

# ASX and Media Release

## QANTAS AND EMIRATES TO EXTEND PARTNERSHIP

Sydney, 31 August 2017

- Five year extension to landmark alliance deal
- Evolution of joint network to offer customers more choice
- Three options to get to UK/Europe – via Dubai, Perth and Singapore
- Capacity shifted to fast-growing Asia market
- Changes to deliver upside to both airlines; Qantas annualised net benefit estimated at more than \$80 million from FY19

Qantas and Emirates will apply to extend their cornerstone partnership for another five years<sup>1</sup>, making changes to reflect customer demand, new aircraft technology and each airline's respective network strengths.

These changes will deliver additional benefits to the eight million passengers who have travelled more than 65 billion kilometres on the combined network since 2013, increasing customer choice as well as frequent flyer earn and redeem opportunities.

The adjustments announced today will also deliver financial upside to both airlines, with Qantas annualised net benefit estimated at more than \$80 million from FY19 onwards.

Meeting in Sydney to finalise the extension, both airlines agreed the first five years of the partnership had lived up to the promise of serving their customers better, together. Changes to the joint network are designed to reinforce this for the next five years.

### KEY CHANGES

The key change will see the airlines better leveraging each other's networks, by providing three options to Europe – via Dubai, Perth and Singapore<sup>2</sup>.

Qantas will re-route its daily Sydney-London A380 service via Singapore rather than Dubai and upgrade its existing daily Melbourne-Singapore flight from an A330 to an A380. As [previously announced](#), Qantas' existing Melbourne-Dubai-London service will be replaced with its Dreamliner service flying Melbourne-Perth-London.

A detailed summary of the changes, including effective dates, is provided at the end of this release.

Customer demand for flights between Australia and Dubai will remain well served by the 77 weekly services that Emirates operates from five cities – Adelaide, Brisbane, Melbourne, Perth and Sydney – including seven daily A380 flights. Qantas passengers will still be able to fly on Emirates to Dubai, where they have access to over 60 onward connections on Emirates to Europe, the Middle East and Africa.

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<sup>1</sup> Subject to government and regulatory approval.

<sup>2</sup> Due to traffic right restrictions, Emirates cannot code on Qantas' Perth-London or Singapore-London service but its customers can redeem frequent flyer points on these routes as part of the partnership.

## **CEO COMMENTARY**

Qantas Group CEO Alan Joyce said the changes represent an evolution of the partnership to deliver additional benefits for customers, including the millions of frequent flyer members of both airlines.

“The first five years of the Qantas-Emirates alliance has been a great success. Emirates has given Qantas customers an unbeatable network into Europe that is still growing. We want to keep leveraging this strength and offer additional travel options on Qantas, particularly through Asia.

“Our partnership has evolved to a point where Qantas no longer needs to fly its own aircraft through Dubai, and that means we can redirect some of our A380 flying into Singapore and meet the strong demand we’re seeing in Asia.

“Improvements in aircraft technology mean the Qantas network will eventually feature a handful of direct routes between Australia and Europe, but this will never overtake the sheer number of destinations served by Emirates and that’s why Dubai will remain an important hub for our customers.”

Sir Tim Clark, President Emirates Airline, said: “The Emirates-Qantas partnership has been, and continues to be, a success story. Together we deliver choice and value to consumers, mutual benefit to both businesses, and expanded tourism and trade opportunities for the markets served by both airlines. We remain committed to the partnership.

“Emirates has worked with Qantas on these network changes. We see an opportunity to offer customers an even stronger product proposition for travel to Dubai, and onward connectivity to our extensive network in Europe, Middle East and Africa. We will announce updates in the coming weeks.

“Customers of both airlines will continue to benefit from the power of our joint network, from our respective products, and reciprocal frequent flyer benefits.”

## **BOOKINGS AND REGULATORY APPROVALS**

The airlines will shortly seek re-authorisation from relevant regulators, including the Australian Competition and Consumer Commission, to continue coordination of pricing, schedules, sales and tourism marketing, under an expanded partnership.

Tickets for Qantas’ new services will be available from tomorrow.

Customers with existing bookings impacted by the changes will be re-accommodated onto the new services or will be given the option to change their flights.

## **KEY CHANGES IN EFFECT FROM MARCH 2018:**

- The choice of three hub options between Australia and UK/Europe – Dubai, Perth and Singapore.
- From 25 March 2018, QF 1/2 A380 service will operate Sydney – London via Singapore, replacing one of the existing Sydney – Singapore A330 services. The second Sydney – Singapore daily service will continue to be operated by an A330 aircraft.

- From 25 March 2018, one daily Qantas Melbourne – Singapore service will be upgraded from an A330 to an A380 (QF35/36), with the second three per week service increased to a daily A330 service (QF37/38).

#### **KEY PARTNERSHIP STATS SINCE ITS AUTHORISATION IN 2013:**

- More than eight million passengers have travelled on the joint network, travelling more than 65 billion kilometres.
- Frequent Flyer members of both airlines have earned and used points flying on more than five million flights, travelling over 47 billion kilometres on the joint network.
- On average more than 10,000 Emirates passengers have travelled on Qantas' domestic and regional services within Australia each month, increasing to 20,000 during peak periods.
- Customers can access over 2,000 routes on the joint network.
- For Emirates customers, the partnership opens up access to over 60 Australian destinations that Emirates does not serve, and for Qantas customers, it gives access to over 40 cities in Europe, the Middle East and North Africa, not served by Qantas.

#### **CODESHARE DESTINATIONS CONNECTING THE GLOBE:**

- Together Qantas and Emirates provide customers with more than 100 codeshare destinations including:
  - 33 codeshare destinations in Europe
  - 60 codeshare destinations in Australia and New Zealand
  - 14 codeshare destinations in Africa and the Middle East
  - 2 codeshare destinations in Asia

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