Qantas Airways Limited
1H13 Results

21 February 2013

Overview

- 1H13 result in line with guidance
- Delivering on strategic priorities
  - Qantas-Emirates partnership commencing from 31 March 2013[1]
  - Qantas transformation benefits $172m
  - B787 fleet restructure
  - Sale of non-core asset StarTrack
- Reduced planned net capital expenditure; continued product investment
- Strengthening financial position – positive net free cash flow and debt reduction

POSITIONING THE GROUP FOR A STRONG, SUSTAINABLE FUTURE

1. Subject to regulatory approval.

1H13 Financial Results

- 1H13 Underlying PBT[1] $223m, up 10%; Statutory Profit After Tax $111m
- Significant improvement in Qantas International
- Record result[2] for Qantas Loyalty, up 15%
- Gearing[3] improvement of 2 percentage points

KEY GROUP FINANCIAL METRICS	1H13	1H12	VLY[4]
Revenue ($M)	8,242	8,048	+2%
Yield excluding FX (c/RPK)	10.46	10.77	-3%
Comparable Unit Cost[5] (c/ASK)	5.06	5.24	3%
Net free cash flow ($M)[6]	205	(678)	>100%

- Cash balance $3.1b
- Commenced on-market share buy-back
- No interim dividend declared

1. Underlying Profit Before Tax (PBT) is a non-statutory measure and is the primary reporting measure used by the Qantas Group's chief operating decision-making bodies, being the Chief Executive Officer, Group Management Committee and the Board of Directors, for the purpose of assessing the performance of the Group. All line items in the 1H13 Results Presentation are reported on an Underlying basis . Refer to slide 9 for a reconciliation of Statutory and Underlying PBT. 2. Qantas Loyalty record Underlying EBIT result compared to prior periods normalised for changes in accounting estimates of the fair value of points and breakage expectations effective 1 January 2009. 3. Gearing ratio is Net debt including operating lease liability to net debt including operating lease liability and equity (excluding hedge reserve, defined benefit prepayments net of deferred tax and including vested benefits deficit of defined benefit plans, net of deferred tax). The gearing ratio is used by Management to represent the Qantas Group's debt obligation including obligations under operating leases. 4. Variance to last year. Favourable variances are reported as positive/green. 5. Comparable Unit Cost is defined as Net Underlying Unit Cost (Underlying PBT less Passenger Revenue, fuel and Frequent Flyer change in accounting estimate per ASK) adjusted for the impact of industrial action (1H12), Boeing settlement and carbon tax (1H13), and movements in average sector length. Refer to Supplementary Slide 10 for further detail. 6. Net free cash flow is operating cash flows less investing cash flows. Free cash flow is a measure of the amount of operating cash flows that are available (i.e. after investing activities) to fund reductions in net debt or payments to shareholders.

Strategic Direction Remains Unchanged

GROUP DOMESTIC
Multi-brand strategy (Qantas, Jetstar)
- Market leader in business and leisure
- Most extensive network; 65% market share
- Operational excellence and innovation

QANTAS LOYALTY
Australia's leading loyalty program
- Driving high returns with minimal capital
- Superior market penetration, 9m members
- World leading 450+ partner network

QANTAS INTERNATIONAL
Clear path to return to profit
- Major reform of legacy cost base
- Strengthening network and alliances
- Enhancing world class customer offering

JETSTAR IN ASIA
Well positioned in fastest growing market
- Jetstar Group – largest LCC in Asia Pacific[1]
- Highly recognised brand
- Targeted, value-driven investments

STRONG FINANCIAL DISCIPLINE
- Debt reduction
- Targeting positive net free cash flow on FY basis
- Investment grade credit rating
- Major business transformation

1. Largest low cost carrier in Asia Pacific by gross revenues as at 30 September 2012.

Delivering on Strategic Priorities

- **July** – Jetstar Japan launched
- **August** – B787 fleet restructure; closed heavy maintenance base
- **September** – Qantas-Emirates partnership[1] announced
- **October** – Sale of StarTrack[2], sale of Riverside and Cairns catering centres[3]
- **November** – Unsecured bond redemption and share buy-back announced
- **December** – Maintained 65% domestic market share in 2012[4]
- **January** – ACCC interim authorisation for partnership[5]; joint selling commenced
- **February** – Improved Qantas Asia network announced; Qantas Cash announced

EXECUTING ON STRATEGY TO DELIVER SUSTAINABLE RETURNS TO SHAREHOLDERS

1. Subject to regulatory approval. 2. Sale of 50% stake in StarTrack to Australia Post and acquisition of 100% of Australian air Express announced 2 October 2012 and completed 13 November 2012. 3. Sale of Riverside and Cairns catering centres completed on 31 October 2012. 4. Source: Bureau of Infrastructure, Transport and Regional Economics (BITRE) December 2012. 5. Conditional ACCC interim authorisation granted for Qantas-Emirates partnership on 17 January 2013.

