Qantas Airways Limited
FY12 Results

Supplementary Slides

Group Performance

Group Highlights: Underlying Income Statement

$M	FY12	FY11	VLY	VLY %
Net passenger revenue	12,494	12,042	452	4
Net freight revenue	784	842	(58)	(7)
Other	2,446	2,010	436	22
Revenue	**15,724**	**14,894**	**830**	**6**
Operating expenses (excluding fuel)	9,197	8,751	(446)	(5)
Fuel	4,329	3,684	(645)	(18)
Depreciation and amortisation	1,384	1,249	(135)	(11)
Non-cancellable aircraft operating lease rentals	549	566	17	3
Expenses	**15,459**	**14,250**	**(1,209)**	**(8)**
Underlying EBIT	**265**	**644**	**(379)**	**(59)**
Net finance costs	(170)	(92)	(78)	(85)
Underlying PBT[1]	**95**	**552**	**(457)**	**(83)**
AASB 139 mark-to-market movements relating to other reporting periods	(46)	(122)	76	62
Other items not included in Underlying PBT	(398)	(107)	(291)	>(100)
Statutory PBT	**(349)**	**323**	**(672)**	**>(100)**

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 for the purpose of assessing financial performance. All line items in the FY12 Results Presentation and Supplementary Slides are reported on an Underlying basis. Refer to Supplementary Slide 4 for reconciliation of Statutory and Underlying PBT.

Reconciliation to Statutory PBT

$M	FY12				FY11			
	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	12,494	-	-	12,494	12,042	-	-	12,042
Net freight revenue	784	-	-	784	842	-	-	842
Other	2,446	-	-	2,446	2,010	-	-	2,010
Revenue	**15,724**	**-**	**-**	**15,724**	**14,894**	**-**	**-**	**14,894**
Operating expenses (excl fuel)	9,197	149	398	9,744	8,751	158	107	9,016
Fuel	4,329	(109)	-	4,220	3,684	(57)	-	3,627
Depreciation and amortisation	1,384	-	-	1,384	1,249	-	-	1,249
Non–cancellable aircraft operating lease rentals	549	-	-	549	566	-	-	566
Expenses	**15,459**	**40**	**398**	**15,897**	**14,250**	**101**	**107**	**14,458**
EBIT	**265**	**(40)**	**(398)**	**(173)**	**644**	**(101)**	**(107)**	**436**
Net finance costs	(170)	(6)	-	(176)	(92)	(21)	-	(113)
PBT	**95**	**(46)**	**(398)**	**(349)**	**552**	**(122)**	**(107)**	**323**

1. Underlying Profit Before Tax (PBT) is a non-statutory measure, and is the primary reporting measure used by Management and the Qantas Group's chief operating decision-making bodies for the purpose of assessing financial performance. 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.

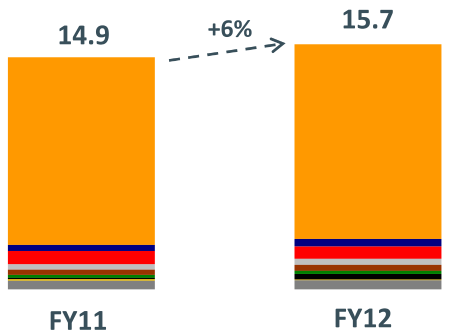
Other Items Not Included in Underlying PBT

$M	FY12	FY11	
Other items not included in Underlying PBT[1]:			
• Impairment of property, plant and equipment	(147)	-	Primarily impairment of 6 x B744 aircraft
• Redundancies and restructuring	(198)	-	Includes programs in engineering, cabin crew, catering and other areas
• Write down of inventory	(13)	-	Inventory/spares associated with retirement of 6 x B744 aircraft
• Impairment of goodwill	(18)	-	Write downs relating to the sale of Cairns and Riverside catering centres
Total Qantas International Transformation costs	**(376)**	**-**	
• Net impairment of property, plant and equipment	-	(34)	
• Redundancies and restructuring	(5)	(28)	Costs of investment restructure
• Net impairment and net loss on disposal of investments and related transaction costs	(19)	(20)	Impairment of investment in jointly controlled entity
• Legal provisions	2	(25)	
Total Other Items	**(22)**	**(107)**	
Total Items not included in Underlying PBT	**(398)**	**(107)**	Approximately half of $398 million related to non-cash items

1. Items which are identified by Management and reported to the Qantas Group's chief operating decision-making bodies as not being representative of 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.

Revenue

REVENUE ($B)



RPKs (m)	106,759	+5% →	111,692
ASKs (m)	133,281	+5% →	139,423

NET PASSENGER REVENUE UP 4%
- Group yield[1] (excluding FX) improved 3%
- Group RPKs up 5%
- Jetstar product bundles reported as ancillary revenues rather than passenger revenue as of May 2011

FREQUENT FLYER MARKETING, STORE AND OTHER REDEMPTION REVENUE UP 18%
- 14% increase in billings, 9% membership growth
- Improved partner engagement and product offerings
- Increase in points earned on cards
- Inclusion of Wishlist revenue

NET FREIGHT REVENUE DOWN 7%
- Freight yields up 8% (excluding FX)
- Weak global airfreight markets, 9% load reduction
- Unfavourable FX impact due to strong AUD

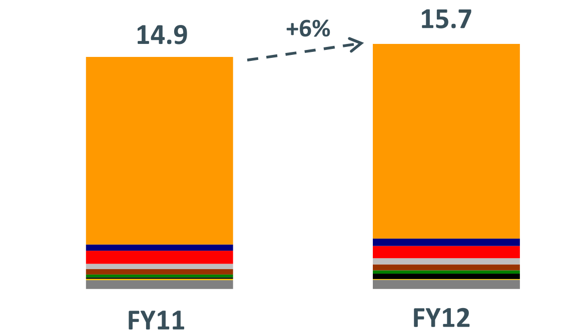
PASSENGER SERVICE FEES REVENUE UP 16%
- Increased service, change, advance seat assignment fees

(Continued next slide)

Note: All revenue movements include foreign exchange (FX) unless otherwise indicated.
1. Yield and unit cost calculations are adjusted in FY12 to treat fee revenue from Jetstar product bundles (launched May 2011) as passenger revenue to ensure comparability to FY11 .

