



Fact File



QANTAS AT A GLANCE

HISTORY Qantas is the world's second oldest airline. It was founded in the Queensland outback in 1920 and is Australia's largest domestic and international airline. Qantas is recognised as one of the world's leading long distance airlines, having pioneered services from Australia to North America and Europe. The Qantas Group employs approximately 36,000 people and offers services across a network covering 151 destinations in 38 countries – 58 in Australia and 93 in other countries (including those covered by codeshare partners) in Australia, Asia and the Pacific, the Americas, Europe and Africa.

BUSINESS AND INVESTMENTS The company's main business is the transportation of passengers. In addition to its Qantas and Jetstar brand flying operations, the Qantas Group operates a diverse portfolio of airline-related businesses. These include Qantas Engineering, Airports, Q Catering, Qantas Freight and Qantas Holidays (which is owned by Jetset Travelworld Limited, a company in which the Qantas Group has a 58 per cent interest in). The Qantas Group also has a 45 per cent interest in Orangestar Investment Holdings Pte Limited, which owns and operates the value-based intra-Asia airlines Jetstar Asia and Valuair, based in Singapore and an 18 per cent stake in Vietnam's Pacific Airlines, which now operates as Jetstar Pacific. The Qantas Group also holds a 46.3 per cent interest in Air Pacific and is a partner with Australia Post in two jointly controlled entities – the domestic air freight operator Australian air Express and the national road freight business, Star Track Express.

ROUTES The flying businesses of the Qantas Group operate under two major brands – Qantas and Jetstar. Domestically, Qantas, QantasLink and Jetstar operate nearly 5,300 flights a week serving 58 city and regional destinations in all states and mainland territories (Qantas – 2,445; QantasLink – 1,814; Jetstar – 1,028). Qantas also operates more than 160 domestic flights a week within New Zealand[^]. Internationally, Qantas and Jetstar operate more than 860 flights each week (Qantas – 595; Jetstar – 268). The Group's international network comprises 151 destinations in 38 countries, including Australia and those served by codeshare partner airlines.

[^] Jetstar will replace Qantas as the operator of the Group's New Zealand domestic services in June 2009.

AIRCRAFT OPERATIONS At 1 March 2009 the Qantas Group operated a fleet of 224 aircraft, comprising Boeing 747s, 767s, 737s and 717s, Airbus A380s, A330s and A320s, Bombardier Dash 8s and Bombardier Q400s.

OPERATIONAL STATISTICS – QANTAS GROUP

<i>Passengers carried (000):</i>	<i>Year ended 30 June 2007</i>	<i>Year ended 30 June 2008</i>
<i>Qantas</i>	24,950	25,243
<i>QantasLink</i>	3,858	4,204
<i>Jetstar</i>	7,641	9,174
Total:	36,449	38,621
<i>RPKs* (m):</i>	97,622	102,466
<i>ASKs** (m):</i>	122,119	127,019

* Revenue Passenger Kilometres (RPKs – number of paying passengers carried, multiplied by number of kilometres flown)

** Available Seat Kilometres (ASKs – number of seats available for passengers, multiplied by number of kilometres flown)



FINANCIAL PERFORMANCE – QANTAS GROUP For the full year ended 30 June 2008, Qantas reported a record profit before tax of \$1,408 million, a 46 per cent increase on the full year to 30 June 2007. Net profit after tax, also a record, was \$970 million. The Directors declared an interim fully ordinary dividend of 17 cents per share, representing a payout ratio of 70 per cent.

MANAGEMENT

Chief Executive Officer

- Alan Joyce

Executive Committee

- **Bruce Buchanan** Chief Executive Officer Jetstar Airways
- **David Epstein** Group Executive Government and Corporate Affairs
- **Grant Fenn** Group Executive Strategy and Investments
- **Lesley Grant** Executive Manager Qantas Airlines Customer and Marketing
- **Rob Gurney** Group Executive Qantas Airlines Commercial
- **David Hall** Executive Manager Corporate Services and Technology
- **Simon Hickey** Chief Executive Officer Qantas Loyalty
- **Brett Johnson** General Counsel
- **Rob Kella** Chief Risk Officer
- **Jon Scriven** Group Executive People
- **Colin Storrie** Chief Financial Officer
- **Lyell Strambi** Group Executive Qantas Airlines Operations

REGISTERED ADDRESS

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HISTORY

THE BIRTH OF QANTAS Qantas was conceived by Lieutenants Wilmot Hudson Fysh DFC and Paul McGinness DFC on their return from service with the Australian Light Horse Regiment and then the Australian Flying Corps in World War 1. In 1919, they were commissioned to find suitable landing grounds for a Great Britain-Australia air race. After completing the survey in a Model T Ford, they were convinced that air travel was the ideal alternative for crossing sparsely populated country. They envisaged their aircraft linking Brisbane and Darwin – the capitals of Queensland and the Northern Territory – with railheads at Charleville, Blackall, Longreach, Winton and Cloncurry. Hudson Fysh, Paul McGinness, and grazier Fergus McMaster registered Qantas in Brisbane on 16 November 1920. The name comes from the initial letters of the words in the original registered title – **Q**ueensland and **N**orthern **T**erritory **A**erial **S**ervices Limited. The first Board meeting was held in Winton on 10 February 1921. Qantas relocated to Longreach later that year, to Brisbane in 1930 and to Sydney in 1938. Paul McGinness ended up pursuing other interests but Hudson Fysh remained with Qantas for 46 years. He was knighted Sir Wilmot Hudson Fysh in 1953 and retired as Chairman in 1966.

AERIAL JOYRIDING The company began its operations with joy rides and air taxi flights. Regular scheduled airmail and passenger services began on 2 November 1922, from Charleville to Cloncurry in rural Queensland. The journey of 923 kilometres took two days with an overnight stop at Longreach. Passenger ticket No. 1 was issued to 84 year-old Alexander Kennedy, a pioneer of western Queensland.

DEVELOPMENT Qantas has played a key role in the development of Australian and international aviation. In 1928, it operated the first flying doctor service for the Reverend John Flynn's Australian Inland Mission. In 1931, Qantas made its first link with Imperial Airways (a predecessor of BOAC and British Airways), when it carried mail to Darwin as part of an experimental Australia-UK service. 1934 saw the formation of Qantas Empire Airways Limited, with Imperial Airways holding 50 per cent. The two airlines began regular Australia-UK services in December 1934, initially carrying only mail. A Qantas aircraft flew overseas for the first time in February 1935, when a DH86 operated the Brisbane-Singapore section of the service, and the first Qantas overseas passenger left Brisbane for Singapore in April 1935. Four-engine Shorts 'Empire' flying boats brought new levels of luxury and comfort to the Australia-UK service from July 1938.

WORLD WAR II During the Second World War, Qantas maintained vital air links, flew supply drops at treetop level in (Papua) New Guinea and established the 'Double Sunrise' non-stop flights across the Indian Ocean with Catalina flying boats operating in radio silence. By the end of the war, company engineers had serviced 298 aircraft, more than 2,800 aircraft engines and more than 24,300 aircraft instruments for the allied forces. Their reputation for workmanship ensured that the label 'Overhauled by Qantas' was much sought after.

POSTWAR EXPANSION The company expanded rapidly after the war. In 1947, the Australian Government purchased the shares held by Imperial Airways (which had become BOAC) plus all remaining shares. That year, Qantas took delivery of its first pressurised long-range Lockheed Constellation, which went into service on the 'Kangaroo' Route. Qantas made its first Sydney-London flight in its own right in December 1947, leaving Australia on 1 December and landing in the UK on 5 December. The airline's services to Japan began on behalf of the Royal Australian Air Force, and in 1950, Qantas inaugurated its own commercial services to Japan. Hong Kong was added to the Qantas network in 1949 and South Africa in 1952.

USA AND THE WORLD Qantas began flying to San Francisco and Vancouver in May 1954. In 1956, the airline carried the Olympic flame from Athens to Darwin as part of its journey to the Melbourne Olympics. Round-the-world services with Super Constellations began on 14 January 1958. Qantas entered the jet age in

1959, taking delivery of the first Boeing 707 operated by a non-US airline. The 1960s brought rapid expansion. In 1967, the airline's name changed to Qantas Airways Limited. The company ordered the advanced B model of the Boeing 747, which went into service in September 1971. The first Qantas *Longreach* series Boeing 747-400, delivered in August 1989, set a world distance record for a commercial jet when it flew London-Sydney non-stop (a record until 1993).

AUSTRALIAN AIRLINES (DOMESTIC, 1946-1993) Australian Airlines helped pioneer domestic commercial aviation. Beginning as Trans-Australia Airlines (TAA), the airline flew its first passengers from Melbourne to Sydney in a Douglas DC3 in September 1946. TAA took over Qantas domestic services and the flying doctor network in 1949, enabling Qantas to concentrate on overseas services. TAA introduced the turboprop Vickers Viscount to trunk routes in 1954, the Boeing 727 in 1964, and gave the domestic market wide body airliners and Business Class when it introduced the Airbus A300 in 1981. In August 1986, TAA became Australian Airlines. Qantas purchased Australian Airlines in 1992 and integrated its operations into the company.

PRIVATISATION Australia's domestic airline industry was deregulated in October 1990. In April 1991, the Australian Government announced it would sell 49 per cent of Qantas and 100 per cent of Australian Airlines. In February 1992, the Government overhauled aviation policy, including an end to the artificial barrier between Australia's international and domestic air services. This opened the way for Qantas to re-enter the domestic market after an absence of more than 40 years, and enter the bidding for Australian Airlines. In June 1992, the Government accepted Qantas' bid for Australian and decided to privatise fully the Qantas Group. The A\$400 million purchase of Australian Airlines was completed in September 1992 and the operations of the two airlines were merged under the single Qantas brand in October 1993. The privatisation of Qantas began with a trade sale, and in December 1992 the Government selected British Airways as the successful bidder. British Airways completed its A\$665 million purchase of 25 per cent of Qantas in March 1993. The Public Share Offer was launched on 22 June 1995. The privatisation was completed and Qantas shares listed on the Australian Stock Exchange on 31 July 1995. British Airways sold its stake (18.25 per cent at the time) in September 2004.

IMPULSE AIRLINES Qantas purchased Impulse Airlines in November 2001 in accordance with the terms of a commercial relationship signed in May 2001 in which Impulse contracted its aircraft to Qantas, after deciding to withdraw from operating scheduled services in its own right. Impulse operated under the QantasLink brand and livery as a wholly-owned subsidiary of Qantas until Jetstar was launched in 2004, when the fleet of 14 Boeing 717 aircraft was transferred to the new low cost carrier.

ANSETT COLLAPSE The collapse of Ansett in September 2001 created many challenges for Qantas. To assist stranded Ansett passengers, Qantas leased extra aircraft and added hundreds of special flights. The airline flew over 50,000 former Ansett passengers for free and another 65,000 on heavily discounted fares. Qantas added the equivalent of about seven years' growth virtually overnight. This huge effort was critical in minimising the impact of the Ansett collapse on the Australian economy, tourism, business and national life.

JETSTAR In October 2003, Qantas announced it would launch a new low cost domestic airline. Jetstar commenced operations on 25 May 2004 and introduced Melbourne Avalon to its network in June 2004, becoming the first Australian commercial carrier to operate scheduled services from a second city airport. Jetstar commenced trans-Tasman services in December 2005 and international services into Asia and Hawaii in November 2006.

AUSTRALIAN AIRLINES Qantas launched a new international carrier, Australian Airlines, in October 2002. As part of the strategy to focus on two strong brands – Qantas and Jetstar – Australian Airlines ceased operation in July 2006.

TODAY International Air Transport Association (IATA) comparisons for calendar year 2007 showed Qantas was the world's 13th largest airline in terms of Revenue Passenger Kilometres (RPKs). Qantas Group airlines offer services to 151 destinations in 38 countries – 58 in Australia and 93 in other countries (including those operated by codeshare partner airlines) and carried 38 million passengers in 2007/08. The Group fleet numbered 224 aircraft (at 1 March 2009) and the company employs around 36,000 people worldwide.



Fact File



THE QANTAS GROUP

The Qantas Group operates a range of flying and airline-related businesses. The flying businesses, grouped under two major brands Qantas, and Jetstar, are:

▪ Qantas	▪ QantasLink
▪ Jetstar	▪ Jetstar Asia

The non-flying businesses, which add value to the core flying activities, are:

▪ Airports	▪ Loyalty
▪ Qantas Catering	▪ Qantas Defence Services
▪ Qantas Engineering	▪ Qantas Freight Enterprises

FLYING BUSINESSES – QANTAS BRANDS

QANTAS Qantas is a premium, full-service airline offering benefits such as a global network, First, Business Premium Economy* and Economy on international services and Business and Economy on domestic services, a Frequent Flyer program, inflight meals and other services and airport lounges. Qantas manages a full sales and distribution network on behalf of the Qantas Group, including qantas.com, Australia's leading travel website. Qantas is a founding member of the **oneworld** global airline alliance.

* on A380 and select B747-400 international services

QANTASLINK QantasLink is a full-service regional airline that supports Qantas' domestic network by developing 'feeder' markets that connect regional business and leisure markets with the major cities. Qantas' domestic New Zealand services are operated by Jetconnect#, a wholly-owned Qantas subsidiary based in New Zealand, which also operates some trans-Tasman services.

until 10 June 2009, when Jetstar will operate the Qantas Group's New Zealand domestic services

JETSTAR BRANDS

JETSTAR The Group's value based airline began operating Australian domestic services in May 2004. Increased domestic capacity that resulted from the launch of Jetstar, combined with low fares, has opened up air travel to a growing market of domestic leisure travellers. The airline launched international services in November 2006.

JETSTAR ASIA Qantas owns 44.5 per cent of Orangestar, which owns and operates the value-based intra-Asia airlines Jetstar Asia and Valuair, based in Singapore.

NON-FLYING BUSINESSES

AIRPORTS The Group's domestic and international airport operations provide a range of services to Qantas Group airlines and other international airlines, including check-in, baggage handling and the operation of lounge facilities.

QANTAS CATERING GROUP The Qantas Catering Group is responsible for two brands: Q Catering, a premium, full service catering business, and Snap Fresh, a cutting-edge manufacturer of frozen meals and meal components. Q Catering has seven centres located across Australia from which it delivers an end-to-end service for major premium airlines, including Qantas Group airlines. Snap Fresh supplies its airline and non-



airline customers Australia-wide from its centralised facility in Queensland. Together, the two brands have established the Qantas Catering Group as an award-winning, industry leader in large-scale flight catering.

FREIGHT Qantas Freight markets the freight capacity of all international Qantas and Jetstar aircraft and a fleet of three wet leased B747-400 freighters. Freight capacity on all Qantas and Jetstar Australian domestic aircraft is marketed by Australian air Express (AaE), a joint venture between Qantas and Australia Post. The joint venture partners also own the Australian express road freight operator Star Track Express. Qantas Freight operates its own handling facilities in Sydney, Melbourne, Brisbane, Perth and Los Angeles providing ground handling services for the Qantas Group and other airlines. In addition, Qantas Freight Enterprises also owns and controls a number of other logistics businesses including Express Freighters Australia (EFA), and wet leases a fleet of four B737-300 converted freighter aircraft to AaE, DPEX Worldwide, Asia's fifth largest express freight operator and JETS Transport Express, Australia's market leader in the provision of underbond interstate trucking of international airfreight.

LOYALTY The Qantas Frequent Flyer program has more than five million members and is the largest and most popular airline loyalty program in the southern hemisphere. Members earn points every day on more than 5,500 flights operated by Qantas Group airlines, other carriers and more than 100 non-air partners. In 2006/07, more than three million award seats were redeemed for travel with Qantas. Nearly one in 10 passengers travelled on a Frequent Flyer award. Members also used 450,000 award seats on program partner airlines. A range of program changes will be introduced in mid-2008, including allowing members to redeem points for any available seat on Qantas and Jetstar.

QANTAS DEFENCE SERVICES Qantas Defence Services provides aviation maintenance services and support to the Australian Defence Force (ADF), including the Australian Government's Special Purpose Aircraft fleet, the RAAF's Hercules fleet and the ADF's fighter and helicopter fleets.

QANTAS ENGINEERING The Qantas Group operates one of the largest aircraft engineering and maintenance organisations in the Asia-Pacific region and has an established international reputation for operational excellence and safety. Qantas Engineering provides engineering and maintenance services to Qantas Group and other international airlines that include aircraft heavy and line maintenance, engines and components, aircraft interior upgrades, inventory management and training.

QANTAS HOLIDAYS QH Tours, trading under the brands Qantas Holidays and Viva! Holidays, is one of Australia's leading wholesalers of domestic and international holiday packages, providing flights and accommodation in conjunction with Qantas Group and other airlines. Qantas Holidays also has a 75 per cent interest in Singapore-based Holiday Tours and Travel Pte Ltd, which sells wholesale land packages from Asia to Australia and provides tours and transfer services throughout Asia. On 25 July 2008 Qantas and Jetset Travelworld Limited formalised a merger that has created a leading vertically integrated travel services business that utilises Qantas Holidays. Qantas now owns 58 per cent of the new entity, The Jetset Travelworld Group.

CORPORATE SUPPORT The Corporate Support part of the business provides guidance, shapes policy and strategic direction and performs a safeguarding role in terms of compliance and performance monitoring for the Group. These areas include:

- Finance – financial policy; treasury; tax; and the Sustainable Future Program;
- Qantas Shared Services – people services; property; procurement; and financial services areas of revenue accounting; accounting control; accounts payable; credit management; and Group payroll;
- Information Technology – including business systems and managed services;
- Corporate Centre – strategy; economics; investor relations; Qantas Consulting; and strategic procurement;
- People – people strategy including industrial relations; remuneration; workforce management initiatives and the implementation of key employee programs aimed at creating a competitive and motivated workforce;
- Risk and Assurance – risk; safety; security; occupational health and safety; environment; aviation health Services; and internal audit, providing an integrated approach to risk management across the Group; and
- Government and Corporate Affairs, Public Company and Legal that serve the Office of the Chief Executive Officer.





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FLEET

QANTAS GROUP FLEET At 1 March 2009, the Qantas Group operated a total passenger fleet of 224 aircraft.

Qantas and QantasLink

▪ Airbus A380-800	3	▪ Boeing 747-400ER	6	▪ Boeing 747-400	24
▪ Boeing 767-300ER	29	▪ Boeing 737-800	38	▪ Boeing 737-400	21
▪ Boeing 737-300	5	▪ Airbus A330-300	10	▪ Airbus A330-200	6
▪ Boeing 717-200*	11	▪ Bombardier Q400	12	▪ Bombardier Dash 8	21

Jetstar

▪ Airbus A320-200	30**	▪ Airbus A321-200	2	▪ Airbus A330-200	6
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** includes wet leased A320s from Jetstar Asia

FLEET INVESTMENT Since 2000, the Qantas Group has announced a number of new aircraft orders as part of a multi-billion dollar fleet renewal program. The foundation of this long-term fleet plan was laid in November 2000, when the Group announced the purchase of 13 A330s, six B747-400ERs and 12 A380s. Orders since then:

▪ January 2005	7 72-seat Bombardier Q400 aircraft for use by QantasLink
▪ December 2005	up to 115 B787-8 and -9s, including 45 firm orders
▪ August 2006	4 A330-200 aircraft for delivery from 2007
▪ October 2006	A380 commitment increased to 20, additional 4 A330-200s and additional 5 B737-800s
▪ January 2007	2 additional Bombardier Q400s
▪ March 2007	9 additional A320s for use by Jetstar
▪ July 2007	B787 firm orders increased to 65 aircraft
▪ October 2007	12 additional Bombardier Q400 aircraft
▪ November 2007	up to 188 narrow body aircraft, including 68 A320/A321 aircraft and 31 B737-800 aircraft

The Group currently has firm orders in place for the following aircraft:

▪ Airbus A380	17	▪ Airbus A330-200	2	▪ Airbus A320/A321	67
▪ Boeing 787-8 and -9	65	▪ Boeing 737-800	31	▪ Bombardier Q400	9

AIRBUS A380 The world's first true twin-deck aircraft provides greater opportunities to expand capacity at slot constrained airports around the world. Qantas has ordered 20 Airbus A380 aircraft, three of which have been delivered to date.

BOEING 787 The use of composite materials and leading edge technology in the B787 will enable the Qantas Group to fly to more point-to-point destinations at speeds similar to today's fastest wide body aircraft. It will however, use around 20 per cent less fuel on a per seat basis. The Group has a firm order in place for 65 B787-8 and -9 aircraft, 20 options and 30 purchase rights. The aircraft will cater for international capacity growth, new routes and replacement, over time, of the Group's B767-300 fleet. The first 15 B787s are expected to be delivered from 2010 and will be operated by Jetstar on its international routes.