1H13 Result

Underlying Income Statement Summary

$M	1H13[1]	1H12[1]	VLY %	
Net passenger revenue[2]	6,949	6,946	-	Yield decline offset by 2% capacity increase; growth in ancillary revenue
Net freight revenue	475	467	2	Consolidation of Australian air Express
Other revenue	818	635	29	Growth in charter and Frequent Flyer revenue; Boeing settlement $125m[3]
Revenue	**8,242**	**8,048**	**2**	
Operating expenses (excluding fuel)	4,767	4,634	(3)	2% increase in capacity; carbon tax expense $55m
Fuel	2,181	2,181	-	Increase in capacity offset by fuel efficiency improvements
Depreciation and amortisation	719	679	(6)	Fleet movements between 1H13 vs 1H12 including purchase of 25 aircraft (including 5 previously leased)
Non-cancellable aircraft operating lease rentals	265	277	4	Wide-body lease returns and 5 lease buyouts; favourable interest rates and FX
Underlying EBIT	**310**	**277**	**12**	
Net finance costs	(87)	(75)	(16)	Reduction in average cash balance and loan draw downs
Underlying PBT[1]	**223**	**202**	**10**	

1. All line items presented on an Underlying basis. Refer to slide 9 for a reconciliation of Underlying PBT to Statutory PBT. 2. Net passenger revenue has been adjusted in 1H13 to include associated ancillary passenger revenue, passenger service fees and lease revenue on code share. 1H12 net passenger revenue has been restated accordingly. These items remain excluded from the calculation of yield. 3. The Boeing settlement has been equally apportioned to Qantas Domestic, Qantas International and Jetstar.

Segment Underlying EBIT Contribution

$M	1H13	1H12	VLY %	
Qantas Domestic	218	328	(34)	Competitive pressures impacting yield; maintained corporate market revenue share
Qantas International	(91)	(262)	65	Turnaround strategy on track
Jetstar	128	147	(13)	Solid core business result in challenging domestic conditions; start up investment in new airlines
Qantas Loyalty	137	119	15	Record EBIT[3]; 8% member growth and improved partner engagement
Qantas Freight	22	38	(42)	Stable international performance offset by weaker domestic market
Corporate/Unallocated	(105)	(103)	(2)	
Eliminations[1]	1	10	(90)	
Underlying EBIT[2]	**310**	**277**	**12**	

1. Includes Qantas Brands Eliminations of $2m (1H13) and $9m (1H12) and Group Eliminations of $(1)m (1H13) and $1m (1H12). 2. Underlying EBIT is the primary reporting measure for all segments except Corporate/Unallocated. 3. Qantas Loyalty record Underlying EBIT result compared to prior periods normalised for changes in accounting estimates of the fair value of points and breakage expectations effective 1 January 2009.

Reconciliation to Statutory PBT

$M	1H13				1H12			
	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	6,949			6,949	6,946			6,946
Net freight revenue	475			475	467			467
Other revenue	818			818	635			635
Revenue	**8,242**			**8,242**	**8,048**			**8,048**
Operating expenses (excl fuel)	4,767	5	106	4,878	4,634	67	137	4,838
Fuel	2,181	(46)		2,135	2,181	(64)		2,117
Depreciation and amortisation	719			719	679			679
Non–cancellable aircraft operating lease rentals	265			265	277			277
Expenses	**7,932**	**(41)**	**106**	**7,997**	**7,771**	**3**	**137**	**7,911**
EBIT	**310**	**41**	**(106)**	**245**	**277**	**(3)**	**(137)**	**137**
Net finance costs	(87)	(7)		(94)	(75)	(4)		(79)
PBT	**223**	**34**	**(106)**	**151**	**202**	**(7)**	**(137)**	**58**

1. Underlying Profit Before Tax (PBT) is a non-statutory measure and is the primary reporting measure used by the Qantas Group's chief operating decision-making bodies, being the Chief Executive Officer, Group Management Committee and the Board of Directors, for the purpose of assessing the performance of the Group. 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 (Refer slide 10).