Revenue

REVENUE ($B)



RPKs (m)	106,759	+5%	111,692
ASKs (m)	133,281	+5%	139,423

CONTRACT WORK REVENUE UP 10%
- Increased Multi Roll Tanker Transport (MRTT) support

LEASE REVENUE UP 16%
- Increased code share yields and activity

ANCILLARY PASSENGER REVENUE UP >100%
- Introduction of Jetstar Product Bundles (May 2011)

TOURS AND TRAVEL REVENUE DOWN 43%
- Jetset (JTG) deconsolidated from 1 October 2010

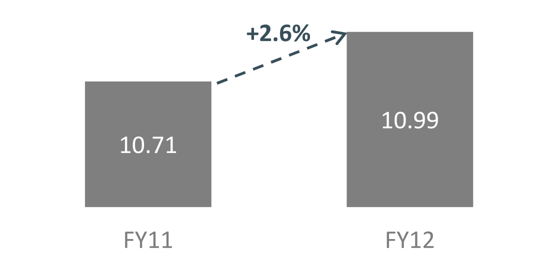
REVENUE FROM OTHER SOURCES UP 4%
- Growth in charter revenue following acquisition of Network Aviation business – 10 aircraft acquired in FY12

Note: All revenue movements include FX unless otherwise indicated.

Yield Performance

- Group yield[1] (excluding FX) up 2.6%
  - Despite challenging market conditions and industrial dispute
- Domestic
  - Yield (excluding FX) up 3.9%
  - Yield and capacity growth in all businesses (Qantas, QantasLink and Jetstar)
- International
  - Yield (excluding FX) up 1.6%
  - Qantas yield growth driven by capacity reductions and fuel surcharges

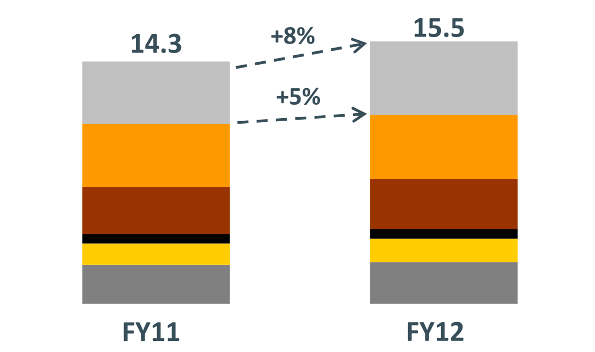
YIELD[1] EXCLUDING FX (C/RPK)



1. Yield calculation is adjusted in FY12 to treat fee revenue from Jetstar product bundles (launched in May 2011) as passenger revenue to ensure comparability to FY11.

Expenditure

EXPENSES ($B)



RPKs (m)	106,759	+5%	111,692
ASKs (m)	133,281	+5%	139,423

FUEL COSTS UP 18%

- USD fuel price up 19%, AUD up 6%
- 5% capacity growth partially offset by fuel conservation initiatives

MANPOWER AND STAFF RELATED UP 2%

- 5% capacity growth offset by 3% improved productivity
- CPI and Enterprise Bargain Agreement (EBA) increases offset by QFuture benefits

AIRCRAFT OPERATING VARIABLE COSTS UP 7%

- Increased activity and impact of industrial dispute
- CPI increases offset by QFuture benefits

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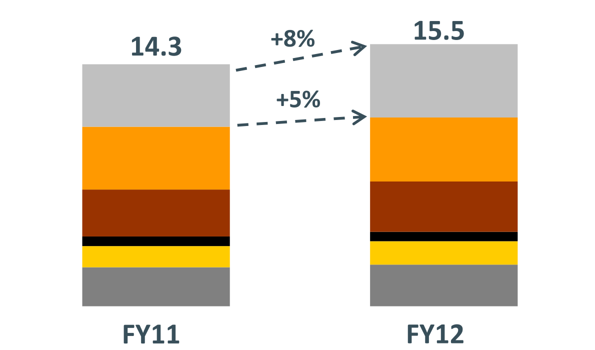
Note: All expenditure excludes hedge ineffectiveness relative to other reporting periods and other items not included in Underlying PBT. All expenditure movements include FX.

Expenditure

EXPENSES ($B)



RPKs (m)	106,759	+5%	111,692
ASKs (m)	133,281	+5%	139,423

LEASE RENTALS EXPENSE UP 3%

- 5 additional aircraft leases partially offset by 3 expired leases
- Improvement in Jetstar aircraft lease rates

DEPRECIATION AND AMORTISATION COSTS UP 11%

- Depreciation following purchase of 37 aircraft partially offset by 14 retired aircraft no longer depreciated
- Qantas B747 reconfiguration and Jetstar A320 seat reconfiguration programs substantially complete
- Increased depreciation due to capitalisation of major maintenance activities

OTHER EXPENDITURE UP 7%

- Property: Mascot campus upgrade and CPI increases
- Computer and Communications: QFF and Jetstar growth projects, end-user computing investment partially offset by QFuture benefits
- Increased QFF redemption cost in line with activity increase
- HKAC[1] lease return provision

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

Unit Cost

- 3% improved unit cost reflecting improved fleet economics, network optimisation and QFuture

C/ASK	FY12	FY11	VLY %
Unit Cost[1,2]	**8.69**	**8.24**	
Excluding:			
• Fuel	(3.11)	(2.77)	
• Impact of Frequent Flyer change in accounting estimate		0.13	
Net Underlying Unit Cost[3]	**5.58**	**5.60**	**↓ 0.4**
• Impact of natural disasters and A380 grounding		(0.07)	
• Impact of industrial dispute	(0.07)		
• Sector length adjustment	(0.14)		
Comparable Unit Cost[4]	**5.37**	**5.53**	**↓ 3.0**

1. Based on Underlying PBT less passenger revenue per ASK. 2. Yield and unit cost calculations are adjusted in FY12 to treat fee revenue from Jetstar product bundles (launched May 2011) as passenger revenue to ensure comparability to FY11. 3. Net Underlying Unit Cost is defined as Underlying PBT less Passenger Revenue, fuel and Qantas Frequent Flyer change in accounting estimate per ASK. 4. Comparable Unit Cost is defined as Net Underlying Unit Cost adjusted for the impact of industrial dispute (FY12), natural disasters (FY11) and movements in average sector length.

