Supplementary Slides

QANTAS

Group Strategy

The World's Best Premium and Low Fares Airlines

Sustainable Returns to Shareholders

Safety is our First Priority

Unwavering commitment to world's best safety practices and reporting

Right Aircraft Right Routes

Fleet renewal delivering one of the world's most effective fleets flying on an optimal route network

Customer Experience Excellence

Customer experience as the cornerstone of our business

Operational Efficiency

Major projects underway, internally and with suppliers, to achieve simplicity and further productivity across the business

Two Strong Complementary Brands

Qantas and Jetstar as the best premium and low fares brands respectively

Great People

The success of the Qantas Group is underpinned by our 35,000 plus employees. The future of the Qantas Group is about great people who are skilled, motivated and supported to do great things.

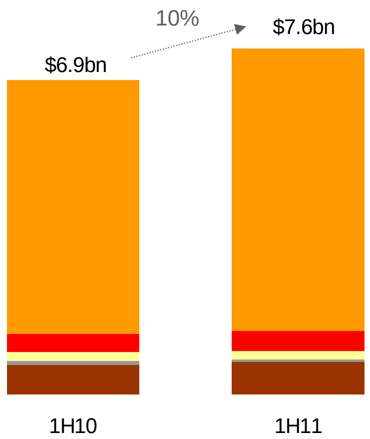
Group Performance

Group Highlights

$m	1H11	1H10	VLY	VLY %
Net passenger revenue	6,188	5,576	612	11
Net freight revenue	447	397	50	13
Other	956	936	20	2
Revenue	**7,591**	**6,909**	**682**	**10**
Operating Expenses	6,250	5,774	476	8
Depreciation and amortisation	606	575	31	5
Non – cancellable operating lease rentals	283	253	30	12
Expenses	**7,139**	**6,602**	**537**	**8**
Underlying EBIT	452	307	145	47
Net finance costs	(35)	(40)	5	(13)
Underlying PBT[1]	**417**	**267**	**150**	**56**
Non-recurring items	(50)	(48)	(2)	4
Ineffectiveness and non-designated derivatives relating to other reporting periods	(45)	(129)	84	(65)
Statutory PBT	**322**	**90**	**232**	**>100**

1. Underlying PBT is the primary reporting measure used by management and the Board to assess the performance of the Group. Refer to supplementary slide 42 for a reconciliation of Underlying PBT to Statutory PBT

Revenue



	1H10		1H11
RPKs (m)	51,494	6% →	54,592
ASKs (m)	62,476	7% →	66,821

Net passenger revenue up 11%
- Group RPKs up 6%, Group ASKs up 7%
- Group yield (excluding FX) recovered by 7% after global economic downturn

Net freight revenue up 13%
- Freight loads up 1% reflecting the recovery in general economic conditions
- Group yields up 12% (excluding FX)
- Volume up 4%

Contract work revenue down 4%
- Exit of loss making third party ground handling, offset by QDS contract revenue

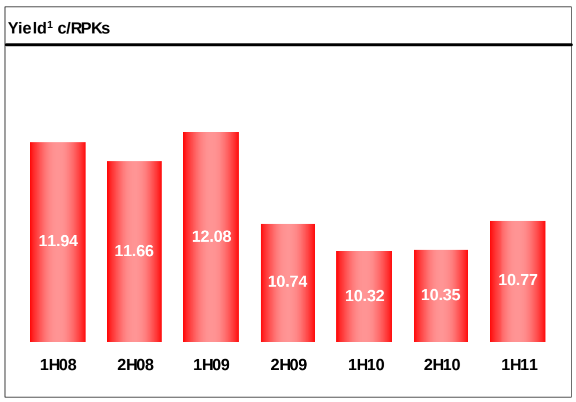
Tours and Travel revenue down 28%
- JTG deconsolidated from 1 October 2010

Revenue from other sources up 8%
- Increase in Frequent Flyer Redemption Revenue

Note: All revenue movements include foreign exchange (FX)

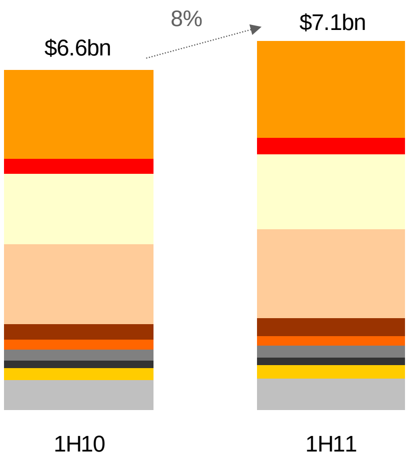
Yield Performance

- International
  - International improvement of 12% on 1H10
  - November and December yield trajectory impacted by A380 disruptions
  - Qantas – key international routes improving
  - Jetstar – strong performance in Asian regions
- Domestic
  - Domestic up 1% on 1H10
  - Qantas yield premium to key competitor restored to 2008 levels
  - Business travel continues to rebound
  - Substantial capacity growth in leisure market, Jetstar the right vehicle for success