Other Items Not Included in Underlying PBT

$M	1H13	1H12	
Other items not included in Underlying PBT[1]:			
• Net impairment of property, plant and equipment	(62)	(72)	Early retirement of B744s and B763s following strategic network changes and exit of loss making routes
• Redundancies and restructuring	(68)	(46)	Transformation initiatives including consolidation of engineering and catering centres
• Gain on disposal of jointly controlled entity	30	-	Gain on sale of StarTrack
• Impairment of investment	-	(19)	Impairment of investment in jointly controlled entity
• Other	(6)	-	
Total Items not included in Underlying PBT	**(106)**	**(137)**	

1. Items which are identified by Management and reported to the Qantas Group's 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 major transformational/restructuring initiatives, transactions involving investments and impairments of assets outside the ordinary course of business.

Cash Flow and Debt Position

SUMMARISED CASH FLOW				
$M	1H13	1H12	VLY %	
Operating	780	823	(5)	Reduction in international capacity and domestic yield
Investing	(575)	(1,501)	62	Lower capital expenditure; proceeds from sale of StarTrack
Free cash flow (Net Operating & Investing)	*205*	*(678)*	*>100*	*Positive net free cash flow*
Financing	(547)	525	<(100)	Repayment of borrowings
Net change in cash held	(342)	(153)	<(100)	Cash reduction applied to balance sheet deleveraging
Effects of FX on cash	2	(1)	>100	
Cash at end of period	**3,058**	**3,342**	**(8)**	Strong liquidity position

DEBT POSITION AND GEARING				
	1H13	2H12	VLY%	
Net Debt[1] ($M)	3,363	3,558	5	
Adjusted Equity[2] ($M)	5,702	5,559	3	
Gearing ratio[3]	47:53	49:51	2pts	Focus on debt reduction

1. Net Debt includes interest bearing liabilities and the fair value of hedges related to debt less cash and aircraft security deposits. 2. Adjusted Equity includes equity adjusted to exclude hedge reserves, defined benefit prepayments (net of deferred tax) and to include any vested benefits deficit of defined benefit superannuation (net of deferred tax). 3. Gearing ratio is Net debt including operating lease liability to net debt including operating lease liability and Adjusted Equity. The gearing ratio is used by Management to represent the Qantas Group's debt obligation including obligations under operating leases.

Capital Management and Treasury

- Strong liquidity position of $3.5b[1]
- Early redemption of US$450m unsecured notes due June 2013
  - Next major unsecured debt maturity April 2015[2]
- 24 new unencumbered aircraft (A320, B738) added in past 3 years
  - 6 x A320/B738 added in 1H13
- Funding future deliveries with cash, structured leases, bank and ECA loans
- Investment grade credit rating

FOCUS ON GENERATING POSITIVE FREE CASH FLOW ON A FULL YEAR BASIS GOING FORWARD

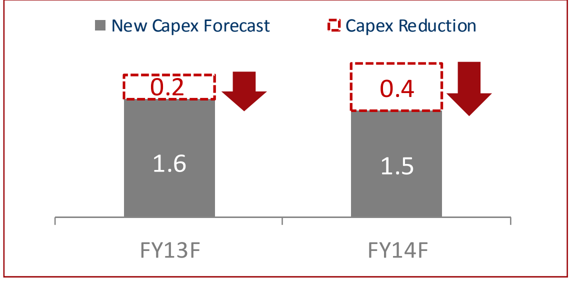
1. Includes cash and cash equivalents and $400m undrawn standby facility at 31 December 2012. 2. Qantas has an underwritten facility in place for the refinancing of the A$430 million unsecured bank loan due to mature in April 2014.

Capital Expenditure

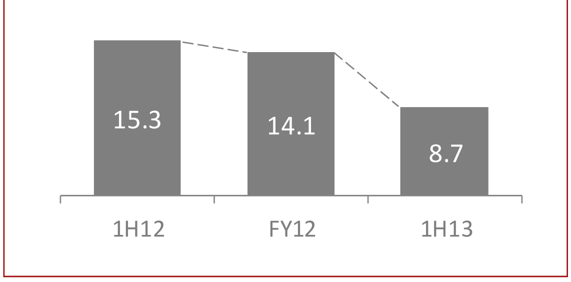
Proactively managing capex whilst continuing product investment

- $600m reduction in planned net capex
  - FY13 by $200m to $1.6b[1]
  - FY14 by $400m to $1.5b
  - Demonstrating flexibility
- Continued fleet and product investment
  - 46 aircraft deliveries FY13 & FY14[2]
  - A330 reconfiguration
  - Additional 5xB738 order[3]
- Average fleet age of 8.0 years[4]

PLANNED NET CAPITAL EXPENDITURE ($B)



10YR CAPEX COMMITMENTS ($B)



1. $1.6b planned net capital expenditure represents $1.3b planned investing cash flows adjusted for $0.3b net disposal & acquisition proceeds relating to the sale of 50% stake in StarTrack to Australia Post and acquisition of 100% of Australian air Express announced 2 October 2012 and completed 13 November 2012. 2. Includes purchased and leased aircraft. 3. 5xB738 for delivery in 2014. 4. Average fleet age of the Group's scheduled passenger fleet based on manufacturing date.