Debt Position and Gearing Summary

- FY12 Net Debt (incl. off balance sheet debt) increased 8% to fund capital expenditure
- Gearing ratio increased by 3 percentage points (in line with 1H12 levels)

$M	FY12	FY11	VLY ($M)
Net debt[1]	3,558	2,971	587
Net debt[1] including off balance sheet debt[2]	7,544	6,970	574
Equity (excluding hedge reserves)	5,848	6,071	(223)
Gearing ratio[3]	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 net debt and 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

- 2H12 free cash flow[1] positive $206 million
- Operating cash flows increased 2%
  - Strong passenger revenue growth, improved unit cost and working capital
- Investing cash flows decreased 8%
  - 37 aircraft purchased (including 2xA380)
  - Progress payments on future deliveries including payments for aircraft assigned to associates
  - Investment in Jetstar Japan and acquisition of Wishlist

$M	FY12	FY11	VLY %
Cash at beginning of period	3,496	3,704	(6)
Operating	1,810	1,782	2
Investing	(2,282)	(2,478)	8
Financing	370	508	27
Net decrease in cash held	(102)	(188)	(46)
Effects of exchange rate changes on cash	4	(20)	>100
Cash at end of period	**3,398**	**3,496**	**(3)**

1. 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.

Group Operational Information

QANTAS

Fleet at 30 June 2012

	FY12	FY11	Change
A380-800	12	10	2
B747-400	15	20	(5)
B747-400ER	6	6	-
A330-200	8	8	-
A330-300	10	10	-
B767-300ER	23	25	(2)
B737-400	12	19	(7)
B737-800NG[3]	59	47	12
Total Qantas	145	145	-
A320-200	63	56	7
A321-200	6	6	-
A330-200	11	9	2
Total Jetstar[4]	80	71	9
B717-200	13	11	2
Q200/Q300	21	21	-
Q400	25	22	3
Total QantasLink	59	54	5
EMB120	7	7	-
F100	12	2	10
Total Network Aviation[5]	19	9	10
B737-300SF	4	4	-
B767-300SF	1	1	-
Total Freight[6]	5	5	-
Total Group[3]	**308**	**284**	**24**

- 24 net additional aircraft during FY12
  - 38 new aircraft deliveries[1]
  - 14 aircraft retired: 5xB747-400, 2xB767-300, 7xB737-400
- Aircraft held for sale in storage[2]
  - 5xB747-400
  - 3xB737-400

1. 38 new aircraft includes purchased and leased aircraft. 2. Held for sale in storage form part of retirements, which are not included in fleet total. 3. FY11 Total Group Fleet includes 1 additional B738 that was delivered in June 2011 with EIS (Entry into Service) of July 2011. This aircraft was not included in the FY11 Total Group Fleet of 283 as disclosed in the FY11 Preliminary Financial Report and Annual Report. 4. Includes Jetstar Asia fleet (16xA320), excludes Jetstar Pacific and Jetstar Japan. 5. Network Aviation acquired in FY11. 6. Qantas Group wet-leases 3xB747-400 freighter aircraft (not included in the table).

Fleet Deliveries

AIRCRAFT DELIVERIES (INDICATIVE TIMING)

Aircraft Type	**FY13**	**FY14–FY19**	**FY20–FY25**
A380-800	-	3	5
A330-200	1	-	-
B787-8	-	15	-
B787-9	-	-	-
A320 Family[1]	11	81	14
B737-800	7	4	-
B717	-	-	-
Q400	3	-	-
F100	-	-	-
Total Deliveries	**22**	**103**	**19**

REDUCTION IN FUEL CONSUMPTION[2]

- 11 aircraft for retirement in FY13
  - 5xB747-400, 5xB737-400, 1xB767-300

1. Includes Jetsar Asia, but does not include Jetstar Japan, Jetstar Hong Kong and Jetstar Pacific . 2. A380 compared with B744, A320neo compared to A320 (no sharklets) and B787 family compared to B763 on a per seat basis.

On Time Performance

DOMESTIC[1]

- Best on time arrivals FY12 – Qantas
- Best on time departures FY12 – Qantas

ON TIME DEPARTURES[1] (%)	FY12	RANK
Qantas	84.4	1
Virgin	82.8	2
Jetstar	76.6	3

ON TIME ARRIVALS[1] (%)	FY12	RANK
Qantas	83.4	1
Virgin	80.9	2
Jetstar	77.6	3

INTERNATIONAL

- Qantas and Jetstar International both achieved superior on time performance in FY12 compared to FY11

1. Domestic data for jet operations of greater than 10,000 sectors; Source: BITRE June 2012.

Segment: Qantas

QANTAS

Qantas

		FY12	FY11	VLY %
Revenue	$M	11,833	11,315	4.6%
Underlying EBIT	$M	(21)	228	(109)%
ASKs	M	98,593	97,523	1.1%[3]
RPKs	M	79,339	78,947	0.5%

- Underlying EBIT loss $21m
  - $194m impact of industrial dispute
  - 17% increase in fuel costs
  - 4.6% revenue growth
  - 1.1% capacity growth
  - Improved yield across network, insufficient to offset fuel impact
- Comparable unit cost up 0.7%[1], adversely impacted by non cash items
- Domestic outperformed prior year, despite industrial dispute
- International result in line with previous guidance[2]; transformation agenda on track
- $404m QFuture benefits (despite industrial dispute); $1.4b over 3 years (FY10–FY12)

1. Comparable Unit Cost is defined as Net Underlying Unit Cost adjusted for the impact of industrial dispute (FY12), natural disasters (FY11) and movements in average sector length. 2. As part of the Group profit update issued on 5 June 2012, the Group announced that Qantas International was expected to report an Underlying EBIT loss of over $450m for FY12. 3. Impacted by grounding of A380 fleet and natural disasters in 2H11.