1. Yield including FX

Expenditure



	1H10	Change	1H11
RPKs (m)	**51,494**	6%	**54,592**
ASKs (m)	**62,476**	7%	**66,821**

Manpower and staff related costs[1] up 8%
- EBA & CPI increases combined with increased activity

Selling and marketing costs up 13%
- Commissions higher due to increased activity

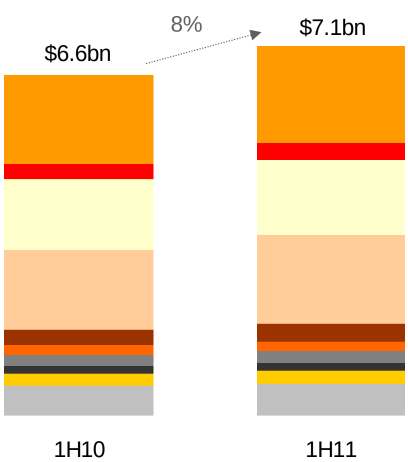
Aircraft operating variable costs up 7%
- Increase in price and activity offset by QFuture savings

Fuel costs[1] up 12%
- Net hedged USD fuel price 11% higher than 1H10
- Fuel conservation initiatives delivered benefits of $14m

Other expenditure[1] up 8%
- Increased one off costs in the current year

1. Excludes non-recurring items and the impact of derivatives that hedge exposures in other financial periods
Note: All expenditure movements include FX

Expenditure



	1H10	Change	1H11
RPKs (m)	**51,494**	6%	**54,592**
ASKs (m)	**62,476**	7%	**66,821**

Property costs down 1%

Computer and communications up 4%
- CPI increases

Capacity hire costs up 10%
- Increase in activity
- Hire of replacement aircraft to mitigate A380 disruptions

Rentals expense up 12%
- 14 new aircraft leases since 1H10

Depreciation and amortisation costs[1] up 5%
- Depreciation on new aircraft acquisitions

1. Excludes non-recurring items and the impact of derivatives that hedge exposures in other financial periods
Note: All expenditure movements include FX

Unit Cost

c/ASK	1H11	1H10	VLY %
Unit Cost[1]	**8.23**	**8.09**	
Excluding:			
Fuel[1]	(2.60)	(2.49)	
Impact of Frequent Flyer change in accounting estimate	0.13	0.12	
Net Underlying Unit Cost[1]	**5.76**	**5.72**	**1**
Impact of A380 disruptions (includes loss of capacity)	(0.06)		
Sector length adjustment	(0.05)		
Comparable Net Underlying Unit Cost	**5.65**	**5.72**	**(1)**

- Improved unit cost performance when impact of A380 disruptions and reduced sector length is excluded

1. Based on Underlying PBT

Non-Recurring Items

- 1H11 non-recurring items include:
  - $29m loss on disposal and other transaction costs relating to the Jetset Travelworld Group / Stella merger
  - $5m of profit on sale of DPEX (freight business)
  - $26m of provisions for freight regulatory fines and third party actions
- 1H10 non-recurring items include:
  - Aircraft write-downs of $48m relate to impairments of aircraft which were, or were planned to be, grounded

$m	1H11	1H10
Non-recurring items:		
- net loss on disposal of investments and other transaction costs	(24)	-
- legal provisions	(26)	-
- impairment losses of PPE, net of impairment reversals	-	(48)

Balance Sheet

$m	1H11	2H10	Var $m
Net Debt[1]	2,558	2,209	349
Net Debt[1] incl off balance sheet debt	6,605	6,170	435
Equity (excl. hedge reserves)	6,041	5,896	145
Gearing[2]	52:48	51:49	

- Net debt including off balance sheet debt increased by 7% due to a lower cash balance with funds applied to new unencumbered aircraft purchases
- Modest increase in gearing

1. Includes fair value of hedges related to debt and aircraft security deposits
2. Calculated as Net Debt to Net Debt + Equity ratio and Includes off balance sheet non-cancellable operating leases excluding hedge reserve

Cash Flow

$m	1H11	1H10	VLY %
Cash at beginning of period	3,704	3,617	
Operating	743	483	54
Investing	(1,076)	(947)	14
Financing	(20)	345	>(100)
Net decrease in cash held	(353)	(119)	>100
Effects of exchange rate changes on cash	(14)	-	
Cash at end of period	3,337	3,498	

