Supplementary Slides

QANTAS

Group Performance

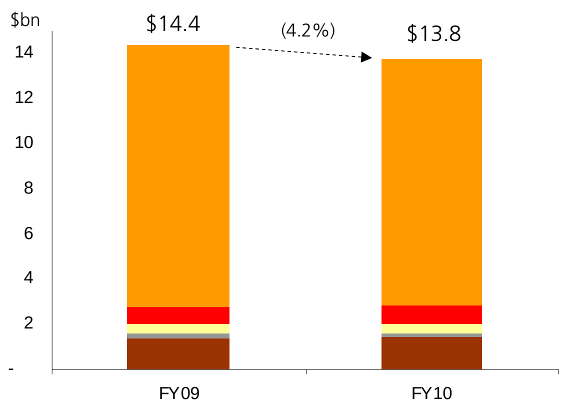
QANTAS

Group Highlights

$M	FY10	FY09	VLY
Net passenger revenue	10,938	11,604	(666)
Net freight revenue	821	764	57
Other	2,013	2,014	(1)
Revenue	**13,772**	**14,382**	**(610)**
Operating Expenses	11,577	12,545	(968)
Depreciation and amortisation	1,200	1,251	(51)
Non – cancellable operating lease rentals	527	450	77
Expenses	**13,304**	**14,246**	**(942)**
Underlying EBIT	468	136	332
Net finance costs	(91)	(36)	(55)
Underlying PBT[1]	**377**	**100**	**277**
Non-recurring items	(59)	(106)	47
Ineffectiveness and non-designated derivatives relating to other reporting periods	(140)	187	(327)
Statutory PBT	**178**	**181**	**(3)**

1. Underlying PBT is the primary reporting measure used by management and the Board to assess the performance of the Group. Refer to slide 36 of the supplementary slides for a reconciliation of Underlying PBT to Statutory PBT

Revenue



RPKs (m)	**99,176**	**1.6%**	**100,727**
ASKs (m)	**124,594**	**0.1%**	**124,717**

Net passenger revenue down 5.7%

- Group RPKs up 1.6%, Group ASKs up 0.1%
- Group yield excluding FX down 7.2% primarily driven by global economic downturn
- Includes full year impact of Jetstar Asia operations

Net freight revenue up 7.4%

- Increased activity particularly on freighter network as economic conditions improve

Contract work revenue down 5.6%

- Exit of loss making third party ground handling
- Reduced third party engineering maintenance work

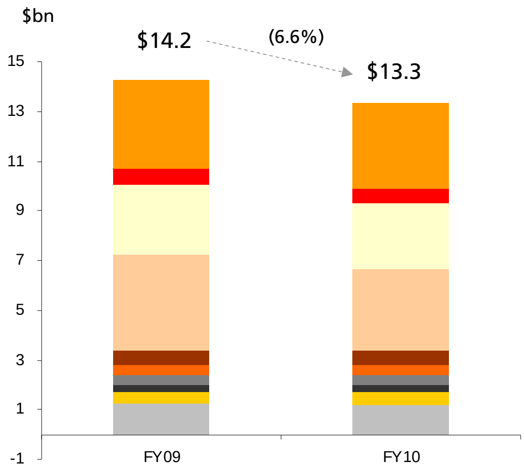
Tours and Travel revenue down 22.8%

- Impacted by economic downturn

Revenue from other sources[1] up 5.4%

1. Excludes non-recurring items
Note: All revenue movements include foreign exchange (FX)

Expenditure



ASKs (m) 124,594 → 0.1% → 124,717

Manpower and staff related costs[1] down 4.8%

- QFuture initiatives and restructuring activities contributed to savings

Selling and marketing costs down 9.5%

- Decrease in commissions
- Tactical savings in international marketing

Aircraft operating variable costs down 5.6%

- QFuture initiatives delivered savings across engineering materials, ground handling and catering

Fuel costs[1] down 13.5%

- Net hedged fuel price 13% lower than FY09
- Fuel conservation initiatives delivered benefits of $41m

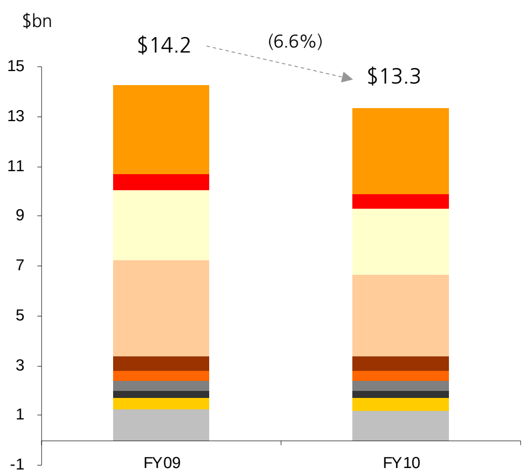
Other expenditure[1] down 5.0%

- Lower 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



ASKs (m) 124,594 → 0.1% → 124,717

Property costs down 1.5%

Computer and communications flat

- QFuture savings enabled a range of technology savings including Next Generation Check-in and key system upgrades in QFF, Engineering, Freight and Jetstar. Net IT cash savings of $82m achieved in FY10[2]

