Qantas Airways Limited
1H12 Results
Supplementary Slides

Group Performance

QANTAS

Group Highlights: Underlying Income Statement

$M	1H12	1H11	VLY	VLY %
Net passenger revenue	6,452	6,188	264	4
Net freight revenue	407	447	(40)	(9)
Other	1,189	956	233	24
Revenue	**8,048**	**7,591**	**457**	**6**
Operating expenses (excl fuel)	4,634	4,513	(121)	(3)
Fuel	2,181	1,737	(444)	(26)
Depreciation and amortisation	679	606	(73)	(12)
Non-cancellable operating lease rentals	277	283	6	2
Expenses	**7,771**	**7,139**	**(632)**	**(9)**
Underlying EBIT	**277**	**452**	**(175)**	**(39)**
Net finance costs	(75)	(35)	(40)	>(100)
Underlying PBT[1]	**202**	**417**	**(215)**	**(52)**
AASB 139 mark-to-market movements relating to other reporting periods	(7)	(45)	38	84
Other items not included in Underlying PBT	(137)	(50)	(87)	>(100)
Statutory PBT	**58**	**322**	**(264)**	**(82)**

1. Underlying Profit Before Tax (PBT) is a non-statutory measure used by Management and the Group's chief operating decision making bodies as the primary measure to assess financial performance of the Group and individual Segments. All line items in the 1H12 Results Presentation are reported on an Underlying basis . Refer to Supplementary Slide 4 for reconciliation of Statutory and Underlying PBT.

Reconciliation to Statutory PBT

$M	1H12				1H11			
	Underlying[1]	Ineffectiveness relating to other reporting periods	Other items not included in Underlying PBT	Statutory	Underlying[1]	Ineffectiveness relating to other reporting periods	Other items not included in Underlying PBT	Statutory
Net passenger revenue	6,452			6,452	6,188			6,188
Net freight revenue	407			407	447			447
Other	1,189			1,189	956			956
Revenue	**8,048**			**8,048**	**7,591**			**7,591**
Operating expenses (excl fuel)	4,634	68	137	4,838	4,513	61	50	4,624
Fuel	2,181	(65)		2,117	1,737	(23)		1,714
Depreciation and amortisation	679			679	606			606
Non–cancellable operating lease rentals	277			277	283			283
Expenses	**7,771**	**3**	**137**	**7,911**	**7,139**	**38**	**50**	**7,227**
EBIT	**277**	**(3)**	**(137)**	**137**	**452**	**(38)**	**(50)**	**364**
Net finance costs	(75)	(4)		(79)	(35)	(7)		(42)
PBT	**202**	**(7)**	**(137)**	**58**	**417**	**(45)**	**(50)**	**322**

1. Underlying PBT is a non-statutory measure, and is the primary reporting measure used by the Qantas Group's chief operating decision-making bodies as the primary measure to assess financial performance of the Group and individual Segments. Underlying PBT is derived by adjusting Statutory PBT for the impact of AASB 139: Financial Instruments: Recognition and Measurement (AASB 139) which relate to other reporting periods and identifying certain other items which are not included in Underlying PBT.

Other Items Not Included in Underlying PBT

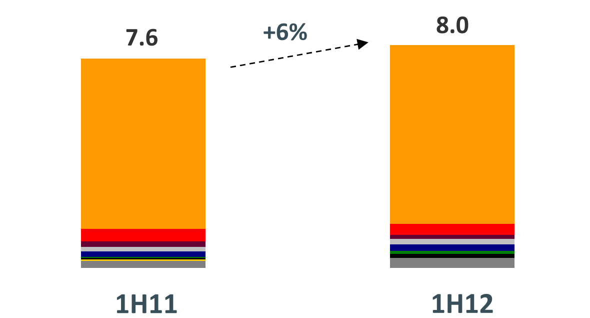
$M	1H12	1H11	
Other items not included in Underlying PBT[1]:			
• Net impairment of property, plant and equipment	(72)	-	Primarily representing impairment of 4xB744 aircraft due to early retirement as a result of reduced European flying
• Redundancies, restructuring and other provisions	(46)	-	International transformation initiatives
• Net impairment and net loss on disposal of investments and related transaction costs	(19)	(24)	1H12 impairment of investment in jointly controlled entity 1H11: $29m loss on disposal and other transaction costs relating to Jetset Travelworld Group/Stella merger; $5m profit on sale of DPEX (freight business)
• Legal provisions	-	(26)	Provisions for freight regulatory fines and third party actions
	(137)	**(50)**	

- 1H12 Qantas International transformation costs of $118m; remaining transformation costs are in the range of $200m to $300m[2] based on announcements to date[3]

1. Items which are identified by Management and reported to the chief operating decision-making bodies, as not representing the underlying performance of the business are not included in Underlying PBT. The determination of these items is made after consideration of their nature and materiality and is applied consistently from period to period. Items not included in Underlying PBT primarily result from revenues or expenses relating to business activities in other reporting periods, major transformational/restructuring initiatives, transactions involving investments and impairments of assets outside the ordinary course of business. 2. As announced in August 2011, initial estimates for Qantas International transformation costs were in the range of $350m to $450m (more than half being non-cash charges). 3. Does not include any costs associated with the outcome of the consultative review of heavy maintenance, the outcome of the consultative review of the Adelaide catering facility or the potential sales of Cairns and Riverside catering operations.

Revenue

REVENUE ($B)



RPKs (m)	54,592	+4% →	56,680
ASKs (m)	66,821	+5% →	70,205

NET PASSENGER REVENUE UP 4%
- Group yield[1] (excluding FX) improved 4%
- Group RPKs up 4%, Group ASKs up 5%

NET FREIGHT REVENUE DOWN 9%
- Freight yields up 7% (excluding FX)
- Activity down 1%
- Unfavourable load and FX impact

CONTRACT WORK REVENUE UP 6%
- Qantas Ground Services business expansion into additional ports

PASSENGER SERVICE FEES REVENUE UP 25%
- Increased service and change fees in Jetstar

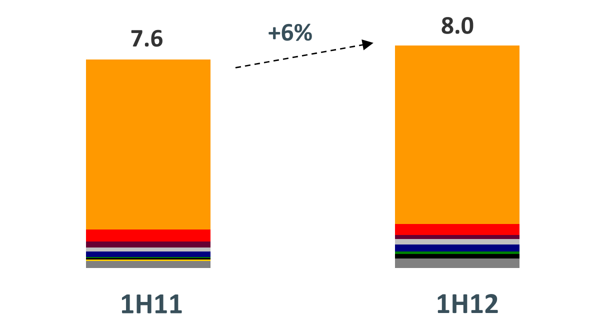
FREQUENT FLYER MARKETING, STORE AND OTHER REDEMPTION REVENUE UP 6%
- Increase in points earned on cards
- 16% increase in billings

(Continued next slide)

Note: All revenue movements include foreign exchange (FX).
1. Jetstar product unbundling – yield and unit cost calculation adjusted to treat fee revenue from Jetstar product bundles (launched May 2011) as passenger revenue to ensure comparability between periods.