1H13 Segment Results

QANTAS

Qantas Domestic

- Underlying EBIT $218m
  - Yield pressure due to 10% market growth[1]
- Comparable unit cost[2] improvement 1%
- Enhancing product and service offering
  - New B738s replacing B734s
  - B767 refresh fast-tracked
  - QStreaming iPads introduced
  - iPads and enhanced training for Customer Service Managers
- Launched Sydney-Gold Coast services
- QantasLink and Network Aviation supporting regional growth
  - Q400 and B717 fleet expansion announced

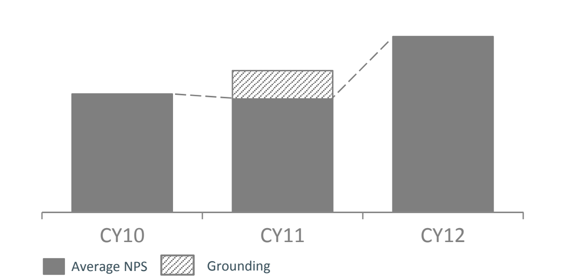
QSTREAMING iPADS

1. Source: BITRE July - December 2012. 2. Comparable Unit Cost is defined as Net Underlying Unit Cost (Underlying EBIT less Passenger Revenue and fuel per ASK) adjusted for the impact of industrial action (1H12), Boeing settlement and carbon tax (1H13), and movements in average sector length.

Qantas Domestic
Market leading domestic position

- Record levels of customer satisfaction
- Superior on time performance (won 9 out of past 12 months)[1]
- Maintained network and frequency advantage
- Clear choice for business
  - Renewed 40 accounts[2], lost four
  - 39 new accounts[2], including four won back as preferred airline

HIGHEST NET PROMOTER SCORE (NPS)[3]



SETTING THE STANDARD FOR PREMIUM TRAVEL

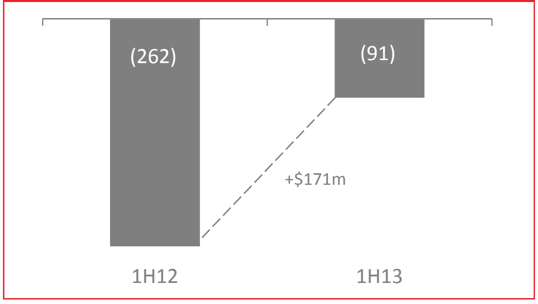
QANTAS	QANTASLINK
'Best Domestic Airline' Australian Federation of Travel Agents National Industry Awards 2012	'Best Regional Airline' Australian Traveller Awards 2012
'Best Australian Lounges' Australian Business Traveller Awards 2012	'Regional Airline of the Year' Air Transport World Awards 2012

1. Source: BITRE January - December 2012. 2. Represents large market accounts only. Total large market and SME accounts: renewed 73 accounts and signed 69 new accounts. 3. Highest score since reporting commenced in August 2008.

Qantas International

- $171m improvement in Underlying EBIT
- Realising transformation benefits with further efforts underway
  - Comparable unit cost[1] improvement 4%
  - Exited loss making routes, 7% ASK reduction
  - Improved economics from reconfigurations
- Yield maintained in competitive environment
- 1% improvement in load factors
- World leading Qantas-Emirates partnership[2] announced
- Highest customer satisfaction on record[3]

UNDERLYING EBIT ($M)



1. Comparable Unit Cost is defined as Net Underlying Unit Cost (Underlying EBIT less Passenger Revenue and fuel per ASK) adjusted for the impact of industrial action (1H12), Boeing settlement (1H13) and movements in average sector length. 2. Subject to regulatory approval. 3. Average customer satisfaction for 2012 at highest level since commenced recording in February 2003.