Fact File



GROUP ROUTE NETWORK

At 1 March 2009, the Qantas Group served 151 destinations in 38 countries, including Australia – 58 in Australia and 93 in other countries (including destinations served by codeshare partner airlines).

COUNTRIES (excluding Australia) – 37

Africa (1)	▪ South Africa		
Americas (5)	▪ Argentina	▪ Canada*	▪ Chile*
	▪ Mexico*	▪ United States	
Asia and Pacific (19)	▪ Australia	▪ China	▪ Fiji*
	▪ Hong Kong	▪ India	▪ Indonesia
	▪ Japan	▪ New Caledonia	▪ New Zealand
	▪ Norfolk Island*	▪ Papua New Guinea*	▪ Philippines
	▪ Singapore	▪ South Korea*	▪ Taiwan*
	▪ Thailand	▪ Tahiti*	▪ Vanuatu
	▪ Vietnam*		
Europe (12)	▪ Austria*	▪ Denmark*	▪ France*
	▪ Germany	▪ Hungary*	▪ Italy*
	▪ Netherlands*	▪ Norway*	▪ Spain*
	▪ Sweden*	▪ Switzerland*	▪ United Kingdom

AUSTRALIA – 58

ACT (1)	▪ Canberra		
New South Wales (13)	▪ Albury	▪ Armidale	▪ Ballina/Byron Bay
	▪ Coffs Harbour	▪ Dubbo	▪ Lord Howe Island
	▪ Moree	▪ Narrabri	▪ Newcastle
	▪ Port Macquarie	▪ Sydney	▪ Tamworth
	▪ Wagga Wagga		
Northern Territory (4)	▪ Alice Springs	▪ Ayers Rock-Uluru	▪ Darwin
	▪ Gove		
Queensland (24)	▪ Barcaldine	▪ Biloela	▪ Blackall
	▪ Blackwater	▪ Brisbane	▪ Bundaberg
	▪ Cairns	▪ Charleville	▪ Cloncurry
	▪ Emerald	▪ Gladstone	▪ Gold Coast
	▪ Hamilton Island	▪ Hervey Bay	▪ Horn Island
	▪ Mackay	▪ Mt Isa	▪ Proserpine
	▪ Longreach	▪ Rockhampton	▪ Roma
	▪ Sunshine Coast	▪ Townsville	▪ Weipa
South Australia (2)	▪ Adelaide	▪ Olympic Dam	
Tasmania (3)	▪ Devonport	▪ Hobart	▪ Launceston
Victoria (3)	▪ Avalon	▪ Melbourne	▪ Mildura
Western Australia (8)	▪ Broome	▪ Kalgoorlie	▪ Karratha
	▪ Kununurra	▪ Newman	▪ Paraburdoo
	▪ Perth	▪ Port Hedland	

INTERNATIONAL (93)

Africa (1)	▪ Johannesburg		
Americas (38)	<ul style="list-style-type: none"> ▪ Anchorage* ▪ Boston* ▪ Chicago* ▪ Flagstaff* ▪ Halifax* ▪ Los Angeles ▪ Monterey* ▪ New York ▪ Portland* ▪ San Francisco ▪ Santa Ana* ▪ Seattle* ▪ Vancouver* 	<ul style="list-style-type: none"> ▪ Austin* ▪ Buenos Aires ▪ Dallas/Fort Worth* ▪ Fresno* ▪ Honolulu ▪ Mexico City* ▪ Montreal* ▪ Orlando* ▪ Reno* ▪ San Jose* ▪ Santa Barbara* ▪ St Louis* ▪ Washington DC* 	<ul style="list-style-type: none"> ▪ Boise* ▪ Cancun* ▪ Denver* ▪ Guadalajara* ▪ Las Vegas* ▪ Miami* ▪ Nashville* ▪ Ottawa* ▪ San Diego* ▪ San Jose Del Cabo* ▪ Santiago* ▪ Toronto*
Asia and Pacific (29)	<ul style="list-style-type: none"> ▪ Auckland ▪ Chengdu* ▪ Denpasar ▪ Jakarta ▪ Nadi* ▪ Osaka^ ▪ Port Moresby* ▪ Rotorua ▪ Singapore ▪ Wellington 	<ul style="list-style-type: none"> ▪ Bangkok ▪ Christchurch ▪ Ho Chi Minh City* ▪ Manila ▪ Norfolk Island* ▪ Papeete* ▪ Port Vila* ▪ Seoul* ▪ Taipei* ▪ Xianyang* 	<ul style="list-style-type: none"> ▪ Beijing# ▪ Delhi* ▪ Hong Kong ▪ Mumbai ▪ Noumea ▪ Phuket ▪ Queenstown ▪ Shanghai ▪ Tokyo
Europe (25)	<ul style="list-style-type: none"> ▪ Aberdeen* ▪ Berlin* ▪ Dusseldorf* ▪ Geneva* ▪ London ▪ Manchester* ▪ Nice* ▪ Rome* ▪ Zurich* 	<ul style="list-style-type: none"> ▪ Amsterdam* ▪ Budapest* ▪ Edinburgh* ▪ Glasgow* ▪ Lyon* ▪ Munich* ▪ Oslo* ▪ Stockholm* 	<ul style="list-style-type: none"> ▪ Barcelona* ▪ Copenhagen* ▪ Frankfurt ▪ Hamburg* ▪ Madrid* ▪ Newcastle-on-Tyne* ▪ Paris* ▪ Vienna*

*Services operated by codeshare partners

#Sydney-Beijing services to cease from 17 April 2009



Fact File



QANTAS PRODUCT – DOMESTIC AND INTERNATIONAL

AN AWARD WINNING BRAND Qantas is one of Australia's leading brands with a proud history of safety, reliability, engineering excellence and outstanding customer service. This reputation is confirmed by peer, customer and industry awards including.

- Australian Design Awards shortlist 2009 - A380 Economy class seat
- Skytrax World Airline awards, 3rd overall in 2008 - Qantas is one of only two airlines to have been listed in the top five in the world for six consecutive years. Other Skytrax awards – Best First Class Lounge (2008), Best Economy Catering (2008), Best Airline Transpacific, Best Airline Australasia (2005, 2006), Best Regional Airline Australasia (2006, 2008)
- Australian International Design Award for Sydney First Lounge (2008)
- Global Reviews Annual Website Customer Experience Awards, Best Website Customer Experience for qantas.com (2008)
- Best First Class Cellar, Best Business Class Sparkling award, Cellars in the Sky Awards (2008)
- Best Airline based in Australasia/Pacific, OAG Airline Industry Awards (2006 and 2008)
- Award winning First Lounge - LEAF International Interior Design Award (2007), MBA Excellence in Construction Awards (2007)
- Best Business Class - Luxury Travel Magazine's Gold List (2007-2008)
- WAEA Avion Awards Best Overall Inflight Entertainment (2002, 2003, 2005, 2006), Best Inflight Entertainment Guide (2005, 2006), Best Entertainment for Inseat Systems (2006)
- Travel Weekly Golden Globe Awards Best Airline to New Zealand, Pacific or Australia (2002-2007)
- National Travel Industry Awards Best Airline – International, Domestic and Regional (2005)
- Air Transport World Airline of the Year (2004)
- Good Design Award for Skybed International Business sleeper – Chicago Athenaeum Museum (2004)
- Australian Design Award for Skybed (2004)

INTERNATIONAL PRODUCT *International First Class (available on B747-700 services)* Qantas First class offers an exclusive cabin with 14 fully flat beds complemented by luxurious soft furnishings including Qantas' exclusive sheepskin mattresses, and a designer amenity collection. Dedicated cabin crew are trained in service, food preparation, wine knowledge, galley operation and management. The First cabin on Qantas' B747-400 fleet features exclusive Marc Newson designed seat fabrics, carpets and curtains and a larger inflight entertainment monitors. Additional ground services include First Hosts in selected ports, a dedicated and exclusive check-in facility in Sydney and Melbourne (with dedicated check-in counters in other ports), priority baggage with additional allowances, express customs and immigration in selected ports as well as priority boarding and disembarkation.

International Business Class (available on B747-400 and A330 services) Qantas Business class offers the award-winning Skybed sleeper seat by Qantas Creative Director Marc Newson. Skybed offers passengers comfort, privacy and personal space, with a state-of-the-art seat that converts to a bed and features a fixed cocoon-style surround to maximise privacy and provide a barrier to cabin noise, massage function and laptop power. International Business also features specially trained cabin crew, a self-service refreshment bar and mood lighting. Additional ground services include dedicated check-in counters in all ports, priority baggage with additional allowances, express customs and immigration in selected ports as well as priority boarding and disembarkation.

International Premium Economy Class Qantas' Premium Economy was launched on select B747-400 services in April 2008. Designed by Marc Newson, Premium Economy offers a brand new 19.5 inch wide seat, generous recline and leg room, in-arm touch screen video monitor, Neil Perry inspired menus with premium wines, ergonomic cushioning, an adjustable headrest, and noise cancelling headsets. Additional ground

services include priority check-in, increased hand baggage allowance and priority boarding and is now available on selected services from Sydney or Melbourne to London, Bangkok, Singapore, Hong Kong, Johannesburg, to Los Angeles and San Francisco, with other routes to be introduced later in 2009

International Economy Class Qantas' ergonomically designed slimline Economy seat offers customers greater comfort with features including lumbar support and adjustable headrest wings for extra head and neck support. Qantas' B747-400 International Economy also features Marc Newson designed seat fabrics, carpets and curtains.

Dining Qantas offers a choice of complimentary inflight meals and snacks based on the best produce and ingredients from Australia and countries across its international network. In First and Business, a la carte menus are designed by Australian chef and restaurateur Neil Perry and offered with a full restaurant style service and in March 2007, Qantas introduced an eight course, Neil Perry designed tasting menu in First. Customers in First can select from up to twelve choices of main course on some sectors, Business customers can also choose from Express or Dine Later menu options, and Room Service breakfast, with continuous refreshments available throughout the flight in addition to a self-service bar. Premium Economy offers a Neil Perry-inspired menu including a choice of two mains, complemented by premium wines, and selection of refreshments during the flight. In addition to a choice of two main meal options, Economy customers are offered ice creams, hot chocolate and herbal teas, fresh fruit and *Snack on Q*, an assortment of quality snack foods.

Wine Qantas purchases more than four million bottles of wine each year, showcases the diversity of the Australian industry and features more than 300 different wines annually. In 2004, Qantas established a wine panel of qualified judges and respected winemakers to lend further specialist expertise to the airline's promotion of the industry. In 2005, 2007 and 2008, Qantas won the prestigious Cellars in the Sky competition for its First and Business wine lists. Qantas began offering sommelier training to all cabin crew in 2006, and in early 2007, introduced a wine guide containing tasting notes on 145 wines served over a six month period. Now in its third edition, the wine guide is also available at qantas.com

Amenity Collections In 2008, Qantas unveiled a new collection of designer inflight amenities for First and International Business customers. First passengers receive pyjamas, slippers and eye masks by Akira Isogawa, along with amenity collections designed by Isogawa for men and Collette Dinnigan for women featuring skincare products from Payot Paris. Business customers are offered amenity collections designed by Marc Newson featuring skincare products from Korner, and, on select long haul night flights, pyjamas designed by Morrissey. In Premium Economy and Economy, customers receive an amenity pouch containing toothbrush, toothpaste, earplugs, socks and eye mask.

Kids Kits Qantas provides complimentary kids kits onboard containing items to help keep children entertained. On Domestic flights, Mr Men kids kit for 3-11 year olds are available, and on International flights, Qantas provides Australia Zoo kits for 3-6 year olds, and Surf's Up kits for 7-11 year olds. News kids kits will be unveiled later in 2009.

DOMESTIC PRODUCT Qantas offers two classes of travel on its domestic routes – Business and Economy. Domestic inflight service features complimentary meals and snacks as well as audio-visual entertainment. The Business and Economy cabin interiors of Qantas' Domestic B767s and B737s have been refurbished with Marc Newson designed seat fabrics, carpets and curtains, with new pillows, blankets, headrest covers and tableware to complement the interiors. Qantas' *Cityflyer* service offers customers travelling between Adelaide, Brisbane, Canberra, Melbourne, Perth and Sydney more flights and more seats than any other airline. *Cityflyer* services include priority departure gates, dedicated customer service desks, complimentary newspapers on early morning flights, free bar service after 4pm weekdays (after 12pm seven days a week on Perth *Cityflyer* services) and dedicated baggage carousels.

QANTAS INFLIGHT ENTERTAINMENT All Qantas International B747-400 and A330 aircraft are fitted with an Audio and Video on Demand (AVOD) inflight entertainment system offering digital picture and sound quality and a choice of 60 movies, 200 television selections, destination guides, 150 CDs, 20 radio channels and 10 interactive games. The award-winning monthly inflight magazine, *Qantas the Australian Way*, is also available in the seat pocket on all Qantas Domestic and International flights.

QANTAS FREQUENT FLYER PROGRAM The Qantas Frequent Flyer program is the largest Australia-based airline loyalty program. See Loyalty Fact File.

QANTAS CLUBS AND LOUNGES Qantas Club members are welcome at over 250 lounges worldwide. Lifetime, one, two and four year memberships are available, with lounges also open to Platinum and Gold Frequent Flyers or all passengers holding a Qantas First or Business boarding pass on the day of their flight. In recent years, Qantas has refreshed its domestic lounges in Adelaide, Brisbane, Darwin, Melbourne, Perth, Sydney and Townsville, along with New Zealand Domestic lounges in Auckland, Christchurch and Wellington. Qantas and British Airways opened a new joint International Business lounge in Singapore in 2006 and new First and Business lounges in Bangkok in 2007. The first airport lounges in the world developed as a **oneworld** alliance project opened their doors at Los Angeles International Airport's Tom Bradley International Terminal in November, 2007. British Airways, Cathay Pacific and Qantas collaborated to design and develop the facilities, which include separate lounges for First and Business class passengers flying with any of the three carriers (Also in 2007, Qantas opened a new International Business Lounge in Narita). Qantas International Business Lounges in Sydney, Melbourne and Auckland have also recently undergone refurbishments with new furniture and contemporary colour scheme. All Qantas lounges offer complimentary wireless internet.

QANTAS FIRST LOUNGES Qantas opened new flagship Qantas First Lounges in Sydney and Melbourne in May 2007. Designed by Marc Newson, the lounges offer a full concierge service, open kitchen restaurant with menus by Neil Perry, library and complimentary day spa. These are available to Platinum Frequent Flyers and all passengers holding a Qantas First boarding pass on the day of their flight.

QANTAS DOMESTIC BUSINESS LOUNGES Qantas opened new, dedicated Domestic Business Lounges in its key airport terminals in Sydney, Melbourne, Brisbane and Canberra in 2008. Qantas Domestic Business Lounges include quiet work suites, computer access and complimentary wireless internet, a premium selection of hot and cold food, barista service, separate bathroom and private shower suites; and lighting created by renowned Dutch design label, Moooi. The Domestic Business Lounges are open to Business class customers and Qantas Platinum and **oneworld** Emerald Frequent Flyers.

QANTAS MEETING ROOMS Qantas Meeting Rooms, which opened in Qantas domestic terminals in Sydney (T3) and Melbourne (T1) in March 2008, provide guests with exclusive meeting facilities and state-of-the-art IT and connectivity options.

QANTAS WEB CONNECT Qantas Web Connect workstations, offering pay per use high-speed broadband internet access via desktop PCs, data port or wireless connection are available in Qantas domestic terminals in Sydney (T3), Melbourne (T1), Brisbane and Perth.

QUICKCHECK AND ONLINE CHECK-IN Qantas offers QuickCheck e-ticket kiosks in Adelaide, Brisbane, Canberra, Melbourne, Perth and Sydney. By using QuickCheck, customers without baggage can check-in for their flight in less than 60 seconds. For even faster and more convenient check-in, Qantas offers an online check-in service through qantas.com. The service allows customers to check-in and print their boarding pass up to 24 hours before their flight, allowing them to proceed straight to the boarding gate on arrival at the airport if travelling without checked luggage. Qantas' online check-in for international customers will be available later in 2009. Qantas also offers check-in facilities at Sofitel properties around Australia.

MOBILE PHONES INFLIGHT Qantas customers can use their mobile phones on Qantas domestic and international flights once an aircraft has landed and vacated the runway. 'Flight mode' capable mobile phones and smart phones can also be used from the time the seat belt sign has been extinguished after take-off until the aircraft begins its descent. Qantas will introduce a system allowing passengers to use their own mobile phone, BlackBerry or GPRS enabled device to send and receive SMS and email from late 2009.

QANTAS DRIVE AND QANTAS VALET PARKING Qantas Drive offers a luxury limousine service to and from the airport, available in Sydney, Melbourne, Brisbane, Adelaide, Perth, Cairns, Darwin, Alice Springs, Hobart, Launceston, Canberra, Gold Coast, Sunshine Coast and Townsville. Qantas Valet Parking is a premium valet service allowing eligible customers to drive directly to the Qantas Valet Parking area, drop off their car and proceed to check-in. Qantas Frequent Flyers can pre-book using Valet Express. Qantas Valet Parking is available in Sydney (T1, T2 and T3), Melbourne, Brisbane, Adelaide and Perth.

See also Qantas A380 Fact File





Fact File



THE QANTAS A380

Qantas took delivery of its first Airbus A380 on 19 September, with the aircraft operating its first commercial service between Melbourne and Los Angeles on 20 October. The airline's second and third A380s arrived in December 2008 and Qantas now operates the aircraft on selected services from Sydney and Melbourne to Los Angeles, and to London via Singapore. In July 2007, the airline unveiled its next generation of products and services that will be available on its 20 strong A380. The Qantas A380 is configured with 450 seats – 14 in First, 72 in Business, 32 in a new Premium Economy cabin and 332 in Economy. Each of the four cabins has been designed by Qantas Creative Director, Australian Marc Newson to offer customers more space and comfort.

FIRST CLASS The main deck First cabin features 14 private suites, each with wide screen LCD video monitors, an array of personal stowage options, a unique touch screen control unit and a seat – manufactured by B/E Aerospace's VIP jet group – that swivels into a comfortable armchair and a fully flat, extra long and very wide bed. The look and feel is one of understated luxury created through the use of custom designed fabrics, innovative materials and premium finishes. First Class highlights:

- 14 individual suites featuring electronically adjustable seat with programmable positions and fully adjustable multi-zone massage function;
- seat converts into a fully flat bed complemented by a foam mattress, sheepskin overlay and fitted cotton sheeting;
- electronically deployed 17 inch LCD widescreen video monitor;
- touch screen control unit featuring personal flight map and operating all electronic functions including electronically adjustable privacy screens;
- leather guest seat and large dining table designed to accommodate two;
- a variety of personal stowage options including dresser unit;
- high quality finishes including Edelman leather and real wood;
- noise cancelling headset port, PC power, USB and RJ45 (internet) ports;
- electronically controlled dual layer window shades;
- mood lighting and enhanced cabin soundproofing; and
- designer amenities, pyjamas, soft furnishings and tableware featuring designs by Marc Newson, Collette Dinnigan and Akira Isogawa.

BUSINESS CLASS The upper deck Business cabin features an enhanced version of the award-winning Skybed sleeper seat in a two-two-two layout. The A380 Skybed is longer and fully flat, with ergonomically enhanced cushioning, a larger in-arm entertainment screen and additional storage options. A key feature of the Qantas A380's Business cabin is a private lounge area featuring leather sofas, a self-service bar and a large video monitor with laptop connectivity. Business Class highlights:

- illuminated Skybed controller operating all seat functions, electronically deployed privacy divider and fully adjustable in-arm video monitor;
- variety of personal stowage options including dedicated spaces for laptops, headset, shoes, reading material, water bottle, and coat hook;
- multiple reading lights, noise cancelling headset port, PC power, RJ45 (internet) and USB ports;
- lounge area featuring self-service refreshment bar, large sofa, seatbelts for inflight use, selection of reading material, large entertainment screen with laptop connection and feature display cabinet; and
- designer amenities, pyjamas, soft furnishings and tableware featuring designs by Marc Newson and Morrissey.