- Operating cash flows increased by 54% on 1H10 due to the improved operating result offset by higher net interest paid in 1H11 and the absence of tax refunds that occurred in 1H10
- Investing cash flows of $1.1bn included the purchase of 6 aircraft and progress payments of $1.0bn and the cash impact of Jetset Travelworld Group deconsolidation
- Financing cash flows were $365m lower as operating cash flows and the cash balance were utilised to fund the capital expenditure program

Financial Risk Management

Exposure	% Hedged	Worst case price / rate[1]		Participation[2]
Fuel costs[3]				
Remainder FY11	74%	95.48	USD per Barrel	40%
FY12	27%	100.10	USD per Barrel	73%
Operating foreign exchange[3]				
Remainder FY11	57%	0.8700	AUD/USD	79%
FY12	8%	0.8204	AUD/USD	96%
Aircraft capital expenditure[4]				
Until June 2012	81%	0.8240	AUD/USD	68%

1. Worst case rate refers to the rate that would be achieved given a significant deterioration in current market prices as at 14 February 2011
2. Participation refers to the degree to which Qantas benefits from an improvement in current market prices as at 14 February 2011
3. Including option premium
4. Excluding option premium

Reconciliation to Statutory PBT

$m	1H11				1H10			
	Underlying	Non-recurring items	Ineffectiveness	Statutory	Underlying	Non-recurring items	Ineffectiveness	Statutory
Net passenger revenue	6,188			6,188	5,576			5,576
Net freight revenue	447			447	397			397
Other	956			956	936			936
Revenue	**7,591**			**7,591**	**6,909**			**6,909**
Manpower	1,873	7		1,880	1,730			1,730
Fuel	1,737		(23)	1,714	1,556		8	1,564
Other	2,640	43	61	2,744	2,488	48	108	2,644
Depreciation and amortisation	606			606	575			575
Non – cancellable operating lease rentals	283			283	253			253
Expenses	**7,139**	**50**	**38**	**7,227**	**6,602**	**48**	**116**	**6,766**
EBIT	**452**	**(50)**	**(38)**	**364**	**307**	**(48)**	**(116)**	**143**
Net finance costs	(35)		(7)	(42)	(40)		(13)	(53)
PBT	**417**	**(50)**	**(45)**	**322**	**267**	**(48)**	**(129)**	**90**

Group Operational Information

Fleet at 31 December 2010

	1H11	2H10	Change
A380-800	7	6	1
B747-400	20	21	(1)
B747-400ER	6	6	-
A330-200	8	7	1
A330-300	10	10	-
B767-300ER	26	26	-
B737-400	21	21	-
B737-800NG	41	41	-
Total Qantas	139	138	1
A320-200[2]	56	46	10
A321-200	6	6	-
A330-200	8	7	1
Total Jetstar[3]	70	59	11
B717-200	11	11	-
Q200/Q300	21	21	-
Q400	21	21	-
Total QantasLink	53	53	-
B737-300SF	4	4	-
Total Group	266	254	12

The Qantas Group also wet-leases three B747-400 and one B767-200 freighter aircraft (not included in the table above)

- 13[1] additional aircraft during 1H11
  - 1 x B747-400 returned to lessor
  - 3 x B747-400 remain as held for sale
- 3 aircraft for retirement in 2H11
  - 1 x B747-400, 2 x B737-400
- 14 aircraft deliveries planned for 2H11
  - Qantas: 3 x A380-800, 6 x B737-800, 1 x Q400, 3 x F100
  - Jetstar: 1 x A330-200
- Expected 2H11 Group capacity growth +11%
  - International +10%, Domestic +14%

2H11 – FY18 firm deliveries[4]	
A380-800	13
B787 family	50
A320 family	54
A330-200	4
B737-800	33
B717	2
F100	10
Q400	7
Total	**173**

1. Includes 6 purchased and 7 leased aircraft
2. Includes Jetstar Asia fleet (12 x A320s)
3. Excludes Jetstar Pacific
4. Firm deliveries only, excludes additional rights to purchase

On Time Performance

- Domestic
  - Best on time arrivals – 1H11
  - Best on time departures – 1H11
- International
  - Qantas on time performance (OTP) improved by 2% in comparison to same period FY10

On time arrivals	1H11	Rank
Qantas	83.0%	1st
Virgin	79.6%	2nd
Jetstar	77.3%	3rd
Tiger	66.0%	4th

On time departures	1H11	Rank
Qantas	82.9%	1st
Virgin	80.6%	2nd
Jetstar	77.3%	3rd
Tiger	65.5%	4th

Cancellations	1H11	Rank
Tiger	0.7%	1st
Jetstar	0.9%	2nd
Qantas	1.0%	3rd
Virgin	1.5%	4th