Capacity hire costs down 9.1%

- Benefits from changes to codeshare agreements recognised in the current year

Rentals expense up 17.1%

- 12 additional aircraft leased as Jetstar capacity increased

Depreciation and amortisation costs[1] down 4.1%

- Depreciation savings from grounded aircraft in the current year offset by depreciation on new aircraft including A380s

1. Excludes non-recurring items and the impact of derivatives that hedge exposures in other financial periods
2. Achieved across several expenditure line items including Manpower and Computer and Communications

Note: All expenditure movements include FX

Unit Cost Reduced by 4.3%

c/ASK	FY10	FY09	% VLY
Unit Cost[1]	**8.07**	**8.80**	**8.3**
Excluding:			
Fuel[1]	(2.65)	(3.06)	13.4
Impact of Frequent Flyer change in accounting estimate	0.13	0.06	>100
Net Underlying unit cost[1]	**5.55**	**5.80**	**4.3**

1 Based on Underlying PBT

- Reduction reflects:
  - Benefits from prior year restructuring activities
  - Capacity mix
  - QFuture benefits of $533m

Non-Recurring Items

- Aircraft write-downs of $48m relate to impairments of aircraft which were, or are planned to be, grounded
- Transaction costs relate to the Jetset Travelworld Group proposed merger and other sundry provisions

$M	FY10	FY09
Non-recurring items:		
- gain on sale of Qantas Holidays	-	86
- Frequent Flyer direct earn conversion	-	84
- accelerated depreciation and impairment losses	(48)	(170)
- redundancies, restructuring and other provisions	(11)	(106)

Prior period non-recurring items include:

- Profit on reverse acquisition of Jetset Travelworld Group by Qantas Holidays
- Frequent Flyer direct earn conversion
- Write-down of B747-300s and other grounded aircraft
- Restructuring costs associated with capacity reductions in FY09

Balance Sheet

$M	FY10	FY09	VLY
Net Debt[1]	2,209	1,923	286
Net Debt incl off balance sheet debt	6,170	5,696	474
Equity (excl. hedge reserves)	5,896	5,794	102
Net Debt to Net Debt + Equity ratio[2]	51:49	50:50	

- Net debt increased by 14.9%, due to an increase in borrowings for new aircraft
- Net Debt to Net Debt + Equity ratio increased as a result

1. Includes fair value of hedges related to debt and aircraft security deposits
2. Includes off balance sheet non-cancellable operating leases excluding hedge reserve

Cash Flow

$M	FY10	FY09	VLY
Cash at beginning of year	3,617	2,599	1,018
Operating	1,307	1,149	158
Investing	(1,601)	(1,163)	(438)
Financing	381	1,032	(651)
Net increase in cash held	87	1,018	(931)
Cash at end of year	3,704	3,617	87

- Operating cash flow higher due to increased operating margin, improved working capital and reduced tax payments. Prior year includes cash inflow from QFF Direct Earn strategy
- Investing cash flow reached $1.6bn, including aircraft acquisitions and progress payments of $1.2bn
- Financing cash flow is substantially lower as the prior year included proceeds from capital raising

Financial Risk Management

Exposure	% Hedged	Worst case rate[1]		Participation[2]
Fuel costs[3]				
FY11	51%	89.20	USD per Barrel	85%
1H11		87.90	USD per Barrel	
2H11		91.15	USD per Barrel	
FY12	7%	97.95	USD per Barrel	99%
Operating foreign exchange[3]				
FY11	38%	0.7900	AUD/USD	80%
FY12	9%	0.8050	AUD/USD	95%
Aircraft capital expenditure[4]				
Until June 2012	77%	0.7710	AUD/USD	62%