PREMIUM ECONOMY CLASS The new upper deck Premium Economy cabin features a seat in a two-three-two configuration designed by Marc Newson and manufactured by Recaro. It offers the world's best Premium Economy recline and leg room as well as extra width, an in-arm digital wide screen television monitor and laptop power connection. Premium Economy is also being progressively installed on Qantas' existing fleet of B747-400 aircraft (See Qantas product fact File). On B747-400 aircraft the cabin is located on the main deck in a two-four-two configuration, with 32 seats (on Kangaroo route aircraft) and 40 seats (on Pacific aircraft). Premium Economy class highlights are:

- the world's best Premium Economy recline and leg room – nine inch seat recline and up to 42 inch seat pitch;
- extra wide, up to 19.5 inch seat;
- larger, in-arm touch screen video monitor, noise cancelling headset port, and PC power;
- multiport jack with USB and RJ45 (internet) ports (A380 only);
- multi-way adjustable headrest and integrated leg rest with fold-out footrest;
- wide centre console with a fixed cocktail table and in-arm meal table; and
- self-service bar (A380 only)

ECONOMY CLASS The Qantas A380 offers a new Marc Newson designed Economy seat, manufactured by Recaro, featuring a sliding base that moves with the seat back to create a more comfortable, ergonomically correct position to aid sleep and eliminate pressure points. The innovative design also includes a foot net, increased knee and shin room between seats and a larger seat back entertainment screen. The main deck Economy cabin will be configured in a three-four-three layout and will offer four self-service bars. Economy class highlights:

- ergonomic seat with a unique carbon fibre seat back, articulating seat base and flexible front edge;
- concealed in-arm entertainment controller, PC power, RJ45 (internet) and USB port;
- literature pocket and water bottle holder;
- multi-way adjustable headrest; and
- mood lighting

INFLIGHT ENTERTAINMENT The Qantas A380's state-of-the-art inflight entertainment system is manufactured by Panasonic Avionics Corporation, and offers customers greater choice, wireless connectivity internet (to be introduced later in 2009) and in-seat access to email and a range of connectivity options. A state-of-the-art graphic user interface allows passengers to easily navigate through a vast range of entertainment options, including on-demand access to over 100 movies, 500 television selections, 1000 audio CDs, 80 PC style games, as well as a selection of 50 audio books and 20 radio channels, Deloitte Leadership Academy, Lonely Planet destination and arrival guides, and language tutorials. USB and RJ45 (internet) ports as well as PC power also available in all cabins and the aircraft also features an external camera giving a pilot's eye view of take-off, landing and cruising.

FIRST LOUNGES Ahead of the introduction of the A380, Qantas opened two new flagship Qantas First Lounges in Sydney and Melbourne in May 2007. Designed by Marc Newson, the new lounges offer a full concierge service, open kitchen restaurant with menus by Neil Perry, library and complimentary day spa.

MARC NEWSON Australian Marc Newson is one of the most influential designers in the world today. His association with Qantas began with the award-winning Skybed Business sleeper seat in 2003. As Qantas Creative Director, Marc now oversees all Qantas product development including aircraft interiors, onboard product and lounges. Marc's designs are part of most major permanent museum collections including the Museum of Modern Art in New York, London's Design Museum, Musée national d'Art moderne - Centre Georges Pompidou and the Vitra Design Museum.



Fact File



QANTASLINK

QANTASLINK QantasLink, a wholly-owned subsidiary of Qantas Airways, operates around 2,000 flights each week to 51 metropolitan and regional destinations across Australia. Comprising three separate regional airline entities – Airlink, Eastern Australia Airlines and Sunstate Airlines – QantasLink flies to more Australian destinations than Qantas mainline.

GLOBAL REACH QantasLink customers enjoy a range of benefits that include:

- convenient intrastate, interstate and international connections;
- access to the Qantas worldwide reservation system;
- affiliation with the **oneworld** alliance;
- Qantas Frequent Flyer points*;
- access to Qantas Club lounges*;
- e-ticket availability from most ports to all domestic and selected international ports;
- online check-in via qantas.com; and
- through baggage check for Qantas domestic and international connections.

*subject to membership terms and conditions

FLEET At 1 March 2009, there were 46 aircraft in the QantasLink fleet – 11 B717-200 jets, 21 Bombardier Dash 8 Q200/Q300 and 14 Bombardier Q400 turboprop aircraft.

QANTASLINK BASES QantasLink provides direct employment for more than 1,000 people in both metropolitan and regional centres, including Brisbane, Cairns, Canberra, Melbourne, Mildura, Sydney and Tamworth.

REGIONAL NETWORK QantasLink operates to 51 destinations:

Australian Capital Territory (1)	▪ Canberra		
New South Wales (11)	▪ Albury ▪ Dubbo ▪ Newcastle ▪ Tamworth	▪ Armidale ▪ Lord Howe Island ▪ Port Macquarie ▪ Wagga Wagga	▪ Coffs Harbour ▪ Moree ▪ Sydney
Northern Territory (4)	▪ Alice Springs ▪ Gove	▪ Ayers Rock	▪ Darwin
Queensland (21)	▪ Barcaldine ▪ Blackwater ▪ Cairns ▪ Emerald ▪ Hervey Bay ▪ Mackay ▪ Roma	▪ Biloela ▪ Brisbane ▪ Charleville ▪ Gladstone ▪ Horn Island ▪ Mt Isa ▪ Townsville	▪ Blackall ▪ Bundaberg ▪ Cloncurry ▪ Hamilton Island ▪ Longreach ▪ Rockhampton ▪ Weipa
Tasmania (2)	▪ Devonport	▪ Launceston	
Victoria (2)	▪ Melbourne	▪ Mildura	
Western Australia (8)	▪ Broome ▪ Newman ▪ Port Hedland	▪ Kalgoorlie ▪ Paraburdoo ▪ Kununurra	▪ Karratha ▪ Perth
South Australia (2)	▪ Adelaide	▪ Olympic Dam	

AFFILIATE AIRLINES QantasLink flights also link up with services provided by the following affiliate airlines that serve more than 40 additional destinations:

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|---|-----------------------------------|
| ▪ Aeropelican, based in Newcastle | ▪ Airnorth, based in Darwin |
| ▪ Brindabella Airlines, based in Canberra | ▪ National Jet, based in Adelaide |
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QantasLink commenced codeshare services with Airnorth from Kununurra to Darwin, Broome and Perth in September 2007 and with Alliance Airlines from Adelaide to Olympic Dam in November 2007.

QANTASLINK ENGINEERING QantasLink's fleet is serviced in a number of city and regional locations. Heavy maintenance is undertaken in Tamworth, while line maintenance bases are located in Brisbane, Melbourne and Sydney.

REGIONAL SPONSORSHIPS Sponsorship of events and the promotion of tourism demonstrates QantasLink's commitment to rural and regional Australia and the airline works closely with other parts of the Qantas Group to promote regional and destination tourism within Australia and overseas. QantasLink's support for community, cultural, educational and sporting events, festivals and conferences, includes:

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|--|---|
| ▪ Ag-Grow Field Days | ▪ Lord Howe Island Tourism Association |
| ▪ Australian Wool Fashion Week | ▪ Mildura Arts Centre |
| ▪ Country Music Association of Australia | ▪ New England Regional Art Museum |
| ▪ Destination Albury Wodonga | ▪ Miss Wagga Wagga Quest |
| ▪ Dorothea MacKellar Poetry Awards | ▪ NSW Country Rugby Union |
| ▪ Fraser Coast South Burnett Tourism | ▪ National Breast Cancer Foundation |
| ▪ Gladstone Harbour Festival | ▪ Port Hedland Business of the Year |
| ▪ Kalgoorlie-Goldfields Arts Centre | ▪ Qantas Founders Outback Museum in Longreach |
| ▪ Kimberley Tourism Awards | ▪ Queensland Outback Tourism Awards |
| ▪ Lifeline Kids Health Expo, Karratha | ▪ Wide Bay Australia International Airshow |
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Fact File



JETSTAR

Jetstar took to the skies on 25 May 2004. Based in Melbourne, the low cost, value-based carrier currently operates more than 1,300 flights a week to 30 ports on short haul domestic, Australian international and long haul international routes. Since launch it has carried over 30 million domestic passengers. In February 2009, the airline announced it will operate domestic New Zealand services between Auckland, Christchurch, Wellington and Queenstown from June 2009 (subject to regulatory approval). The Qantas Group's direct investment in airlines based in Singapore (Jetstar Asia) and Vietnam (Jetstar Pacific) operating under the Jetstar brand now extend operations to almost 50 destinations across South East Asia, the Asia Pacific, New Zealand and Australia. The orange star in the Jetstar Australia logo symbolises Epsilon Crucis, the smallest and only five-point star in the Southern Cross, as represented on the Australian flag.

JETSTAR SHORT HAUL For its Australian domestic and short-haul international services, Jetstar operates a fleet of 31 one-class A320 and two A321 aircraft with an additional three A320s to enter operations from March 2009 to operate new trans-Tasman and domestic New Zealand services. The A320 services features 177 all-leather seats, a range of hot and cold food and beverages (including alcohol) for purchase and portable video-on-demand entertainment units for hire which offer 10 movies (including latest releases) and a range of television programs, music videos and audio tracks. The airline also offers a monthly inflight magazine, *Jetstar*. In March 2008, Jetstar took delivery of its first 213-seat Airbus A321, which will further expand both services and capacity, initially on Australian domestic routes. Jetstar has a further 68 A320/A321 aircraft on order, as well as options and purchase rights for a further 40 aircraft. Qantas Frequent Flyers can earn Frequent Flyer points and Status credits with the purchase of Jetstar's *JetFlex* fares, and redeem points on any Jetstar flight, subject to availability. Qantas Club members can use Qantas lounge facilities when flying on Jetstar. Jetstar offers *JetSaver Light* fares, which allow customers to travel with carry on baggage only at a lower fare price point, and a *Price Beat Guarantee*, where the lowest fare for Jetstar flights will be on jetstar.com or the airline will beat the comparative competitive fare by 10 per cent.

Jetstar currently serves the following short haul domestic and international destinations:

Indonesia	▪ Denpasar (Bali)	▪ Jakarta	
New South Wales	▪ Ballina	▪ Newcastle	▪ Sydney
New Zealand	▪ Christchurch		
Northern Territory	▪ Darwin		
Queensland	▪ Brisbane	▪ Cairns	▪ Fraser Coast (Hervey Bay)
	▪ Gold Coast	▪ Hamilton Island	▪ Mackay
	▪ Proserpine (Whitsunday Coast)	▪ Rockhampton	▪ Sunshine Coast
		▪ Townsville	
Singapore	▪ Singapore		
South Australia	▪ Adelaide		
Tasmania	▪ Hobart	▪ Launceston	
Victoria	▪ Melbourne	▪ Melbourne Avalon	
Vietnam	▪ Ho Chi Minh City		
Western Australia	▪ Perth		

JETSTAR LONG HAUL Jetstar commenced international long haul flying on 23 November 2006, and offers two-class A330 services from Sydney, Melbourne, Cairns and the Gold Coast. Long haul international markets include Bali, Bangkok, Phuket, Honolulu, Osaka and Tokyo (Narita). Jetstar is the largest Qantas Group operator of flights between Australia and Japan with 19 weekly return services, growing to 21 weekly services when the Tokyo (Narita)-Gold Coast services move to daily from 29 March 2009 (subject to regulatory approval). Jetstar's international long haul flights are operated by six Airbus A330-200 aircraft, offering all-leather seating for 303 passengers in two classes - Economy and *StarClass*, Jetstar's premium class. *StarClass* fares include all meals, snacks and beverages, inflight entertainment options and comfort and amenity packs. *StarClass* passengers also have access to priority check-in, large baggage allowances and lounges and can earn Qantas Frequent Flyer points at Business class rates. Jetstar's international economy offering gives passengers a choice of a number of food, drink, entertainment and amenity options which can be purchased at time of booking or onboard. **Feed me** packages include two meals and two drinks. **Entertain me** packs include rental of a video-on-demand entertainment unit and headphones to also enjoy entertainment on drop-down screens and audio channels. **Comfort me** packages include blanket, pillow and amenity kit. Jetstar will become the Qantas Group's launch airline for the new generation Boeing 787 Dreamliner, with first aircraft likely to arrive in May 2010. Jetstar will initially operate 15 B787s.

Jetstar currently operates to the following long haul destinations:

Cairns to:	▪ Tokyo (Narita)		
Gold Coast to:	▪ Osaka	▪ Tokyo (Narita)	
Melbourne to:	▪ Bali	▪ Bangkok	
Sydney to:	▪ Bali	▪ Honolulu	▪ Phuket

*Subject to regulatory approval.

CONTACT The Jetstar website is jetstar.com. Jetstar National Telephone Reservations is 131 538.





Fact File



QANTAS FREQUENT FLYER PROGRAM

Established in 1987, Qantas Frequent Flyer is the leading airline loyalty program in Australia, with more than five million members, and a global redemption network supporting the Qantas Group. With more than 350 partners and with plans underway for members to earn points at Woolworths and Safeway supermarkets from mid 2009, members can earn points, simply by doing the things they do every day. With many credit card partners also offering the option of Qantas Frequent Flyer points as direct rewards, members can 'double dip' and earn points twice – once with the partner and once with their card. There are also hundreds of ways to use points; from flights, upgrades and hotel stays, to car rentals and to obtain a range of more than 1,000 items in the Qantas Frequent Flyer Store, including merchandise, retail vouchers, travel vouchers and experiences. On average, 5,000 new members join the program each week. In 2007/08, approximately 3.3 million seats were redeemed for travel across Qantas Group domestic and international routes, and almost one in 10 passengers travelled on a flight Award. Members who redeemed points for approximately 360,000 Award seats on program partner airlines.

PROGRAM ENHANCEMENTS On 1 July 2008, enhancements to the Qantas Frequent Flyer program were introduced giving members the option of using points to book any seat on any Qantas or Jetstar flight. The enhanced program combines a range of new and expanded benefits including three different options for obtaining award seats:

- **Qantas and Jetstar Any Seat Awards** – members can use points for any seat including taxes and charges on any flight with a QF or JQ number not all special promotional fares are available as Qantas and Jetstar Any Seat Awards and Award flights must be booked at least 24 hours before scheduled departure;
- **Points Plus Pay** – allows members to use a combination of points and a credit/charge card payment, for Qantas and Jetstar Any Seat Awards and in the online Qantas Frequent Flyer store; and
- **Qantas and Partner Classic Awards** – the traditional option of using a set number of points for a limited number of seats on Qantas, Jetstar and 24 international and regional partner airlines.

EARNING POINTS Qantas Frequent Flyer program members can:

- earn points using services or purchasing products from over 350 partners across seven categories - airlines; credit and charge cards; cars; hotels; travel and travel services; retail and entertainment; and finance, business and real estate;
- earn points flying with Qantas, Jetstar and 23 other partner airlines including:
 - **oneworld** alliance carriers American Airlines, British Airways, Cathay Pacific Airways, Finnair, Iberia, JAL(Japan Airlines), LAN, Malév Hungarian Airlines and Royal Jordanian Airlines; and
 - Aer Lingus, Air Niugini, Airnorth, Air Pacific, Air Vanuatu, Alaska Airlines, Alitalia, Brindabella Airlines Dragonair, El Al, Jet Airways, Mexicana, NationalJet, and SAS;
- earn a guaranteed minimum 1,000 points per eligible Qantas flight and more when flying Business and First (1,250 points);
- earn a guaranteed minimum number of points per eligible flight on Jetstar (1,000 points in Economy and 1,250 points in StarClass), British Airways (125 points) and American Airlines (500 points);
- earn bonus points when flying in Qantas Premium Economy, Business and First class;
- earn status credits by flying on eligible flights with Qantas, Jetstar, **oneworld** alliance airlines and Air Pacific (status credits help progression through membership levels, which in turn results in earning points at a higher rate, and additional reward and recognition privileges);
- earn points automatically from every day spending with a range of direct earn credit card partners, including ANZ, American Express, Commonwealth Bank, Diners Club, NAB and Westpac. When members use these cards to make an eligible purchase from any program partner they can earn twice, once with the card and

once with the other partner (points accrue in accordance with the terms and conditions of the applicable reward program).

- With other indirect earn card partners, members have until 31 March 09* to transfer their card reward points to their Qantas Frequent Flyer account.

USING POINTS Qantas Frequent Flyer program members can:

- redeem points for Qantas and Partner Classic Award flights (Classic Award seats are subject to capacity controls and availability is limited);
- redeem points for Qantas and Jetstar Any Seat Awards on flights with a QF or JQ flight number using all points (including surcharges, fees and taxes) or the flexible Points Plus Pay option, which allows members to combine points (above a specified minimum level) with a debit, credit or charge card payment to make a booking (the points required for Qantas or Jetstar Any Seat Awards are variable and are only valid when quoted and not all special promotional fares are available as Any Seat Awards);
- redeem points for Flight Upgrade Awards on Qantas Domestic and International flights
- transfer points to eligible family members* and purchase top-up points to access Award flights sooner;
- redeem points for merchandise, retail vouchers, travel vouchers and experiences at the online Qantas Frequent Flyer Store using all points, or for selected products, taking advantage of the flexible Points Plus Pay option).

NO POINTS EXPIRY There is no expiry date on Qantas Frequent Flyer points, provided members earn or redeem points at least once every three years.

MEMBERSHIP LEVELS The program also recognises and rewards the most frequent travellers by offering three membership tiers above the entry Bronze level – Silver, Gold and Platinum. Members can move up to the next level by accumulating the required Status credits (in addition to normal program points) which can be earned each time they fly on an eligible flight with Qantas, Jetstar, **oneworld** alliance airlines and Air Pacific (flights must include a minimum of four eligible flights with a Qantas, QantasLink or Jetstar flight number, each year). Each membership level offers particular privileges, including higher priority check-in, baggage allowances and, for Platinum and Gold members, complimentary Qantas Club membership. Eligible Frequent Flyer members also have access to **oneworld** lounges. The higher the membership status, the greater the privileges including additional points when flying on all Qantas, British Airways and American Airlines flights.

BOOKING AWARD FLIGHTS Award flight opportunities, which are updated regularly, can be found at qantas.com. The following should be considered when booking Frequent Flyer Award flights:

- with flights open 353 days prior to departure, booking as early as possible is always recommended, either online at qantas.com or by calling Qantas Telephone Sales on 13 11 31 (Australia), 0800 101 500 (New Zealand) and +61 3 9658 5302 (outside Australia and New Zealand). An additional assisted award booking fee of 2,500 points per person applies to bookings made via Qantas Telephone Sales.
- there is a 24 hour minimum advance booking requirement for all Award flights.
- Qantas and Partner Classic Award flights during peak periods (peak business hours on domestic flights, and during school and public holidays on all flights) are generally in high demand. Booking outside these periods if possible is recommended.
- if a Qantas and Partner Classic Award flight is not available on the desired dates, consider a Qantas or Jetstar Any Seat Award flight.

*The option of transferring points may only be available until 31 March 2009. Qantas Frequent Flyer points will no longer be a redemption option in most indirect earn card partner reward programs after this date. Members with affected cards will need to check with their card provider to see what options are available to continue to earn Qantas Frequent Flyer points after 31 March 2009.

For more information visit qantas.com



Fact File



QANTAS ENGINEERING

The Qantas Group operates one of the largest aircraft engineering and maintenance organisations in the Asia-Pacific region. Qantas Engineering has an established international reputation for operational excellence and safety and employs over 6,000 people at maintenance facilities in Adelaide, Avalon, Brisbane, Melbourne and Sydney, as well as at line stations in Australia and numerous overseas locations. One of the largest industrial organisations in Australia, Qantas Engineering provides a comprehensive range of engineering, maintenance, supply chain, training and support services for aircraft, engines and components. Qantas Engineering seeks to continue to operate successfully in a rapidly changing market by managing and providing safe, compliant, high quality customer services with competitive cost and turnaround times. Qantas Engineering is continually transforming to ensure delivery of world's best practice performance and as the aircraft maintenance, repair and overhaul (MRO) industry continues to globalise and consolidate, the business aims to position itself as the supplier of choice for the Qantas Group and customers in the Asia-Pacific region. The facilities in Avalon, Brisbane, Melbourne and Sydney have extensive capabilities in aircraft maintenance, modifications, refurbishment, and engine and component repair and overhaul. While engineering and maintenance work is primarily carried out on wide and narrow body aircraft, engines and components for the Qantas Group, Qantas Engineering also undertakes customer work for other airlines and the Australian Defence Force.

FACILITIES

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- **Sydney** Qantas Engineering undertakes maintenance work on all its aircraft types, along with Rolls-Royce RB211 engine maintenance, component maintenance, engineering and technical training at its Sydney Jet Base. Approximately 2000 people are employed at the facility at Sydney Airport.

 - **Melbourne** The Melbourne Airport Jet Base facility at Tullamarine caters for the Group's narrow body B737-300,-400,-800 engineering and heavy maintenance and aircraft component maintenance work and Boeing Business Jets. Qantas is also a partner in LTQ Engineering, an engine maintenance Centre of Excellence joint venture with Lufthansa Technik which overhauls General Electric CF6 and CFM56 engines.

 - **Brisbane** Qantas undertakes B767 heavy maintenance in Brisbane. More than 400 people are now employed at a world-class \$85 million hangar facility at Brisbane Airport which opened in 2005. In 2008, a facility to convert new Airbus A330 aircraft to Multi-Role Tanker Transport (MRTT) aircraft for the RAAF, in conjunction with the manufacture EADS CASA commenced operations.

