

CHANGES TO QANTAS INTERNATIONAL FUEL SURCHARGES

SYDNEY, 18 August 2006: Qantas said today that, due to continuing record fuel prices, it would increase its international fuel surcharges for tickets issued on or after 31 August 2006.

The Executive General Manager of Qantas, John Borghetti, said that Qantas would also introduce a new four-level system for its surcharges, based on the distance travelled.

"For example, the fuel surcharge for our longest flight from Australia to London will be higher than for a mid-range flight from Australia to Singapore or Hong Kong," he said.

The new surcharges (AUD), for tickets issued on or after 31 August 2006, will be:

Qantas international destinations (from Australia)	New surcharge (one-way)	Previous surcharge (one-way)
UK and Europe	\$185	\$98* \$196#
Mainland USA, Canada, South America, South Africa and India	\$145	\$98
Asia, Pacific, Honolulu	\$115	\$98
New Zealand	\$65	\$56

* for a direct flight

for a two-sector journey (eg, changing flights at a mid point / stopping over)

Mr Borghetti said that since Qantas introduced fuel surcharges in May 2004, they had been applied to domestic, trans-Tasman and international travel on a per sector basis.

"These new arrangements will see all customers travelling Qantas internationally to a particular destination pay the same surcharge, regardless of how many sectors they fly to reach that destination," he said.

Mr Borghetti said there would be no change to the Qantas Group's domestic fuel surcharges.

He said record high fuel prices continued to have a significant impact on Qantas.

"When Qantas first introduced a fuel surcharge in May 2004, crude oil was trading at US\$40 a barrel," he said.

"Since then, prices have nearly doubled and the benchmark Singapore jet fuel price has increased from US\$44 a barrel to around US\$90 a barrel.

"On current forecasts, the Qantas Group's fuel bill for 2006/07 is expected to be A\$3.9 billion, after hedging. This is an increase of A\$2 billion in two years."

Mr Borghetti said that Qantas would continue to closely monitor the surcharges and their impact on demand.

Qantas Group Broadcast Message