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

Reconciliation to Statutory PBT

$M	FY10				FY09			
	Underlying	Non-recurring items	Ineffectiveness	Statutory	Underlying	Non-recurring items	Ineffectiveness	Statutory
Net passenger revenue	10,938			10,938	11,604			11,604
Net freight revenue	821			821	764			764
Other	2,013			2,013	2,014	170		2,184
Revenue	**13,772**			**13,772**	**14,382**	**170**		**14,552**
Operating Expenses	11,577	59	159	11,795	12,545	137	(173)	12,509
Depreciation and amortisation	1,200		(1)	1,199	1,251	139		1,390
Non – cancellable operating lease rentals	527		(2)	525	450			450
Expenses	**13,304**	**59**	**156**	**13,519**	**14,246**	**276**	**(173)**	**14,349**
EBIT	**468**	**(59)**	**(156)**	**253**	**136**	**(106)**	**173**	**203**
Net finance costs	(91)		16	(75)	(36)		14	(22)
PBT	**377**	**(59)**	**(140)**	**178**	**100**	**(106)**	**187**	**181**

Group Operational Information

QANTAS

Fleet

	FY10	FY09	Change
A380-800	6	3	3
B747-400	21	24	(3)
B747-400ER	6	6	-
A330-200	7	6	1
A330-300	10	10	-
B767-300ER	26	29	(3)
B737-300/400	21	24	(3)
B737-800NG	41	38	3
Total Qantas	138	140	(2)
A320-200[2]	46	40	6
A321-200	6	4	2
A330-200	7	6	1
Total Jetstar[3]	59	50	9
B717-200	11	11	-
Q200/Q300	21	21	-
Q400	21	14	7
Total QantasLink	53	46	7
B737-300SF	4	4	-
Total Group	254	240	14

- 23[1] additional aircraft in FY10
  - 3 x B737-300 retirements
  - 3 x B767-300 undergoing sale transaction
  - 3 x B747-400 held for sale
- 5 aircraft for retirement in FY11
- Average fleet age reduced from 8.8 to 8.6 years
- Planned capacity growth
  - FY11 – Group +11%, Qantas +7%, Jetstar +26%

FY11 – FY18 firm deliveries[4]	
A380-800	14
B787 family	50
A320 family	54
A330-200	5
B737-800	28
Q400	7
Total	**158**

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

1. Includes 11 purchased and 12 leased aircraft
2. Includes Jetstar Asia fleet (10 x A320s). Also excludes two A320s delivered in late June but entered service in July - included in the deliveries above
3. Excludes Jetstar Pacific and Air Pacific
4. Firm deliveries only, excludes additional rights to purchase

On Time Performance

Domestic

- Best on time arrivals – FY10
- Best on time departures – FY10
- Lowest cancellation rate[1] – FY10

International

- Qantas On Time Performance (OTP) improved by 11%

Cancellations	FY10	Rank
Qantas	0.8%	1st
Jetstar	1.1%	2nd
Tiger	1.5%	3rd
Virgin	1.6%	4th
On time arrivals	**FY10**	**Rank**
Qantas	87.4%	1st
Virgin	85.0%	2nd
Jetstar	82.9%	3rd
Tiger	78.0%	4th
On time departures	**FY10**	**Rank**
Qantas	87.7%	1st
Virgin	85.3%	2nd
Jetstar	82.1%	3rd
Tiger	77.4%	4th

Source: BITRE

1. OTP stats for the 4 largest domestic carriers

Safety, Environment, Social and Governance

QANTAS

Safety

- Our number one priority
- Enhancing safety management systems through implementing the Qantas Management System, CASA instrument of approval achieved for Air Operating Certificates
- Commencing in FY11, Group adopting Total Recordable Injury and Lost Work Case frequency rates for measuring people safety improvement, proven measures of injury prevention and management
- Enhanced crisis management capability through integrated simulation exercises and opening a purpose built Crisis Management Centre
- Reflecting increased focus on customer and employee health and wellbeing, the Board sub-committee changed its name to the Safety, Health, Environment and Security Committee

People

- Continued focus on increasing employee engagement
- Investment in leadership development at all levels
- Enhanced talent management to ensure a strong and stable base for succession renewal
- Continued focus on increasing representation of women in senior roles, with 23 percent of senior roles occupied by female employees

Environment

- Delivered FY10 savings of approximately 40,000 tonnes of aviation fuel
  - Achieved a key milestone of saving 1 million tonnes of carbon through fuel conservation activities over the last 5 years
- Carbon readiness plans in place for New Zealand, Australia and the EU
- Joined the Sustainable Aviation Fuels User Group to develop a ‘roadmap’ for establishing a commercially sustainable aviation fuels industry
- Commissioned the installation of a trigeneration energy system in Sydney - will deliver 50% of the Group’s electricity reduction target
- Continued success of the Group’s carbon offset programs
  - In FY10, the Group offset more than 306,000 tonnes of carbon (some 70,000 cars off the road)
  - Selecting a new carbon offset supplier to meet the Government’s new ‘National Carbon Offset Standard’