 - **Avalon** The Avalon Airport facility is Qantas Engineering's B747 heavy maintenance base, employing approximately 850 people. It is also responsible for the Qantas Group's aircraft commercial project work, including cabin reconfigurations and refurbishment.
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INTERNATIONAL APPROVAL Qantas Engineering holds regulatory approval from the Australian Civil Aviation Safety Authority (CASA), the United States Federal Aviation Administration (FAA), the European Aviation Safety Agency (EASA), the Australian Department of Defence and many other foreign regulatory authorities and airlines. It is also accredited under the international standard for Quality Assurance ISO9001-2000 and the Brisbane MRTT Conversion Centre holds EN9110. This confirms that Qantas Engineering not only meets the safety criteria of aviation authorities, but also achieves world standards for delivery, cost and other factors vital to customers.

AIRCRAFT MAINTENANCE Incorporating line, base and overnight maintenance, Line and Heavy Maintenance undertakes aircraft maintenance for the Qantas Group's fleet in Australia and a number of international destinations. Qantas Engineering's comprehensive routine maintenance check capability includes:

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- | | |
|---|----------------------------------|
| ▪ B747 up to D level | ▪ A380 line and base maintenance |
| ▪ B767 full system and structural check level | ▪ A330 line and base maintenance |
| ▪ B737 up to C7 level | |
-

In addition to routine maintenance, Qantas Engineering specialises in customised maintenance inspections and modification packages including:

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- | | |
|---|---|
| ▪ aircraft interior and commercial product upgrades | ▪ corrosion prevention and control |
| ▪ minor/major airframe repairs | ▪ aging aircraft inspections |
| ▪ structural inspections | ▪ major aircraft modification/refurbishment |
-

ENGINE MAINTENANCE Qantas Engineering specialises in the following engine and APU types:

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- | | |
|--|-------------------------------|
| ▪ Rolls-Royce RB211-524 series engines | ▪ Garrett series 331, 660 APU |
| ▪ GTCP 85 series (13 variants) APU | ▪ Pratt & Whitney 901 APU |
-

Through the LTQ Engineering joint venture, maintenance is provided for:

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- | | |
|--|--|
| ▪ General Electric CFM 56 series engines | ▪ General Electric CF6-80 series engines |
|--|--|
-

COMPONENT MAINTENANCE Large numbers of aircraft and engine components are regularly inspected, tested and repaired by Qantas Engineering to ensure safety and quality standards are maintained. The Component Maintenance business is being transformed into mini centres of excellence, providing world-class minimum turn around times and cost effective services to the Qantas Group and other customers.

TECHNICAL SERVICES Qantas Group airlines and the core maintenance areas of Qantas Engineering are supported by a range of technical engineering functions. Their role is to ensure all applicable regulatory obligations and business needs are met through the development and monitoring of systems and standards, thus maintaining Qantas' reputation for high quality engineering.

SUPPLY CHAIN Qantas Engineering has a significant supply chain inventory management operation providing materials, distribution and logistics services for the extensive range of aircraft inventory required to support maintenance, modification and overhaul programs.

TRAINING Qantas has advanced technical training facilities, making it one of the few airlines with its own industry training program that includes apprentices and advanced technical training for engineers to certify the release of aircraft and components into service. As the Qantas Group fleet is expanding with new types of aircraft, engines, components and technological processes, the continuation of an ongoing apprenticeship program is integral to ensuring that Qantas Group, and other customer airlines' aircraft, are maintained to the highest standards of safety, reliability and cost effectiveness. Qantas Engineering has trained over 7000 apprentices since the first apprentice commenced in 1927 and an average of 100 apprentices are taken on each year. The introduction of Finance Graduate and Professional Engineering Graduate Programs demonstrates Qantas Engineering ongoing commitment to developing internal skills to help meet the ongoing challenges faced by the business.



Fact File



AIRPORTS

Qantas Group airlines currently operate to 57 city and regional airports in Australia and nearly 30 overseas airports. Qantas' domestic and international airport operations provide a range of services to the Group's flying businesses and other international airlines, including check-in, baggage handling and ramp services and the operation of lounge facilities.

RECENT DEVELOPMENTS Qantas continues to invest in services and products both in Australia and overseas to provide customers with the very best airport experience. For Australian domestic e-ticket customers, QuickCheck facilities are available in Sydney, Melbourne, Brisbane, Perth, Canberra and Adelaide. QuickCheck provides the simplest and fastest way to check-in for a flight. Customers use kiosks to access and review their booking, select a preferred seat if available, obtain a boarding pass and even do the same for a return flight if it is within 12 hours of the first flight. For customers without baggage, check-in can be completed in less than 60 seconds. Since 2004, with the expansion of Qantas' international network, new airport operations have been established in Buenos Aires, Mumbai, Shanghai and San Francisco. Qantas also relocated its Thai operations to Bangkok's new international airport at Suvarnabhumi in September 2006. Airport retail operations have become an integral part of the travel experience for airline customers and airport visitors. Qantas currently offers customers more than 140 retail and food outlets at its domestic terminals in Brisbane, Melbourne, Sydney and Canberra. Dedicated domestic Business class lounges have also opened in Brisbane, Melbourne and Sydney, along with Qantas Meeting Rooms in the Brisbane, Melbourne and Sydney domestic terminals in 2008. The refurbishments of Qantas International Business Lounges in Sydney, Melbourne, Perth and Auckland was completed in 2008. The arrival of the Qantas A380 in late 2008 bringing new challenges to airports – predominantly due to the dual deck cabin. Aerobridges have been installed at the destination ports dedicated to accessing the upper deck. In parallel, Ground Service Equipment has also been modified to access the upper deck for ground handling operations.

FIRST LOUNGES In May 2007, Qantas opened new First lounges in Sydney and Melbourne. Designed by internationally renowned Australian industrial designer Marc Newson, the lounges are managed by luxury hotel group Sofitel. Features include a full concierge service, Payot Paris day spa, open kitchen restaurant with menus by Neil Perry, chair-side waiter service, and state-of-the-art business facilities.

FUTURE DEVELOPMENTS

Domestic Qantas is working closely with airport operators on improvements to a number of domestic terminals and is investing in upgrades of its own terminals. Work continues on a \$50 million upgrade program at the Qantas domestic terminal at Perth Airport that includes expansion of check-in, departure and baggage claim areas, upgrade and expansion of Qantas Club facilities, construction of a new aerobridge and improved baggage handling capacity. Work has been completed on, \$10 million in improvements to the Qantas domestic terminal at Canberra Airport ahead of the completion of a new multi user terminal. The upgrade includes expansion of check-in facilities, installation of an additional security screening lane, expansion of the baggage system, installation of an additional aerobridge and expansion and upgrading of the Qantas Club. Significant improvements are also planned for Qantas' domestic terminals in Melbourne and Brisbane.

International The entry into service of the Qantas A380 in October 2008 has required significant investment in equipment and training, and Qantas airports has also worked closely with airport operators in Australia, the UK, the USA and Singapore. At Los Angeles Airport, Qantas' A380 services operate from the Tom Bradley International Terminal, where facilities include a new lounge jointly operated by **oneworld** members Qantas, Cathay Pacific and British Airways. Qantas services to and from the United Kingdom will operate from London

Heathrow's Terminal 3 from late 2009. The move from Terminal 4 will see all **oneworld** alliance airlines located in a fully upgraded, state-of-the-art Terminal 3. While British Airways is the sole tenant of Heathrow's new Terminal 5, its services to and from Australia via Singapore and Bangkok will operate from Terminal 3. A new seamless transfer facility will also open at Sydney International terminal later in 2009, and further lounge refurbishments are also planned for lounge facilities in Hong Kong.

AIRPORT LOUNGES Qantas Club members and First and International Business customers have access to a network of lounges in Australia and overseas. Some international lounges are operated jointly with other airlines or by other airlines, but are available to Qantas customers:

Australian Domestic	<ul style="list-style-type: none"> ▪ Adelaide ▪ Broome ▪ Darwin ▪ Kalgoorlie ▪ Mackay ▪ Port Hedland ▪ Townsville 	<ul style="list-style-type: none"> ▪ Alice Springs ▪ Cairns ▪ Devonport ▪ Karratha ▪ Melbourne ▪ Rockhampton 	<ul style="list-style-type: none"> ▪ Brisbane ▪ Canberra ▪ Hobart ▪ Launceston ▪ Perth ▪ Sydney
Australian International	<ul style="list-style-type: none"> ▪ Adelaide ▪ Melbourne 	<ul style="list-style-type: none"> ▪ Brisbane ▪ Perth 	<ul style="list-style-type: none"> ▪ Buenos Aires ▪ Sydney
New Zealand Domestic	<ul style="list-style-type: none"> ▪ Auckland 	<ul style="list-style-type: none"> ▪ Christchurch 	<ul style="list-style-type: none"> ▪ Wellington
Overseas International	<ul style="list-style-type: none"> ▪ Auckland ▪ Christchurch ▪ Honolulu ▪ London ▪ Mumbai ▪ Noumea ▪ Tokyo 	<ul style="list-style-type: none"> ▪ Bangkok ▪ Frankfurt ▪ Jakarta ▪ Los Angeles ▪ Nadi ▪ San Francisco ▪ Wellington 	<ul style="list-style-type: none"> ▪ Buenos Aires ▪ Hong Kong ▪ Johannesburg ▪ Manila ▪ New York ▪ Singapore

Platinum and Gold Qantas Frequent Flyers also have access to a worldwide network of lounges offered by **oneworld** alliance airlines.

AUSTRALIAN AIRPORTS The Qantas Group currently owns and operates its own domestic terminals in Sydney, Melbourne, Brisbane, Perth, Hobart and Launceston. Qantas also operates its own leased domestic terminal in Canberra and shares facilities at common-user terminals at other ports across the country.

SYDNEY AIRPORT Qantas Group airlines operate from all three Sydney Airport terminals:

- Terminal 1 (Sydney International Terminal) – Qantas flights QF001 to QF399
- Terminal 2 – QantasLink flights QF1600 and above and Jetstar
- Terminal 3 (Qantas Domestic Terminal) – Qantas and QantasLink flights QF400 to QF1599

Terminal 1 (T1) Qantas and Jetstar utilise facilities within Sydney Airport Corporation Limited's International Terminal which include: 25 aircraft gates and 192 check-in counters; a Business lounge with seating for 500; and a First lounge with seating for 220.

Terminal 2 (T2) QantasLink and Jetstar operate from T2 facilities include: QantasLink check-in facilities within the main concourse; a 220-seat Qantas Club; Jetstar check-in facilities and customer service desk; a Qantas ticket counter; and QantasLink customer service desk. Qantas offers seamless coach transfer facilities, with a check-in and baggage system dedicated to the airline's customers transferring between Terminal 1 and Terminal 3. Convenient transfer between T3 and T2 is available via the Airport Link rail walkway.

Terminal 3 (T3) Qantas' domestic terminal, which covers almost 85,000 square metres over two levels, includes 14 aircraft parking gates and the flexibility to handle a range of aircraft types, including A330s and B747s. T3 also features: QuickCheck facilities; a Business Class Lounge; a Qantas Club with seating for approximately 1,000 guests and a comprehensive business centre; five baggage claim carousels; direct access to the Airport Link rail line; and valet parking.

MELBOURNE AIRPORT Qantas Group airlines operate from two of the three terminals at Melbourne Airport. Qantas and Jetstar domestic and QantasLink regional services operate from the Qantas domestic terminal (Terminal 1), while Qantas international services operate from the international terminal (Terminal 2).

Terminal 1 (T1) Qantas' Melbourne domestic terminal features 20 gates of which 15 are equipped with aerobridges, and has the flexibility to handle a range of aircraft types, including Airbus A330s and B 747s. Other features include: QuickCheck facilities; an automated baggage handling system; expanded baggage reclaim facilities; a Business Class Lounge; and a Qantas Club with seating for 750 guests and comprehensive business centre facilities.

Terminal 2 (T2) Qantas and Jetstar utilise facilities at Melbourne Airport's International Terminal include: 12 aircraft gates and 85 check-in counters; a Business lounge with seating for 450; and a new First lounge with seating for 130.





Fact File



CATERING

The Qantas Group's wholly owned catering businesses are focused on delivering high quality meals to airlines and their passengers. The Qantas Catering Group consists of the premium catering business, Q Catering and Snap Fresh, a cutting-edge manufacturer of meals and meal components. Between them, they employ over 3,400 people across eight Australian centres and in 2007/08, they produced over 38 million meals for more than 275,000 flights operated by 35 customers including Qantas and QantasLink. Q Catering services customers through seven centres in Adelaide, Brisbane, Cairns, Melbourne, and Perth, and two centres in Sydney, while Snap Fresh operates from a centralised state-of-the-art facility near Brisbane. Rigorous safety, quality and environmental systems are in place across all catering businesses. Q Catering and Snap Fresh are ISO 22000 certified, making the Qantas Catering Group the first multi-site flight caterer in the world to meet the internationally-recognised quality standard at all of its locations. Snap Fresh was the first in the Qantas Group to have been certified to the AS/NZS ISO 14001:2004 international standard, with regard to its Environmental Management System (EMS). The Qantas Catering Group's multifaceted change program is well advanced, and continues to focus on customer service, operations and food technology, as well as the implementation of improved water management strategies. The program, which aims to maintain and improve cost efficiencies, includes substantial infrastructure redevelopments for Q Catering in Brisbane, Melbourne and Perth, as well as Snap Fresh, a network-wide transport fleet modernisation, and the use of improved production methodologies.

Q CATERING The new Q Catering brand, launched in March 2008, embodies and reflects the long history of Qantas' catering operations that began in the early 1940s. Over the years, these operations have continued to evolve and mature, and the new identity combines the strengths of the Qantas Flight Catering Limited (QFCL) and Caterair brands. Q Catering reflects a significant change in business modelling and culture that strategically places it in the premium flight catering market. Its strength is its national approach to the coordination of food production, operations, logistics, transport, quarantine waste handling, warehousing and bonded store functions. The end-to-end service tailoring for customers delivers innovative menus that remain authentic to local and international cuisines, meet dietary, religious and budget requirements, and take advantage of national procurement initiatives, the best of Australian produce and the market's most experienced culinary skills. While delivering catering for airline passengers in Economy, Premium Economy, Business and First is its primary business, Q Catering also has extensive experience in servicing the special needs of VIP flights, charter operations and providing catering and related services to long distance rail clients, health care providers and schools.

SNAP FRESH Based in Queensland, Snap Fresh opened for business in February 2002 and specialises in the centralised production of frozen meals for airlines and other customers. It operates one of the most modern meal production centres in the world and represents an international trend in the catering industry to deliver greater quality and consistency using the most cost-effective methods. Snap Fresh uses chef-driven meal design, and advanced production and freezing technology to produce meals for Qantas and other airlines, and has quickly become an industry leader. It is also diversifying and expanding into non-airline segments including contract manufacturing for food service and retail, quick service restaurants, defence and healthcare markets. Snap Fresh has a plant capacity of over 18 million meals per annum with current production at around 12 million meals.



Fact File



QANTAS FREIGHT ENTERPRISES

Qantas has been carrying freight since its inaugural service in 1922, and uplifting international airmail since the airline's first overseas flight in 1935. Today, the Qantas Group's freight assets are controlled by the wholly owned subsidiary Qantas Freight Enterprises (QFE). The business is an integral part of the company, generating approximately 10 per cent of the Group's annual revenue. QFE has strategic investments in a number of logistics businesses in Australia and across the world. QFE is comprised of three arms – Qantas Freight, which includes all linehaul, freighter and cargo terminal operations; International Express which includes QFE's investments in DPEX; and Domestic Express which includes QFE's joint ventures Australian air Express (AaE) and Star Track Express.

AIR CARGO PRODUCTS Qantas Freight markets the freight capacity of all international Qantas and Jetstar aircraft and a fleet of three B747-400F freighter aircraft. Freight is carried in containers or on pallets known as Unit Load Devices (ULDs) which are designed to allow fast and efficient handling while making maximum use of available space. Qantas Freight offers a range of products including:

- **General cargo** – tailored solutions are available for: commodities such as computer and electrical equipment, printed matter and machinery parts; perishable cargo such as seafood, fruit, flowers, vegetables and meat; valuable cargo including gold bullion, precious metals and high value works of art; and live animals including prime breeding stock, thoroughbred horses, zoological species and family pets.
- **Courier** – a priority service for major express companies offering last-on, first-off loading;
- **Fast Freight** – an express air freight service offering late acceptance and priority unloading;
- **Airmail** – carried on behalf of more than 80 postal administrations worldwide;
- **unaccompanied baggage** – a service offered to send personal items between the airports specified on a passenger's airline ticket;
- **customs clearance** – Qantas has its own Customs brokerage arm in Sydney.

NETWORK FACILITIES Qantas Freight operates its own handling facilities in Sydney, Melbourne, Brisbane, Perth and Los Angeles. These terminals handle not only Qantas and Jetstar aircraft but many of the world's other major carriers. Each terminal offers a variety of services appropriate to the needs of the local market including: coolrooms and freezers for perishables; warmrooms for tropical fish and other live animals vulnerable to cold weather; strongrooms and safes for secure storage of valuable cargo shipments; dry ice and wet ice for re-icing; and a range of equipment such as forklifts, cranes and reach trucks for loading and unloading. An ongoing improvement program is in place, with recent developments including the opening of an innovative second Sydney Freight Terminal in 2007 and the country's only temperature controlled air freight build up and break down area in Melbourne in 2008. At all other ports, Qantas Freight is handled by appointed handling agents.

FREIGHTER AIRCRAFT Qantas Freight operates a fleet of three B747-400F freighters wet leased from Atlas Air Worldwide Holdings Inc. These aircraft offer main-deck capacity and side and nose loading making them ideal for transporting over-sized shipments. The aircraft operate a mix of scheduled and charter services to supplement capacity to key import and export destinations around the world. Qantas Freight's current freighter schedule includes seven weekly services from Australia into China, five weekly services from China to the United States; four weekly services from the US into Australia; and one weekly service from Auckland, Hong Kong, Europe and Shanghai into Australia. The network includes the cities of Auckland, Bangkok, Chicago, Frankfurt (Hahn), Hong Kong, Honolulu, Los Angeles, Melbourne, New York, Shanghai, Sharjah, Sydney and Toledo.

ALLIANCES Qantas Freight offers services on over 850 weekly Qantas and Jetstar International services to over 150 destinations in 38 countries. This network is complemented by commercial agreements with oneworld carriers, other airlines and chartered freighter operations. An extensive trucking fleet throughout Australia, Europe and the USA further expands this network.

TECHNOLOGY Qantas Freight's online portal qantasfreight.com, provides fast and easy access to the latest information on worldwide freight movements around the clock. Registered users can generate an electronic air waybill, submit electronic shipment data, make an e-booking, and access the latest shipment status information through a number of convenient tracking options. Qantas Freight has begun a multi-million dollar program to replace its legacy IT systems with iCargo, an advanced, end-to-end cargo specific application developed by global software company IBS in conjunction with Qantas and several other top line carriers. Qantas Freight is also leading the push to roll out IATA's eFreight initiative which will see the removal of paper airway bills and other documentation in Australia by 2010.

AUSTRALIA DOMESTIC NETWORK Freight capacity on all Qantas and Jetstar domestic aircraft is marketed by Australian air Express (AaE). AaE is operated as a joint venture by QFE and Australia Post to offer a comprehensive range of express products from hubs across Australia. Qantas and Australia Post also own and operate the Australian express road freight operator Star Track Express. Star Track Express is the market leader in the high value, express/time sensitive business-to-business market, offering a 'one stop' end-to-end service and boasting a national distribution network and the world's smartest delivery system with detailed real time, online freight movement information.

EXPRESS FREIGHTERS AUSTRALIA Express Freighters Australia (EFA) is QFE's wholly-owned subsidiary freighter management company. EFA provides aircraft, crew, maintenance and insurance services (known as a wet lease) to Australian air Express. EFA currently operates four B737-300 converted freighter aircraft. The business also maintains its own Air Operators Certificate (AOC).

DPEX WORLDWIDE DPEX Worldwide is Asia's fifth largest express freight operator. DPEX's extensive network of vehicles, employees and service centres covers 18 countries across Asia. QFE also owns a controlling interest in the independent Chinese DPEX franchise.

JETS TRANSPORT EXPRESS Jets Transport Express is Australia's road feeder service of choice for the international air freight industry. Jets specialises in the provision of interstate trucking for domestic legs of international air cargo using a fleet of trailers specially designed to handle large air freight pallets, which due to their size cannot be moved on domestic aircraft. The business operates scheduled services between all major capitals from hubs in Adelaide, Brisbane, Coolangatta, Melbourne, and Sydney.