Revenue

REVENUE ($B)



RPKs (m)	**54,592**	**+4%**	**56,680**
ASKs (m)	**66,821**	**+5%**	**70,205**

LEASE REVENUE UP 14%

- Increased codeshare yields (fuel recovery) and activity

ANCILLARY PASSENGER REVENUE UP >100%

- Introduction of Jetstar fare bundles[1] (May 2011)

TOURS AND TRAVEL REVENUE DOWN 62%

- JTG deconsolidated from 1 October 2010

REVENUE FROM OTHER SOURCES UP 20%

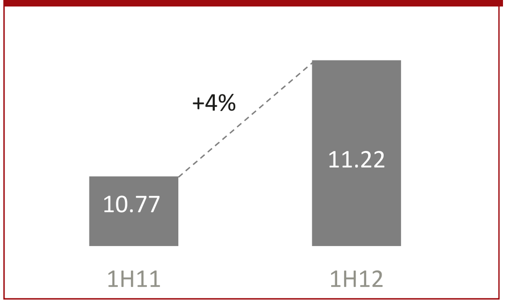
- Growth in charter revenue following acquisition of Network Aviation business
- Increased other revenue due to acquisition of Wishlist
- Increased freight terminal fee revenue

Note: All revenue movements include FX.
1. Jetstar product unbundling adjusted to treat fee revenue from Jetstar product bundles (launched May 2011) as passenger revenue to ensure comparability between periods.

Yield Performance

- 1H12 yields[1] impacted by industrial dispute
- Domestic
  - Group yield up 5%
  - Strong yields in Qantas and Jetstar
  - Substantial capacity growth in leisure market
- International
  - Group yield up 3%
  - Qantas yield increasing on key routes
  - Jetstar Asia yields impacted by A330 operation ramp-up

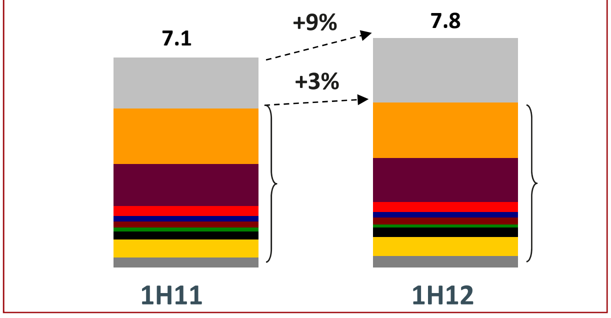
YIELD[1] (C/RPK)



1. Yield excluding FX. Jetstar product unbundling – yield calculation are adjusted to treat fee revenue from Jetstar product bundles (launched in May 2011) as passenger revenue to ensure comparability between periods.

Expenditure

EXPENSES ($B)



RPKs (m)	54,592	+4%	56,680
ASKs (m)	66,821	+5%	70,205

FUEL COSTS UP 26%
- USD fuel price up 37%
- Increased activity and fuel conservation initiatives
- Higher AUD

MANPOWER AND STAFF RELATED COSTS IN LINE
- Increased activity
- EBA & CPI increases offset by QFuture benefits

AIRCRAFT OPERATING VARIABLE COSTS UP 7%
- Increased activity
- CPI increases

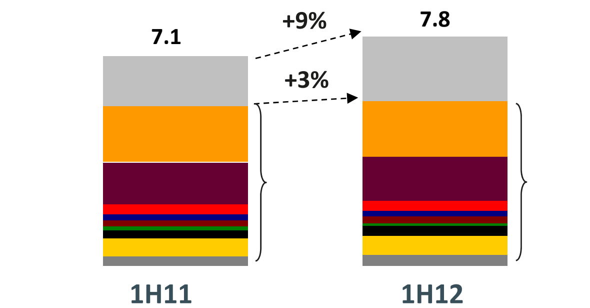
SELLING AND MARKETING COSTS UP 8%
- Increase in incentive & interline commission due to increased activity
- Customer recovery costs due to the industrial dispute

(Continued next slide)

Note: All expenditure excludes hedge ineffectiveness relative to other reporting periods and other items not included in Underlying PBT. All expenditure movements include FX.

Expenditure

EXPENSES ($B)



RPKs (m)	54,592	+4%	56,680
ASKs (m)	66,821	+5%	70,205

PROPERTY COSTS UP 4%
- CPI and contract maintenance expense increases

COMPUTER AND COMMUNICATION COSTS DOWN 10%
- Decrease in non-project specific expenditure

CAPACITY HIRE COSTS DOWN 4%
- Decrease in freighter activity and savings due to change from wetlease to drylease arrangement on B767 freighter program, offset by increase in regional turbo aircraft activity

RENTALS EXPENSE DOWN 2%
- 7 additional new aircraft leases offset by expired leases
- Improvement in new Jetstar aircraft lease rates

DEPRECIATION AND AMORTISATION COSTS UP 12%
- Depreciation following purchase of 34 aircraft (including 3 previously leased), partially offset by aircraft no longer depreciated
- Increased depreciation due to the capitalisation of major maintenance activities

OTHER EXPENDITURE UP 6%
- Additional expenditure due to acquisition of Wishlist

Note: All expenditure excludes hedge ineffectiveness relative to other reporting periods and other items not included in Underlying PBT. All expenditure movements include FX.

Unit Cost

- Improved unit cost performance both on a stand alone basis and including adjustments for A380 disruptions, industrial dispute and average sector length

C/ASK	1H12	1H11	VLY %
Unit Cost[1]	**8.68**	**8.23**	
Excluding:			
• Fuel	(3.11)	(2.60)	
• Impact of Frequent Flyer change in accounting estimate	0.01	0.13	
Net Underlying Unit Cost[2,3]	**5.58**	**5.76**	↓ **3**
• Impact of grounding of A380 fleet (includes loss of capacity)	-	(0.06)	
• Impact of industrial dispute	(0.14)	-	
• Sector length adjustment	0.04	(0.05)	
Comparable Net Underlying Unit Cost[4]	**5.48**	**5.65**	↓ **3**

1. Based on Underlying PBT less passenger revenue. 2. Net Underlying Unit Cost – Underlying PBT less Passenger Revenue, fuel and Frequent Flyer change in accounting estimate per ASK. 3. Jetstar product unbundling – unit cost calculation are adjusted to treat fee revenue from Jetstar product bundles (launched in May 2011) as passenger revenue to ensure comparability between periods. 4. Comparable Net Underlying Unit Cost – Net Underlying Unit Cost adjusted for the impact of industrial dispute (1H12) and grounding of A380 fleet (1H11) and movements in average sector length.