Social and Governance

Community and Public Affairs

- Sharing the Spirit
  - Contributes to a range of charities including UNICEF’s Change for Good
  - Raised over $1.8m in FY10 and $22.3m since inception
- Qantas Foundation
  - Donated over $2.0m to charitable causes across the community, environment, education, the arts and disaster relief
- Reconciliation Action Plan
  - Range of initiatives to support Aboriginal and Torres Strait Islander communities and promote employment opportunities

Sustainability performance

- Qantas continues to be listed on the Dow Jones Sustainability Index and the FTSE4Good Index

Dow Jones Sustainability Indexes
Member 2009/10

FTSE4Good

Segment: Qantas

QANTAS

Qantas

- Full year Underlying EBIT of $67m
- Passenger revenue down $1.0bn, largely offset by capacity, QFuture and fuel savings

		FY10	FY09	% VLY
Revenue	$M	10,609	11,624	(9)
Underlying EBIT	$M	67	4	>100

- International premium cabin demand reached its low point during the first half
- Domestic business travel began recovering from September 2009
- Leisure demand in Australian market remained strong
- FY10 capacity reduced by 6.3% to match demand
- FY11 forecast capacity returning to growth

Qantas Commercial

- Corporate client business strongly positioned for future growth
  - Maintained all key corporate accounts with revenue strengthening from FY09
  - Whole of Government tender – Qantas successfully appointed to panel
  - SME - Qantas holds a market share premium over capacity share for both domestic and international
  - Deepening alliances and bilateral partnerships to extract greater value
- Contracts held with all major industry partners
  - Merger of Jetset Travelworld Group and Stella Travel Services
- Qantas strategy to leverage sales and distribution strengths targeting ongoing reductions in costs of sale to drive profitability

SME = Small to medium sized enterprises

qantas.com

- qantas.com is the largest travel site in Australia
  - A strength unique to Qantas
  - Flight revenue of $1.7bn worldwide in FY10
- An integrated premium travel site with appeal to a global audience
  - Leisure travel booked via qantas.com represents 67% of Domestic bookings and 31% of International bookings
  - qantas.com operates in 34 countries and 7 languages
  - Proven market reach with over 8.4 million visits per month
  - Integrated sales of ancillary airline and travel products
  - Strong growth in customer servicing and communications
- 7.2 million Frequent Flyers supported by qantas.com
- Over 2 million direct red e-mail subscribers and growing

Qantas International Market

- Capacity reduction of 9.4% to match lower demand
- FY11 capacity returning to growth
- Strong seat factor
- Robust leisure demand from Australian market

		FY10	FY09	% VLY
ASKs	m	60,608	66,871	(9.4)
RPKs	m	49,979	54,337	(8.0)
Passengers	'000	5,900	7,243	(18.5)
Seat factor	%	82.5	81.3	1.2ppt
Market share[1]	%	20.2*	21.7	(1.5)ppt
OTP[1]	%	77.8	67.0	10.8ppt

1. Source: BITRE, Qantas * As at May 2010

- Soft premium demand impacted FY10 yields, however now recovering
- OTP improved 11%
- Delivery of A380s #7 - #12 from November 2010 to August 2011

Qantas Domestic Market

- Business demand recovering from September 2009 levels
- Leisure demand remains strong
- Yields improving
- Strong seat factor

		FY10	FY09	% VLY
ASKs	m	29,795	30,013	(0.7)
RPKs	m	24,092	23,781	1.3
Passengers	'000	16,640	16,379	1.6
Seat factor	%	80.9	79.2	1.7ppt
OTP[1]	%	87.7	85.0	2.7ppt

1. Source: BITRE

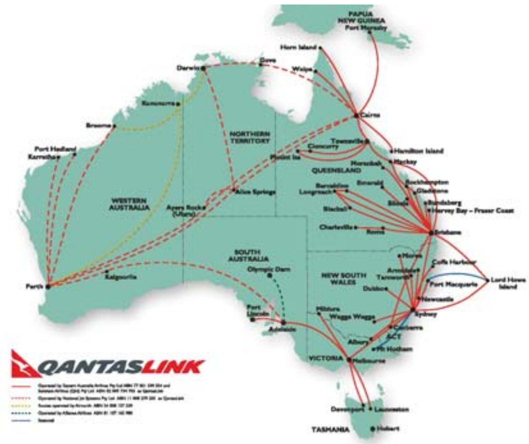
- 5% capacity added back from March 2010
  - Further growth anticipated in 2011
- OTP leader for FY10 and lowest cancellation rates
- Next Generation Check-in launched in Perth

