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ASX Market Announcements Office
Australian Securities Exchange Limited

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Qantas Group Update on Coronavirus Response

Qantas Airways Limited attaches the Qantas Group Update on Coronavirus Response ASX and Media Release.

Yours faithfully,

Andrew Finch
Group General Counsel and Company Secretary

Authorised for release by Qantas' Board of Directors.





ASX and Media Release

QANTAS GROUP UPDATE ON CORONAVIRUS RESPONSE

Sydney, 17 March 2020

As a result of significant falls in travel demand due to Coronavirus, and new government restrictions across multiple jurisdictions in recent days, Qantas and Jetstar will make further and much larger cuts to domestic and international flying schedules.

To be phased in from the end of March 2020 onwards:

- **Total Group International capacity will be cut by around 90 per cent until at least the end of May 2020.** This is up from a 23 per cent reduction for the fourth quarter of FY20 announced last week and largely reflects the demand impact of severe quarantine requirements on people's ability to travel overseas.
- **Total Group Domestic capacity will be cut by around 60 per cent until at least the end of May 2020.** This is a major increase from the 5 per cent reduction for the fourth quarter of FY20 and reflects a rapid decline in forward travel demand due to government containment measures, corporate travel bans and a general pullback from everyday activities across the community.
- This represents the grounding of around 150 aircraft, including almost all of the Group's wide-body fleet.
- Previously announced cuts in place from end-May through to mid-September remain in place and are likely to be increased, depending on demand.

The route-by-route detail of these changes across Qantas and Jetstar is currently being worked through and will be announced in coming days.

Despite the deep cuts, the national carrier's critical role in transporting people and goods on key international, domestic, routes will be maintained. This includes using some domestic passenger aircraft for freight-only flights to replace lost capacity from regular scheduled services. Qantas' fleet of freighters will continue to be fully utilised.

PEOPLE IMPACT

The precipitous decline in demand and resulting cuts to flying mean that the Qantas Group is confronted with a significant labour surplus across its operations. Travel demand is unlikely to rebound for weeks or possibly months and the impact of this will be felt across the entire workforce of 30,000 people.





The Qantas Group is working to manage this impact as much as possible, including through the use of paid and unpaid leave. This will be in addition to measures already announced, including three months of no pay for the CEO and Chairman, significant pay cuts for Group Executive Management and Board members, and cancelling of annual bonuses and an off-market buy back.

CUSTOMER IMPACT

The Group has issued a wide-ranging booking waiver for customers wanting to suspend their travel plans.

Customers with existing bookings on any domestic or international flight until 31 May 2020, who no longer wish to travel, can cancel their flight and retain the value of the booking as a travel credit voucher. This needs to be processed by 31 March 2020.

Customers who make a new domestic or international booking and later decide they no longer wish to travel, can cancel their flight and retain the value of the booking as a Qantas travel credit or Jetstar travel voucher. This applies to bookings made from 10 March 2020 until 31 March 2020 for travel before 31 May 2020.

To access this offer:

- Qantas customers should visit [Manage Booking](#) on Qantas.com, select 'Cancel' and then 'Voucher'.
- Jetstar customers should go to [Manage My Booking](#) on Jetstar.com.

If flights were booked through a travel agency or third-party website (e.g. Webjet, Booking.com), customers will need to contact them directly to make changes to their booking.

Customers should not call the contact centres. Due to high demand, we are experiencing long call wait times.

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