Qantas International
Executing turnaround plan

PILLARS		ACHIEVEMENTS TO DATE
A STRONG, VIABLE BUSINESS	✓	Exit of major loss making routes – BKK/HKG-LHR, AKL-LAX, SIN-BOM, SIN-FRA[1]
	WIP	Improving fleet economics – 9 (of 9) B747, 7 (of 12) A380 reconfigurations complete
	WIP	Consolidation of engineering & catering facilities, further transformation across suppliers
	WIP	Ongoing network optimisation
GATEWAYS TO THE WORLD	✓	North America – daily flights to AA hub (DFW); ATI clearance for JBA[2]
	✓	South America – flying to LAN hub (SCL)[3]
	✓	Positive ACCC draft determination issued for Qantas-Emirates partnership[4]
	WIP	ACCC interim authorisation received[4]; joint selling commenced
	WIP	Further enhancements to alliance and network offering
BEST FOR GLOBAL TRAVELLERS	WIP	A330 fleet refresh to include lie-flat beds in Business
	✓	Introduced Business Sleep Service and Select on Q-Eat
	✓	iPads and enhanced training for Customer Service Managers
	✓	Greater opportunities to earn and redeem Qantas Frequent Flyer points
	WIP	LAX, SIN, HKG[5] lounge refurbishments under way
GROWING WITH ASIA	✓	New Asia schedule facilitated by Qantas-Emirates partnership[4]
	✓	Stronger links to key Asian hubs of SIN and HKG – capacity, frequency, timing
	WIP	Expand network within Asia, build on existing and new partners

✓ Announced and implemented   WIP Announced and in progress   WIP Work in progress

1. Bangkok, Hong Kong-London Heathrow exited March 2012, Auckland-Los Angeles exited May 2012, Singapore-Mumbai exited May 2012. Singapore-Frankfurt to be exited from 15 April 2013.
2. American Airlines hub Dallas/Fort Worth, Anti Trust Immunity clearance for Joint Business Agreement. 3. LAN hub Santiago. 4. Subject to regulatory approval. Conditional ACCC interim authorisation granted for Qantas-Emirates partnership on 17 January 2013. 5. Los Angeles, Singapore, Hong Kong.

Qantas International
Qantas-Emirates partnership

WORLD LEADING AIRLINE PARTNERSHIP[1]

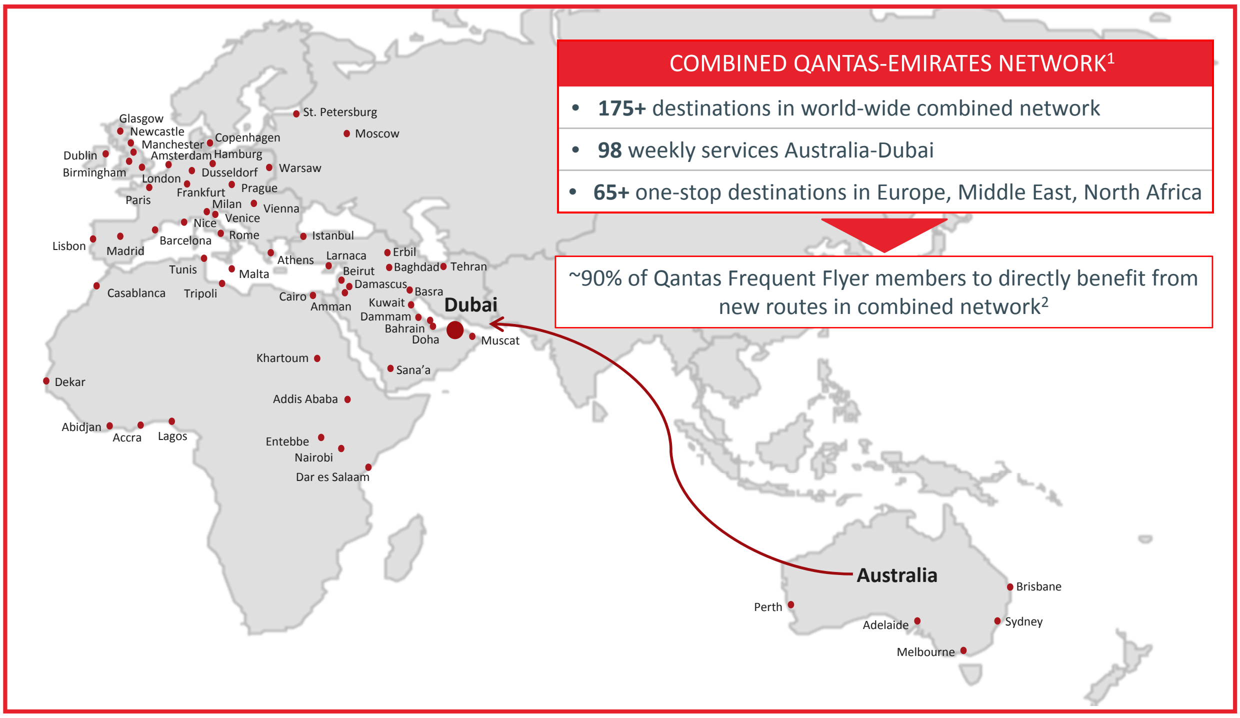
- One-stop access to 65+ destinations in Europe, Middle East and North Africa
- Reduced travel time to Europe
- Greater opportunity to earn and redeem frequent flyer points
- World's best lounges; seamless end-to-end customer experience between carriers
- Exclusive access to Dubai's state-of-the-art purpose built A380 concourse
- Emirates international passengers to access Qantas Domestic network