Qantas Domestic Network
(Excluding QantasLink)

		FY12	FY11	VLY %
ASKs	M	31,203	30,928	0.9%
RPKs	M	24,770	24,719	0.2%
Passengers	'000	16,796	17,073	-1.6%
Seat factor	%	79.4	79.9	-0.5pts
OTP[1]	%	84.4	83.8	+0.6pts

- Robust yield growth
- Moderate capacity growth aligned to market demand
  - Growth in East-West and intra-WA
- Best on time performance (OTP)[1]
  - Continued fleet renewal – 11 new B738s
- Domestic product enhancements
  - Extended 'Faster, Smarter Check-in' roll out
  - QStreaming iPad pilot, priority boarding
- The clear choice for business
  - Superior end-to-end customer experience
  - Frequency and capacity advantage
  - Renewed 171 corporate accounts[2], lost 4
  - 48 new accounts[2] including 9 won back as preferred airline
  - Strong double-digit corporate travel revenue growth

1. Source: BITRE June 2012, Qantas most on time major domestic airline for jet operations greater than 10,000 sectors. 2. Represent large market accounts. Including both large market and SME accounts: renewed 239 accounts and signed 118 new accounts.

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 7.7% CAGR[3]
- Profitable operations underpinned by fleet and network expansion
  - Delivery of 3xQ400 aircraft
  - Q400 successfully introduced into WA
  - Delivery of 2xB717 aircraft into Queensland
  - Additional F100 aircraft commenced Network Aviation services
- Construction of Brisbane departure gate lounge
- Further rollout of Regional Qantas Club Lounges

		FY12	FY11	VLY %
ASKs	M	5,056	4,714	7.3%
RPKs	M	3,404	3,224	5.6%
Passengers	'000	5,187	4,857	6.8%
Seat factor	%	67.3	68.4	-1.1 pts
Aircraft[4]		72	63	9

1. 2012 Air Transport World (ATW) awards. 2. Fly-in fly-out. 3. Five year ASK growth from FY07 to FY12 excluding charters. 4. Includes Network Aviation.

Qantas International Network

- Improved yield despite industrial dispute
  - Unable to offset increased fuel costs
- Result in line with previous guidance[1]
- Transformation agenda on track
- Fleet investment driving superior economics and customer experience
  - 2xA380s entered service
  - 7xB747s reconfigured
- Enhanced gateway hub strategy
  - North America – now flying daily to AA hub (Dallas); received ATI[2] clearance for JBA[3]
  - South America – now flying to LAN hub (Santiago)
  - UK – Enhanced network with BA
  - Exit of major loss making routes – BKK/HKG–LHR, AKL–LAX, SIN-BOM[4]

		FY12	FY11	VLY %
ASKs	M	62,334	61,881	0.7%[5]
RPKs	M	51,165	51,004	0.3%
Passengers	'000	6,034	5,977	1.0%
Seat factor	%	82.1	82.4	-0.3pts
Market share[6]	%	18.8	18.8	-
OTP[7]	%	78.8	76.9	+1.9pts

1. As part of the Group profit update issued on 5 June 2012, the Group announced that Qantas International was expected to report an Underlying EBIT loss of over $450m for FY12. 2. Anti-Trust Immunity. 3. Joint Business Agreement. 4. Bangkok, Hong Kong, London Heathrow, Auckland, Los Angeles, Singapore, Mumbai. 5. ASK decline of (1.3%) once adjusting for impact of industrial dispute (FY12), A380 fleet grounding and natural disasters (FY11). 6. As at May 2012. 7. On-time performance, source BITRE June 2012.

Customer Excellence

FLEET MODERNISATION

GROUND PRODUCT ENHANCEMENTS

SERVICE CULTURE PROGRAM

Qantas Direct

- Qantas' largest single customer touch point
  - Combines qantas.com with contact centres
  - Over 116m visits per year to qantas.com
  - Over 4.8m calls to contact centres and 1m outbound calls per year
  - 2.7m customer database (Australian Red email subscriptions)
- Qantas' largest sales channel generating:
  - Over $2.5b in revenue annually
  - $127m in ancillary revenue
- Global reach
  - qantas.com accessed in over 240 countries and 7 languages
  - Inbound calls from 6 countries via our Australian & New Zealand contact centres
- No.1 travel website in Australia[1]
- Online account access for 8.6m Qantas Frequent Flyer members

1. Source: Hitwise.

QFUTURE

BACKGROUND	
	• Launched July 2009 to position Qantas for profitable growth • Focused on transformational change • >30 major initiatives, plus many smaller projects across airline

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

QFUTURE

- $404m benefit achieved FY12
  - Impacted by industrial dispute
  - Major achievements in asset utilisation, fuel optimisation, procurement and other direct costs
  - $103m implementation costs
- Total $1.4b benefits achieved over 3 years

QFUTURE BENEFITS ($M)	FY12	FY11
Commercial	185	213
Engineering	70	62
Airports, Catering	31	34
Customer	29	42
Fuel	19	44
Other (IT, Regional, Procurement, Shared Services, Flight Operations)	70	75
Total	**404**	**470**

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

Ongoing Transformation Program FY13 – FY15

Qantas Domestic and International

TARGET OUTCOMES NEXT 3 YEARS	TRANSFORMATION AGENDA
1. Competitive relative cost position for Qantas Domestic & Qantas International	• Operational efficiencies in Engineering, Catering, Ground Operations, cost of sales improvements, savings in IT, Procurement & corporate functions
2. Market-leading customer advocacy	• Transformation of Service offering, ongoing enhancements in Alliances & Network, aircraft reconfiguration, and other customer initiatives
3. Workforce engagement comparable with peer organisations	• Investment in management training, leadership and change capability, communication effectiveness, and workplace transformation