Debt Position and Gearing Summary

- Net debt, including off balance sheet debt, increased by 12% to fund 1H12 capital expenditure
- Gearing ratio increased by 3 percentage points

$M	1H12	2H11	VLY ($M)
Net debt[1]	3,753	2,971	782
Net debt[1] including off balance sheet debt[2]	7,787	6,970	817
Equity (excluding hedge reserves)	6,111	6,071	40
Gearing ratio[3] (including off balance sheet debt)	56:44	53:47	

1. Includes interest bearing liabilities and the fair value of hedges related to debt less cash and cash equivalents and aircraft security deposits. 2. Includes non cancellable operating leases. This measure reflects the total debt funding used by the Group to support its operations. Non-cancellable operating leases are a representation assuming assets are owned and debt funded and are not consistent with the disclosure requirements of AASB117:Leases. 3. Gearing Ratio is net debt including off balance sheet debt to net debt including off balance sheet debt and equity (excluding hedge reserves). The gearing ratio is used by Management to represent the Qantas Group's entire capital position by measuring the proportion of the Group's total net funding provided using debt, both on and off balance sheet.

Cash Flow Summary

- Operating cash flows increased 5%
  - Improvements in working capital offset by decreased earnings
- Investing cash flows of $1.5b included:
  - Purchase of 24 aircraft including 2xA380
  - Progress payments on future deliveries
  - Investment in Jetstar Japan and acquisition of Wishlist

$M	1H12	1H11	VLY %
Cash at beginning of period	3,496	3,704	(6)
Operating	823	786	5
Investing	(1,501)	(1,119)	34
Financing	525	(20)	<(100)
Net decrease in cash held	(153)	(353)	(57)
Effects of exchange rate changes on cash	(1)	(14)	(93)
Cash at end of period	**3,342**	**3,337**	**-**

Group Operational Information

Fleet at 31 December 2011

	1H12	FY11	Change
A380-800	12	10	+2
B747-400	19	20	-1
B747-400ER	6	6	-
A330-200	8	8	-
A330-300	10	10	-
B767-300ER	24	25	-1
B737-400	15	19	-4
B737-800NG	56	46[2]	+10
Total Qantas	150	144	+6
A320-200[2]	62	56	+6
A321-200	6	6	-
A330-200	11	9	+2
Total Jetstar[3]	79	71	+8
B717-200	11	11	-
Q200/Q300	21	21	-
Q400	25	22	+3
Total QantasLink	57	54	+3
EMB120	7	7	-
F100	3	2	+1
Total Network Aviation[4]	10	9	+1
B737-300SF	4	4	-
B767-300SF	1	1	-
Total Freight[5]	5	5	-
Total Group	**301**	**283**	**+18**

- 24 additional aircraft during 1H12
  - 1xB747-400 retired
  - 1xB767-300 retired
  - 4xB737-400 retired
- Aircraft held for sale in storage[1]
  - 1xB747-400
  - 1xB737-400

1. Not included in fleet total. 2. Does not include 1 aircraft delivered in June 2011 with EIS of July 2011. 3. Includes Jetstar Asia fleet (16xA320), excludes Jetstar Pacific. 4. Network Aviation acquired in FY11. 5. Qantas Group wet-leases 3xB747-400 freighter aircraft (not included in the table).

Fleet Deliveries

AIRCRAFT DELIVERIES (INDICATIVE TIMING)

Aircraft Type	2H12	FY13–FY18	FY19–FY24
A380-800	-	2	6
A330-200	-	1	-
B787-8	-	15	-
B787-9	-	35	-
A320 Family[1]	3	80	42
B737-800	3	11	-
B717	2	-	-
Q400	-	3	-
F100	5	-	-
Total Deliveries	**13**	**147**	**48**

- 11 aircraft for retirement in 2H12
  - 5xB744[2], 5xB734, 1xB763

CAPACITY GROWTH (ASKs)

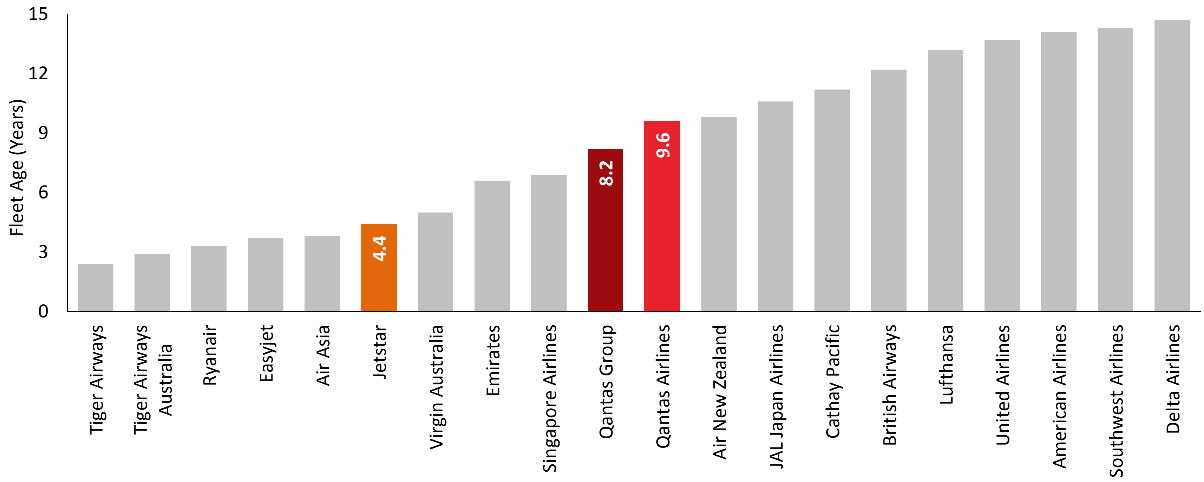
2H12 vs 2H11 % Growth	Planned[2]	Normalised[3]
Group	**7%**	**5%**
Qantas	3%	1%
Jetstar	20%	16%
International	7%	5%
Domestic	8%	5%

REDUCTION IN FUEL CONSUMPTION[4]

1. Includes recently announced A320 aircraft order, does not include 24 aircraft for Jetstar Japan and 10 aircraft for Jetstar Pacific 2. Includes 2xB744 aircraft related to AKL-LAX announcements on 16 February. 3. Normalised group capacity growth is computed after adjusting capacity growth for 2H11 natural disasters (including ash from the Chilean volcano, the earthquake and tsunami in Japan, the earthquake in Christchurch, the Queensland floods and Cyclones Yasi and Carlos) and the Rolls Royce engine failure and the subsequent grounding of the A380 fleet. 4. A380 compared with B744, A320neo compared to A320 (no sharklets) and B787 compared to B763.

Modern Sustainable Fleet

- Jetstar 4.4 years versus average Low Cost Carrier 5.0 years[1]
- Qantas Airlines 9.6 years versus average Full Service Carriers 10.5 years[1]



Qantas Group: Current Average Fleet Age
8.2 years

Qantas Group: Target Average Fleet Age
8 – 10 years

1. Average fleet age based on comparative sample data included in graph. Source: Company reports, data taken from last reported period where available as at May 2011 data. Qantas data as at December 2011.

