canberra and Melbourne-Brisbane; this expands to Melbourne-Hobart from July 2024, Melbourne-Coffs Harbour from October 2024 and Melbourne-Launceston from November 2024 as more aircraft are delivered².

Frequent Flyers can take advantage of either [double Status Credits or double Qantas Points](#) when booking Qantas flights (network wide) before 11.59pm on 27 February 2024.

¹ Across Domestic and International routes; 2H24 compared with 1H24.

² Subject to regulatory approval.



ADDITIONAL A321XLRs FOR QANTAS DOMESTIC

The Group has today confirmed eight additional Airbus A321XLRs for Qantas Domestic from its existing order book announced as part of the Group's domestic [fleet renewal program](#). This brings the total number of Qantas A321XLRs on order to 28, with the first due to arrive in early 2025.

The A321XLR is five metres longer than the 737s it replaces and will seat up to 200 passengers (20 Business and 180 Economy) – an increase of up to 15 per cent in capacity with no reduction in space between seats.

Like the A220, the A321XLR have significantly less noise and fuel burn, and will help towards the Group's emission reduction targets.

ACCELERATION OF INTERNATIONAL WI-FI ROLLOUT

Qantas will retrofit its existing fleet of international aircraft with fast and free Wi-Fi, with the service due to be progressively switched on from the end of calendar year 2024.

The expansion of Wi-Fi to the airline's international fleet was deferred until global satellite technology was able to deliver a similar quality connection that Qantas customers have when travelling domestically. The speed and reliability of Qantas' domestic Wi-Fi service has driven average take-up rates of 75 per cent, with some routes showing up to 100 per cent uptake.

Qantas will offer 'fast and free' international Wi-Fi with enough bandwidth for every passenger to enjoy a fast and consistent connection.

The service will tap into the latest technology from global broadband services provider, Viasat, giving customers on international flights the ability to stream movies, TV shows, the latest news bulletins and live sports.

Qantas' A330, B787 and A380 fleets will progressively be retrofitted to enable connection to Viasat's expanding next-generation satellite network.

The A330-200LR installation program will be built into the existing heavy maintenance schedule starting in March 2024. Installation on all eight of these aircraft is expected to be complete by the end of this calendar year, coinciding with the launch of a new satellite covering South East Asia. Installation programs for the B787, A380 and A330-300s will commence from 2025.

New aircraft currently on order, including A350 and B787 fleets, will be Wi-Fi capable when delivered.

Jetstar will introduce onboard Wi-Fi on its international widebody fleet from 2026, as part of its Boeing 787 cabin refresh.

MAJOR INVESTMENT IN DIGITAL EXPERIENCE

Qantas and Jetstar customers will see a major revamp across digital channels with an ongoing rollout of improvements designed to make it easier for customers to manage their travel on the ground, including during disruptions. The multi-million dollar investment in new technology over three years includes:

- A major evolution of the Qantas app to deliver more functions.
 - Customers can now track their bags at various stages of their journey.
 - New features will be rolling out each month, including enhanced baggage tracking, flight tracking and improved status updates during disruptions, and updates on customer enquiries.
- A complete overhaul of qantas.com from mid-2024, making it significantly faster and easier to use.
- Jetstar has recently launched online check-in for international flights, enabling a quicker and more efficient experience through the airport, and a new app, providing a better service with live notifications of gate or flight updates.



PROACTIVE REFUNDS TRIALLED FOR COVID CREDIT HOLDERS

From next month, Qantas will trial proactive refunds to customers still holding COVID credits.

Qantas has worked with banking partners to establish a new process that means the airline can now trial proactive refunds with a safeguard in place if the original payment method (typically, a credit card) is no longer valid. While a large percentage of credit cards have likely expired, this new mechanism makes it a more practical refund option to try.

In practical terms, customers will receive an email from Qantas if the value of their COVID credit has been successfully refunded through this trial. Qantas will never ask customers to email details of their bank account, credit card, PIN or passwords, and reminds them to be conscious of attempted scams.

More than 75 per cent of the COVID credit balance has now been redeemed for travel or refunded to customers, following months of initiatives including regular reminders, more than 200 consultants added to contact centres and direct emails to customers with bookings made via travel agents.

After peaking at \$2 billion during COVID, the outstanding credit balance has now dropped to \$468 million and continues to fall.

UPDATE ON FARES

Fares have continued to drop as more capacity is added and the broader industry normalises following a period of high demand that coincided with supply chain issues and elevated fuel prices.

Since peaking in December 2022, average fares have now dropped by over 10 per cent in real terms. Jetstar sold more than 12 million fares below \$100 during calendar 2023 and is significantly lifting its capacity to meet continued strong demand for low fare leisure travel. In the first half of this calendar year, Jetstar will increase its domestic flying by around 240,000 seats and its international flying by around 200,000 seats (compared with the six months before that) to popular destinations such as Bali, Korea, Japan, Cairns, and Sunshine Coast.

Qantas Frequent Flyers booked a record 2 million Classic reward seats in the first half of the financial year, which have stayed the same points value since 2019.

Fares are expected to keep dropping as more capacity is restored, however they are also impacted by above-CPI cost inflation on airport and security costs.

CEO COMMENTS

Qantas Group CEO, Vanessa Hudson, said: “We understand the importance of affordable air travel and more capacity in the market means fares have fallen more than 10 per cent since peaking in late 2022.

“In the first six months of this year, Jetstar is adding more than 400,000 seats across its network to help meet strong demand from people wanting to take a well-earned break as they also deal with cost of living pressures.”

Referencing new fleet on display at a Qantas maintenance hangar in Sydney, Ms Hudson said: “We’re investing heavily in new aircraft that are a step-change from the technology they replace. They have more comfortable cabins and can fly further, opening up a lot of new routes domestically and overseas.

“These next-generation aircraft are up to 50 per cent quieter and generate 20 per cent less carbon emissions. We’re already seeing a significant benefit from lower fuel burn, which helps put downward pressure on fares given it’s our biggest single cost.

“We know that staying connected is important to customers on international flights, and we’ve deliberately waited for the same high-speed connection we use domestically to be available on our overseas routes.



“The new widebody aircraft we have on order in the next few years will come with high-speed Wi-Fi enabled but today we’re announcing we’ll be fitting it to our existing long-haul aircraft from late 2024, which coincides with a new satellite launching that will significantly expand coverage.

“All of the investments we’re making are about supporting the great work our people do every day to deliver the best experience they can for our customers, and restoring pride and confidence in the national carrier,” added Ms Hudson.

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Authorised for release by the Qantas Board of Directors.