QantasLink Market

- Profitable operations underpinned by Q400 expansion
- 7 x Q400 aircraft delivered during FY10
- Expanded regional network into South Australia (Port Lincoln)
- Inaugural international operation
  - Cairns to Port Moresby – 1 July 2010
- Charter operations growth continues
- Capacity growth continuing into FY11
- Ordered additional 7 x Q400 aircraft
  - Delivery over next 3 years

		FY10	FY09	% VLY
ASKs	m	4,369	4,281	2.1
RPKs	m	2,936	2,918	0.6
Passengers	'000	4,323	4,120	4.9
Seat factor	%	67.2	68.2	(1)ppt
OTP	%	87.0	87.0	-
Aircraft	#	53	46	7

1. Source: BITRE



QFUTURE

Background

- Program to position Qantas for profitable growth
- Transformational change
- $1.5bn margin improvement targeted over 3 years FY10 - FY12
- Over 30 major initiatives, plus many smaller projects
- Initiatives span across the airline

Objectives

- Creating value for our customers
- Optimising revenue and margins
- Driving operational efficiency
- Engaging our workforce

QFUTURE

FY10 achievements & future targets

- $533m benefit achieved
  - 73% of achievement relates to manpower, fuel conservation, IT and other direct costs
  - $50m spend in FY10
- Future targets
  - $500m benefit target - FY11
  - $1.5bn cumulative benefit target by FY12
  - QFuture benefits will be partially offset by the natural inflationary cost increases relating to some non-fuel expenses

QFuture benefits $M	FY10
Commercial	151
Customer & Marketing	77
IT transformation	60
Fuel conservation	41
Engineering	101
Airports, Catering	44
Other (Flight Operations, Regional, Shared Services)	59
Total	**533**

QFUTURE

Transformational initiatives underway

Creating value for our customers

- Next Generation Check-In
- International Configuration

Optimising revenue and margins

- Cost of Sales
- Alliances
- Revenue Management

Driving operational efficiency

- Aircraft Utilisation & Scheduling
- Fuel Conservation
- Procurement

Engaging our workforce

- Office Consolidation
- IT Transformation

Segment: Jetstar

QANTAS

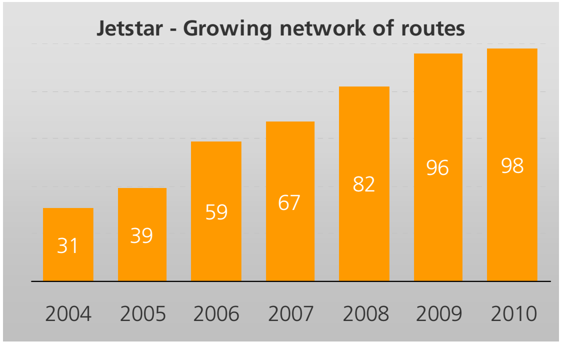
Jetstar

- Record result
  - Continuously profitable since 2004 start-up
  - Underlying EBIT up 22% to $131m
  - Underlying unit cost down 2%[1] (down 5% sector length adjusted)
  - 14.6 million passengers[2] – up 36%[2]
  - Capacity up 28%[2]
- In a tough operating environment
  - Yield lower than FY09
  - H1N1 impact in first half
  - Profitable second half in highly competitive Australian market
- Largest low cost carrier in Asia Pacific based on gross revenues
- Continued innovation
  - Building a competitive platform for future growth
  - Launch of Jetstar MasterCard and 10 point Customer Charter
  - Growing and developing the Jetstar brand into financial services and new partnerships
  - Move towards iPad in-flight entertainment and 100% self-service airport model

		FY10	FY09	% VLY
Revenue	$M	2,197	1,851	19
Underlying EBIT	$M	**131**	**107**	**22**
Unit cost c/ASK[1]	%	4.94	5.03	(2)

1. Gross unit cost excluding fuel & non-recurring items
2. Jetstar results for FY10 include 12 months consolidation of Jetstar Asia (3 months in FY09). Passenger and capacity growth excluding Jetstar Asia are 20% and 15% respectively

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
  - Combined operating fleet of 65 aircraft[1]
  - 350 flights per day and growing

1. Including Jetstar Pacific and Jetstar Asia aircraft

Jetstar Domestic

- Domestic operations profitable every year since start up
- Strengthening and refinement of market position
  - Strong progress on unit costs to deliver competitive platform
  - Yields up despite tough second half
  - Transforming the airport experience
  - Operational improvements driving strong OTP result
- Continued growth in key Jetstar leisure and regional markets
  - Gold Coast
  - Queensland Coast
  - Adelaide
  - Tasmania