On Time Performance

DOMESTIC

- Best on time arrivals 2011 – Qantas
- Best on time departures 2011 – Qantas

INTERNATIONAL

- Qantas on time performance 2011 was comparable to 2010
  – Despite industrial dispute, grounding and Chilean ash cloud

ON TIME ARRIVALS[1] (%)	2011	RANK
Qantas	79.4	1st
Virgin	79.2	2nd
Jetstar	77.6	3rd
Tiger	70.6	4th

ON TIME DEPARTURES[1] (%)	2011	RANK
Qantas	81.3	1st
Virgin	80.9	2nd
Jetstar	76.8	3rd
Tiger	71.3	4th

1. Domestic data. Source: BITRE December 2011.

Segment: Qantas

Qantas

- Underlying EBIT of $66m
  - Impacted by industrial dispute and record high fuel costs
  - Prompt rebound in corporate travel
  - Continuing to extend best for business credentials
  - Strong domestic and regional performance
  - International – improved passenger revenue did not offset impact of fuel, industrial dispute and EU slowdown
  - Operational certainty achieved for customers

		1H12	1H11	VLY %
Revenue	$M	6,066	5,706	6
Underlying EBIT	$M	66	165	-60
ASKs	M	50,067	49,249	1.7
RPKs	M	40,587	40,599	-

IMPACT OF INDUSTRIAL DISPUTE ($M)	
Industrial action prior to the grounding	68
Impact of the grounding	70
Impact on forward bookings	27
Customer recovery initiatives	29
Total	**194**

Qantas Domestic Network

- Revenue growth through improved yields
- Capacity aligned to market demand
  - Growth in East-West and intra-WA
- Market leading OTP[2] in 2011
- Continued fleet renewal – 8 new B738
- Domestic product enhancements
  - Extended 'Faster, Smarter Check-in' roll out (Airline Strategy Award for innovation)
  - Business Lounges, Qantas Clubs, in-flight offerings, priority boarding
- The clear choice for business
  - Highly differentiated product
  - Leading frequency and capacity
  - Penetrating SME market – market share above capacity share
  - Materially maintained domestic revenue share

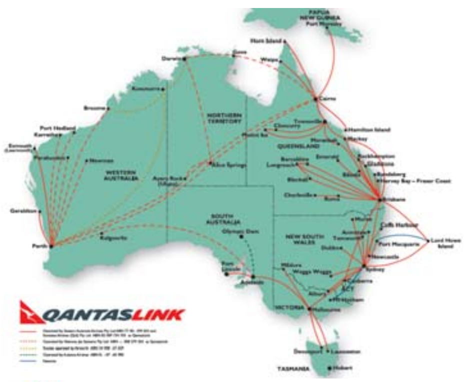
		1H12	1H11	VLY %
ASKs[1]	M	15,838	15,969	-1
RPKs	M	12,861	13,091	-2
Passengers	'000	8,728	9,014	-3
Seat factor	%	81.2	82.0	-0.8ppt
OTP[2]	%	81.5	83.0	-1.5ppt

1. ASK growth of 1.3% once normalised for industrial dispute.
2. OTP = On-time performance, Source: BITRE.

Qantas Regional Airline Group

- QantasLink 2012 'Regional Airline of the Year'[1]
- Supporting resource sector growth
  - Network Aviation expansion in FIFO[2] market
  - Key corporate charter contracts secured
- Largest regional fleet and network
  - Capacity growing at 7.4% CAGR[4]
- Profitable operations underpinned by fleet and network expansion
  - Delivery of 3xQ400 aircraft
  - Successful introduction of Q400 into WA
  - Planned arrival of 2xB717 aircraft into Queensland in 2H12
  - Continued investment in F100 fleet
- Further rollout of Regional Qantas Club Lounge and 'Faster, Smarter Check-in'

		1H12	1H11	VLY %
ASKs	M	2,515	2,378	6
RPKs	M	1,755	1,687	4
Passengers	'000	2,624	2,501	5
Seat factor	%	69.8	71.0	-1.2ppt
Aircraft[3]		67	53	26



1. Air Transport World (ATW). 2. Fly-in-fly-out. 3. Includes Network Aviation. 4. Five year ASK growth from 1H07 to 1H12. Full year five year growth rate from FY06 to FY11 is 9.1%.

Qantas International Network

- Strong growth in passenger revenue
  - Despite industrial dispute and grounding
  - Did not offset increased fuel prices
- Transformation agenda on track
- Reduced planned capital - deferred 6xA380s to FY19+
- Fleet renewal/modernisation
  - 2xA380 added, taking total A380 fleet to 12
  - Reconfiguration of 9xB747 (2 complete)
  - Driving superior economics and customer experience
- Strengthening alliance partnerships
  - Full ATI[3] clearance for JBA[4] with American Airlines
  - Restructured and strengthened JSA[5] with British Airways
- Optimising network
  - Santiago to replace Buenos Aires services
  - A380 services to Hong Kong
  - Dallas services to 6 per week January 12, daily by July 12
- 'Faster, Smarter Check-in' rolled out to key trans-Tasman ports

		1H12	1H11	VLY %
ASKs	M	31,714	30,902	3
RPKs	M	25,971	25,821	1
Passengers	'000	3,060	3,052	-
Seat factor	%	81.9	83.6	-1.7ppt
Market share[1]	%	18.3	19.2	-0.9ppt
OTP[2]	%	76.5	76.3	0.2ppt

1. As at December 2012. 2.OTP = On-time performance, Source: BITRE. 3. Anti-Trust Immunity. 4. Joint Business Agreement. 5. Joint Service Agreement.

Customer Excellence

FLEET MODERNISATION

GROUND PRODUCT MODERNISATION

SERVICE CULTURE PROGRAM

Qantas Direct

- Qantas' largest single customer touch point
  - Combines qantas.com with contact centres
  - Over 108m visits per year to qantas.com
  - Over 4.9m calls to contact centres and 1m outbound calls per year
  - 2.2m customer database
- Qantas' largest sales channel, generating:
  - Over $2b in revenue annually
  - $120m in ancillary revenue
- Global reach
  - qantas.com accessed in over 220 countries and 7 languages
  - Inbound calls from >6 countries via contact centres
- No.1 travel website in Australia[1]
- Online account access for 8.3m Qantas Frequent Flyer members

1. Source: Hitwise.

QFUTURE

BACKGROUND	• Launched July 2009 to position Qantas for profitable growth • Focused on transformational change • $1.5b target margin improvement over 3 years • >30 major initiatives, plus many smaller projects across airline • Achieved $1b in benefits over FY10 and FY11
OBJECTIVES	• Creating value for our customers • Optimising revenue and margins • Driving operational efficiency • Engaging our workforce

QFUTURE

- $180m benefit achieved 1H12
  - Impacted by industrial dispute
  - Major achievements in asset utilisation, fuel optimisation, procurement and other direct costs
  - $63m implementation costs
- Total of $1b in benefits achieved in FY10 and FY11
- FY12 QFuture benefits delivery weighted towards 2H12
  - Currently on track to achieve $500m FY12 target

QFUTURE BENEFITS ($M)	1H12	1H11
Commercial	83	78
Engineering	21	23
Airports, Catering	15	14
Customer	15	16
Fuel	12	14
Other (Flight Operations, Regional, Shared Services, Procurement, IT)	34	28
Total	**180**	**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 reconfiguration
- Customer strategy program