Source: BITRE December 2010

Safety, Environment, Social and Governance

Safety, Health & Wellbeing

- Continued focus on safety as our first priority
- Demonstrated leadership and accountability driving safety culture
- World-class safety management system in place – a proactive approach to manage continuous improvement
- Total Recordable Injury and Lost Work Case frequency rates show progress of injury prevention and improved safety behaviours
- Strategic initiatives to improve health and wellbeing of employees and passengers
  - Participation in an international study regarding cabin air quality
  - Enhanced in-flight passenger medical management
  - Fatigue risk management programs
- Continued engagement of an external Aviation Safety Advisor to assist the Qantas Board Safety Committee in its governance duties

Governance – Business Resilience

- Dedicated team and cross organisational crisis management framework
- European volcanic ash response
  - Over 10,000 Qantas customers affected worldwide
  - Crisis response structure activated, volunteer staff teams deployed to assist customers
  - Backlog cleared with 4 days once flying resumed – minimised operational impact
  - Widespread and positive feedback – enhanced our brand reputation
- Queensland flood and cyclone responses
  - Rapid evaluation of the situation, welfare and impact on affected customers and staff
  - Continuity preparations minimised disruptions despite flooded facilities and weather impacted infrastructure
  - Humanitarian support provided
    - Qantas liaison staff embedded within the State Crisis Centre
    - Flights for emergency services, freight transport and provision of meals to evacuation centres

Environment

- Sustainable Aviation Fuel (SAF) – collaborations with leading technology companies
- First steps towards commercialisation of sustainable alternative fuels
- Certified sustainable alternatives – must meet stringent technical and sustainability criteria
- Portfolio approach adopted, including
  - Solazyme – kerosene derived from algae
  - Solena – kerosene derived from municipal waste
- Potential to reduce the Group's carbon footprint
- Leveraging the Group's scale to motivate development of sustainable fuel supply chain
- Feasibility work commenced
- Working with key government and aviation stakeholders on broader policy issues through Industry 'Roadmap' for Australia

Environment

- CEO participation in the Business Roundtable on Climate Change
- Carbon readiness plans in place for EU Emissions Trading Scheme due to commence on 1 January 2012
- Ongoing success of voluntary carbon offset programs
  - A new carbon supplier selected to meet the Government's National Carbon Offset Standard
- On track to achieve the fuel efficiency improvement target for FY11
- Continued progress towards waste reduction target including:
  - Potential to convert waste into sustainable fuel
  - Diversion of Sydney waste to alternative waste treatment facilities
  - Onboard recycling and installation of recycling facilities in airports

Social

Community and Public Affairs

- Queensland Flood Relief (January 2011) – $1.3m donated
  - $1.0m to the QLD Premier's Relief Fund via Qantas Foundation
  - $0.3m worth of free air and freight services and provision of meals
- Evacuation of Australian citizens from Cairo (February 2011)
  - Two Boeing 747-400 aircraft chartered by the Australian Government – provided on a cost recovery basis
  - Evacuation of Australian citizens from Cairo to Frankfurt; on carriage of citizens to Australia provided
- Cyclone Yasi Relief (February 2011)
  - 1,500 seats provided to Emergency Management Queensland for flights into Cairns and Townsville
  - Transportation of emergency freight to affected areas

Social

Community and Public Affairs

- Qantas Foundation
  - Donated over $2.5m (as at December 2010) to charitable causes
- Sharing the Spirit – supports several charities and community organisations
  - UNICEF's Change for Good – raised over $0.9m in 1H11 and $23.3m since inception (FY11 marks the 20th anniversary)
- Reconciliation Action Plan (RAP)
  - Achieved a key milestone to employ 300 Indigenous Australians
  - Continue to work with Reconciliation Australia to strengthen the Group's commitment to delivering on RAP initiatives

People

- Continued focus on employee engagement and talent management
- Continued focus on increasing representation of women in senior roles, with 31 per cent[1] of senior roles occupied by female employees

1. The definition of senior roles has been revised to capture Executive Job Grades 1 to 4.

Segment: Qantas

QANTAS

Qantas

- 1H11Underlying EBIT of $165m, up 175%
- Passenger revenue up 9% despite A380 disruption and adverse European weather
- Strong yields – recovery of 9% on 1H10
- Capacity in 1H11 increased by 3%
- QFuture benefits of $173m achieved, on track for FY11 target of $500m
- Strengthening alliance partnerships and expanding network – Dallas launch
- Delivering superior domestic product offering
- Regional network and capacity expansion – Network Aviation, Port Moresby

		1H11	1H10	VLY %
Revenue	$m	5,706	5,295	8
Underlying EBIT	$m	165	60	175

Qantas Commercial

- Focus on improving profitability of the International business
  - Continued investment in product
  - Driving superior economics through A380 and B744 reconfiguration program
  - Leveraging alliances and deepen partnerships
- Continuing to strengthen position in domestic corporate market
  - Highly differentiated product
  - Leading frequency and capacity
  - Continued penetration of SME market – above market share and capacity share
- Deepen partnerships with major travel industry partners