		FY10	FY09	% VLY
ASKs	m	11,615	11,197	4
RPKs	m	9,456	9,060	4
Passengers	'000	8,367	8,110	3
Load	%	81.4	80.9	0.5ppt
A320 utilisation	hrs	11.1	11.4	(3)
OTP[1]	%	83	79	4ppt

1. Source: BITRE

Jetstar International

- Australia
  - 3rd largest carrier, 8.1% market share[1]
  - 18% ASK growth[2]
  - B787's due mid-2012
- New Zealand Domestic
  - Successful start up, now New Zealand's second airline with more than 1 million passengers carried in FY10
  - 7th aircraft added in December 2010, future growth considerations
  - RNP[3] successfully introduced
- Japan
  - Largest carrier on Australia - Japan route
  - New Cairns-Osaka and Taipei-Osaka services

Jetstar International		FY10	FY09	% VLY
ASKs	m	14,316	11,355	26
RPKs	m	11,037	8,412	31
Passengers	'000	3,910	2,123	84
Load	%	77.1	74.1	3.0ppt
A330 utilisation	hrs	13.5	14.1	(4)
Market share[1]	%	8.1	6.4	1.7ppt

Jetstar Asia		FY10	FY09	%VLY
ASKs	m	4,014	878	>100
RPKs	m	3,227	668	>100
Passengers	'000	2,288	463	>100
Load	%	80.4	76.0	4.4ppt

1. 10 months to April 2010 (prior year 10 months to April 2009)
2. Australian based International operations only (excluding Jetstar Asia and NZ Domestic operations)
3. RNP = Required Navigation Performance

Jetstar / AirAsia Alliance

- World first alliance between Asia Pacific's two leading low cost, low fare carriers
- Active discussions underway with Airbus, Boeing and Bombardier regarding future aircraft design requirements
- Other initiatives underway include
  - Cooperative arrangements for the provision of passenger and ground handling in Australia and within Asia
  - Shared aircraft parts and 'pooling'
  - Joint procurement, with a focus on engineering and maintenance
  - Reciprocal arrangements for passenger disrupt and recovery management

Jetstar Fleet

- Accelerating A320 deliveries for growth
- Taking A330 fleet to 11 by FY12 to consolidate international growth
- FY11 deliveries
  - 8 x A320
  - 2 x A330
- B787 deliveries from mid-2012, with Jetstar receiving the Group's first 15 B787s to support international growth

	FY10	FY09	VLY
Jetstar Australia & Singapore based Operations			
A320-200	46[2]	40	6
A321	6	4	2
A330-200	7	6	1
Sub Total	**59**	**50**	**9**
Jetstar Pacific[1]			
A320-200	1	1	-
B734	5	5	-
Sub Total	**6**	**6**	**-**
Total Jetstar Group	**65**	**56**	**9**

1. Jetstar Pacific not included in Qantas Group fleet
2. A320-200 excludes 2 aircraft delivered in June 2010 but not entering service until July 2010

Segment: Qantas Frequent Flyer

FY10 Highlights

- Growth maintained through downturn
  - Normalised EBIT[1] up 12% to $167m
  - Underlying Billings[2] up 4%
- Record membership growth
  - Membership at 7.2 million, up 1.4 million
  - 2.8 million members linked through Woolworths alliance
- Investment in member engagement and awards
  - Customer satisfaction at record highs throughout the year
  - One of the largest online retail stores in Australia
- Investment in technology innovation
  - Upgrade to data warehouse provides access to richer data
  - Stage 1 of core system replacement launched

$M	FY10	FY09	VLY
Underlying EBIT	**328**	**226**	**45.1%**
Normalised EBIT[1]	167	149	12.0%
Underlying Billings[2]	952	913	4.3%
Members (m)	7.2	5.8	23%

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. FY09 excludes credit card direct earn strategy 'rush in' billings

Financials – Normalised EBIT

- Billings/Marketing Revenue
  - Economic downturn impacted credit card points sold, offset by Woolworths launch
- Redemption margin up $5m
  - Activity shift to higher margin Any Seat and Store products

Redemption Split	FY10	FY09
Classic	77%	80%
Any Seat	11%	9%
Store and other	12%	11%

- Operating Cost savings of $16m

$M	FY10	FY09	VLY
Underlying Billings	**952**	**913**	**4.3%**
Marketing Revenue	**236**	**239**	**(1.2%)**
Redemption Revenue	699	718	(2.6%)
Redemption Costs	642	666	3.6%
Redemption Margin	**57**	**52**	**9.6%**
Gross Profit	**293**	**291**	**0.7%**
Net Operating Costs	126	142	11.3%
Normalised EBIT[1]	**167**	**149**	**12.0%**

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.