Fact File



THE QANTAS GROUP IN ASIA

HISTORY Qantas began flying to Singapore 75 years ago and rapidly expanded services to other parts of Asia after World War II. As part of an airmail service to the United Kingdom, a four-engine DH86 biplane made the first Qantas overseas flight in February 1935 from Brisbane and Darwin to Singapore. Regular passenger flights began in April 1935. Pioneering mail, passenger and freight services – interrupted by World War II – have developed into a comprehensive network linking Australia with 11 countries in North, South East and South Asia. Qantas has direct services between seven Australian cities and 17 destinations in the region. As part of their alliance, Qantas and British Airways have developed a greater level of cooperation on Kangaroo Route services linking Australia, key Asian cities and Europe since February 1996.

COUNTRIES AND DESTINATIONS The Qantas Group[^] offers services to:

China	▪ Beijing [#]	▪ Hong Kong	▪ Shanghai
India	▪ Delhi [*]	▪ Mumbai	
Indonesia	▪ Denpasar	▪ Jakarta	
Japan	▪ Nagoya	▪ Osaka	▪ Tokyo
Philippines	▪ Manila		
Singapore	▪ Singapore		
South Korea	▪ Seoul [*]		
Taiwan	▪ Taipei [*]		
Thailand	▪ Bangkok	▪ Phuket	
Vietnam	▪ Ho Chi Minh City [*]		

*codeshare services

[^] includes Jetstar

[#] until 16 April 2009

QANTAS SERVICES AND CODESHARES TODAY

China Qantas commenced three non-stop flights per week from Sydney to Shanghai in December 2004. This increased to four services per week in November 2005, five in August 2007 and will go daily from 31 March 2009.. Onward connections to the Chinese mainland are also available from Qantas flights between Australia and Hong Kong.

Hong Kong Qantas has served Hong Kong for almost 59 years. Scheduled services began in June 1949 following charter flights which began in March 1949. In November 2004 Qantas commenced flying to the United Kingdom via Hong Kong. The original three B747-400 services per week increased to four in November 2005 and then to daily in March 2006. Qantas operates 25 flights a week to Hong Kong from the Australian cities of Brisbane, Melbourne, Perth and Sydney.

India Since September 2004, Qantas has operated three services a week between Sydney and Mumbai. From mid-May, Qantas will operate services via Singapore, with connections from Sydney, Melbourne, Brisbane, Perth and Adelaide (Qantas) and Cairns and Darwin (Jetstar).

Indonesia Qantas began services to Jakarta (then Batavia) in April 1935 and operated its first flight to Denpasar, Bali in August 1969. In October 2008, Jetstar replaced Qantas on Perth-Denpasar and Perth-Jakarta services.

Japan Qantas flew charter services to Hofu in December 1947 and to Tokyo in October 1948 before beginning scheduled services to Tokyo in October 1950. Today, Qantas operates 10 flights a week between

two Australian cities – Sydney and Perth – and Tokyo. In April 1997, Qantas commenced a codeshare agreement with Japan Airlines (JAL) and today codeshares on seven JAL services each week between Brisbane and Tokyo. Jetstar currently operates daily services between Gold Coast and Osaka, five-times-a-week services between Gold Coast and Tokyo (Narita) (daily from 29 March 2009 and daily between Cairns and Tokyo (Narita)).

Philippines Scheduled Manila services began in September 1949, following military charters which commenced in November 1947. Today, Qantas flies three times each week between Sydney and Manila. A fourth weekly service operates via Brisbane.

Singapore Qantas Empire Airways first flew between Australia and Singapore in 1934. Today, Singapore is an important Qantas hub, linking Australian cities with services to London and Frankfurt and flights to other parts of Asia. Qantas owns 45.04 per cent of Singapore-based low cost intra-Asia carrier Jetstar Asia (see below).

South Korea Flights to Seoul began in November 1991. Qantas currently offers daily services via a codeshare agreement with Asiana Airlines.

Taiwan Sydney-Taipei services began in October 1991. Qantas currently codeshares on three Eva Air services each week between Brisbane and Taipei.

Thailand Qantas first flew to Bangkok in November 1953. Today, Qantas operates seven services a week to the United Kingdom via Bangkok and also codeshares on seven British Airways flights a week between Australia and Thailand and Thailand and the UK. Jetstar commenced services between Melbourne and Bangkok and Sydney and Phuket in November 2006.

Vietnam Qantas began scheduled services to Ho Chi Minh City in November 1994, replacing charter services. In February 1998, Qantas signed a codeshare agreement with Vietnam Airlines, and offers seven codeshare services a week on Vietnam Airlines flights to Ho Chi Minh City. Jetstar operates five return services each week on Sydney-Darwin-Ho Chi Minh City.

JETSTAR AND ASIA Jetstar commenced long haul A330-200 international flights that include a number of Asian destinations in November 2006 – the first international markets to be served from Australia under the Jetstar brand. Jetstar operates A330/A320 international services from Sydney, Melbourne, Gold Coast, Perth, Cairns and Darwin to destinations including Bali, Bangkok, Ho Chi Minh City, Jakarta, Phuket, Honolulu, Tokyo (Narita), Osaka and Singapore.

JETSTAR ASIA In 2004, Qantas announced it would be a major investor in a value-based intra-Asia carrier based in Singapore. Jetstar Asia began flying in December 2004 with a fleet of four A320 aircraft. In July 2005, a new holding company was formed which owns and operates both Jetstar Asia and Valuair. Qantas owns 45.04 per cent of this company. The two airlines continue to operate in their own right and participate in growth opportunities in the region. Together, they operate to 12 countries – Cambodia, Hong Kong, Indonesia, Japan, Macau, Malaysia, Myanmar, the Philippines, Singapore, Taiwan, Thailand and Vietnam.

JETSTAR PACIFIC Following an agreement signed in April 2007, the Qantas Group finalised the first of three investment instalments in Pacific Airlines, Vietnam's second largest carrier, in July 2007. The Group's 18 per cent stake (since July 2007) will increase to 30 per cent by 2010. On 23 May 2008, the airline was renamed Jetstar Pacific Airlines.

QANTAS OFFICES Qantas has offices in Bali, Bangkok, Beijing, Fukuoka, Hanoi, Ho Chi Minh City, Hong Kong, Jakarta, Kuala Lumpur, Manila, Mumbai, Nagoya, Osaka, Sapporo, Seoul, Shanghai, Singapore, Surabaya, Taipei and Tokyo.



Fact File



THE QANTAS GROUP IN THE UK AND EUROPE

HISTORY Qantas' links with the United Kingdom extend back to 1931, when Qantas carried airmail from Brisbane to Darwin as part of an experimental Australia-England run with Imperial Airways (a forerunner of BOAC and British Airways). Qantas, together with Imperial Airways and its successor BOAC, provided an Australia-England air link almost without interruption, despite dangers and difficulties during the Second World War. In 1947, Qantas began its first regular weekly service through to London on the famous Kangaroo Route. The airline's presence in Germany dates from January 1953, when a Constellation L749 began a regular passenger service.

QANTAS SERVICES TODAY Qantas currently operates 35 B747-400 services each week to the UK and Germany – 28 return services a week to London Heathrow and daily return service to Frankfurt.

CODESHARE SERVICES Together with its **oneworld** alliance and joint services partner British Airways, Qantas offers a total of 42 return services a week to the UK. As well as travelling on Qantas flights from Australia to London, Qantas passengers can travel between Australia and London via Frankfurt on British Airways codeshare flights. Qantas also offers codeshare services to the following European destinations:

▪ Budapest	Qantas from Australia to Bangkok and oneworld alliance partner Malev from Bangkok to Budapest
▪ Paris	Qantas from Australia to Singapore or Hong Kong and Air France from Singapore or Hong Kong to Paris
▪ Rome	Qantas from Australia to Hong Kong and oneworld alliance partner Cathay Pacific from Hong Kong to Rome

Within Europe, Qantas offers codeshare services with British Airways from:

▪ London	Amsterdam, Barcelona, Berlin, Copenhagen, Dusseldorf, Frankfurt, Geneva, Hamburg, Lyon, Madrid, Munich, Nice, Oslo, Paris, Stockholm, Vienna and Zurich
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Within the UK, Qantas offers codeshare services with British Airways from:

▪ London	Aberdeen, Edinburgh, Glasgow, Manchester and Newcastle
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EMPLOYMENT Qantas employs people throughout the UK and Europe in a diverse range of roles. In 2005, the airline established a cabin crew base in London that today employs around 550 people, including many expatriate Australians.

QANTAS OFFICES Qantas has offices in Amsterdam, Frankfurt, Geneva, London, Paris, Rome, Stockholm, and Zurich.



Fact File



THE QANTAS GROUP IN THE AMERICAS

HISTORY Qantas first established itself in North America in San Francisco in 1954, taking over the operations of British Commonwealth Pacific Airlines which, in September 1946, had commenced the first trans-Pacific commercial services. The first Qantas services linking Australia and the USA were operated by 60-seat Lockheed Super Constellations flying twice weekly via Fiji, Canton Island and Honolulu. When Qantas gained the rights to extend its trans-Pacific services from San Francisco to New York and then London, the airline began, in 1958, the first round-the-world passenger service. Although a prestigious route, the San Francisco-London sector proved unprofitable due to cabotage restrictions and was eventually dropped in 1973. In July 1959, Qantas introduced the first jet service across the Pacific, operating B707 aircraft and began flying B747s across the Pacific to San Francisco in January 1972. In 1995, Qantas moved its US regional headquarters to Los Angeles and discontinued flying to San Francisco. Direct flights to the city resumed again in March 2006. Qantas became the first airline to offer non-stop services between Melbourne and Los Angeles in October 1999 and between Brisbane to Los Angeles in June 2004. In February 2006, Qantas increased its services to New York via Los Angeles to five per week and, from August 2007, to a daily service.

QANTAS SERVICES TODAY From February 2009, the airline will operate 43 return services per week between Australia and the USA:

- 35 to Los Angeles – 14 non-stop from Sydney, 14 from Melbourne, (seven non-stop and seven via Auckland) and daily services from Brisbane;
- three between Sydney and Honolulu; and
- five between Sydney and San Francisco.

Qantas also operates daily services to New York via Los Angeles, and Jetstar operates four services per week between Sydney and Honolulu.

CODESHARE SERVICES Qantas also offers codeshare services to the following destinations in the USA, Canada and Mexico:

▪ Air Pacific	Nadi to Los Angeles and Nadi to Honolulu
▪ Air Tahiti Nui	Papeete to Auckland, Los Angeles and New York
▪ Alaska Airlines /Horizon Air	Los Angeles to/from Vancouver, Seattle and Portland San Francisco to/from Vancouver, Seattle and Portland
▪ American Airlines	Los Angeles to/from Honolulu, San Francisco, San Diego, Las Vegas, Denver, Dallas/Fort Worth, Saint Louis, Chicago, Miami, Washington, Newark, New York, Boston, Orlando and Toronto. San Francisco to/from Los Angeles, Honolulu, Dallas/Fort Worth, Chicago, Saint Louis, Miami, New York, Boston Honolulu to/from Los Angeles, San Francisco, Dallas/Fort Worth, Chicago Chicago to/from Toronto, Ottawa, Montreal, Los Angeles, San Francisco, Honolulu. New York to/from Toronto, Montreal, Halifax, Los Angeles, San Francisco
▪ Mexicana	Los Angeles to/from Mexico City, Guadalajara, Cancun and San Jose Cabo San Francisco to/from Mexico City.

QANTAS OFFICES Qantas has offices in Chicago, Los Angeles, San Francisco and New York. Regional representatives also operate in Atlanta, Boston, Dallas, Houston, Hawaii, New Jersey, Pennsylvania, Phoenix and Seattle. Canadian representatives operate out of Toronto and Vancouver.

SOUTH AMERICA In 1966, Qantas commenced flights to Latin America as part of a new round-the-world route through Tahiti and Mexico to Bermuda and London. This service was discontinued in 1975. Between 1988 and 1993 and 1998 and 2001, Qantas had a codeshare arrangement with Aerolineas Argentinas on services to Buenos Aires. Today, Qantas offers six return services a week from Sydney to Santiago, Chile, via Auckland, on codeshare services operated by oneworld partner LAN. Qantas commenced its own direct services three times a week between Sydney and Buenos Aires in November 2008 – on Mondays, Wednesdays and Saturdays. Qantas has offices in Buenos Aires and Sao Paulo.





Fact File



THE QANTAS GROUP IN NEW ZEALAND AND THE PACIFIC

HISTORY Tasman Empire Airways Limited (TEAL), formed by Qantas, Imperial Airways (BOAC), and a partnership of Union Airways of New Zealand and the New Zealand Labour Government, inaugurated a weekly service between Sydney and Auckland in 1940. The trans-Tasman service used two Shorts Empire Flying Boats. The first flight left Auckland on 30 April, arriving nine hours and 15 minutes later at Rose Bay, a distance of 1,348 miles. It carried nine passengers and about 40,000 letters. In October 1961, Qantas began operations in its own right across the Tasman in pool with TEAL. In April 1965, Qantas inaugurated a B707 service between Sydney and Christchurch. Qantas first operated B747 services to New Zealand in 1972.

QANTAS SERVICES TODAY The Qantas Group currently operates more than 170 flights per week between Australia and New Zealand, including non-stop services between Sydney, Melbourne and Brisbane and Auckland, Wellington and Christchurch. Year-round weekly services between Sydney and Queenstown commenced in October 2005. During the ski season, Qantas operates a direct weekly service from both Brisbane and Melbourne to Queenstown as well as two additional weekly services from Sydney. The airline also connects Auckland with Los Angeles via a non-stop daily service originating and terminating in Melbourne.

JETSTAR SERVICES Jetstar commenced trans-Tasman services between Sydney and Christchurch in December 2005 and between Gold Coast and Christchurch in 2006. Jetstar will also commence Sydney – Auckland and Gold Coast – Auckland services in late-April 2009.

NEW ZEALAND DOMESTIC Qantas will continue to operate 180 services each week between Auckland, Wellington, Christchurch, Queenstown and Rotorua until June 2009. Jetstar will commence New Zealand domestic service on 10 June 2009, replacing Qantas.

NOUMEA Qantas operates three services each week from Sydney and one service each week from Brisbane to Noumea.

CODESHARES With its codeshare partners, Qantas also offers services to seven Pacific destinations in Fiji, New Caledonia, Papua New Guinea, Tahiti and Vanuatu:

▪ Air Pacific	Sydney, Melbourne, Brisbane, and Auckland to Nadi and Sydney to Suva
▪ Aircalin	Sydney and Brisbane to Noumea
▪ Air Niugini	Brisbane, Cairns and Sydney to Port Moresby
▪ Air Tahiti Nui	Sydney to Auckland and Papeete
▪ Air Vanuatu	Sydney and Brisbane to Port Vila and Espiritu Santo

QANTAS OFFICES Qantas has offices in Auckland, Christchurch and Wellington in New Zealand, Noumea in New Caledonia, and Nadi and Suva in Fiji.



Fact File



THE QANTAS GROUP IN SOUTHERN AFRICA

HISTORY Qantas first began services to southern Africa in 1948 with a survey flight from Sydney via Perth, the Cocos Islands and Mauritius to Johannesburg. This was to become known as the Wallaby Route because of the 'short hops' between ports on the route. The return flight to Australia became the first direct service between the two continents. On 1 September 1952, the first scheduled passenger service left Sydney for Johannesburg on a Lockheed Constellation L-749A aircraft. The service arrived in Johannesburg three days later on 4 September. The fortnightly services continued until 1955 when the Super Constellation L-1049 aircraft type was introduced. In 1957, Qantas and South African Airways (SAA) announced a partnership to operate services between the two countries on alternate weeks. SAA would operate DC7B aircraft between Johannesburg and Perth while Qantas would operate Super Constellations from Perth to Sydney and return. When Electra aircraft were introduced on the Wallaby Route, new speed records were set. The aircraft VH-ECD recorded a commercial flight time in June 1963 of 54 hours against the Super Constellation time of 61 hours 40 minutes. Qantas suspended services between Australia and southern Africa between 1977 and 1982. In November 1982, weekly services began from Australia to Zimbabwe (Harare) on B747SP aircraft. Passengers initially flew Sydney-Harare via Perth and then to Johannesburg, with direct Johannesburg services later added. Qantas ceased services to Harare in October 2000.

QANTAS SERVICES TODAY Qantas operates six non-stop four-class B747-400 services between Sydney and Johannesburg per week. . Typical flight time is 14 hours and 10 minutes Sydney to Johannesburg, one of the longest non-stop sectors in the Qantas network. The return leg is generally assisted by a favourable tailwind with a typical flying time of only 11 hours and 45 minutes from Johannesburg to Sydney.

CODESHARE SERVICES Qantas also codeshares on five services operated by South African Airways each week between Perth and Johannesburg.

QANTAS OFFICES Qantas has an office in Johannesburg.



Fact File



ALLIANCES

COMMERCIAL ALLIANCES Since the beginning of commercial aviation, airlines have developed cooperative arrangements to allow them to provide a wider and more efficient range of services. Customers benefit from better networks, flight frequencies, products and services, while airlines gain from revenue enhancement and cost savings through shared facilities and resources. The trend towards alliances accelerated after US domestic deregulation in 1978 and following more recent changes in other markets towards a freer regulatory environment for national and international operations. Increasing competition has been a key driver in the formation of alliances. Qantas is involved in equity investments, commercial alliances and other agreements with a number of carriers.

ONEWORLD The **oneworld** alliance comprises some of the world's leading airlines, all with strong reputations for quality service – Qantas, American Airlines, British Airways, Cathay Pacific, Finnair, Iberia, Japan Airlines, LAN, Malév Hungarian Airlines and Royal Jordanian. Another 20 or so airlines are affiliate members - including: QantasLink. Mexicana, Mexico and Central America's leading airline, will join during 2009. Its subsidiary Click Mexicana will join at the same time as an affiliate, strengthening **oneworld's** position as the leading alliance in Latin America and the leading Spanish-speaking alliance. Member airlines' combined route network services close to 700 destinations in more than 150 countries. Since its launch **oneworld's** membership has grown from an initial five airlines to ten today. Between them, these airlines serve almost 700 airports in 150 countries, with some 8,500 daily departures. The alliance carries 330 million passengers a year and employs 300,000 people. Customers can earn and redeem frequent flyer and tier points with all member airlines on eligible fares across the **oneworld** network and, for top tier members, enjoy their privileges across over 550 lounges worldwide. Alliance members also work together to make travel across their combined networks as smooth as possible. **oneworld** was the first airline alliance to offer interline e-ticketing across all member carriers, meaning customers can travel with the convenience of a single electronic ticket across the combined **oneworld** network. **oneworld** also offers an unrivalled choice of tickets, including the popular Explorer round-the-world fare and Visit passes for each continent. For more information, visit **oneworld.com**

QANTAS AND BRITISH AIRWAYS Qantas and **oneworld** partner British Airways (BA) commenced a Joint Services Agreement (JSA) in 1995, giving customers a wider range of routing and fare options between Australia and UK/Europe, reciprocal frequent flyer programs and lounge access including joint lounges. The JSA also applies to freight. In February 2005, the Australian Competition and Consumer Commission (ACCC) approved the continuation of the JSA on the Kangaroo Route between Australia, Asia and Europe for a further five years. The authorisation gives Qantas and BA the ability to coordinate schedules and pricing on their services between Australia, Asia and Europe. Qantas and BA have an extensive codeshare relationship and share a wide variety of resources. The two airlines have integrated their operations in Bangkok, Jakarta, Kuala Lumpur and Singapore, have joint or co-located airport and sales offices in a number of locations around the world and share airport lounges in Bangkok, Hong Kong, and Singapore.

QANTAS AND AMERICAN AIRLINES Qantas and American Airlines, also a **oneworld** partner, cooperate through codeshare agreements, reciprocal frequent flyer programs and lounge access arrangements. The relationship began in 1989 with what was, at the time, the world's first commercial codeshare agreement.

QANTAS AND AIR PACIFIC Qantas has a 46.23 per cent shareholding in Air Pacific.

OTHER CODESHARE ALLIANCES In addition to its bilateral relationships with BA, American Airlines, other oneworld airlines and Air Pacific, Qantas has codeshare relationships with many other leading airlines, offering customers an extended network that provides seamless access to destinations around the world.