ON TRACK TO COMMENCE PARTNERSHIP FROM 31 MARCH 2013[1]

- Positive ACCC draft determination for a 5 year partnership
  - Interim authorisation granted[2]; joint marketing and selling commenced
- Strong initial bookings since joint selling commenced
- New Asia schedule announced February 2013
- Substantial benefits expected to result from joint network, codeshare commissions, exit from loss making routes and Asia network restructure
- Adverse impact of hub transition $40-50m to 2H13 Underlying PBT

1. Subject to regulatory approval. 2. Conditional ACCC interim authorisation granted for Qantas-Emirates partnership on 17 January 2013.

Qantas International
Unparalleled Access to Europe, Middle East and North Africa



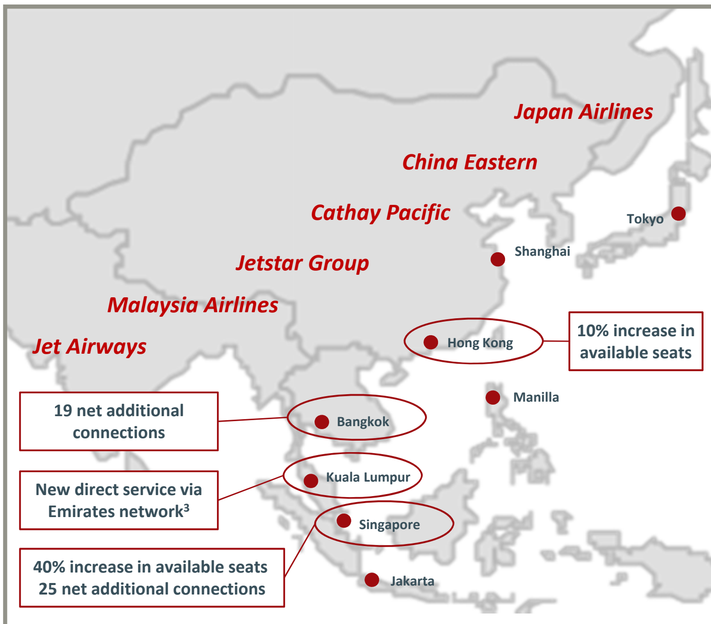
COMBINED QANTAS-EMIRATES NETWORK[1]

- **175+** destinations in world-wide combined network
- **98** weekly services Australia-Dubai
- **65+** one-stop destinations in Europe, Middle East, North Africa

~90% of Qantas Frequent Flyer members to directly benefit from new routes in combined network[2]

1. Subject to regulatory approval. 2. Based on identified travel patterns of Qantas Frequent Flyer members travelling to destinations within the new combined Qantas-Emirates network.

Qantas International
Growing with Asia



NEW IMPROVED ASIA SCHEDULE

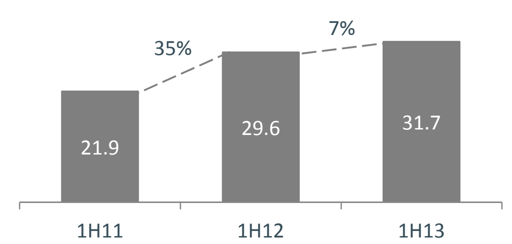
- Material enhancements in key markets SIN, HKG, BKK[1]
  - Double daily to SIN from SYD, MEL, BNE[2]
  - Leveraging Jetstar in Asia
  - Extended capacity via Emirates network[3]
  - SIN, HKG lounge refurbishments under way
- Increased intra-Asia connections
- Superior product through A330 refresh – lie flat beds[4], focus on comfort, supported by Sleep Service

1. Singapore, Hong Kong, Bangkok. 2.Singapore, Sydney, Melbourne, Brisbane. 3. Subject to regulatory approval. 4. Lie flat beds in Business class.