SME = Small to medium sized enterprises

qantas.com

- qantas.com continues to be the largest travel site in Australia[1]
  - A strength unique to Qantas
  - Worldwide flight revenue of $1bn, up 12% for 1H11
- An integrated premium travel site with appeal to a global audience
  - Leisure and SME travel booked via qantas.com represents 70% of Qantas Domestic bookings and 33% of Qantas International bookings
  - qantas.com operates in 34 countries and 7 languages
  - Proven market reach with over 9 million visits per month
  - Ancillary airline and travel products income of $11.7m for 1H11
  - Strong growth in customer servicing and communications
- Over 7.5 million Frequent Flyers supported by qantas.com
- Over 2.2 million direct red e-mail subscribers

1. Source: Hitwise

Qantas International Market

- Planned capacity growth in 1H11 reduced due to A380 disruption, returning to growth in 2H11 (+4.3% VLY)
- Passenger revenue 8% up on 1H10, despite reduced A380 capacity and adverse European weather
- Launch of direct Dallas service from May 2011

		1H11	1H10	VLY %
ASKs	m	30,902	30,602	1.0
RPKs	m	25,821	25,733	0.3
Passengers	'000	3,052	3,006	1.5
Seat factor	%	83.6	84.1	(0.5)ppt
Market share[2]	%	19.2	20.0	(0.8)ppt
OTP[1]	%	76.3	74.4	1.9ppt

1. Source: Qantas 2. As at November 2010

- Major events in 2H11 to further stimulate market activity - Oprah and G'day USA
- OTP improved by 1.9ppt
- A380 fleet returning to full program flying by March 2011
  - LAX service resumed on 16 January 2011
  - Fleet growing to 12 by November 2011

Qantas Domestic Market

- Qantas yield premium restored to pre-financial crisis level
- Yield improvement expected to continue in 2H11
- 1H11 capacity - 7% increase
  - 4.3% planned in 2H11

		1H11	1H10	VLY %
ASKs	m	15,969	14,932	6.9
RPKs	m	13,091	12,392	5.6
Passengers	'000	9,014	8,553	5.4
Seat factor	%	82.0	83.0	(1.0)ppt
OTP[1]	%	82.9	86.5	(3.6)ppt

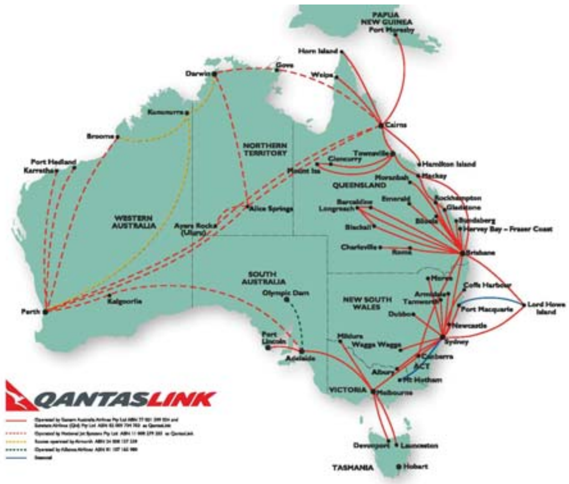
1. Source: BITRE

- Highest OTP in nine out of twelve months and lower cancellations than key competitor in all months
- Faster, smarter check-in launched in Perth, Sydney and Melbourne
  - Excellent customer feedback on the speed and ease through the airport
- Enhancements to domestic customer experience - 5 lounges refreshes complete, new Neil Perry designed menus

QantasLink Market

- Continued growth of regional network and capacity
- Profitable operations underpinned by Q400 expansion
- Commenced international operation from Cairns to Port Moresby – 1 July 2010
- Investment in charter operations with the acquisition of Network Aviation in WA
  - Additional 10 x F100s aircraft
- Four new Q400 aircraft confirmed for delivery by December 2011

		1H11	1H10	VLY %
ASKs	m	2,378	2,150	10.6
RPKs	m	1,687	1,499	12.5
Passengers	'000	2,501	2,162	15.7
Seat factor	%	71.0	69.7	1.7
Aircraft[1]	#	53	49	8.2



1. Network Aviation fleet not included as acquisition not complete at reporting date of 31 December 2010

QFUTURE

- Background
  - Program launched in July 2009 to position Qantas for profitable growth
  - Focus on transformational change
  - $1.5bn margin improvement targeted over 3 years FY10 - FY12
  - Over 30 major initiatives, plus many smaller projects across the airline
  - $533m of benefits delivered in FY10
- Objectives
  - Creating value for our customers
  - Optimising revenue and margins
  - Driving operational efficiency
  - Engaging our workforce