Aircalin	<ul style="list-style-type: none"> Qantas and Aircalin codeshare on each others' services between Sydney, Brisbane and Noumea.
Air Niugini	<ul style="list-style-type: none"> Qantas codeshares on Air Niugini services between Cairns, Sydney, Brisbane and Port Moresby
Air France	<ul style="list-style-type: none"> Qantas codeshares on all Air France services between Singapore and Paris and selected services between Hong Kong and Paris. Air France codeshares on Qantas services between Sydney, Melbourne, Brisbane, Adelaide, Perth and Singapore and all services from Hong Kong to Sydney, Melbourne and Brisbane.
Airnorth	<ul style="list-style-type: none"> Qantas codeshares on Airnorth services between Kununurra and Darwin and Broome.
Air Pacific	<ul style="list-style-type: none"> Qantas codeshares on Air Pacific services between Sydney, Melbourne, Brisbane, Gold Coast, Honolulu, Los Angeles, Auckland, Christchurch and Nadi. Air Pacific codeshares on Qantas services between Auckland and Wellington and Christchurch.
Air Tahiti Nui	<ul style="list-style-type: none"> Qantas codeshares on Air Tahiti Nui services between Sydney, Auckland, Los Angeles and Papeete. Air Tahiti Nui codeshares on Qantas services between Auckland and Sydney.
Air Vanuatu	<ul style="list-style-type: none"> Qantas codeshares on Air Vanuatu services between Port Vila and Sydney, Melbourne and Brisbane
Alaska Airlines	<ul style="list-style-type: none"> Qantas codeshares on Alaska Airlines services from Los Angeles and San Francisco to Seattle and Portland; Los Angeles to San Francisco, Seattle, Vancouver, Flagstaff, Reno and Boise; and Honolulu to Seattle and Anchorage.
American Airlines	<ul style="list-style-type: none"> Qantas codeshares on American Airlines services from Honolulu, Los Angeles, New York, San Francisco and Chicago to US Domestic and Canadian ports. American Airlines codeshares on Qantas services from Auckland, Brisbane, Melbourne and Sydney to Los Angeles and New York; Sydney to San Francisco and Honolulu; and Qantas-operated Australian and New Zealand domestic services.
Asiana	<ul style="list-style-type: none"> Qantas codeshares on Asiana services between Seoul and Sydney.
British Airways	<ul style="list-style-type: none"> Qantas and British Airways codeshare on each others' services between Australia, Singapore, Bangkok, and both London and Frankfurt. Qantas codeshares on British Airways selected services between London and UK domestic and European ports. British Airways codeshares on Qantas selected Australian domestic, trans-Tasman and Auckland-Los Angeles services.
Cathay Pacific	<ul style="list-style-type: none"> Qantas codeshares on Cathay Pacific's daily services between Hong Kong and Rome.
Deutsche Bahn	<ul style="list-style-type: none"> Qantas codeshares on Intercity-Express rail services operated by Deutsche Bahn between Frankfurt and Cologne, Dusseldorf, Hamburg, Hanover, Munich, Nuremberg and Stuttgart.
Eva Air	<ul style="list-style-type: none"> Qantas codeshares on Eva Air services between Brisbane and Taipei
Japan Airlines	<ul style="list-style-type: none"> Qantas codeshares on Japan Airlines' daily between Brisbane and Tokyo
Jet Airways	<ul style="list-style-type: none"> Qantas codeshares on Jet Airways services between Singapore and New Delhi, Singapore and Mumbai. Jet Airways codeshares on Qantas services between Singapore and Australia
LAN	<ul style="list-style-type: none"> Qantas codeshares on LAN services between Sydney, Auckland and Santiago. LAN codeshares on Qantas services between Sydney and Buenos Aires.
Malev	<ul style="list-style-type: none"> Qantas codeshares on Malev's services between Budapest and Frankfurt
Mexicana	<ul style="list-style-type: none"> Qantas codeshares on Mexicana services between Los Angeles and Mexico City, Cancun, Guadalajara and San Jose de Cabo, and San Francisco and Mexico City. Mexicana codeshares on Qantas services between Los Angeles and Sydney, Brisbane and Melbourne, and San Francisco and Sydney.
OzJet	<ul style="list-style-type: none"> Qantas codeshares on OzJet services between Norfolk Island and Sydney, Brisbane and Newcastle.
South African Airways	<ul style="list-style-type: none"> Qantas codeshares on South African Airways services between Johannesburg and Perth. South African Airways codeshares on Qantas services between Sydney and Johannesburg.
Vietnam Airlines	<ul style="list-style-type: none"> Qantas codeshares on Vietnam Airlines services between Ho Chi Minh City and Sydney and Melbourne.



Fact File



SALES

The Qantas approach to sales focuses on regions, with its network divided into the following sales areas:

-
- Australia and Papua New Guinea
 - Japan
 - North Asia
 - UK, Europe, the Middle East and Africa
 - Americas
 - New Zealand and the Pacific
 - South East Asia
-

Qantas distributes its products through travel agents and via its Qantas Travel centres, Qantas Telephone Sales centres, the internet and travel wholesalers such as Qantas Holidays. Key markets for the airline include leisure travellers, corporate accounts, and group and incentives travel.

WEBSITE The Qantas website, qantas.com, is Australia's number one travel site, with around 7.5 million visits recorded each month. Over 47 per cent of Qantas' domestic bookings in Australia are currently made at qantas.com. Internationally, online booking capability through qantas.com is now available in seven languages and 30 countries outside Australia. With the website's multi-city planning tool, customers can plan and book domestic and international multi-city stop-over itineraries on Qantas and its codeshare partners. The site provides a "manage your booking" facility for customers to change and cancel flight bookings, check-in online for domestic flights, update details and make seat and meal requests. Online check-in for international flights will be available in the first half of 2009. In addition to flights, qantas.com offers a complete travel solution including domestic and international hotel and flight packages, car hire, insurance, activities and experiences. Travel Insider offers travel articles taken from the award-winning inflight magazine, *Qantas The Australian Way* along with travel reviews and tips. For corporate customers, qantas.com provides a range of online corporate travel solutions. Qantas Frequent Flyer program members can use their points to make bookings on Qantas and partner airline flights, view their bookings, request upgrades, manage and update their accounts, use a points calculator to plan Award trips, view real-time points balances and activity statements, transfer points to a family member, make purchases from the Frequent Flyer store and share their travel experiences online. qantas.com also offers duty free shopping and inflight entertainment guides, a Media Room including the latest media releases and investor information.

TELEPHONE SALES With contact centres in Brisbane, Hobart and Melbourne, Telephone Sales Australia employs more than 1,000 people and operates 24 hours a day, seven days a week. Telephone Sales is the primary direct booking channel for general public after qantas.com and provides services in relation to travel on Qantas, QantasLink, Jetstar, **oneworld** alliance airlines and other partner airlines. This includes domestic, international and Frequent Flyer bookings, online and off-line servicing, pricing, seat availability and many other Qantas product enquiries. Telephone Sales consultants also provide information relating to airports, baggage, check-in, transfers and transport. Telephone Sales is supported by an operational and management team in Sydney, along with Qantas Express Ticketing (QET), which is primarily responsible for the ticketing of customer bookings, the reissuing of tickets and refund processing. Qantas operates 13 overseas contact centres located in Auckland (New Zealand), Hong Kong, Bangkok (Thailand), Tokyo (Japan), Jakarta (Indonesia), Mumbai (India), Shanghai (China), and Bremen (Germany). Dual retail telephone sales units are also located across Qantas' worldwide network.

INDUSTRY SALES Qantas has a long standing relationship with the travel agency industry and works closely with around 4,000 agencies across Australia operating in markets such as wholesale, retail, fly/cruise, leisure, online and corporate. Qantas also has relationships with industry bodies including the Australian Federation of Travel Agents (AFTA), the International Air Transport Association (IATA), and global distribution systems (such as Amadeus, Galileo and Sabre) that allow travel agents to quote fares and make bookings from their

own offices. Each Australian state and territory has a dedicated Industry Sales team that manages both day-to-day relationships and business development opportunities. A National Account Sales team is dedicated to ongoing relationship and business development opportunities with major travel agency groups such as Flight Centre, Stella Travel Services (Travelscene American Express, Harvey World Travel, Concorde International Travel), HRG, CT Partners, The Travel Corporation Consolidated, Travellers Choice, STA, American Express, Carlson Wagonlit, Webjet, Corporate Travel Management and the Jetset Travelworld Group. The Qantas Industry Centre (QIC) in Sydney operates a centralised call centre providing the industry with sales assistance. Qantas also offers a dedicated website to Australian travel agents. qantas.com/agents provides access to 24-hour assistance, online forms and booking engine, as well as information updates. The site has become a primary communication tool for Qantas. The Qantas Industry Sales Platinum Club is a reward and recognition program for the top 105 travel agents in Australia. Membership is renewed annually and offers agencies priority, personal and premium service through a dedicated team of experienced QIC sales advisers.

CORPORATE AND GOVERNMENT SALES Qantas Corporate and Government Sales is responsible for managing the airline's dealings with these markets in Australia. At the multinational level, the group works closely with sales teams to develop strategies, product offerings, and sales tools to help them establish and grow relationships in a range of key markets. Qantas Corporate Sales' primary role is to guide and support the airline's national and global sales teams to deliver competitive value propositions to its customers. Its goal is to protect and grow its customer base both in Australia and overseas and ensures the airline rewards customer loyalty with pricing and contractual options that reflect a mutually beneficial long term relationship. Corporate and Government Sales teams in each state, as well as nationally, manage a diverse portfolio of accounts and also work closely with key business travel organisations such as the Australian Business Travel Association (ABTA), Business Travel Agents Association of Australia (BTAAA), travel management companies and leading travel industry suppliers.

QANTAS BUSINESS TRAVEL Qantas Business Travel is one of the largest corporate travel managers in Australia, providing a total management service through offices in Adelaide, Brisbane, Canberra, Melbourne, Perth and Sydney. Approximately 470 experienced business travel specialists provide personalised service to some of Australia's largest and highest profile corporate and government accounts as well as a broad range of small to medium enterprise customers. Qantas Business Travel offers global access to a full range of business travel management services, allowing customers to create or change their travel arrangements 24 hours a day, seven days a week. This includes air, land, currency, passports, visas and a range of other travel requirements. Qantas Business Travel also has its own sales team, responsible for all aspects of account management including relationship building, customer communication and tendering for new business. Qantas Business Travel develops sales tools, products and strategies to promote itself in the corporate market. This includes the Q2B suite of online booking and reporting products to maintain company profiles, and report on travel policy compliance and account spending. Qantas Business Travel is today part of the Jetset Travelworld Group which is 58 per cent owned by the Qantas Group.

GROUP TRAVEL Qantas Group Travel tailors domestic and international travel arrangements for Australian based customers who require group fares and conditions for groups of 10 or more people. More than 60 Sydney-based specialist consultants manage group sales Australia-wide with licensed travel agents and direct customers across market segments that include incentives, sporting groups, school groups and the fly/cruise market. Qantas Group Travel can also arrange charter aircraft.

QANTAS TRAVEL CENTRES In addition to the strong relationship Qantas has with travel agents across Australia, 11 Qantas Travel centres are located in every Australian state and territory. The outlets provide a range of services including itinerary planning and pricing, air travel bookings and ticketing, cruises, accommodation, car hire, tours, travel insurance and rail passes. Qantas Travel consultants, who on average having more than 10 years' experience in travel and tourism, are highly regarded for their skills and experience. Qantas Travel locations are:

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- | | |
|---|--|
| ▪ Australian Capital Territory – Jolimont | ▪ South Australia - Adelaide |
| ▪ New South Wales – Sydney | ▪ Tasmania – Hobart (to close 29 May 2009) |
| ▪ Northern Territory - Darwin, Nhulunbuy | ▪ Victoria - Melbourne |
| ▪ Queensland - Brisbane, Cairns, Townsville | ▪ Western Australia - Perth |
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Fact File



AIRFARES

Airfares have continued to fall in real terms since the end of World War II. This has been due to a range of factors, including: operational efficiencies brought about by new technology; larger aircraft offering lower seat-kilometre costs; airline growth leading to economies of scope and scale; increasing competition; and, more recently, computerised yield management systems that allow airlines to meet market demand with a far greater range of fares.

INTERNATIONAL AIR FARES International airfares in the Australian market and most of the world's markets are, in effect, deregulated. Pricing is determined by competition and demand, although it has not always been so. The International Air Transport Association's (IATA) Bermuda Agreement of 1946 paved the way for IATA's involvement in setting international passenger fares and cargo rates. The intention was not to raise fares but to ensure coherent fares and rates which would sustain the growth of airlines in the post-World War II period. Under the auspices of IATA, the industry introduced tourist class (now economy), offering lower fares in return for reduced leg room and inflight catering. Qantas introduced tourist class on the Kangaroo route in 1954. With fares agreed between nations (not airlines) as part of bilateral air services agreements, special discounted fares were initially subject to Government approval throughout the world, with a more relaxed 'hands off' approach developing over time. The introduction of the Boeing 747 – with its lower seat-kilometre costs and other efficiencies – enabled Qantas to pioneer fare discounts in the 1970s, subject to Government approval. In 1982, an international airfare war in the Australian market saw a breakdown of the regulated system and withdrawal of the Government from fare setting. For the first time, Qantas was able to offer discounted fares direct to the public. The following tables illustrate falls in Sydney-London return fares over time. Comparisons are based on the lowest return fares available in each year. In August 2008, the lowest basic Qantas return fare on the route was A\$2,621, excluding government taxes, whereas the latest figure published for average ordinary weekly earnings, pre-tax, was A\$1,145 for full-time work, excluding overtime (Sources: Australian Bureau of Statistics and Qantas).

Wages vs Airfares – Time Taken To Earn The Lowest Sydney-London Return Airfare

1945	1965	1985	1995	2000	2007
130 weeks	21 weeks	5 weeks	3.5 weeks	2.7 weeks	2.0 weeks

Australian Consumer Prices – Percentage Increase 1964-2007

Av. three-bedroom house	Av. four-door car	Av. weekly earnings	Loaf of bread	Petrol	CPI	Sydney-London airfare
4,904	1,448	1,944	1,728	1,480	996	89

The price of an average three-bedroom house is 50 times more than in 1964. A loaf of bread is around 18 times more. A Sydney-London return airfare is only 1.9 times more.

DOMESTIC FARES Prior to October 1990, interstate air services were subject to economic regulation under the Two Airlines policy. The objective was to maintain two economically viable operators to provide trunk route services on a competitive basis. In 1981, the Independent Air Fares Committee (IAFC) was established to determine airfares, which were then applied by the airlines. With deregulation in November 1990, 38 years of Government control ended, and the airlines were given the freedom to determine capacity, fare levels and route structures. The entry of new competitors into the Australian domestic aviation market over the years has focussed attention on fare levels. In real terms, however, yield from domestic air travel has been declining over the past 30 years, and – from the customer perspective – travellers today have access to the broadest and most flexible airfare range ever.



SIMPLER FARE STRUCTURES Worldwide, the industry trend is toward simpler, more customer-friendly and internet-friendly pricing. Many airlines are moving to fares that offer the customer more flexible pricing with simpler and common conditions. Qantas changed its domestic fare structure in July 2003 and now offers a broad range of discounted fares which provide a more flexible and simple set of conditions than ever before. All fares are one way and can be used in combination with any other fare to create a total itinerary. Previous requirements such as Saturday night and minimum stays are no longer imposed and the majority of fares allow for changes (where a fee may be payable). Qantas also began progressively introducing a simplified international fare structure in 2004 to meet the changing requirements of customers.





Fact File



YIELD MANAGEMENT

WHAT IS YIELD MANAGEMENT? Yield management is a practice widely used in the airline, hotel, car rental, shipping and advertising industries. Each of these offers a 'perishable' product – airline seats (and freight capacity), hotel rooms, berths on cruise ships or advertising time on radio and television and space in newspapers and magazines. If seats or rooms or space are not sold, then the opportunity to earn revenue from them is lost forever. For this reason, these industries seek to market their product with maximum efficiency. In the airline industry, yield managers use widely accepted statistical tools to forecast demand for seats, taking into account historical data and seasonal variables. For example, there is heavy demand on major domestic air corridors during weekday peak periods and to leisure destinations during holiday periods, but there may be troughs in demand at other times. Each flight has its own individual forecast. Yield managers take into account factors as diverse as economic swings, which affect longer-term travel demand, seasonal schedule changes, changes in aircraft capacity and special events such as major sporting events, to achieve the optimal mix of fares. In today's environment, and without yield management, airlines would find it more difficult to make a profit and customers would be denied the broad range of fares and services that are offered.

SIMPLER FARE STRUCTURES Worldwide, simpler, more customer-friendly, more internet-friendly pricing remains the trend. Airlines are increasingly moving to transparent fare structures that offer the customer greater flexibility in pricing with fewer, simpler conditions. Qantas offers the following fare types across its domestic and international networks:

▪ First (International)	▪ Business	▪ Premium Economy	▪ Fully Flexible
▪ Flexi Saver	▪ Super Saver	▪ Red e-Deal	

Jetstar offers the following fares types:

▪ StarClass (International)	▪ JetFlex	▪ JetSaver	▪ JetSaver Light
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WHY DO AIRLINES OVERBOOK? An essential part of yield management is the overbooking of flights. Airlines overbook in the knowledge that a percentage of passengers and travel agents make reservations that are never used, while others make multiple bookings. These practices can deny other passengers the opportunity to travel on flights that appear to be fully sold. Overbooking profiles are carefully monitored and managed and Qantas continues to invest in quality control measures to minimise overbooking levels. Importantly for customers, overbooking ensures flights are not closed out for bookings well ahead of departure. As a result, fewer seats are wasted and more customers are given the opportunity to travel. Without overbooking, airfares would rise to cover the loss of revenue from last minute cancellations and 'no shows'.

PRICING INITIATIVES Another common question is why do airlines have different prices and fare conditions for travel on the same flight? The philosophy of yield management is to maximise seat sales at the optimal (not necessarily the highest) price. For this reason, a range of fares is offered to help meet overall revenue targets. Not everyone is prepared to pay the same price at the same time. Some customers are driven by price and choose to purchase discounted fares, such as sale or promotional airfares, which require them to book early or travel on a particular day or time in order to secure a seat. Customers who are time sensitive or want the flexibility to decide to travel close to their intended travel date are often willing to pay a higher price. While flights may vary by time, frequency and number of seats, nearly all services have the full range of fare types available for sale during the booking life-cycle of the flight. The role of yield management is to provide an optimal return from a network offering designed to suit the needs of a wide range of customers.

CAPACITY TO MEET DEMAND In its aim to maximise seat sales, yield management also plays a role in identifying areas of weaker demand and then releasing promotional fares to stimulate travel. For example, Red e-Deals in Economy and off-peak fares in Business are examples of pricing and fare initiatives to stimulate demand for travel. In addition, peak travel periods are matched with additional capacity to provide sufficient flights to meet customer demand.

DEFINITIONS The following terms are regularly used by airlines to in relation to capacity and revenue:

<ul style="list-style-type: none"> ▪ Revenue Passenger Kilometres (RPKs) 	<p>The distance a passenger travels on a flight. One passenger travelling 10,000km produces 10,000 RPKs. Three hundred passengers each travelling 10,000 kilometres, produce three million RPKs.</p>
<ul style="list-style-type: none"> ▪ Available Seat Kilometres (ASKs) 	<p>The seat capacity of an aircraft multiplied by the distance travelled. A 400-seat aircraft flying 10,000km produces 4,000,000 ASKs.</p>
<ul style="list-style-type: none"> ▪ Passenger Yield 	<p>Passenger yield is the total revenue from passengers divided by the total RPKs. It is expressed in cents/RPK</p>





Fact File



INFORMATION TECHNOLOGY

IT INFRASTRUCTURE Since the introduction of the airline's first computers in 1962, Qantas Information Technology is responsible for sourcing and delivering end-to-end IT and telecommunications services to the Qantas Group. Qantas IT is involved in the acquisition, development and application of new systems and services, as well as the delivery of information technology managed services. Qantas has forged strategic IT alliances with a number of companies including:

- IBM – for infrastructure services and data centre operations;
- Telstra – for its domestic communication network and global desktop services;
- SITA – for its international communication network;
- Navitaire – for revenue accounting and reservations services;
- Amadeus – for reservations, inventory and departure control services; and
- Satyam Computer Services and Tata Consultancy Services – for IT application development maintenance and support services.

Qantas IT continues to plan IT services with its strategic suppliers to enable new and improved business processes and customer offerings.

MAJOR PROJECTS 2008 saw a number of major, multi-year programs successfully delivered:

- Qantas has now completed the outsourcing of all IT operations to best-of-breed vendor partners. The final step in this process was the outsourcing of maintenance, development and support for some 370 applications to Indian vendor partners, which was completed in early 2008.
- The long running eQ program was also completed in mid-2008, with the Oracle eBusiness Suite implemented in the following Qantas Group segments – Human Resources, Customer Management Finance and Procurement.
- The second half of 2008 saw Qantas successfully launch the world's first next-generation airline Customer Management system. Developed in partnership with Amadeus, the system represents a step change in airline customer management systems, and replaced legacy software that had been developed in-house over twenty years ago.

The focus for 2009 is to maximise the benefits delivered by Qantas' outsourcing vendor partners.