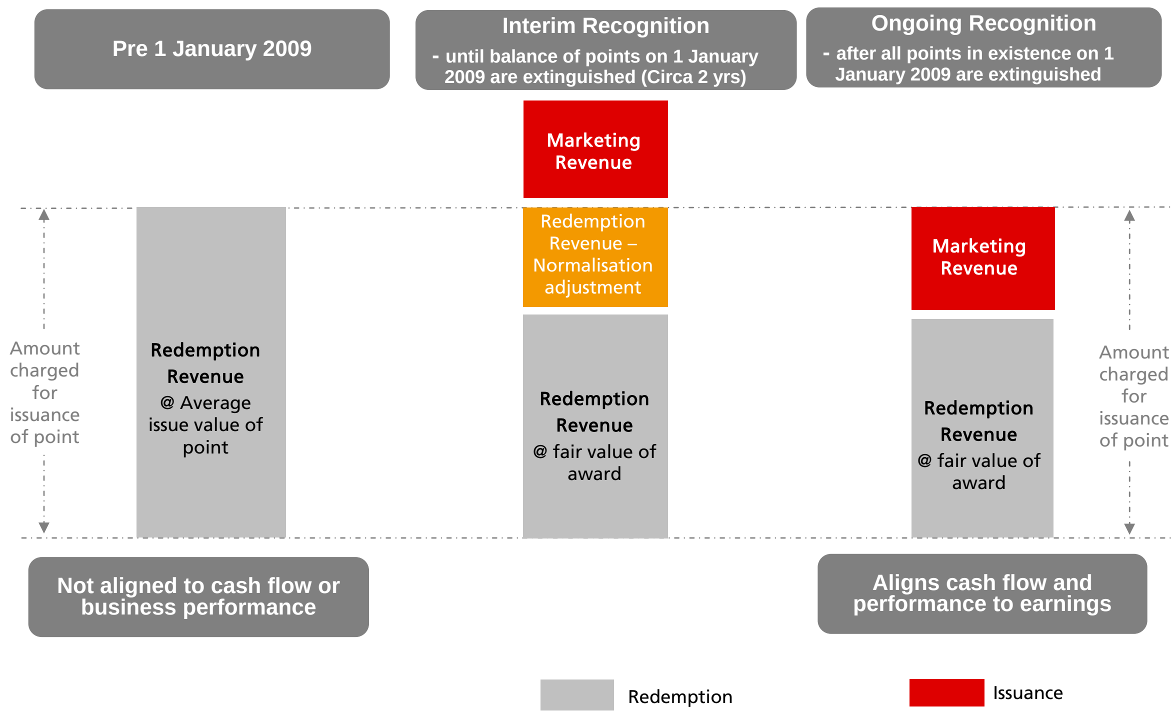
Financials – Cash and Billings

- Underlying billings growth of 4%
  - Economic downturn impacted credit card point sales, offset by successful launch of Woolworths Group
- Normalised deferred revenue balance over $1.8bn and growing

$M	FY10	FY09	VLY
Billings	952	913	4%
Estimated impact of direct earn 'rush'	-	342	
Total Billings	**952**	**1,255**	**(24%)**
Normalised deferred Revenue[1]	**1,840**	**1,823**	**1%**

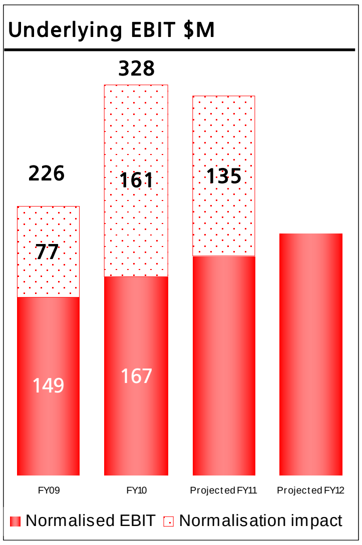
1. Normalised deferred Revenue balance has been restated, by removing the impact of the change in accounting estimate of $135 million FY10 ($297 million FY09)

Revenue Recognition - Points



Normalisation Adjustment

$M	FY10	FY09	VLY
Normalised EBIT	**167**	**149**	**12.08%**
Normalisation Adjustment[1]	161	77	
Underlying EBIT[2]	**328**	**226**	**45.1%**
Estimated one off impact of direct earn point 'rush'		84	
EBIT	**328**	**310**	**5.4%**



- 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

1. Normalisation adjustment of $161 million for FY10 ($77 million for FY09) restates redemption revenue to the fair value of the awards redeemed and recognises the 'marketing revenue' element when a point is sold