QFUTURE

- $173m benefit achieved in 1H11
  - Significant benefits delivered around asset utilisation, fuel conservation, procurement and other direct costs
  - $39m opex in 1H11
- Future targets
  - FY11 QFuture benefits delivery weighted towards 2H11
  - On track to deliver cumulative $1bn by the end of FY11
  - $1.5bn cumulative benefit target by FY12

QFuture benefits $M	1H11
Commercial	78
Engineering	23
Customer & Marketing	16
Fuel conservation	14
Airports, Catering	14
Other (Flight Operations, Regional, Shared Services, Procurement, IT)	28
Total	**173**

Note: QFuture benefits will be partially offset by the natural inflationary cost increases relating to some non-fuel expenses

QFUTURE

Transformational initiatives underway

Creating value for our customers

- Faster, smarter check-in
- International configuration
- Customer strategy program

Optimising revenue and margins

- Cost of sales
- Alliances
- Revenue management

Driving operational efficiency

- Aircraft utilisation & scheduling
- Fuel conservation
- Procurement & supply chain

Engaging our workforce

- Office consolidation
- IT transformation

Segment: Jetstar

QANTAS

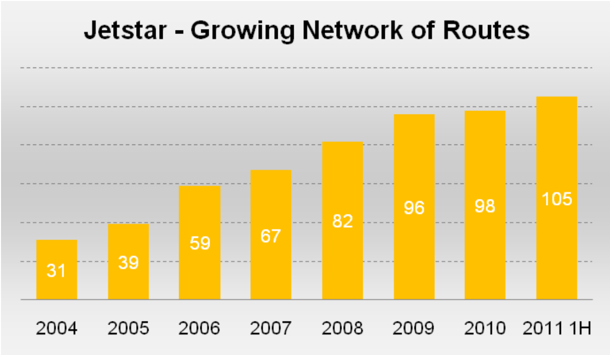
Jetstar

- Record result
  - Underlying EBIT of $143m, up 18%
  - Underlying unit cost down 2%[1] and flat sector length adjusted
  - 8.4 million passengers up 15%
  - Capacity up 19%
- Competitive operating environment
  - Domestic yield pressures continuing – yields lower than 1H10
  - Sustainable growth performance – success of two flying brand strategy
- Largest LCC in Asia Pacific[2] – growing Singapore hub
  - Low cost long-haul carrier – sustainable expansion with brand now embedded in Asia
  - Continued growth in core markets
- Continued innovation
  - Move towards iPad in-flight entertainment and 100% self-service airport model

		1H11	1H10	VLY %
Revenue	$m	1,346	1,131	19
Underlying EBIT	$m	143	121	18
Unit cost c/ASK[1]	c	4.9	5.0	2

1. Gross unit cost excluding fuel
2. Based on gross revenues

Jetstar Footprint Growing



- Jetstar is one of the fastest growing airlines in the region
  - Operations based across two continents and four countries
  - Servicing 17 countries, 52 cities
  - Combined operating fleet of 77 aircraft[1]
  - 379 flights per day and growing

1. Including Jetstar Pacific aircraft

Jetstar Australia - Domestic

- Domestic operations profitable every year since start up
- Strengthening and refinement of market position
  - Significant investment in aircraft to drive sustainable growth – 20% in 1H11
  - Strong progress on unit costs to deliver competitive platform
  - Transforming the airport and in-flight experience

Jetstar Domestic		1H11	1H10	VLY %
ASKs	m	7,019	5,842	20
RPKs	m	5,711	4,885	17
Passengers	'000	4,921	4,299	15
Load	%	81.4	83.6	(2.2pts)
A320/1 utilisation	hrs	11.4	11.3	1
OTP[1]	%	77	81	(4pts)

1. Source: BITRE

- Continued growth in core Jetstar leisure and regional markets
  - Gold Coast
  - Queensland Coast – Cairns, Sunshine Coast
  - Tasmania

Jetstar Australia - International

- Australia
  - 3rd largest carrier, 8.2% market share[1]
  - 12% ASK growth with double-digit yield improvement on 1H10
  - Strong performance in key markets
  - 8th A330 added in December 2010
  - First B787 due late 2012

Jetstar International (excl. Jetstar Asia & NZ Domestic)		1H11	1H10	VLY %
ASKs	m	7,443	6,650	12
RPKs	m	5,805	5,157	13
Passengers	'000	1,479	1,374	8
Load	%	78.1	77.5	0.6pts
A330 utilisation	hrs	14.9	14.4	0.5hrs
Market share[1]	%	8.2	8.1	0.1pts

- New Zealand Domestic
  - Yields and loads continue to strengthen in second year of operation
  - 7th aircraft added in December 2010, with 8th due in February 2011
- Japan
  - Largest carrier on Australia - Japan route

1. Source BITRE - Australian based International operations only (excluding Jetstar Asia and NZ Domestic operations) year ended November 2010