OPTIMISING REVENUE AND MARGINS
- Alliances and network
- Cost of sales
- Revenue management

DRIVING OPERATIONAL EFFICIENCY
- Fuel optimisation
- Procurement & supply chain

ENGAGING OUR WORKFORCE
- Workplace transformation

Segment: Jetstar

Jetstar

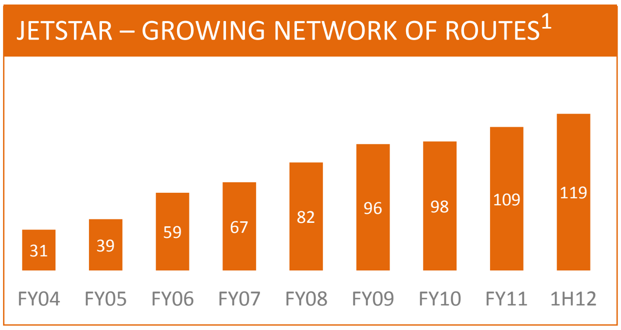
- Record result
  - Underlying EBIT of $147m
  - Unit cost[1] down 3%, 1% adjusted for increased sector length
  - Capacity up 15%
  - Offset significant impact of higher fuel prices
- Largest LCC in Asia Pacific[2]
  - Leveraging success of Singapore hub expansion
  - Jetstar Japan launch accelerated to July 2012[3]
- Continued innovation
  - Advanced satellite guidance technology reducing weather impact
  - iPad in-flight entertainment (strong take-up)
  - Entry-into-service preparations for B787 Dreamliner (world's first LCC to take delivery mid-2013)

		1H12	1H11	VLY %
Revenue	$M	1,565	1,346	16
Underlying EBIT	$M	147	143	3
Unit cost C/ASK[1]	C	4.1	4.3	3

1. Gross unit cost excluding fuel and passenger service fees/taxes.
2. Based on gross revenues .
3. Subject to regulatory approvals.

Jetstar Footprint Growing

- One of the fastest growing airlines in the Asia Pacific region
  - 5 Jetstar brand airlines servicing 17 countries with 57 destinations
  - Combined operating fleet of 86 aircraft[1]
  - Over 2,600 flights per week and growing
  - Over 10.3 million[1] passengers carried



1. Including Jetstar Pacific

Jetstar Domestic Network

- Profitable every year since 2004 launch
- Leveraging strong brand and market position
  - 9% capacity growth in 1H12 and strong load factors above 85%
  - Ongoing improvement of customer experience (booking, airport, in-flight)
  - Continued progress on reducing unit costs to deliver competitive platform
  - Investment in new aircraft to underpin growth
- Strategic alliances to strengthen Australian tourism
  - $10m partnership with Tourism Australia (focus on key Asian inbound markets)

Jetstar Domestic		1H12	1H11	VLY %
ASKs	M	7,663	7,019	9
RPKs	M	6,543	5,711	15
Passengers	'000	5,416	4,921	10
Load	%	85.4	81.4	4.0ppt
A320/1 utilisation	Hrs	10.8	11.4	(0.6)hrs
OTP[1]	%	78	77	1ppt

1. OTP = On-time performance, Source: BITRE.

Jetstar International Network

- Australia
  - 4th largest carrier, 7.9% market share[1]
  - Capacity up 6%
  - 11th A330 added Nov 2011
  - 1st B787 due mid-2013
- New Zealand Domestic
  - Significant year-on-year growth
  - Capacity up 42%, passengers up 32%
  - Ended competitor monopoly on 7th domestic route
  - Increased traffic and customer advocacy
- Japan
  - Improved long-haul operations post earthquake and tsunami
  - Increased domestic brand awareness ahead of Jetstar Japan launch

Jetstar International (excl. Jetstar Asia & NZ Domestic)		1H12	1H11	VLY %
ASKs	M	7,904	7,433	6
RPKs	M	5,997	5,805	3
Passengers	'000	1,530	1,479	3
Load	%	75.9	78.1	(2.2) ppt
A330 utilisation	Hrs	14.0	14.9	(0.9) hrs
Market share[1]	%	7.9	8.1	(0.2) ppt

New Zealand Domestic		1H12	1H11	VLY %
ASKs	M	639	449	42
RPKs	M	488	368	33
Passengers	'000	777	590	32
Load	%	76.4	82.0	(5.6) ppt
Market share[2]	%	19.9	14.9	5.0 ppt

1. Source BITRE - Australian based International operations only (excl. Jetstar Asia and NZ Domestic operations) year ended November 2011.
2. Source DIIO - New Zealand domestic market share for the 6 months to December 2011.

Jetstar in Asia

- Jetstar Asia (Singapore)
  - 47% capacity growth
  - Jetstar Asia most profitable and best low cost network in Singapore
  - Ramp-up of A330 long-haul operations
  - Strong growth into China
  - 17% improvement in underlying unit cost[1]
- Jetstar Pacific (Vietnam)
  - More than 1 million passengers carried in 1H12
  - Forecast to be 2nd fastest growing market for domestic passengers by 2014[2]

Jetstar Asia		1H12	1H11	VLY %
ASKs	M	3,933	2,671	47
RPKs	M	3,065	2,109	45
Passengers	'000	1,555	1,391	12
Load	%	77.9	78.9	(1.0) ppt

1. Gross unit cost excluding fuel.
2. Source IATA.

Jetstar in Asia

- Jetstar Japan
  - Domestic services start 3 July 2012[1]
  - Tokyo (Narita) first base
  - Qantas Group investment over 3 years ~$64m, 42% economic interest
  - 24 aircraft committed[2], 3xA320 initial fleet
  - Start up ports agreed: Tokyo (Narita), Osaka, Sapporo, Fukuoka, Okinawa
  - JAL and Mitsubishi strong local partners[3]
  - Large market with low LCC penetration
  - Strong LCC brand presence in Japan, leveraging existing Jetstar long-haul business

Reinforcing Jetstar as the largest LCC in Asia Pacific[4]

1. Subject to regulatory approvals.
2. Off balance sheet for Qantas Group.
3. Active process underway to identify fourth shareholder to assume half of Mitsubishi`s current stake
4. Based on gross revenues.