Jetstar

- Underlying EBIT $128m
- 12% capacity growth, 12% passenger growth
- Industry leading ancillary revenue[1] up 7%
- Controllable unit cost[2] improvement of 2%
- 100 million passengers flown since launch
- Building strong brand and growth across Asia
  - Jetstar Asia strong passenger growth
  - Jetstar Japan ~600,000 passengers flown to date[3]
  - Restructure of Jetstar Pacific

ANCILLARY REVENUE[1] ($/PAX)



1. Includes bag fees sold as bundle in JetSaver and JetFlex fares and excludes management and branding fee revenue. 2. Controllable unit cost excludes Jetstar's Asian businesses and is calculated as total expenses excluding fuel and carbon tax per ASK. 3. Passengers flown from 3 July 2012 to 31 December 2012.

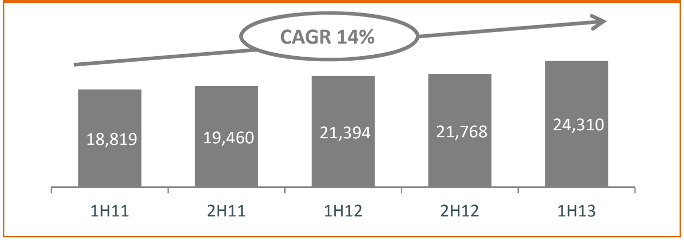
Jetstar

One of the fastest growing airlines in Asia Pacific

- Sustained low fares stimulating demand
- Jetstar ANZ[1] – profitable every year since 2004
- Jetstar Asia – 19% passenger[2] & 2% yield[2,3] growth; improvement in profitability
- Jetstar Pacific – fleet renewal complete
- Jetstar Japan – strong start in competitive market
- Jetstar Hong Kong – local CEO & CFO appointed; progressing with regulator[4]
- Structural changes improving customer service

Route Map as at 31 December 2012

JETSTAR GROUP ASKs[5] (M)

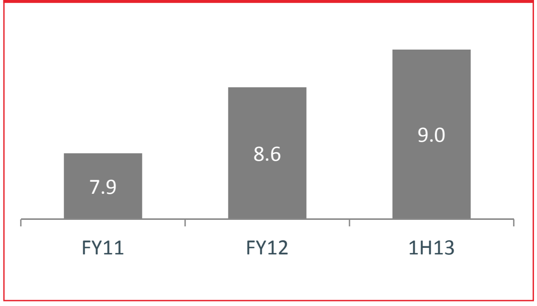


1. Includes Jetstar Australia Domestic and International and Jetstar New Zealand. 2. Excludes impact of SIN-AKL service which was transferred from Jetstar Asia to Jetstar International from 1 July 2012. 3. Yield excludes impact of FX; narrow-body operations only. 4. In March 2012, the Qantas Group and China Eastern entered into a strategic alliance to launch Jetstar Hong Kong, subject to regulatory approval. 5. Total ASKs includes Jetstar Australia Domestic and International, Jetstar New Zealand, Jetstar Asia, Jetstar Pacific and Jetstar Japan.

Qantas Loyalty

- Record EBIT $137m[1], up 15%
- Total billings $607m, external billings up 6%
- 9m members[2], up 5% from June 2012
- 2.7m awards redeemed, up 13%
- New redemption options – flight simulation, UNICEF, David Jones Gift Cards
- Qantas-Emirates partnership[3] member benefits announced
- Qantas Cash announced, a prepaid multi-currency travel card
- Successful relaunch of Qantas Loyalty and Frequent Flyer brands

MEMBERS (M)



QANTAS LOYALTY

1. Record Underlying EBIT result compared to prior periods normalised for changes in accounting estimates of the fair value of points and breakage expectations effective 1 January 2009. 2. Qantas Frequent Flyer members reached 9 million on 5 January 2013. 3. Subject to regulatory approval.