Jetstar in Asia

- Jetstar Asia rapidly growing and profitable
  - SGD17m Underlying EBIT in 1H11
  - 46% capacity growth on 1H10
  - Singapore base providing strong capability for future growth in Asia
  - Significant growth in Greater China – now serving 7 ports
  - Largest LCC in Singapore – Low-cost long haul SINMEL & SINAKL
- Jetstar Pacific
  - Now profitable in peak months
  - New A320 delivered in November 2010
  - Market continues to grow rapidly

Jetstar Asia		1H11	1H10	VLY %
ASKs	m	2,672	1,825	46
RPKs	m	2,109	1,453	45
Passengers	'000	1,391	1,046	33
Load	%	78.9	79.6	(0.7pts)

Jetstar Fleet

- Accelerating A320 deliveries for growth
- Taking A330 fleet to 11 by FY12 to consolidate international growth
- FY11 deliveries
  - 12 x A320[1]
  - 2 x A330
- FY12 deliveries
  - 15 x A320[1]
  - 2 x A330

	1H11	2H10	VLY
Jetstar Australia & Singapore based Operations			
A320-200	56	46	10
A321	6	6	-
A330-200	8	7	1
Sub Total	**70**	**59**	**11**
Jetstar Pacific			
A320-200	2	1	1
B734	5	5	-
Sub Total	**7**	**6**	**1**
Total Jetstar Group	**77**	**65**	**12**

- B787 deliveries from late 2012, with Jetstar receiving the Group's first 15 B787s to support international growth

1. Includes Jetstar Pacific

Segment: Qantas Frequent Flyer

QANTAS

1H11 Highlights

- Record financial performance
  - Billings up 9%
  - Normalised EBIT up 36%
- Membership at 7.5 million
- New partners and products
  - Caltex - Woolworths
  - OnePath (ING life insurance)
  - Woolworths Everyday Rewards Qantas credit card
  - Avis / Budget exclusivity
  - Qantas American Express annual fee free 'Discovery' card
  - S7 airline
- New member experiences
  - Faster, smarter check-in for top tier members
  - iPhone app in market - 55,000 downloads

$m	1H11	1H10	VLY %
Underlying EBIT	**189**	**157**	**20**
Normalised EBIT[1]	107	79	36
Billings	518	477	9
Members (m)	7.5	6.7	12

1. Normalised EBIT restates redemption revenue to the fair value of awards redeemed and recognises the 'marketing revenue' when a point is sold. This creates a comparable basis for the presentation of results.

Financials

- Billings
  - Strong growth in Woolworths billings as program matures
  - Airline growth
- Marketing Revenue
  - Estimated future fair value of flight awards has decreased, impact of $13m
- Redemption margin up $4m
  - Any Seat now over 22% of all redemptions
- Net operating cost savings of $3m

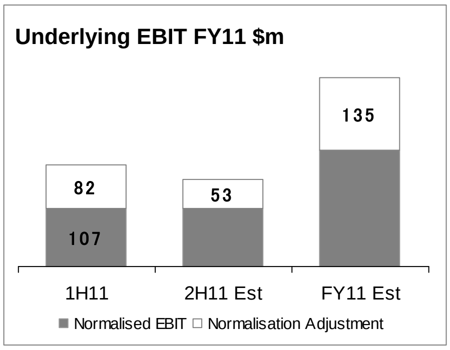
$m	1H11	1H10	VLY %
Billings	**518**	**477**	**9**
Marketing Revenue	**140**	**119**	**18**
Redemption Revenue	355	345	3
Redemption Costs	322	316	2
Redemption Margin	**33**	**29**	**14**
Gross Profit	**173**	**148**	**17**
Net Operating Costs	66	69	(4)
Normalised EBIT[1]	**107**	**79**	**36**
Normalised deferred Revenue[2]	**1,879**	**1,838**	**2**

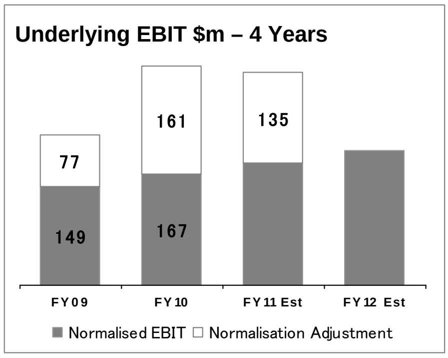
1. Normalised EBIT restates redemption revenue to the fair value of awards redeemed and recognises the 'marketing revenue' when a point is sold. This creates a comparable basis for the presentation of results.
2. Normalised deferred Revenue balance has been restated, by removing the impact of the change in accounting estimate of $38m 1H11 ($217m 1H10)

Normalisation Adjustment

$m	1H11	1H10	VLY %
Normalised EBIT	**107**	**79**	**36**
Normalisation Adjustment[1]	82	78	5
Underlying EBIT[2]	**189**	**157**	**20**