Jetstar Fleet

- A320 deliveries facilitating short-haul growth (domestic and international)
- A330 deliveries facilitating long-haul growth
- 1H12 deliveries
  - 6xA320
  - 2xA330
- FY12 deliveries
  - 10xA320[1]
  - 2xA330
- B787 deliveries from mid-2013, with Jetstar receiving the Group's first 15 B787s (replacing A330s) to support international growth

	1H12	2H11	Change
Jetstar Australia, NZ & Singapore based Operations			
A320-200	62	56	+6
A321	6	6	-
A330-200	11	9	+2
Sub Total	**79**	**71**	**+8**
Jetstar Pacific			
A320-200	2	2	-
B734	5	5	-
Sub Total	**7**	**7**	**-**
Total Jetstar Group	**86**	**78**	**+8**

1. Includes Jetstar Japan.

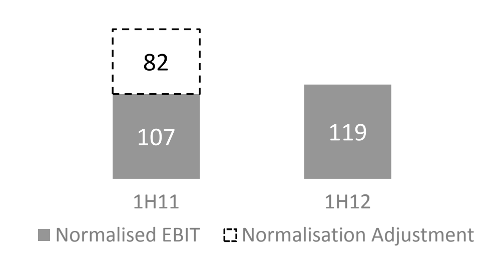
Segment: Qantas Frequent Flyer

Qantas Frequent Flyer

- Strong financial performance
  - Billings up 16%
  - Normalised EBIT up 11%
- 8.3m members, up 11%
- Positive member experience
  - Record points earned and redeemed
- Wishlist acquisition complete
  - QFF now operating >100 loyalty programs
  - Migrating Store from third party to Wishlist
- Major program enhancements
  - Platinum One, Jetstar bundles, Optus
- Pursuing growth strategies
  - epiQure launched
  - Data analytics and customer behaviour

$M	1H12	1H11	VLY %
Underlying EBIT	119	189	(37)
Normalisation Adjustment	-	(82)	(100)
Normalised EBIT[1]	119	107	11
Billings	600	518	16
Members (M)	8.3	7.5	11

EBIT ($M)



NB: The normalisation adjustment period ended in 2H11 and does not continue in FY12.

1. Normalised EBIT is an non-statutory measure which creates a comparable basis for the preparation of results. It adjusts Qantas Frequent Flyer Underlying EBIT for the effect of change in accounting estimates of the fair value of points and breakage expectations effective 1 January 2009. The effect of this difference was that revenue for the half-year ending 31 December 2010 was $82m higher than it would have been had the deferred value per point been the same as that applied in the current period. Eliminations result also includes the impact of the change in accounting estimate at the Group level, which has contributed $5m to 1H12 and $7m to 1H11

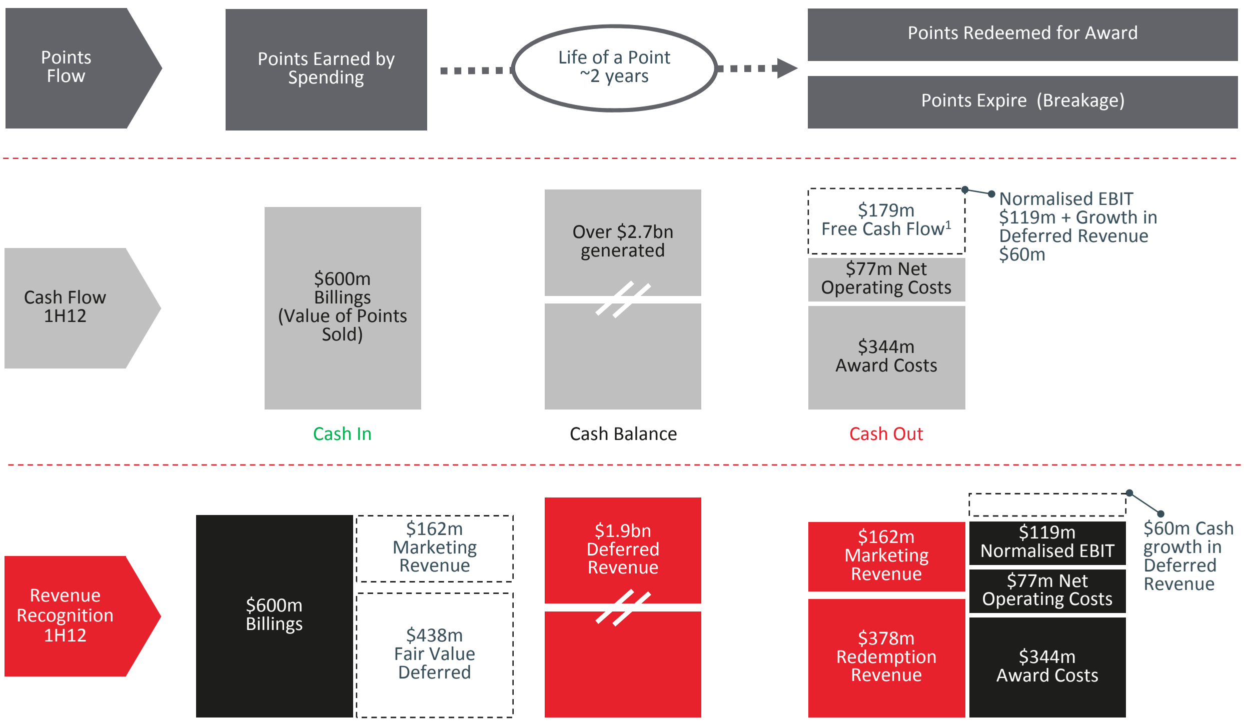
Qantas Frequent Flyer Financials

- Billings
  - Record credit card billings driven by new card products and higher average spend
  - Solid growth in airline billings through changes in tier and cabin earn proposition and the introduction of Jetstar bundles (no EBIT impact)
  - Strong growth in retail billings, particularly around Christmas trading
- Cash growth in deferred revenue of $60m since June 2011
- No profit is derived from transfer pricing between Qantas Frequent Flyer and Qantas Group airlines

$M	1H12	1H11	VLY %
Billings	600	518	16
Marketing Revenue	162	140	16
• Redemption Revenue	378	355	6
• Redemption Costs	344	322	(7)
Redemption Margin	33	33	0
Other Revenue[1]	4	5	(20)
Gross Profit	199	178	12
• Royalty	36	32	(11)
• Operating Costs	44	39	(13)
Total Operating Costs	80	71	(13)
Normalised EBIT[2]	119	107	11
Deferred revenue[3]	1,939	1,879	3

1. Other revenue includes the net EBIT impact of Wishlist Holdings Ltd and epiQure by Qantas Frequent Flyer, food and wine club.
2. Normalised EBIT is a non-statutory measure which 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. 3. Comparative represents deferred revenue at 30 June 2011.

Business Model Financials

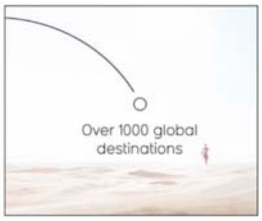


1. Excludes capital expenditure.

Major Program Enhancements

- Enhanced tier benefits
  - Doubled cabin bonus in Business/First class
  - Increased status bonus for Gold/Silver
  - Introduced points earn for Jetstar bundles
- "Platinum One" new tier for most frequent flyers
- Launched epiQure online Food and Wine Club
  - Over 19,000 members
- 1.9m seats redeemed on flight awards, up 4%
- 40% increase in flight upgrade redemptions
- Over 460,000 products redeemed in QFF Store, up 82%
- Over 185,000 Woolworths Auto Rewards vouchers issued targeting engagement for low-earn members

epiQure by Frequent flyer



Strong Coalition and Growing

		SELECTION OF EXISTING PARTNERS	NEW/EXCLUSIVE PARTNERS
FLY	Earn on Qantas and 33 partner airlines		Due in 2012: Malaysia Airlines, Kingfisher, Air Berlin
PAY	Earn products at all major banks	ANZ, CommonwealthBank, Westpac, nab, Diners Club, Suncorp Bank	HSBC, Jetstar, Staff Credit Union
SHOP	Earn points at Australia's largest retailer	Woolworths, BIG W, dick smith	
CONNECT	Earn points on telecommunications		'yes' OPTUS
MORE	Earn points on petrol	Caltex, Woolworths	
MORE	Earn points on insurance	QBE, OnePath	
MORE	Wide cross section of retail, travel and restaurants	LJ Hooker, E*TRADE, Trivett, Hyatt, Hilton, SKI	GUNZdental, GetGenuine, Pfizer, epiQure