2. If the accounting estimates had not been changed, the underlying EBIT would be lower by $152 million for FY10 ($63 million for FY09)

Airlines

- Aeropelican, South African Airways, and China Eastern became airline partners during the year
- 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
  - Bookings growth for July 2010 above 350%, following marketing initiatives in June 2010
- Airline loyalty significantly improved following Woolworths Group launch
  - 17% of new members (joined since Woolworths launch) have flown over 876,000 flight segments with approximately 60% of this group being new passengers to the airline

New Partners

- New Partners
  - St. George Bank and Bank SA launched the Amplify credit card in March 2010
  - AMEX launched the small business charge card in May 2010
  - Now over 250 participating restaurants
- Woolworths
  - Over 2.8 million QFF members linked through Woolworths alliance
  - Supermarkets, Big W, BWS and Dick Smith launched
  - Caltex-Woolworths launching in first half of FY11
  - Woolworths program alliance attracted both younger and female demographics

Coalition 490+ Partners

Earn on Qantas and 27 partner Airlines

Earn products at all major banks

Earn points at Australia's largest retailer

Wide cross section of retail, travel and restaurants

Improvements to Member Proposition

- Classic Award Airline Partners increased by 3 to 27
- 43 airlines and over 100 destinations added to Any Seat Awards
- 3.4 million seats redeemed on flight awards
- 350,000 products redeemed in QFF Store up 8%
- Icons campaign launched, educating and engaging members by simply showing points earned in each partner category
- New channel to reach members via an iGoogle gadget

Segment: Qantas Freight Enterprises

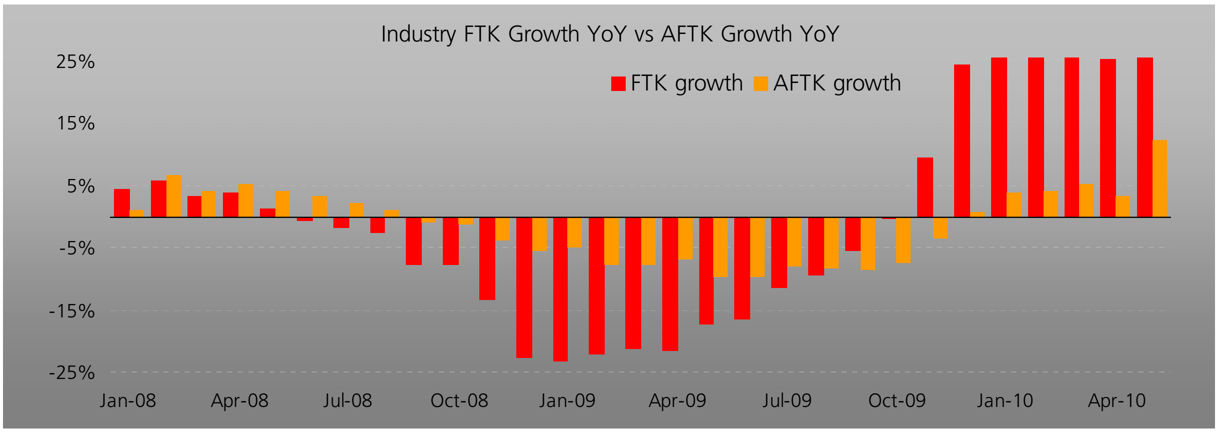
QANTAS

Qantas Freight Enterprises

- FY10 earnings up $35m
  - Freight performance in line with industry trend
  - Recovery since Q2 FY10
- Capacity reduced by 3% overall
  - Passenger aircraft capacity down 9%
  - Added leased B767 freighter to Trans-Tasman routes June 2009 – performing well
- Yields affected by competitive pressures but are improving
- RFTK (freight uplift) up 7% in FY10
- Terminals performing in line with expectation
  - Tonnage handled for FY10 is 584,000 tonnes

		FY10	FY09	% VLY
Revenue	$M	1,007	1,080	(7)
Underlying EBIT	**$M**	**42**	**7**	**>100**
Profit from associates	$M	12	13	(7)
Yield (excl FX) VLY	%			(2)
Load	%	60	54	6

Air Freight



- Most profitable year for Qantas freighters
- Demand in international air freight market continues to be positive, with a 32% year on year increase in May 2010
  - Restocking, new product launches (iPad, Netbook)
- Capacity increasing, but at rate slower than demand

Domestic Express Joint Ventures

- Australian air Express
  - AaE revenue 6% unfavourable – lower volume
  - Significant cost base restructuring more than offset reduction in volumes
- Star Track Express
  - Star Track Express revenue flat compared to FY09
- Australian air Express and Star Track Express business review complete - renewal of partnership with Australia Post confirmed