Segment: Jetstar

QANTAS

Jetstar Group

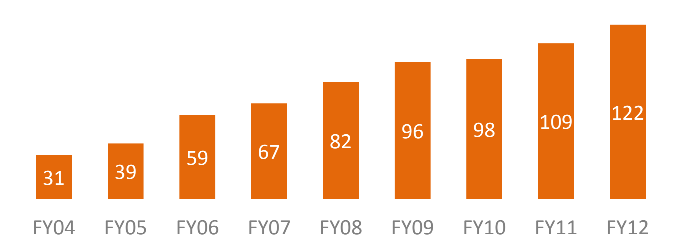
- Record result
  - Underlying EBIT $203m, up 20%
  - Unit cost[1] down 2%
  - 14% capacity growth, 13% passenger growth
  - Offset significant impact of higher fuel prices
- Largest LCC in Asia Pacific[2]
  - Jetstar Japan successfully launched 3 July 2012
  - Jetstar Pacific new partnership with Vietnam Airlines
  - New Hong Kong JV with China Eastern[3]
- Continued innovation
  - iPad in-flight entertainment
  - Re-launched hotel offering on Hooroo
  - Entry Into Service preparations for B787-8 Dreamliner (delivery in Q3 2013)

Jetstar Group		FY12[3]	FY11[3]	VLY %
Revenue	$M	3,076	2,613	18%
Underlying EBIT	$M	203	169	20%
ASKs[4]	M	40,830	35,758	14%
RPKs[4]	M	32,353	27,812	16%
Passengers[4]	'000	18,691	16,549	13%

1. Total underlying expenses excluding fuel per ASK. 2. Based on gross revenues. 3. Subject to regulatory approval. 4. ASKs, RPKs and Passengers include Jetstar Domestic, Jetstar International and Jetstar Asia, excludes Jetstar Japan and Jetstar Pacific.

Growing Jetstar Footprint

JETSTAR GROUP – GROWING NETWORK OF ROUTES[1]



BUSINESS	OWNERSHIP	LAUNCH	BASED AIRCRAFT[2]
1 Jetstar Australia	100%	2004	45xA320s/A321s
2 Jetstar Asia (Singapore)	49%	2004	16xA320s
3 Jetstar International	100%	2006	11xA330s
4 Jetstar Pacific (Vietnam)[3]	30%	2007	5xB737s & 2xA320s
5 Jetstar NZ	100%	2009	8xA320s
6 Jetstar Japan	33%	2012	3xA320s *(at launch)*
7 Jetstar Hong Kong[4]	50%	2013	3xA320s *(at launch)*

Route Map as at 30 June 2012

1. Including Jetstar Pacific. 2. As at 30 June 2012, unless noted otherwise. 3. Jetstar Pacific brand launched in 2008. 4. Subject to regulatory approval.

Jetstar Domestic Network

- Profitable every year since 2004 launch
  - 10% yield growth[1] in 2H12
  - Strong load factor 84% (up 4.2pts)
  - Continued progress on reducing unit costs
- Leveraging strong brand and market position
  - 7% capacity growth in FY12
  - Ongoing improvement of customer experience (booking, airport, in-flight)
  - New aircraft investment to underpin growth
- Strategic alliances to strengthen Australian tourism
  - $9m partnership with Tourism Australia (focus on key Asian inbound markets)
  - Co-operative agreements with Tourism Offices of NT, SA, WA, VIC, TAS and NSW

Jetstar Domestic		FY12	FY11	VLY %
ASKs	M	15,242	14,256	7%
RPKs	M	12,798	11,369	13%
Passengers	'000	10,697	9,753	10%
Load	%	84.0	79.8	4.2pts
OTP[2]	%	77.6	77.3	0.3pts

1. Yield excluding FX (c/RPK). 2. On-time performance, arrivals within 15 minutes, source: BITRE June 2012.

Jetstar International Network

- Jetstar International
  - 5th largest carrier, 7.9% market share[1]
  - 10% capacity growth
  - 11th A330 added Nov 2011
  - 1st B787-8 due Q3 2013
  - Outbound leisure performing strongly
  - Singapore hub flying developing well
  - Valuable feeder for Australian Domestic and Singapore
- New Zealand Domestic
  - 37% capacity growth
  - Passengers up 30%
  - Official Airline of the New Zealand Olympic Team Welcome Home event
  - Increased traffic and customer advocacy

Jetstar International (excl. Jetstar Asia & NZ Domestic)		FY12	FY11	VLY %
ASKs	M	16,160	14,668	10%
RPKs	M	12,082	11,166	8%
Passengers	'000	3,076	2,862	7%
Load	%	74.8	76.1	(1.3)pts
Market share[1]	%	7.9	8.1	(0.2)pts

New Zealand Domestic		FY12	FY11	VLY %
ASKs	M	1,314	960	37%
RPKs	M	1,024	769	33%
Passengers	'000	1,601	1,234	30%
Load	%	77.9	80.2	(2.3)pts
Market share[2]	%	20.6	16.4	4.2pts

1. Source BITRE - Australian based International operations only (excluding Jetstar Asia and NZ Domestic operations) year ended May 2012. 2. Source Diio LLC - New Zealand domestic market share for the 12 months to June 2012.

Jetstar in Asia

- Jetstar Asia (Singapore)
  - 38% capacity growth
  - Most profitable and best low cost network based in Singapore[1]
  - Strong growth into China (9 ports)[2]
  - 13% underlying unit cost[3] improvement

Jetstar Asia		FY12	FY11	VLY %
ASKs	M	8,114	5,874	38%
RPKs	M	6,449	4,508	43%
Passengers	'000	3,317	2,700	23%
Load	%	79.5	76.7	2.8pts

- Jetstar Pacific (Vietnam)
  - Forecast to be world's 2nd fastest growing domestic market by 2014[4]
  - ~2 million passengers carried in FY12
  - New strong local partner in Vietnam Airlines
  - Successful $25m recapitalisation completed ($7.5m from Qantas Group)

1. Based on Tiger Singapore EBIT as at 31 March 2012. 2. Includes Singapore-Beijing operated by Jetstar International. 3. Total underlying expenses excluding fuel per ASK. 4. Source IATA.