Segment: Qantas Freight Enterprises

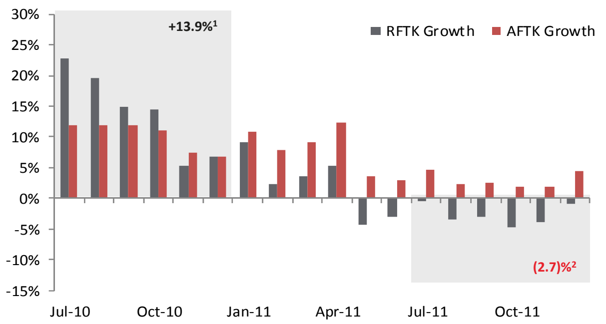
Qantas Freight Enterprises

- Underlying EBIT of $38m impacted by:
  - Industrial dispute
  - Bangkok floods
  - Difficult airfreight market conditions
- Joint ventures performing well
  - Improved profit, realising synergies
  - Leveraging strengths of two leading domestic freight brands
- Revenue down 3% reflecting market conditions and adverse FX movements
  - Capacity actively managed
  - Loads reduced
  - Underlying yield (excluding FX) up 7%
  - Focus on Asia Pacific

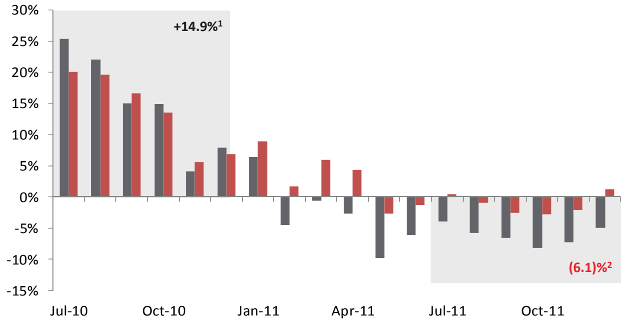
		1H12	1H11	VLY %
Revenue	$M	526	545	(3)
Underlying EBIT	$M	38	41	(7)
Capacity (International AFTKs)	B	2.1	2.1	(1)
Load	%	54.6	60.3	(6) ppt

International Air Freight Markets Softened in 2011

INDUSTRY AIR FREIGHT RFTK AND AFTK GROWTH (VLY%)



ASIA PACIFIC AIR FREIGHT RFTK AND AFTK GROWTH (VLY%)



- Weak industry airfreight growth 1H12 due to decline in business confidence
  - RFTK 2.7% average decline year-on-year for 6 months to Dec 2011
  - Impact magnified in Asia Pacific on weaker US and EU consumer demand
- Qantas freighter network impacted most on China–US trade lane
  - Partially offset by more resilient inbound markets due to relative strength of domestic economy and AUD

Source: IATA
1. Average year-on-year RFTK growth for 6 months to December 2010.
2. Average year-on-year RFTK growth for 6 months to December 2011.

Safety, Environment, Social and Governance

Commitment to Sustainability

The Qantas Group's sustainability strategy is embedded in the Group's business strategy

- Safety is our first priority
- Industry leading business resilience capability
- Excellence in customer experience with the best domestic on time performance
- Maintained focus on employee engagement and talent management across a diverse workforce
- Commitment to reducing carbon emissions and resource usage
- Investing in fuel efficient aircraft, flying on an optimal route network and fostering innovation in low carbon alternative fuels
- Supporting and engaging our community through the Arts, Health, Sports, Education and Humanitarian relief initiatives

Sustainability Reporting

- The Group has reported externally on sustainability performance for the last 5 years with independent assurance
- Stakeholder recognised sustainability credentials

External Recognition of Sustainability Credentials

Qantas' recognition by the worlds leading sustainability indices demonstrate the Group is Australia's leading sustainable airline

Dow Jones Sustainability Indices

- Dow Jones Sustainability Index (World)
  - 1 of only 2 airlines in the world index
  - The only Australian airline in the index
- Dow Jones Sustainability Index (Asia Pacific)
  - 1 of only 2 airlines in Asia Pacific index
  - The only Australian airline in the index
  - Listed in Asian Index since 2009

Dow Jones Sustainability Indexes Member 2011/12

FTSE4Good Index

- FTSE4Good Index
  - 1 of 7 airlines in FTSE4Good Global Index
  - The only Australian airline in index
  - The only airline included in FTSE4Good Australia 30 Index
  - Scored 97/100 in Travel and Leisure sector by the FTSE4Good ESG ratings

FTSE4Good

Carbon Disclosure Project

- Listed in the 2011 Carbon Disclosure Project Leadership Index for Australia and New Zealand
- Listed in the Leadership Index since 2010

CARBON DISCLOSURE PROJECT

ESG Disclosure

- 2011 Australasian Investor Relations Association (AIRA) awards
  - Highest placed Environmental, Social and Governance (ESG) disclosure in transport sector
  - Rated equal 6th place for ESG disclosures across all sectors in Australasia

Safety, Health and Wellbeing

Safety is our First Priority - focus on being the world's leading airline group in air, ground and people safety through an unwavering commitment to world's best safety practices and reporting

Underpinning Management Systems

- Publication of 2nd edition Qantas Management System Standard further integrating safety, environment and security disciplines
- Successful first stage implementation of an advanced airworthiness control system
- Jetstar IOSA reaccreditation with no audit findings against 965 Standards and Recommended practices
- Basic Aviation Risk Standard (BARS) accreditation for QantasLink and Network Aviation (globally recognised operating safety standard for operators servicing the resource and mining industry)

Safety, Health and Wellbeing

Targeted Risk Reduction

- YTD Total Recordable Injury Frequency Rate: 33.9 in 1H12, 10% improvement on 1H11
- YTD Lost Work Case Frequency Rate: 10.2 in 1H12, 4% improvement on 1H11
- BowTie risk analysis to focus on threat exposure and control effectiveness

Improved Cultures and Behaviours

- 3rd annual Qantas Group Safety Conference with 500 attendees
- Provision of annual medical checks, vaccination programs and fitness programs

Business Resilience

The Qantas Group has an industry leading Business Resilience capability to proactively identify developing risks, respond effectively, recover quickly and always emerge as a stronger and more capable organisation

Embedded Strategy and Dedicated Team to Facilitate Sustainable Qantas Group Operations in Response to Unplanned Events

- Flexible framework enabling coordinated mitigation of complex and diverse issues
- Rapid activation of a trained and practised Crisis Management Team as required
- Enables effective support to affected customers, employees and community

