

Changi Airport Group and Jetstar Group sign air hub deal supporting flights growth

Jetstar to make Changi Airport its largest hub in Asia

28 January 2010 – Changi Airport Group (CAG) and Jetstar signed an agreement today to launch a strategic partnership that will see Jetstar continue to make Singapore Changi Airport its largest air hub in Asia for both short and long haul operations. As part of the agreement, Jetstar will operate its highest number of services and base its largest number of A320-family aircraft in Asia at Changi. It also commits to introduce long haul services using wide body aircraft out of Singapore.

Under the three-year agreement, the Jetstar Group – which includes Jetstar in Australia and Jetstar Asia/ Valuair based in Singapore – is committed to increase existing flight frequencies and offer more destinations from Singapore.

Jetstar's projected growth at Changi will include additional A320-family narrow body services and, for the first time, wide-body A330-200 medium and long haul flights to and from destinations in Asia and beyond. Jetstar also aims to grow the percentage of transit and transfer traffic through Changi among its passengers.

CAG will support Jetstar's continued growth at Changi Airport with various incentives under the Changi Airport Growth Initiative which was introduced on 1 January 2010. The incentives will enable Jetstar to lower its cost of operations at Changi. It will also receive additional incentives for launching services to cities not currently connected to Changi. This will provide more offerings and new exciting destinations for passengers travelling via and out of Singapore.

As a partner, CAG will work closely with Jetstar to explore route opportunities to grow its traffic out of Changi. CAG will also support Jetstar's operational needs, such as to improve its ground operations and to enhance the airport experience of its passengers, for example by introducing an early check-in option for Jetstar passengers travelling on the same day.

Growing at Changi, together

Welcoming CAG's partnership with Jetstar, CAG Chief Executive Officer, Mr Lee Seow Hiang, said, "We are honoured that Jetstar has chosen Changi Airport to be its largest hub in Asia. We are committed to supporting Jetstar's growth at Changi by helping it to grow traffic and to keep costs low. By hubbing at Changi, Jetstar will gain from interlining opportunities with the many airlines that fly here, including its parent, Qantas, which already uses Changi as an Asia hub.

"For Changi Airport, it will benefit from Jetstar's increased number of flights and destinations, which will contribute to higher passenger traffic and a stronger connectivity network. And, importantly, this partnership is also beneficial for air travellers in the region who will enjoy a greater choice of low-fare travel options through Changi."

Mr Lee added, "Our agreement with Jetstar signals CAG's strong desire to work with our airline partners to grow the pie at Changi. We are ready to develop customised partnerships with airlines based on their business models and growth plans, whether they are full service or low cost carriers."

Jetstar Chief Executive Officer Mr Bruce Buchanan said the new agreement would support significant growth opportunities for Jetstar and its networks linking Singapore.

"This agreement is most important to us and provides a platform for sustainable future growth throughout Asia," Mr Buchanan said.

"Partnerships like this with Changi Airport Group allow us to invest in both existing and new flying markets and present opportunities from Singapore for us to drive growth.

“Singapore is of high strategic importance to Jetstar and equally of great importance to the Qantas Group. This agreement provides further leverage to us now seeking the full benefits of a burgeoning hub operation in Singapore.

“The clear operational advantages of Singapore as a hub and primary access point into Asia are clear and can now be further built upon as a result of this agreement.”

Jetstar, a pioneer in Asia’s low cost carrier sector, operates 408 flights each week to and from Changi, offering its passengers a varied menu of 23 destinations. Its future planned growth is supported by fleet expansion plans to beyond 100 aircraft by 2014/15.

About Changi Airport Group

Changi Airport Group was formed on 1 July 2009 as a result of the corporatisation of Singapore Changi Airport. As the airport company managing Changi Airport, the world's most awarded airport, Changi Airport Group undertakes key functions focusing on airport operations and management, air hub development, commercial activities and airport emergency services. Through its subsidiary Changi Airports International, the Group invests in and manages foreign airports to spread the success of Changi Airport far and wide.

Changi Airport handled 37.2 million passenger movements in 2009 and registered a monthly record of 3.83 million in December 2009. As at 1 January 2010, Changi serves 85 airlines flying to some 200 cities in 60 countries and territories worldwide.

About Jetstar

Jetstar is the Qantas Group's low cost airline brand. Jetstar is a wholly owned subsidiary of the Qantas Group yet has separate management to Qantas. Based in Melbourne, Jetstar commenced operations on 25 May 2004 and is both the world's largest low-cost, long haul carrier and the largest value based carrier in Asia in revenue terms. The airline has carried over 50 million passengers since its inception.

The Jetstar Brands comprise Jetstar domestic operations in Australia and New Zealand, Jetstar international services from Australia and Express Ground Handling in Australia. The Qantas Group has a 49 per cent holding in Jetstar Asia / Valuair (based in Singapore), and a 27 per cent position in Jetstar Pacific in Vietnam.

Jetstar is an integral part of the Qantas Group's future two-brand growth strategy which focuses on operating the world's leading premium (Qantas Airways) and low fares airlines.

The Jetstar Group currently operates a total fleet of 60 aircraft comprising 48 A320 family aircraft (34 A320s and 5 A321s operated by Jetstar Australia, 8 operated by Jetstar Asia and 1 by Jetstar Pacific) and 7 A330-200 long haul aircraft. An additional 5 B737-400 aircraft operate in Vietnam. Jetstar has future orders and purchase rights for approximately 100 new aircraft. It operates up to 1900 services each week to more than 50 destinations across Australia, New Zealand and the Asia Pacific.

Jetstar is a multi-award winning airline and was the 2007 *SkyTrax* World's Best Low Cost Carrier. Jetstar.com is one of the Asia Pacific region's most popular travel websites.