Jetstar
Jetstar Japan successfully launched

- Launched 5 months ahead of schedule[1]
  - ~110,000 passengers flown to date[2]
  - 86% load factor in opening month, with continued strong performance
- Current fleet of 4xA320[3] growing to 13 by Jun 2013
  - Funding committed for 24 aircraft
- 78 departures/week, growing to 495 by end of FY13
  - Increased frequencies to initial network
  - Establish second Japanese base – 1H13
  - International services to commence – 2H13[4]
- Strong local partners – JAL, Mitsubishi and Century Tokyo Leasing

REINFORCING JETSTAR AS THE LARGEST LCC IN ASIA PACIFIC[5]

1. Launched 3 July 2012. 2. Passengers flown from 3 July 2012 to 21 August 2012. 3. 4th A320 delivered to Jetstar Japan in August 2012. 4. Subject to regulatory approval. 5. Based on gross revenues.

Jetstar Fleet

- A320 facilitating short-haul growth (domestic and international)
- A330 facilitating long-haul growth
- FY12 deliveries
  - 10xA320
  - 2xA330
- FY13 deliveries
  - 24xA320[1]
  - 4xA320[2] lease returns
- B787-8 deliveries from Q3 2013
  - Jetstar International to receive first 15 B787-8s (replacing A330s) to support growth

	FY12	FY11	Change
Jetstar Australia, NZ & Singapore based operations			
A320-200	63	56	7
A321-200	6	6	-
A330-200	11	9	2
Sub Total	**80**	**71**	**9**
Jetstar Pacific			
A320-200	2	2	-
B737-400	5	5	-
Sub Total	**7**	**7**	**-**
Jetstar Japan			
A320-200[3]	3	-	**3**
Total Jetstar Group	**90**	**78**	**12**

1. Includes Jetstar Japan and Jetstar Hong Kong and excludes Jetstar Pacific. 2. Jetstar Asia, 4xA320 lease returns replaced with purchased aircraft. 3. Excludes 4th A320 delivered to Jetstar Japan in August 2012.

Segment: Qantas Frequent Flyer

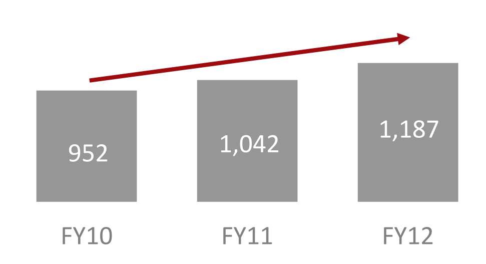
QANTAS

Qantas Frequent Flyer

- Consistently strong financial performance
  - Billings up 14%
  - Normalised EBIT[1] up 14%
- 8.6m members, up 9%
- Record points earned and redeemed
- Now operating over 100 loyalty programs
- Record NPS[2] scores
- Major program enhancements
  - Platinum One, Jetstar bundles, Optus, Woolworths Auto Redeem vouchers
  - Improved points upgrade request and notification process
- Pursuing growth strategies
  - Data analytics and customer behaviour

$M	FY12	FY11	VLY %
Underlying EBIT	231	342	(32)
Normalisation Adjustment	-	(140)	-
Normalised EBIT[1]	231	202	14
Members (M)	8.6	7.9	9

BILLINGS ($M)



1. Normalised EBIT is a 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 is that revenue for the full-year ending 30 June 2011 was $140 million higher than it would have been had the deferred value per point been the same as that applied in the current period. 2. Qantas Frequent Flyer Net Promoter Score.