- Normalised EBIT restates the results by removing the 3 year transitional impact from changing accounting estimates. This creates a comparable basis of performance and better reflects the cash flows of the business
- Normalisation adjustment ends mid 2H11





1. Normalisation adjustment of $82m for 1H11 ($78m for 1H10) restates redemption revenue to the fair value of the awards redeemed and recognises the 'marketing revenue' element when a point is sold

Growth into New Market Segments - 500+ Partners

	Selection of Existing Partners	New Partners	
FLY – Earn on Qantas and 28 partner airlines			S7 became an airline partner
PAY – Earn products at all major banks			The Woolworths Everyday Rewards credit card and American Express fee free Discovery Card launched in November
SHOP – Earn points at Australia's largest retailer			
MORE – Earn points on petrol			Caltex Woolworths launched in October
MORE – Earn points on insurance			Life insurance launched in November
MORE – Wide cross section of retail, travel and restaurants			AVIS launched in November as an exclusive car hire partner

Improvements to Member Proposition

- Classic Award Airline Partners increased - now at 28
- 2 million seats redeemed on flight awards in 1H11 - up 7%
- Over 250,000 products redeemed on QFF Store in 1H11 - up 33%
- New channels developed to reach members
  - iGoogle gadget
  - iPhone application, 55,000 downloads to date
  - Faster, smarter check-in, Perth, Sydney and Melbourne

Airlines

- S7 now an airline partner – Russia's leading domestic carrier
- Points + Pay launched in August 2009 on qantas.com
  - Provides the option to reduce the money paid for flights booked through qantas.com by using points
  - Points + Pay bookings growth over 118% on last year
- Airline loyalty significantly improved following Woolworths Group launch
  - 21% of new members (joined since Woolworths launch) have flown over 1.6 million flight segments with approximately 64% of this group being new passengers to the airline

Segment: Qantas Freight Enterprises

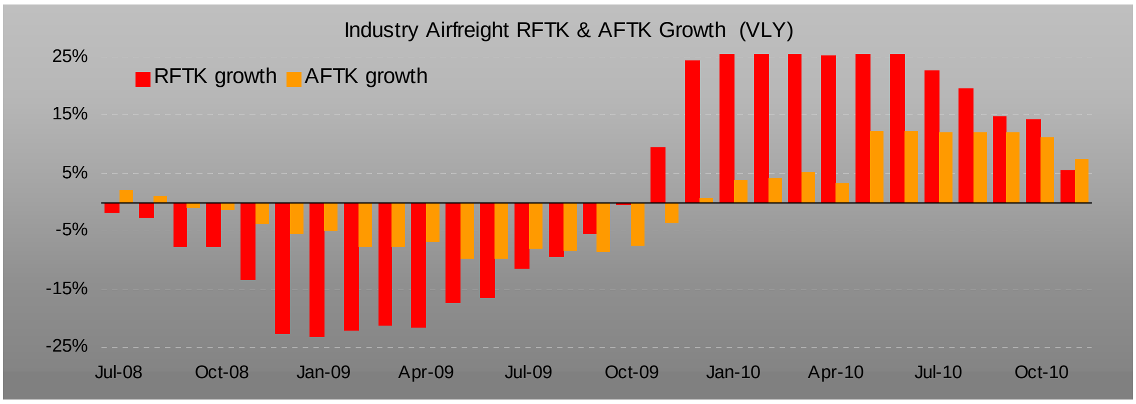
Qantas Freight

- Underlying EBIT of $41m, up 141%
  - Recovery in airfreight since Q2 FY10
  - Freight performance in line with industry trend
- Capacity increased by 3% overall

		1H11	1H10	VLY %
Revenue	$m	545	494	10
Underlying EBIT	$m	41	17	141
Profit from associates	$m	10	8	25
Yield (excl FX) VLY	%			12
Load	%	60.3	59.9	0.4

- Qantas International capacity up 1% with freighter capacity up 6% due to additional flying
- Reflects improved activity on China to USA routes
- Yield improvement due to stronger airfreight market conditions
- RFTK (freight uplift) up 4% on 1H10
- Terminals performing ahead of expectation

Air Freight



Source: IATA

- Continued strong performance of Qantas freighters since market recovery
- Industry wide airfreight growth continues to be positive
  - 5% year on year increase to November 2010
- General evidence of slower rate of growth post re-stocking
  - However high AUD is driving airfreight imports to Australia

Domestic Express Joint Ventures

- Australian air Express
  - AaE revenue up 9% on 1H10 due to higher volumes and improved yield
- Star Track Express
  - Star Track Express revenue up 10% on 1H10 due to higher volumes and improved yield
- Strategic focus to optimise core Freight assets – review of domestic joint ventures progressing well and close to being finalised