Qantas Loyalty

A new card to transform the member experience

- Introducing the new Qantas Card with Qantas Cash technology
  - Membership, check-in, boarding pass and payments in one card
  - A new way to earn points
  - Multi-currency prepaid, load up to 9 currencies to use at home or abroad
  - Available later this year, pre-registrations from May
- Qantas Cash functionality will be provided through partnership with leading financial services companies

QANTAS CASH.™

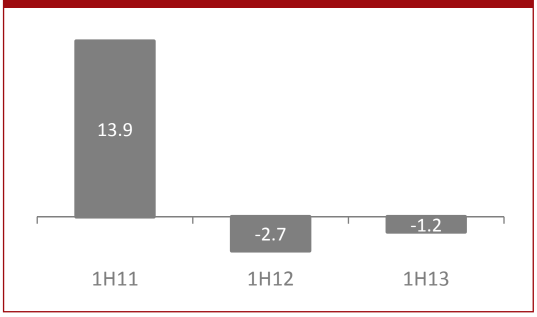
The offer of Qantas Cash is subject to certain regulatory requirements being satisfied. To be eligible to receive the new Qantas Card with the option of Qantas Cash technology you must be an Australian resident Qantas Frequent Flyer Member. Alternative cards without the payment facility are available to all other members. Other terms and conditions and fees and charges may apply. The proposed issuer of the prepaid facility is Heritage Bank Limited, subject to final agreement. A Product Disclosure Statement will be made available when the prepaid facility is available, expected to be later this year, via qantas.com, and will also be given to applicants for the facility. A person should consider the Product Disclosure Statement when making any decisions about the prepaid facility.

Qantas Freight

Delivering excellence in air freight services leveraging Qantas Group network

- Underlying EBIT $22m
- Strong international result despite weak global markets and reduced capacity
  - Yield[1] (excluding FX) up 3%
  - Loads[1] improved to 56%
  - Leading customer satisfaction results
- Weak domestic market with strong competition
- Network strengthened by Qantas-Emirates partnership[2]
- Fundamental domestic JV restructure
  - Sale of StarTrack complete
  - Australian air Express integration underway
  - Integration synergies to be realised

AVG INDUSTRY DEMAND GROWTH[3] (% VLY)



1. International yield (excluding FX) / loads excludes Australian air Express (consolidated from 13 November 2012). 2. Subject to regulatory approval. 3. Demand measured by Revenue Freight Tonne Kilometres (RFTKs).

Sustainability

Key 1H13 Achievements

- Ongoing commitment and investment in customer experience
  - Qantas Domestic best on time performance in 2012[1]
  - Highest Qantas Domestic Net Promoter Score (NPS) ever achieved[2]
  - Significant fleet refresh programs – B747, B763 and B717
- People safety improved across each of the three core measures[3]
- Ongoing investment in employee development initiatives
- 12 workplace agreements closed in last twelve months
- Fuel optimisation and carbon reduction program on target

Recognition by world's leading sustainability indices

- Dow Jones Sustainability Index
  - 1 of only 2 airlines and only Australian airline in World Index
  - RobecoSAM Sustainable Asset Management Bronze Class 2013
  - Only Australian airline in Asia Pacific Index
  - Only Australian airline in Australian SAM Sustainability Index
- FTSE4Good Index
  - Only Australian airline in Index
- Carbon Disclosure Project
  - Highest disclosure score on the Australia/New Zealand index
- Banksia Environmental Award for Leading in Sustainability

1. Source: BITRE January - December 2012. Qantas most on time domestic airline compared to main competitor. 2. Highest score since reporting commenced in August 2008. 3. Core people safety measures are Total Recordable Injury Frequency Rate, Lost Work Case Frequency Rate and Duration Rate.

Outlook

- The Group's 2H13 operating environment remains challenging and volatile
- Current Group operating expectations for 2H13:
  - Group capacity to increase by 0.5-1.5% in 2H13 compared to 2H12
  - Domestic capacity to increase by 5-7% in 2H13 compared to 2H12, whilst maintaining flexibility
  - Underlying fuel costs expected to be ~$2.25b[1] in 2H13
- No Group profit guidance provided at this time due to the high degree of volatility and uncertainty in the competitive environment, global economic conditions, fuel prices and FX rates.

1. As at 18 February 2013, excluding carbon tax.

Summary

- Delivering key transformation milestones
- Executing on strategy to deliver sustainable returns to shareholders
  - Building on our strong domestic business
  - Turning around Qantas International
  - Growing in Asia
  - Unlocking the value of loyalty
  - Engaging our people
- Strengthening financial position – positive net free cash flow and debt reduction

POSITIONING THE GROUP FOR A STRONG, SUSTAINABLE FUTURE

Disclaimer & ASIC Guidance

This Presentation has been prepared by Qantas Airways Limited (ABN 16 009 661 901) (**Qantas**).

Summary information
This Presentation contains summary information about Qantas and its subsidiaries (**Qantas Group**) and their activities current as at 21 February 2013. 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 six months ended 31 December 2012 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 2012 which has been reviewed by the Group's Independent Auditor.