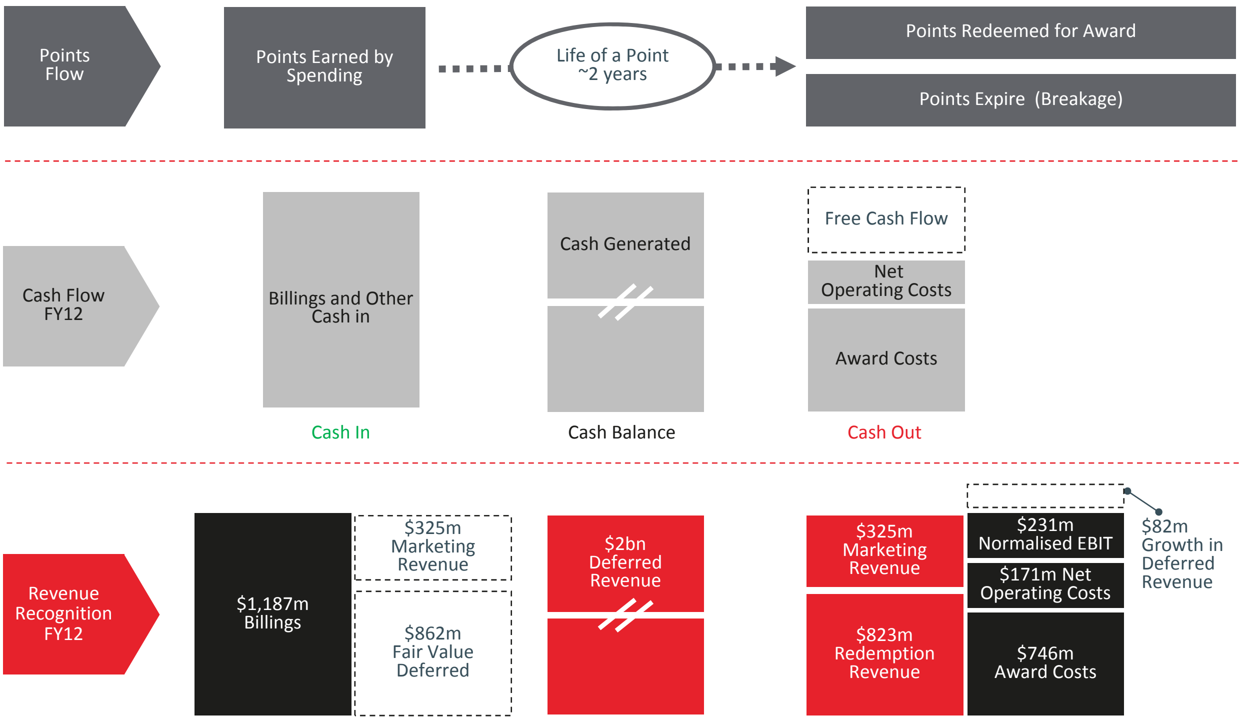
Qantas Frequent Flyer Financials

- Billings up 14%
  - Record credit card billings driven by increased spend and new card products
  - Strong growth in retail billings as program expands
- 4% deferred revenue growth
- Wishlist business continues to grow
- Operating cost growth includes Wishlist, IT projects and organic business growth
- No profit is derived from transfer pricing between Qantas Frequent Flyer and Qantas Group airlines

$M	FY12	FY11	VLY %
Billings	1,187	1,042	14
Marketing Revenue	325	281	16
• Redemption Revenue	823	719	14
• Redemption Costs	746	660	13
Redemption Margin	77	59	31
Other Revenue and Costs	8	10	(20)
Gross Profit	410	349	17
• Royalty	69	63	10
• Operating Costs[1]	110	84	31
Total Operating Costs	179	147	22
Normalised EBIT[2]	**231**	**202**	**14**
Deferred revenue	1,961	1,879	4

1. Operating Costs include Wishlist operating costs. Wishlist was acquired in August 2011 and is not in prior year comparative. 2. Normalised EBIT is a 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 is that revenue for the full-year ending 30 June 2011 was $140 million higher than it would have been had the deferred value per point been the same as that applied in the current period.

Business Model Financials



Major Program Enhancements

- Enhanced tier benefits
  - Improved process for international upgrade requests
  - Ability to register for domestic upgrade requests when not immediately available
  - Upgrade confirmations via SMS
  - Bonus points doubled for Business/First class
  - Increased Status bonus points for Gold/Silver
  - Greater Jetstar earning ability through 'Plus or Max bundles'
- Platinum One launched
  - Museum of Contemporary Art lounge opened in Sydney
  - Unique benefits: improved upgrade proposition, dedicated special service team, better access to Qantas Classic Awards

Major Program Enhancements

- Other new program enhancements
  - David Jones American Express and store cards announced
  - New B2B partnership with Isuzu Trucks
  - Optus launched September 2011
  - Over 24,000 members of epiQure by Qantas Frequent Flyer
  - Over 322,000 members opted into Woolworths Auto Rewards
  - Ability to earn points on over 50 financial service products
- Record points earned and redeemed
  - Over 5 million awards redeemed in FY12, including 4m flights
  - Over 1 million products/vouchers redeemed in FY12 via Qantas Frequent Flyer store and Auto Rewards
  - Major member research initiative delivered 600,000 survey responses

Building a stronger coalition program

	SELECTION OF EXISTING PARTNERS		NEW/EXCLUSIVE PARTNERS	
FLY	Earn points on Qantas and 24 partner airlines plus affiliates			Air Berlin Malaysia Airlines (coming soon)
PAY	Earn points at all major financial institutions	ANZ, CommonwealthBank, Westpac, nab, Diners Club International, Suncorp Bank, HSBC		Jetstar Mastercard Qantas Staff Credit Union Visa Platinum Bankwest Qantas Mastercard David Jones American Express Cards
SHOP	Earn points at Australia's largest retailer	Woolworths, BIG W, BWS, Caltex		
CONNECT	Earn points on telecommunications		'yes' OPTUS	Optus launched in September 2011
MORE	Earn points on insurance	QBE, OnePath		
MORE	Wide cross section of retail, travel and restaurants	LJ Hooker, Trivett, Hilton, epiQure, E*TRADE, HYATT, Budget, AVIS, Ski, Holidays	GUNZ dental, ISUZU TRUCKS	GunzDental (B2B) launched in July 2011 Isuzu Trucks (B2B) launched in June 2012

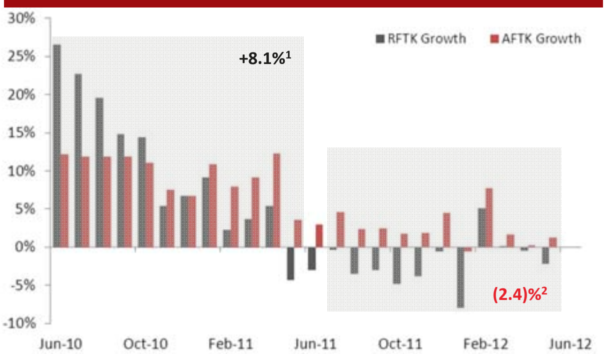
Segment: Qantas Freight

Qantas Freight

- Underlying EBIT $45m, down $17m
  - Weak global airfreight markets
  - High fuel prices and strong AUD
  - Industrial dispute
- Revenue down 4%
  - Lower loads reflecting market demand
- Yield (excluding FX) up 8%
  - Partly due to increased fuel surcharges
- JV transformation completed, realising full benefits

		FY12	FY11	VLY %
Revenue	$M	1,013	1,054	(4)%
Underlying EBIT	$M	45	62	(27)%
Capacity (International AFTKs)	B	4.1	4.2	(2)%
Load (International)	%	54	59	(5)pts

INDUSTRY AIR FREIGHT RFTK AND AFTK GROWTH (VLY%)



1. Source: IATA, average year-on-year RFTK growth for 12 months to June 2011. 2. Source: IATA, average year-on-year RFTK growth for 11 months to May 2012 (June 2012 not yet available).