Continuous Improvement And Preparedness

- Ongoing engagement with stakeholders and suppliers
- Identifying and analysing relevant lessons from past events and industry partners
- Embedding improvements within resilience framework and business processes
- Supporting development of appropriate contingencies and response capabilities

People

Maintained focus on employee engagement and talent management

Employee Engagement and Recognition

- Launch of a new Recognition Program in September 2011
  - Underpinned by the Qantas brand values of Care, Forward Thinking, Wisdom of Experience and Contemporary Australia
  - Encourages Managers to differentiate 'good' from 'great' performance

Leadership Capability and Talent Management

- Introduced a consistent approach to Change Management across the Group
  - Up-skilled over 600 people leaders in the new change model and tools
- Created a new Leadership Capability Framework
  - Identifies 15 core leadership capabilities to ensure our leaders have the capability to deliver on the business strategy

People

The Qantas Group values the benefits that a diverse workforce brings to the organisation

Diversity

- In August 2011, the Board endorsed the Group's objectives and measures for gender diversity. These objectives are focused on leadership, talent, development, recruitment and selection and include:
  - The establishment of a Qantas Diversity Council chaired by a member of ExCo
  - A target of 40% female representation in Qantas Talent programs
  - ExCo mentoring Senior Executive women
  - 35% female representation at Senior Executive level by 2015, with a target of 40% by 2018

Environment

Qantas is committed to reducing its carbon emissions and resource usage, with a major initiative being the adoption of low carbon alternative fuels

Sustainable Aviation Fuel (SAF)

- Collaborating with Government and leading technology companies to advance commercialisation of sources of jet fuel outside traditional fossil fuels and supply chains
- Cleaner jet fuels promise to significantly reduce the environmental impact of aviation
- As a demonstrated commitment to SAF, Qantas has announced Australia's first commercial flight using bio-derived jet fuel in early 2012
- Aircraft manufacturers have certified the use of up to 50% of fuel from non-traditional fuel sources
- The success of SAF will directly reduce the lifecycle carbon footprint of jet fuel
- SAF will be carbon tax exempt, reducing the Group's carbon liability

Environment

The Qantas Group is "carbon ready"

Carbon

- New Zealand Emissions Trading Scheme operating since 2010
- EU Emissions Trading Scheme commenced on 1 January 2012
- Introduction of a carbon price for Australian domestic flights from 1 July 2012
  - The Group will initially be charged a fixed price through the excise tax scheme, however legislation includes an opt-in provision from 1 July 2013 to provide flexibility to the Group in managing its carbon liability and strategy
- The Group has an established Climate Change Strategy that outlines the commitment and activity to minimise the Groups carbon emissions
  - Partnering in the development of sustainable aviation fuel
  - Introduction of new technology fuel efficient aircraft
  - A dedicated fuel optimisation program
  - Programs to reduce the Group's indirect emissions, for example, electricity use
- In the short term carbon costs will be passed onto customers
- Listed in the 2011 Carbon Disclosure Project Leadership Index for Australia and New Zealand

Community

The Qantas Group continues to support a wide range of community organisations, cultural institutions and sporting teams

- Key events and initiatives
  - 4th Qantas Foundation Encouragement of Contemporary Art Prize awarded
  - 250 Redkite Cancer support packs compiled and delivered
  - 4th Annual Qantas Foundation Social Impact Lecture
  - Various charitable appeals conducted for local organisations
- New partnerships:
  - 3 new partnerships commenced: YoungCare, Redkite, Black Dog Institute
  - Additionally, a number of new Indigenous community partnerships in 2012 representing a 65% increase in partnerships from FY11
- Continued sponsorships and support of the Arts and Sport
- Ongoing in-kind giving to community and charitable causes

Disclaimer & ASIC Guidance

This Presentation has been prepared by Qantas Airways Limited (ABN 61 009 661 901) (**Qantas**).

Summary information
This Presentation contains summary information about Qantas and its subsidiaries (**Qantas Group**) and their activities current as at 16 February 2012. The information in this Presentation does not purport to be complete. It should be read in conjunction with Qantas Group's other periodic and continuous disclosure announcements lodged with the Australian Securities Exchange, which are available at www.asx.com.au.

Not financial product advice
This Presentation is for information purposes only and is not financial product or investment advice or a recommendation to acquire Qantas shares and has been prepared without taking into account the objectives, financial situation or needs of individuals. Before making an investment decision prospective investors should consider the appropriateness of the information having regard to their own objectives, financial situation and needs and seek legal and taxation advice appropriate to their jurisdiction. Qantas is not licensed to provide financial product advice in respect of Qantas shares. Cooling off rights do not apply to the acquisition of Qantas shares.

Financial data
All dollar values are in Australian dollars (**A$**) and financial data is presented within the financial year end of 30 June unless otherwise stated.

Future performance
Forward looking statements, opinions and estimates provided in this Presentation are based on assumptions and contingencies which are subject to change without notice, as are statements about market and industry trends, which are based on interpretations of current market conditions. Forward looking statements including projections, guidance on future earnings and estimates are provided as a general guide only and should not be relied upon as an indication or guarantee of future performance.

An investment in Qantas shares is subject to investment and other known and unknown risks, some of which are beyond the control of Qantas Group, including possible delays in repayment and loss of income and principal invested. Qantas does not guarantee any particular rate of return or the performance of Qantas Group nor does it guarantee the repayment of capital from Qantas or any particular tax treatment. Persons should have regard to the risks outlined in this Presentation.

No representation or warranty, express or implied, is made as to the fairness, accuracy, completeness or correctness of the information, opinions and conclusions contained in this Presentation. To the maximum extent permitted by law, none of Qantas, its directors, employees or agents, nor any other person accepts any liability, including, without limitation, any liability arising out of fault or negligence, for any loss arising from the use of the information contained in this Presentation. In particular, no representation or warranty, express or implied is given as to the accuracy, completeness or correctness, likelihood of achievement or reasonableness of any forecasts, prospects or returns contained in this Presentation nor is any obligation assumed to update such information. Such forecasts, prospects or returns are by their nature subject to significant uncertainties and contingencies. Before making an investment decision, you should consider, with or without the assistance of a financial adviser, whether an investment is appropriate in light of your particular investment needs, objectives and financial circumstances.

Past performance
Past performance information given in this Presentation is given for illustrative purposes only and should not be relied upon as (and is not) an indication of future performance.

Not an offer
This Presentation is not, and should not be considered, an offer or an invitation to acquire Qantas shares or any other financial products.

ASIC GUIDANCE
In December 2011 ASIC issued Regulatory Guide 230. To comply with this Guide, Qantas is required to make a clear statement about whether information disclosed in documents other than the financial report has been audited or reviewed in accordance with Australian Auditing Standards. In line with previous years, the Results Presentation is unaudited. Notwithstanding this, the Results Presentation contains disclosures which are extracted or derived from the Consolidated Interim Financial Report for the half-year ended 31 December 2011 which has been reviewed by the Group's Independent Auditor.