EFFICIENCY Many of the Group's Sustainable Future initiatives require investment in new or enhanced systems, and technology plays a major role in achieving efficiency and cost savings. New workforce management systems are being deployed to improve productivity in areas such as airport and freight ground handling operations and crewing operations for pilots and cabin crew. A program to deploy enhanced crew communications is underway, along with efficiency improvements in engineering.

INNOVATION Qantas focuses on innovation across all its customer interactions. The business is one of the main airline users of the Amadeus online booking system, through which more than 35 per cent of domestic bookings are made. Qantas Frequent Flyer program online redemption bookings have grown to more than 70 per cent, as has the number of people joining the program online. The Qantas website, qantas.com, also provides product, schedule, arrival and departure information, company history, airline information and access to the Qantas Media Room. In domestic airports, Qantas has deployed a larger number of enhanced touch-screen QuickCheck kiosks to reduce check-in times for customers travelling with e-tickets. Internet check-in for domestic flights is also available via qantas.com. Qantas and its **oneworld** partners were the first airline alliance to implement comprehensive e-ticket services for customers. qantasfreight.com provides fast and easy access to the latest information on worldwide freight movements. Registered users can generate an electronic air waybill, send a booking request (e-booking), and access the latest shipment status information

through a number of convenient tracking options. qantasholidays.com, allows customers to book holidays and hotels online. Qantas launched the iPhone website to coincide with the release of the 3G iPhone in Australia and soon after made this available for Blackberry and other smartphone devices, with access to flight schedules, lounge locations and contacts. Additional functions continue to be released on the mobile platform including the ability to review Frequent Flyer status and flight bookings.

MANAGED SERVICES In May 2004, Qantas signed a multi-year managed services agreement with IBM and Telstra for the supply of infrastructure and network services to the airline. Telstra has been contracted until 2011 to manage domestic data and voice services and to continue managing the Qantas computer desktop and LAN environment worldwide, including more than 40,000 PCs, printers and other devices. IBM has been contracted until 2014 to manage the delivery of data centre operations and mid-range computing and other managed services. In 2008 Qantas commenced a program to review the multi year managed services agreements signed in 2004. The program has initially focussed on the provision of Desktop services and is undertaking a market review of potential providers. This will continue during 2009. In February 2006, all Qantas systems were successfully relocated from a 35 year-old Qantas data centre in Sydney's to IBM's state-of-the-art facilities. SITA continues to provide international network services covering all business locations currently supported by Qantas IT. Navitaire is another managed service provider that supports a major application area – revenue accounting – through its Integrated Revenue Information Solution (IRIS) program. Navitaire also provides hosted reservations services for Jetstar and Jetstar Asia. In addition, Amadeus is a major provider of Managed Services supporting global reservations, inventory control, departure control and customer management systems. In November 2006, Qantas signed multi-year agreements with global IT application service providers Satyam Computer Services and Tata Consultancy Services for development, maintenance and support services for its extensive IT applications portfolio, including finance, payroll, commercial reporting, customer management, sales and distribution, scheduling, yield management airport operations, crew systems, operations logistics, aircraft maintenance, catering, freight and eBusiness systems.

SUSTAINABLE IT Qantas IT continually reviews opportunities to support the company's sustainability initiatives and strives to reduce costs and waste. Examples are the system decommissioning program that actively identifies opportunities to retire aging systems, projects to introduce server and storage consolidation and virtualisation, IT power consumption reductions and a continued focus on reducing unit costs and consumption across the breadth of the IT services portfolio.





Fact File

GOVERNMENT AND INTERNATIONAL RELATIONS

Qantas' Government and International Relations division engages with a wide range of government and industry stakeholders to influence aviation and related policy in order to represent and advance the Qantas Group's interests, both in Australia and internationally. The division also secures the rights for Group airlines to operate, grow and compete in global markets. As the primary interface between the Qantas Group and government, the division advocates the Group's strategic and commercial objectives at both federal and state level. This involves:

- direct representations with Ministers and Members of Parliament working with a broad spectrum of government agencies, regulators and interest groups and industry associations on aspects of the policy and regulatory framework relating to the aviation and tourism industries;
- developing and coordinating submissions and representations to a range of policy reviews, parliamentary inquiries and other consultation processes on behalf of the Group, including aviation specific reviews, such as the Australian Government's development of a National Aviation Policy Statement, and related issues that have an impact on the Group, such as the development of an Australian Carbon Pollution Reduction Scheme

Government and International Relations monitors and communicates developments relevant to the interface between policy, regulatory regimes and the aviation industry to raise awareness of their potential impacts and provides assistance and advice to internal stakeholders on government processes. The Qantas Group is actively involved in a range of industry associations and is represented on:

- Board of Airline Representatives of Australia (BARA); and
- the Australian Government's National Tourism and Aviation Advisory Committee (NTAAC).

Qantas is also a member of:

- the International Air Transport Association (IATA); and
- the Association of Asia Pacific Airlines (AAPA).

AIR SERVICES AGREEMENTS The rights to operate international air services are established in Air Services Agreements which are negotiated between governments, typically bilaterally. These treaties set out the rights and entitlements of the respective countries' airlines regarding which cities may be served, frequency, routing, aircraft type and limitations on passenger and cargo traffic that may be carried between particular points. Liberalisation of Air Services Agreements has occurred progressively, and is continuing, driven by the growth needs of airlines and the broader objectives of governments. Government and International Relations coordinates the Qantas Group's position to feed into the Australian Government's preparations in advance of air services negotiations, and is represented as an adviser on the delegation at the negotiations. Before exercising air services treaty rights, Government and International Relations must generally apply to the International Air Services Commission (IASC), an Australian independent statutory body, for an allocation of capacity to enable services to be operated by Qantas, Jetstar or Qantas Freight.



Fact File



PEOPLE

The Qantas Group is one of Australia's largest employers with more than 36,000 people, over 90 per cent of whom are based in Australia. Qantas' human resources function, known as 'People', operates across the Group through three areas:

▪ People Corporate Centre	Responsible for shaping policy and strategy
▪ People Business Segments	People Managers work within each business segment to support managers
▪ People Shared Services	A central support unit performing streamlined back-office functions such as answering HR enquiries, updating employee records, supporting recruitment processes, managing workers' compensation, staff travel schemes and delivering learning and development programs

Key areas of focus in the Group's human resources strategy are to improve productivity and labour unit costs, ensure a flexible and adaptable workforce, nurture management and leadership capabilities and build a safer and more diverse workplace.

TRAINING AND DEVELOPMENT The diversity of the Qantas Group offers a range of opportunities for employees to maximise their potential, whether they be technical specialists in the aviation industry or business generalists working in one of the many facets of the organisation. Qantas Airways Limited is a Registered Training Organisation operating within the Australian National Vocational and Technical Education sector and Australian Quality Training Framework. Qantas College provides a range of learning solutions for both personal and professional development. These include Government approved, nationally accredited qualifications that may provide credit for further study in the Australian vocational training sector. The College also provides the Spirit of Success suite of programs, which specifically target new employees (Creating program), supervisors (Growing program) and managers (Managing program).

REMUNERATION Nearly all Australia-based Qantas Group staff are covered by awards and various collective agreements. Qantas works with 16 national unions to negotiate around 45 Enterprise Bargaining Agreements, which cover issues such as classifications and rates of pay. Qantas also uses Australian Workplace Agreements where appropriate. The remuneration strategy for executive management is detailed in the Qantas Annual Report, which is available at qantas.com.

DIVERSITY Diversity in Qantas is driven by a strategic response to contemporary people practices and operational needs. As a global organisation with a diverse workforce, the development and implementation of diversity initiatives is a key plank in workplace reform that delivers improved business, customer and shareholder value to the Qantas Group. A Diversity Council is chaired by an Executive General Manager.

LIFE BALANCE PROGRAM Qantas is committed to assisting employees to achieve a better work-life balance and provides a range of initiatives to enable staff to balance their work and personal commitments.

STANDARDS OF CONDUCT Qantas has comprehensive standards of conduct policies which set standards for staff behaviour, particularly in relation to key compliance areas such as theft, fraud, discrimination, bullying, harassment, occupational health and safety and the maintenance of a smoke free workplace. These standards of conduct also form part of the Qantas Supplier Requirements, a set of terms and conditions binding all contractors engaged by Qantas.



Fact File



PILOTS

Qantas employs approximately 2,500 pilots in its mainline operations. Qantas pilots work with the latest technology maintained to the highest standards and operate as part of a highly trained, motivated and dedicated team of professionals. Qantas pilots are required to continually update their skills and undergo regular examinations to maintain their licences and the high standard of proficiency required for all professional pilots.

PILOT POSITIONS WITH QANTAS

▪ Captain	The Captain has ultimate responsibility for each flight. This encompasses overall responsibility for the aircraft, crew, passengers and freight. Obtaining a command, or Captaincy, is the ultimate goal for all Qantas pilots.
▪ First Officer	Promotion to First Officer on domestic or international aircraft depends on vacancies becoming available, seniority, proficiency and the successful completion of a promotion course. First Officers are co-Captains. They make command decisions and judgements while relieving the Captain on long flights. First Officers are approved to fly aircraft during take-off and landing, as well as in cruise.
▪ Second Officer	When a pilot commences with Qantas, it is as a Second Officer operating on B747, A330 and A380 aircraft. Second Officers are not required on B767 or B737 aircraft. Second Officers observe and assist the Captain and First Officer during take-off and landing and provide relief crewing by flying during cruise. This is a continuation of the learning process that begins during training and prepares the Second Officer for promotion training to First Officer.

DEMOGRAPHICS Eighty per cent of Qantas' pilot group is based in Sydney. The remaining 20 per cent are located in Brisbane, Melbourne and Perth. Of this figure, 19 per cent are Captains, 44 per cent are First Officers and 37 per cent are Second Officers. Female pilots make up just over three per cent of the Qantas pilot group.

TRAINING Qantas operates training centres in Sydney and Melbourne that deliver pilot technical training and emergency procedures training. Approximately 18,000 pilot training sessions, and more than 1,600 emergency procedures classes are delivered each year. In Sydney, Qantas operates nine simulators: three B747; two B767; one A330; one A380; and two Dash 8. In Melbourne, Qantas operates three B737 simulators.

RECRUITMENT Qantas Airlines currently recruits approximately 200 pilots per year. The Qantas Pilot Recruitment Plan is continually reviewed in response to the changing aviation environment. When recruiting pilots, Qantas welcomes Direct Entry applications from those industry experienced pilots who meet the minimum criteria. Information about Direct Entry Pilot Recruitment and the minimum criteria can be found at qantas.com.au/info/about/employment/pilots.

QANTAS CADET PILOT PROGRAM The Qantas Cadet Pilot Program is designed to equip successful graduates with the skills, qualifications, education and experience required for possible future employment within the aviation industry. The programs, provided by Qantas approved flight training organisations, are delivered according to strict Qantas standards and procedures, with Qantas providing cadets with regular performance and development feedback. Although the training costs are the full responsibility of individual cadets, eligible cadets have access to FEE-Help and HECS through the Qantas university-based courses. Following successful completion of the training phase, each cadet must undertake compulsory industry

experience, which is a minimum two years of flying employment, at an organisation sourced by each cadet. Qantas will continue to monitor each cadet's performance and progress during this period of industry experience. Cadets who successfully complete their industry experience will be invited for direct entry recruitment testing if Qantas is actively recruiting. Cadet pilots are not employees of Qantas and Qantas does not guarantee employment at any time after the completion of the training program. Under the current structure of the Qantas Cadet Pilot Program, there are several options available, depending on the candidate's previous flying experience, career goals, personal preferences and individual circumstances. Qantas' assessment of a candidate's suitability for a particular program is also a factor in the final recruitment decision. More detailed information on these programs can be found at qantas.com.au/info/about/employment/pilots.

QANTAS SWINBURNE UNIVERSITY ASSOCIATE DEGREE This degree is designed for applicants with little or no flying experience who wish to gain an academic qualification in a time effective way. In addition to all theory and flight training, cadets complete phase one of the program, undertaking an Associate Degree of Aviation. This takes approximately 18 months and involves full-time academic studies, theory and flight training at Oxford Aviation Academy, Qantas' approved flight training organisation in Melbourne.

QANTAS SWINBURNE UNIVERSITY BACHELOR'S DEGREE This degree is designed for applicants with little or no flying experience who wish to gain a Bachelor's Degree. In addition to all theory and flight training, cadets complete phase one of the program, a three-year Bachelor of Aviation that incorporates flight training and theory as well as academic studies in aviation human factors, air transportation management and aviation technology. Graduates will have, in addition to their flying qualifications, a broader aviation education that will prepare them for possible future management roles within the aviation industry. Flight training is also conducted at Oxford Aviation Academy in Melbourne.

QANTAS GRIFFITH UNIVERSITY BACHELOR'S DEGREE AND GRADUATE DIPLOMA This degree is designed for applicants with little or no flying experience who wish to gain a Bachelor's Degree and Graduate Diploma qualifications. In addition to all theory and flight training, cadets complete phase one of the program, a Bachelor of Aviation and a Graduate Diploma of Flight Management. Flight training is conducted at The Airline Academy of Australia, Qantas' approved flight training organisation in Brisbane. To be eligible for a Qantas cadetship, candidates must have already completed three semesters of the prescribed Aviation syllabus at Griffith University.

QANTAS FLIGHT TRAINING ADELAIDE COMMERCIAL PROGRAM This program is designed for applicants who have completed, or are about to complete, their Commercial Pilots (Aeroplane) Licence. Commercial cadets complete an abridged full-time theory and flight training course of 23 weeks at Flight Training Adelaide.





Fact File



CABIN CREW

Qantas employs over 4,000 flight attendants for its international (long haul) flights, over 2,500 domestic (short haul) flight attendants and approximately 380 crew who operate flights in New Zealand*. QantasLink directly employs a further 280 flight attendants. Approximately 600 long haul Customer Service Managers and Customer Service Supervisors and approximately 450 short haul Customer Service Managers lead cabin crew activities on board. More than 1,600 dedicated First and Business flight attendants have been selected for their extensive service experience and product knowledge and are trained to provide a premium service. Many flight attendants are multi-lingual, and speak a range of languages including Cantonese, French, German, Italian, Japanese, Korean, Malaysian, Mandarin, Spanish and Tagalog (the language of the Philippines).

* Jetstar will operate Qantas Group New Zealand domestic services from 10 June 2009, replacing Qantas.

CABIN CREW BASES Australian long haul cabin crew bases are located in Brisbane, Melbourne and Sydney. International bases are located in Auckland, Bangkok and London. Short haul cabin crew are based in Brisbane, Cairns, Melbourne, Perth and Sydney.

RECRUITMENT Qantas subsidiary Qantas Cabin Crew Australia Pty Ltd (QCCA), was established in November 2007 to hire all new full-time international cabin crew for Qantas. In December 2008, Qantas established a wholly owned subsidiary, Qantas Domestic Pty Ltd, to provide full-time cabin crew to the airline's domestic flying operations. Casual short haul cabin crew are employed by Maurice Alexander Management (MAM). When recruiting flight attendants, Qantas seeks applicants who are dedicated to providing exceptional service. They need to be genuine, friendly and able to deal with any eventuality. Senior First Aid and Responsible Service of Alcohol certificates are some of the pre-requisites for employment. Detailed information on recruitment is available at qantas.com/our-company/employment.

TRAINING The Qantas vision is to offer the best airline experience. As cabin crew play a crucial role in making this vision a reality, all flight attendants undertake the latest service and safety training. New flight attendants receive up to six weeks initial training and recurrent training in security, medical and emergency procedures. Qantas is a registered training facility, in accordance with Australian National Training Organisation standards, and has 90 certified course facilitators and designers delivering contemporary training through e-learning, workshops and coaching at work. Qantas began offering sommelier training to all cabin crew in 2006.

CENTRE OF SERVICE EXCELLENCE In December 2008, Qantas opened its Centre of Service Excellence, which will provide an enhanced training program for over 18,000 staff from across the Qantas Group each year. The 5,000 square metre facility features: customer experience zones dedicated to the airline's First class, Business class, Premium Economy class, Economy class and Domestic/QantasLink offerings; a 126-seat auditorium; an eight metre central stage with seating for 125 people; four cabin crew training pods; a Qantas Innovation Zone, sponsored by Panasonic and designed to capture employees' ideas and initiatives for exceptional service; an intranet workstation area; a wine training and epicurean wing; 12 learning and development rooms; and two image and presentation rooms.

SUPPORT FOR CHARITY Qantas Cabin Crew are well known for their devotion to a number of worthy causes including the United Nations Children's Fund (UNICEF), the Royal Institute for Deaf and Blind Children (RIDBC) and Melbourne Royal Children's Hospital. The Qantas Cabin Crew Team, a registered charity, undertakes projects that focus on underprivileged children in Australia, Bangkok, Harare, Johannesburg and Manila. The Pathfinders fundraising committee, comprising past and present staff, also raises money to help

disadvantaged and disabled children. This includes organising annual charity flights around Australia to raise funds for the RIDBC.

UNIFORMS Like all fashion, Qantas' cabin crew uniforms over the years have reflected both the tastes and social norms of the day. In 1938, the first male Qantas cabin crew dressed in white waiters' jackets when serving dinner to passengers. When female crew joined in 1947, fashion took a back seat to functionality, with a military style uniform. Over time, increasing emphasis has been placed not only on designing uniforms to look good, but to also allow crew to perform their duties with ease. Peter Morrissey, in collaboration with Balarinji Design Studio, has been the designer of Qantas cabin crew uniforms since 2003. A new version of the uniform was launched to coincide with the arrival of the Qantas A380 in September 2008.





Fact File

OCCUPATIONAL HEALTH AND SAFETY

OCCUPATIONAL HEALTH AND SAFETY (OHS) The Qantas Group is committed to providing a safe and injury-free workplace. The Group has established a set of OHS programs that aim to provide world-class safety and underscore operational excellence. Brought together under the title **be safe!**, and within the overarching Qantas Integrated Safety Management System (QISMS), these programs include:

- S.A.F.E. (Safe Airline For Everyone) OHS management system
- People Safe program (behavioural safety)
- Alcohol and Other Drugs Program
- Contractor Health, Safety and Environment

Fatigue Management Program.

BE SAFE **be safe!** is supported by demonstrable leadership as evidenced by senior and executive management and Board review of safety performance and resultant accountability, Safety Beliefs, Cardinal Rules, the eXcel employee recognition program and regular communications. Business segments have further tailored the OHS management system according to their risk profiles and operational needs. Integral to all business processes, the Group's OHS programs deliver legislative compliance and behavioural and cultural change, with line management leading, and accountable for, performance. Over the past six years, the implementation of **be safe!** across the diverse range of the Group's business operations has resulted in an 85 per cent reduction in the lost time injury frequency rate, generated significantly increased productivity, and saved tens of millions of dollars. As **be safe!** implementation progresses, and continuous improvement is employed, further targets will be achieved. Qantas is a leading international airline in terms of OHS performance and aims to:

- continue to achieve world-class standards of safety both in the air and on the ground;
- integrate people and operational safety into all business activities;
- have no injuries to anyone at anytime; and
- reduce damage to assets, property and equipment.



Fact File



SECURITY

In an increasingly challenging and complex global security environment, Qantas continues to enhance its capabilities to identify, assess and manage security risks to produce outcomes that comply with regulatory requirements, ensure the safety of passengers, employees and assets, and assure the resilience of Qantas Group operations. This is achieved through active and influential dialogue with governments and industry operators globally, the provision of quality security training to employees, adoption of innovative security technology, continual monitoring and evaluation of the global threat environment and the subsequent implementation of risk-based security measures.

INVESTMENT In recent years, Qantas has invested more than \$1.1 billion dollars in capital works to implement enhanced screening measures, including explosive trace detection capability for carry on and checked baggage. Recurrent expenditure exceeds \$100 million annually, a figure that continues to increase. Additional screening measures have been implemented at regional airports and an enhanced airside inspection regime is in place at major Qantas ports, requiring personnel entering airside locations to be subject to additional security measures. Qantas continues to invest in CCTV technology to maintain a sophisticated network of over 1500 cameras in operation globally. A comprehensive Crime Corruption Control Policy is in place which aims to increase awareness and reduce the risk of crime and corruption in the business. Together with a robust investigative capability, a crime prevention and investigation team is responsible for the delivery of strategies to protect customers, staff, assets and revenue from injury, damage, theft, loss or other criminal activity.