Governance, Environment and Social

Sustainability
FY12 Key Highlights

GOVERNANCE *Corporate Governance, Oversight Framework*	• Non-Negotiable Business Principles introduced to underpin Group Corporate Governance Framework and Policies • Sustainable Procurement Policy adopted
ENVIRONMENT *Fuel and emissions, Resource Consumption, Fleet*	• Australia's first commercial flights powered by Sustainable Aviation Fuel (SAF) • Historic agreement with R.M. Williams Agriculture Holdings to purchase carbon credits to meet voluntary offset programs and the Australian carbon price liability from 1 July 2013 • Continued listing on the Carbon Disclosure Leadership Index for Australia and New Zealand • Continued resource reduction improvements against baseline targets and endorsement of the industry's goal of carbon-neutral growth from 2020
SOCIAL *Safety, Customer, People, Community*	• Safety is our first priority • Highest levels of overall customer satisfaction since 2003[1] • Qantas Domestic best on time performance in FY12[2] • Resilient employee engagement despite industrial dispute • Participation in the inaugural CEO CookOff, raising more than $900,000 for OzHarvest and Mission Australia

1. For Qantas Airlines including Qantas Domestic and Qantas International. 2. Source: June 2012 BITRE data. Qantas most on time major domestic airline for jet operations greater than 10,000 sectors.

Governance

- Non-Negotiable Business Principles
  - Principles adopted to underpin the Group's Corporate Governance Framework and Policies
  - Drives how Qantas does business, in conjunction with Qantas' brand and behavioural values
  - Supporting elements approved to help achieve consistency in interpretation and application across the Group and its entities
- Sustainable Procurement
  - Policy adopted to complement existing procedures to consider environmental, community and corporate sustainability needs in procurement
  - Further developed supplier diversity program
  - Named Australian Indigenous Minority Supplier Council (AIMSC) Corporate Member of the Year

Non-Negotiable Business Principles

1. We are committed to safety as our first priority
2. We comply with laws and regulations
3. We treat people with respect
4. We act with honesty and integrity, upholding ethical standards
5. We are committed to true and fair financial reporting
6. We are committed to environmental sustainability
7. We have a responsibility to safeguard Qantas Group reputation, brands, property, assets and information
8. We proactively manage risk

Environment

- Sustainable Aviation Fuel (SAF)
  - Qantas and Jetstar operated Australia's first commercial flights powered by SAF in April 2012
  - 50:50 bio-fuel and jet fuel blend certified for commercial use, produced by SkyNRG
  - ~60% reduction in carbon footprint to jet fuel
  - Announced Australian SAF industry feasibility study, with technical support from Shell
- R.M. Williams Agriculture Holdings
  - Agreed to purchase carbon credits from R.M. Williams to meet voluntary offset programs and Australian carbon price liability from 1 July 2013
- Offset >1.2 million tonnes of carbon emissions through voluntary programs
- Continued listing on the Carbon Disclosure Leadership Index for Australia and New Zealand
- Hosted the Qantas Sustainable Tourism Summit and continued support of the Qantas Award for Excellence in Sustainable Tourism

Social

- Safety
  - Safety is our first priority: unwavering commitment to world's best safety practices and reporting
  - Focus on being the world's leading airline group in air, ground and people safety
- Customer
  - Net Promoter Score (NPS):
    - Measurement of customer advocacy
    - In FY12 Qantas Domestic recorded the highest number of customer advocates since measurement commenced in 2007
  - Closed Loop Feedback
    - Embedded in airport, lounges and in-flight service customer experience
    - Direct communication between customers and front line managers

Safety Highlights

- Year-to-date TRIFR[1] 35.5
- Year-to-date LWCFR[2] 11.6
- High employee engagement results across all safety questions; well above national average for safely training people
- New Safety & Security Awareness mandatory training course implemented
- 3rd annual Qantas Group Safety Conference with 500 attendees

Customer Highlights

- Qantas Domestic best on time performance in FY12[3]
- Highest level of overall customer satisfaction since 2003[4]

1. Total Recordable Injury Frequency Rate. 2. Lost Work Case Frequency Rate. 3. Source: June 2012 BITRE data. Qantas most on time major domestic airline for jet operations greater than 10,000 sectors. 4. For Qantas Airlines including Qantas Domestic and Qantas International.

Social

- Employees
  - Strong employee resilience and engagement given industrial dispute
  - Diversity-related objectives endorsed – Senior Executive role targets:
    - 35% women by 2015 (2012: 31.5%)
    - 40% women by 2018
- Community
  - Qantas Reconciliation Action Plan: supports and promotes shared pride in the Aboriginal and Torres Strait Islander community
  - CEO CookOff sponsorship: world first charity event to feed 1,000 Australians in need

Employee Highlights

- Qantas Group Diversity Council formed to provide leadership and support gender diversity commitments
- Leadership and Management Capability framework strengthened
- Partnered with 'Expect A Star' to launch Family Support program – assisting employees with children aged 0-18 years, elderly loved ones and employees approaching retirement

Community Support Highlights

- Qantas' third Reconciliation Action Plan (RAP) released – an important commitment to reconciliation
- Inaugural CEO CookOff raised >$900,000 for OzHarvest and Mission Australia

Sustainability External Recognition

Recognition

Dow Jones Sustainability Index World
— Member since 2011
— 1 of only 2 airlines and the only Australian airline in the World Index

Dow Jones Sustainability Index Asia Pacific
— Member since 2009
— The only Australian airline in the Index

SAM Sustainable Asset Management
— Silver Class 2012
— Sector Mover 2012

Australian SAM Sustainable Asset Management
— Member since 2009
— The only Australian airline in the Index

FTSE4Good Index
— Member since 2009
— The only Australian airline in the Index

Carbon Disclosure Project
— Listed on the Carbon Disclosure Leadership Index for Australia and New Zealand 2010 and 2011
— The only Australian airline in the Leadership Index

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