SECURITY OPERATIONS A dedicated Security Operations Centre monitors global security events 24 hours a day and supports other Qantas Group business interests, including Jetstar Asia, Pacific Airlines, Air Pacific, and Qantas codeshare partner airlines. Qantas Group Security manages, rehearses and provides operational coordination for the business's capability to respond to and recover from major incidents. Qantas Group Security played an integral role in recent events such as APEC 2007, World Youth Day (including the papal charter) and the Beijing Olympics, through the conduct of security threat and risk assessments and coordination of security measures. As a world leader in security best practice, the Qantas Group has also established a Security Management System, which effectively integrates all existing aviation security policy, Transport Security Programs, procedures, training, audit and review processes to ensure compliance with legislative requirements. Central to the operational responsibilities of Qantas Group Security are Regional Security Managers (RSMs). Operating within defined geographic areas of responsibility, RSMs are accountable for the delivery of security outcomes to protect employees, assets and customers, and to provide support and assistance to business units across the Group to enable them to comply with their security responsibilities.

AIRPORT SECURITY Qantas Group Security continues to collaborate with aviation security regulators worldwide to improve security outcomes and to achieve greater harmonisation of security measures and improve passenger facilitation. Qantas is the largest designated screening authority in Australia, currently providing passenger and checked baggage screening services at 23 domestic airports – six capital city terminals and 17 regional airports. Security services are provided by almost 1000 dedicated security officers, all employed by three major security companies contracted to Qantas.



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AVIATION SAFETY

Qantas' reputation in the field of aviation safety is recognised worldwide. The Qantas brand is built its strong flight safety record and safety is at the core of all Group activities. The Qantas Group's safety and risk governance processes provide assurance that:

- aviation safety management systems are compliant with relevant legislation and that associated risks are managed;
- all critical incidents and accidents across the Group are investigated and recommendations are implemented to prevent recurrence; and
- effective working and reporting relationships are maintained with local and overseas aviation regulators, including Australia's Civil Aviation Safety Authority and the Australian Transport Safety Bureau.

SAFETY MANAGEMENT SYSTEMS Qantas is required to operate a formal Safety Management System (SMS) to meet both national and international aviation regulations. Qantas has developed its own internal standard as part of an overarching Qantas Integrated Safety Management System (ISMS). This standard draws on world's best practice to ensure the most effective management of safety possible. In support of the ISMS, Qantas utilises comprehensive information sources, risk training programs for managers, and an extensive audit program to assure consistency and quality in the system management processes. Dedicated professionals monitor safety levels across flight and cabin crew operations, engineering, maintenance and airport operations. Information on potential safety hazards provided by employee reports, automated monitoring systems and a continual examination of safety incidents reported by airlines around the world is used to target improvements.

INVESTMENT IN SAFETY TECHNOLOGY Qantas has a history of installing the latest proven flight safety technology, well in advance of government-mandated requirements. For example, Qantas maintains a flight data analysis program where extensive data from all flights is downloaded automatically and analysed for early warnings of potential safety and pilot training issues. Traditionally, recorded data has only been retrieved following an accident or incident to find out what went wrong. By analysing data from every flight on a daily basis, it is possible to identify potential trends and to take appropriate actions before problems develop. Qantas has more than 15 years of experience with flight data systems and is recognised as a world leader in this area.

SAFETY TRAINING Qantas maintains several training facilities equipped with the latest technology, including aircraft simulators. The Qantas Flight Operations Training Centre is a modern facility containing full flight simulators, emergency procedures cabin trainers, cabin service training equipment, a wet drill facility and emergency exit door trainers. Over and above technical training, Qantas is also a world leader in the analysis and training of crew to address the human factors that can affect flight safety. For example, air safety experts have developed techniques to measure and improve the way crews manage human error. Qantas has implemented a program of inflight observation and crew training to take advantage of this development. The establishment of a new, dedicated Centre of Service Excellence allows Qantas to bring together the current training elements with additional modules developed with the new fleet and ground product in mind and to provide enhanced safety training for over 18,000 staff from across the Qantas Group.

QUALITY ASSURANCE Qantas has successfully completed the International Air Transport Association's Operational Safety Audit (IOSA) and achieved IOSA Registration. The internationally recognised IOSA program is considered a global benchmark for airline safety and quality and involves examining over 900 internationally harmonised standards and recommended practices covering assessment of both operational management and control systems.



Fact File



ENVIRONMENTAL SUSTAINABILITY AND FUEL EFFICIENCY

The Qantas Group is committed to actively managing its operations and growth in a sustainable manner and reducing its environmental impact, while balancing the concerns and interests of all of its stakeholders. A coordinated and sustainable development approach is taken to managing risk in this area, where actions to mitigate one environmental impact may have an adverse effect on other areas. The Group has a specialist team responsible for advising on environmental and fuel efficiency issues and implementing programs across the business. In addition to applying the Group's environmental strategy, the Qantas Environment and Fuel Conservation department:

- works with local communities to minimise aircraft noise around airports;
- ensures consideration is given to green building design principles;
- provides environmental management training, advice and support to Qantas Group employees;
- provides recommendations on acquisition evaluations, including new businesses and new aircraft purchases;
- provides specialised environmental advice for major projects;
- develops and oversees the environmental audit program;
- liaises with key stakeholders, including State and Federal Government agencies, the community, customers and supply chain partners on environmental issues; and
- implements and integrates environmentally efficient practices to ensure continual improvement in operational performance.

IMPROVING ENVIRONMENTAL PERFORMANCE The Qantas Group is working towards a range of environmental performance improvement targets to be achieved by 2011. These include:

- aviation fuel - a 7.5per cent improvement in fuel efficiency (litres of fuel per 100 Revenue Tonne Kilometres);
- carbon dioxide emissions - the prevention of two million tonnes of emissions;
- water - a 25 per cent reduction;
- waste - a 25 per cent reduction in waste to landfill; and
- electricity - a 10 per cent reduction.

To achieve these targets, the Group's environmental sustainability and fuel efficiency strategy includes:

- improved fuel efficiency, emissions reduction, and noise abatement;
- a multi-billion dollar investment in new fleet, including the A380 and B787, to take advantage of the latest airframe and engine designs;
- optimising cruise speeds, flight paths and operational procedures;
- utilisation of advanced satellite navigation technology approach and departure procedures;
- working with air navigation service providers to improve air traffic management;
- aerodynamic and engine cleanliness;
- improved utilisation of Auxiliary Power Units (APUs) to supply electrical power and air-conditioning whilst aircraft are on the ground;
- revision of schedules and flight planning procedures;
- introduction of aircraft weight reduction initiatives;
- detailed analysis and monitoring of fuel efficiency initiatives across the business;
- tailored carbon offsetting tools;
- development of a management system to minimise environmental risk by identifying and managing significant environmental impacts and encouraging continual improvement in environmental performance;
- transparent reporting of environmental risks and progress in managing them; and
- compliance with all relevant laws and regulations.

CARBON OFFSET PROGRAM In September 2007, the Qantas Group launched a Carbon Offset Program that allows Qantas and Jetstar passengers to offset their share of flight emissions when making a booking. The offset cost is based on a full life cycle assessment of all operations and a calculation of the emissions associated with carrying a passenger from one point to another. An online calculator advises customers of their emissions and the cost of offsetting them. As at 30 June 2008, Jetstar's Carbon Offset program had become one of the most successful programs across the airline industry and had collected almost \$600,000 to contribute to Department of Climate Change approved carbon abatement projects. Approximately 12 percent of all passengers booking at jetstar.com in Australia choose to offset their share of flight emissions. Under the program, Qantas also offsets the emissions for all staff travelling for business purposes as well as those generated by the Group's ground transport vehicles. On the inaugural day of the program's operation, Qantas pledged to offset the carbon emissions of every international and domestic Qantas, QantasLink and Jetstar flight. The result of 'Fly Carbon Neutral Day' was that the greenhouse gases associated with 950 flights across the worldwide network, carrying over 100,000 passengers were to be offset by Qantas over time. In agreement with CO₂ Australia, almost 90,000 Mallee Eucalyptus trees are currently being planted in three locations to achieve the offset of 40,000 tonnes of carbon over a 30-year period. All passenger offset contributions go towards Australia-based Greenhouse Friendly approved abatement programs, which may include energy efficiency measures, generation of renewable energy and tree planting projects. The programs have been independently verified and subsequently authenticated by the Commonwealth Government's Australian Greenhouse Office and either remove greenhouse gases from the atmosphere or avoid their release in the first place. Qantas has signed an agreement with Fieldforce, a Greenhouse Friendly accredited provider, to supply the equivalent of 140,000 tonnes of emissions for the Group's carbon offset programs. Fieldforce operates across Australia and generates carbon offsets by providing energy efficient light bulbs and water saving showerheads to eligible homes and businesses. For further information visit qantas.com and jetstar.com

RECENT ACHIEVEMENTS The Group has achieved a range of environmental and fuel efficiency improvements in recent years, including:

- \$100 million in fuel efficiency savings over the past three years;
- the publication of environmental performance data in the 2008 Qantas Sustainability Report using Global Reporting Initiative G3 guidelines and participating in the Carbon Disclosure Project;
- the implementation and continued expansion of the Group-wide environmental improvement program **green** to raise employee awareness and embed environmental management systems across all Segments of the business;
- the introduction of waste minimisation initiatives and improved recycling facilities across the business;
- implementation of innovative process changes to decrease water consumption;
- the achievement of certification of Snap Fresh's (part of the Qantas Catering Group) Environmental Management System to the AS/NZS ISO 14001 international standard;
- use of alternative waste treatment facilities to reduce the amount of waste to landfill;
- the expansion of the Qantas 'Green Team', a group of volunteer employees from across the Group who are committed to environmental initiatives; and
- the launch of an internal staff recognition program 'eXcel Environment' designed to recognise and reward environmental innovation by Qantas employees.

SUPPORTING COMMUNITY GROUPS The Qantas Group supports a number of environmental groups and initiatives, including Clean Up Australia and Landcare. Qantas also supports research to help save the Tasmanian Devil from extinction.



Fact File



INFLIGHT HEALTH CARE

DEFIBRILLATORS AND PHYSICIAN'S KITS Qantas has achieved worldwide recognition for its use of inflight cardiac defibrillators. In 1991, the airline was the first in the world to install defibrillators on both its international B747 and B767 aircraft. In 1999, Qantas then set a new standard for Australian domestic aviation medicine, when it installed cardiac defibrillators on all of its B737 aircraft. Defibrillators, which are now installed across the Qantas mainline fleet, enable fast assessment and management of passengers who have had a cardiac arrest. Also on-board Qantas aircraft are extensive physician kits containing medical equipment and medications. Qantas Customer Service Managers undergo a wide-ranging training program to ensure they are confident and capable of using the defibrillator and the physician's kit in the case of a cardiac emergency onboard.

MEDLINK In October 2000, Qantas helped to set a global standard for the industry when it introduced a new service on international and domestic flights enabling inflight crew to contact on-ground physicians during a medical emergency. Provided by MedLink, the emergency telemedicine centre of MedAire in Phoenix, USA, the service enables direct consultation with certified emergency physicians at any time during a flight almost anywhere in the world. Crew can contact the hospital-based medical service from the aircraft by satellite communications or radio. MedLink communications officers gather basic information on the problem and pass it on to an emergency room physician to talk directly with the crew. The physician can then assess the situation and recommend a management plan for the operating crew on the aircraft, using the physician's kit if necessary.

HEALTH INFORMATION INFLIGHT Health information, including information about deep vein thrombosis (DVT), is available from a number of sources, including at qantas.com.au/info/flying/intheair/yourhealthinflight, in the inflight magazine Qantas the Australian Way, inflight audio and video programs and in passengers' ticket itineraries.



Fact File



SUPPORT FOR THE COMMUNITY, THE ARTS AND SPORT

Qantas is a proud financial and hands-on supporter of Australian community, arts and sporting organisations.

AT TIMES OF CRISIS Qantas has always been ready to assist Australians during times of crisis – both in Australia and abroad. In recent years, Qantas responded to the October 2002 bombings in Bali by carrying more than 4,500 people home to Australia and scheduling nine special evacuation flights, in addition to regular scheduled services. The airline also carried medical supplies and worked with the Department of Foreign Affairs and Trade on the repatriation of remains. Again, following the second Bali bombings in October 2005, Qantas operated relief flights carrying medical, consular, security and aid personnel, and brought more than 800 people back to Australia. In 2004, Qantas assisted with relief efforts following the Boxing Day earthquake and tsunami which devastated parts of South East Asia. The airline operated special flights to Thailand, the Maldives and Sri Lanka to deliver medical personnel and supplies and evacuate people to Australia, and flew medical and charitable supplies free of charge. Qantas also donated \$1 million to UNICEF, CARE Australia, Oxfam and World Vision and donated front page advertising space in major newspapers to UNICEF and CARE Australia. In Australia, when Cyclone Larry destroyed parts of North Queensland in April 2005, Qantas operated a special flight to carry more than 120 volunteer tradesmen and emergency services personnel to Cairns to help rebuild homes and essential services. The airline has also provided significant support to the relief effort following the Victorian Bushfires in February 2009.

CHARITY AND COMMUNITY In partnership with UNICEF Australia, Qantas implemented the Change For Good Program in 1991 – the first airline in the world to do so and since then, the airline and its customers have raised more than \$15 million. Change for Good has also been adopted by Qantas' oneworld partner airlines as their global charity. In 2006, Qantas introduced a Workplace Giving Program allowing employees to donate a proportion of their pre-tax salary to Qantas *Sharing the Spirit* charities and other community organisations. Through groups such as Pathfinders and the Qantas Cabin Crew Team, Qantas staff also continue to raise significant funds for a range of causes.

SHARING THE SPIRIT Much of Qantas' community and charity support is provided under the airline's *Sharing the Spirit* program. Established in February 2004, the program supports five key charities – CanTeen, CARE Australia, Mission Australia, Starlight Children's Foundation and UNICEF. An important *Sharing The Spirit* program is the Qantas Spirit of Youth Awards (SOYA), which were developed to discover and foster young Australian talent in a diverse range of creative fields. In 2007, six awards were presented covering industrial and object design, photography, visual arts, music, moving image and fashion design. Winners each received \$5,000 in cash and \$5,000 in air travel as well as the opportunity to develop their careers with mentoring by some of Australia's leading creative talent, including fashion designer Peter Morrissey, industrial designer and Qantas Creative Director Marc Newson and Director of Sydney's Museum of Contemporary Art, Elizabeth Ann MacGregor. *Sharing the Spirit* events in 2008 included:

- transporting the Australian Olympic Team to and from Beijing;
- performances by The Australian Ballet Company, Bangarra Dance Theatre and Sydney Dance Company for *Sharing the Spirit* charities;
- workshops and coaching clinics by Qantas Ambassadors Catherine Freeman and Kieren Perkins;
- the Qantas AFL Kickstart Camp for elite indigenous players aged 14-15 which provides both a unique football experience and civic educational assistance from community role models such as Olympian Catherine Freeman and footballer Michael Long; and
- football clinics for the Starlight Children's Foundation and young fans hosted by Qantas Socceroos players including Mark Schwarzer, Harry Kewell and Tim Cahill.

QANTAS FOUNDATION Qantas established the Qantas Foundation in April 2008, a charitable body responsible for consolidating and expanding the airline's charitable and community activities. An independent Board of Directors, oversees more than \$5 million dedicated to the Foundation. The fund initially comprised \$3.4 million raised from the sale of selected art works from the Qantas art collection in 2007, and an initial donation to support environmental initiatives. The Qantas Foundation will focus on four funds:

- The Art Encouragement Fund;
- The Environmental Sustainability Fund;
- The Humanitarian Fund; and
- The General Fund for other charitable purposes.

SUPPORTING AUSTRALIAN SPORT Qantas is the naming rights sponsor of two of Australia's premier national sporting teams – the Qantas Wallabies and Qantas Socceroos. The airline's support has included organising special charter flights ahead of key matches, was recognised by Socceroos' management as being vital to Australia's success in qualifying for, and then participating in, the FIFA 2006 World Cup.

QANTAS AMBASSADORS Qantas is proud to work with Qantas Ambassadors on a range of Sharing the Spirit initiatives around the country. Qantas Ambassadors include:

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| ▪ John Eales | ▪ Catherine Freeman |
| ▪ Leisel Jones | ▪ Greg Norman |
| ▪ Kieren Perkins | ▪ Mark Schwarzer |

Organisations and events currently supported by Qantas include:

Community

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| ▪ Brain Research Institute | ▪ Mission Australia |
| ▪ CanTeen | ▪ National Australia Day Council |
| ▪ CARE Australia | ▪ National Breast Cancer Foundation |
| ▪ Clean Up Australia | ▪ Prime Minister's Disability Awards |
| ▪ Clean Up The World | ▪ Royal Institute for Deaf and Blind Children |
| ▪ Foodbank Australia | ▪ Starlight Children's Foundation |
| ▪ Landcare Australia | ▪ UNICEF |

Arts

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| ▪ Art Gallery of NSW | ▪ National Boys Choir of Australia |
| ▪ Australian Brandenburg Orchestra | ▪ National Gallery of Victoria |
| ▪ Australian Business Arts Foundation | ▪ National Museum of Australia |
| ▪ Australian Chamber Orchestra | ▪ Opera Australia |
| ▪ Australian Girls Choir | ▪ Queensland Performing Arts Trust |
| ▪ Australian Youth Orchestra | ▪ State Theatre Company of South Australia |
| ▪ Bangarra Dance Theatre | ▪ Sydney Dance Company |
| ▪ Melbourne International Arts Festival | ▪ Sydney Theatre Company |
| ▪ Museum of Contemporary Art | ▪ The Australian Ballet |
| ▪ Musica Viva Australia | ▪ Tropfest |

Sport

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| ▪ Australian Grand Prix Corporation | ▪ Football Federation Australia |
| ▪ Australian Rugby Union | ▪ Sydney FC |
| ▪ Australian Football League | ▪ Tennis Australia |
| ▪ Australian Olympic Committee | |
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Fact File



QANTAS INDIGENOUS PROGRAMS

Qantas is committed to working in partnership with Aboriginal and Torres Strait Islander communities and its Indigenous staff across Australia through a range of initiatives, including recruitment, employee engagement and community activities.

RECONCILIATION ACTION PLAN Qantas launched a Reconciliation Action Plan in November 2007, and is committed to reconciliation between Indigenous and non-Indigenous Australians and endorses the vision of a nation which values Aboriginal and Torres Strait Islander heritage, culture and peoples and recognises their unique position as the original custodians of Australia. Qantas recognises the importance of bridging the gap between Indigenous and non-Indigenous communities and the launch of the Reconciliation Action Plan makes a positive contribution toward this goal.

INDIGENOUS EMPLOYMENT The Reconciliation Action Plan reinforces Qantas' ongoing commitment to employing Indigenous Australians and outlines the Group's goals for increasing employment across all areas of the Qantas business and in a range of locations. Qantas participates in the Federal Government's Corporate Leaders for Indigenous Employment program, which aims to generate more jobs in the private sector for Indigenous people. In addition to mainstream employment opportunities, Qantas has established an Indigenous Pilot Cadetship Program, university cadetships and school-based traineeships to support Indigenous students through school or university and into employment with Qantas.

EMPLOYEE ENGAGEMENT Qantas recognises the importance of employee engagement to support and retain its Indigenous employees. Qantas hosts regular staff forums across Australia to meet and engage with its Indigenous staff and to seek their feedback on company initiatives. Each year Qantas celebrates Indigenous culture by hosting events for NAIDOC week and Reconciliation Week for both Indigenous and non-Indigenous staff. A new Indigenous intranet site allows all staff to access information about Qantas' Indigenous programs and also to learn about Indigenous culture more broadly. Qantas also runs a Buddy Program for new Indigenous staff. An Indigenous staff pin was launched in 2002 as a symbol of the airline's ongoing commitment to strengthening relationships between non-Indigenous and Indigenous Australians.

SPONSORSHIPS Qantas supports the Indigenous community through a range of sponsorships including Bangarra Dance Theatre, the AFL Kickstart Program, Yiribana at the Art Gallery of NSW, Red Dust Role Models and Desert Knowledge Australia. In February 2008, Qantas provided support for Indigenous community members to travel to Canberra for the Australian Parliament's Apology to the Stolen Generations. In 2006 and 2007, Qantas was a major sponsor of the Reconciliation Australia forum, *Future Directions*. The airline also funds a scholarship for an Indigenous student enrolled at the University of New South Wales' Australian School of Business.

OTHER INITIATIVES Qantas worked with Balarinji Designs, an Indigenous design studio, to paint aircraft using Aboriginal designs and motifs. *Wunala Dreaming*, a B747-400 originally unveiled in 1994, is painted in an Aboriginal design, depicting the story of journeys by spirit ancestors in the form of kangaroos across the Australian landscape. Following the retirement of this aircraft, the design was applied to a B747-400ER. In 1995, a B747-300, *Nalanji Dreaming*, was painted in an Aboriginal theme depicting the rainforest and reef. This aircraft was retired in 2007. In 2002, *Yananyi Dreaming*, a B737-800 was launched, painted in a design of radiating pathways leading to the symbol of Uluru and depicting the landscape, animals and the plants of the region. Balarinji also designed the distinctive print used in Qantas' current staff uniforms.