Qantas Airways Limited
1H14 Results

Supplementary Slides
27 February 2014

Group Performance

Group Highlights – Underlying Income Statement[1]

$M	1H14	1H13[3]	VLY	VLY %
Net passenger revenue[2]	6,786	7,042	(256)	(4)
Net freight revenue	500	475	25	5
Other revenue[2]	617	725	(108)	(15)
Revenue	7,903	8,242	(339)	(4)
Operating expenses (excluding fuel)	4,797	4,770	27	(1)
Fuel	2,255	2,181	74	(3)
Depreciation and amortisation	746	719	27	(4)
Non-cancellable aircraft operating lease rentals	261	265	(4)	2
Expenses	8,059	7,935	124	(2)
Underlying EBIT	(156)	307	(463)	>(100)
Net finance costs	(96)	(87)	9	(10)
Underlying PBT[1]	(252)	220	(472)	>(100)
AASB 139 mark-to-market movements relating to other reporting periods[1]	54	34	20	59
Other items not included in Underlying PBT[1]	(107)	(106)	(1)	(1)
Statutory PBT	(305)	148	(453)	>(100)

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, 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 to Supplementary Slide 4. 2. Net passenger revenue has been adjusted in 1H14 to include revenue from charter operations previously reported in Other revenue. 1H13 Net passenger revenue and Other revenue has been restated accordingly. These items remain excluded from the calculation of yield. 3. 1H13 has been restated for the impact of the mandatory application of the revised Accounting Standard AASB 119: Employee Benefits.

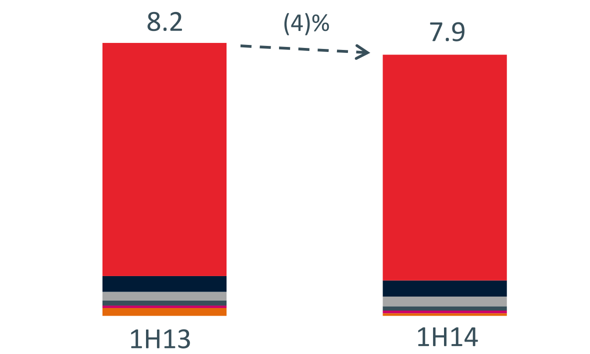
Reconciliation to Statutory PBT

$M	1H14				1H13[3]			
	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[2]	6,786	-	-	6,786	7,042	-	-	7,042
Net freight revenue	500	-	-	500	475	-	-	475
Other revenue[2]	617	-	-	617	725	-	-	725
Revenue	**7,903**	**-**	**-**	**7,903**	**8,242**	**-**	**-**	**8,242**
Operating expenses (excl fuel)	4,797	(38)	107	4,866	4,770	5	106	4,881
Fuel	2,255	(14)	-	2,241	2,181	(46)	-	2,135
Depreciation and amortisation	746	-	-	746	719	-	-	719
Non–cancellable aircraft operating lease rentals	261	-	-	261	265	-	-	265
Expenses	**8,059**	**(52)**	**107**	**8,114**	**7,935**	**(41)**	**106**	**8,000**
EBIT	**(156)**	**52**	**(107)**	**(211)**	**307**	**41**	**(106)**	**242**
Net finance costs	(96)	2	-	(94)	(87)	(7)	-	(94)
PBT	**(252)**	**54**	**(107)**	**(305)**	**220**	**34**	**(106)**	**148**

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, 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 1H14 Results presentation slide 6. 2. Net passenger revenue has been adjusted in 1H14 to include revenue from charter operations previously reported in Other revenue. 1H13 Net passenger revenue and Other revenue have been restated accordingly. These items remain excluded from the calculation of yield. 3. 1H13 has been restated for the impact of the mandatory application of the revised Accounting Standard AASB 119: Employee Benefits.

Revenue

REVENUE ($B)



RPKs (m)	57,095	(1.2)% →	56,393
ASKs (m)	71,374	0.7% →	71,844

NET PASSENGER REVENUE[1] DOWN 4%

- Group yield (excluding FX) down 3% and loads down 1.5pts
- Charter revenue growth
- Increased revenue from partner airlines including Emirates

NET FREIGHT REVENUE UP 5%

- AaE[2] revenue contribution, consolidated from November 2012
- Reduced international capacity due to network changes

FREQUENT FLYER REDEMPTION, MARKETING, STORE AND OTHER REVENUE UP 12%

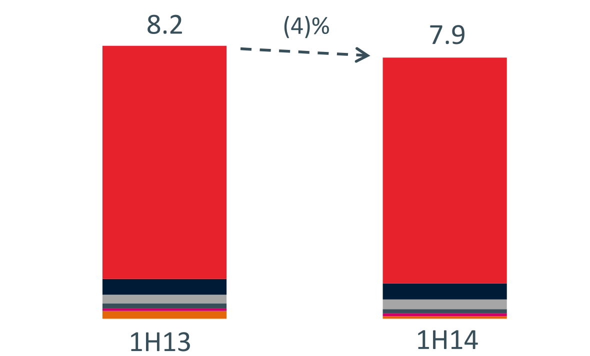
- 11% increase in awards redeemed
- 8% membership growth
- Increased redemption activity driven by new partners

(Continued next slide)

Note: All revenue movements include foreign exchange (FX) unless otherwise indicated. 1. Net passenger revenue has been adjusted in 1H14 to include revenue from charter operations previously reported in Other revenue. 1H13 Net passenger revenue and Other revenue has been restated accordingly. These items remain excluded from the calculation of yield. 2. Australian air Express

Revenue

REVENUE ($B)



RPKs (m)	57,095	(1.2)% →	56,393
ASKs (m)	71,374	0.7% →	71,844

CONTRACT WORK REVENUE DOWN 18%

- Sale of Cairns & Riverside catering centres in October 2012

RETAIL, ADVERTISING AND OTHER PROPERTY REVENUE UP 10%

- Terminal fee revenue following AaE acquisition in November 2012

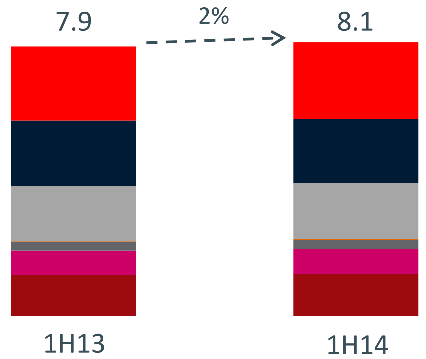
REVENUE FROM OTHER SOURCES DOWN 50%

- 1H13 Boeing settlement $125 million

Note: All revenue movements include foreign exchange (FX) unless otherwise indicated.

Expenditure

EXPENSES ($B)



ASKs (m) 71,374 → 0.7% → 71,844

FUEL COSTS UP 3%

- 0.7% capacity growth
- 9% increase in net average AUD fuel price
- 3% fuel efficiency[1] improvements from fleet modernisation and reconfigurations

MANPOWER AND STAFF RELATED DOWN 2%

- Transformation initiatives including maintenance base and catering centre closures

AIRCRAFT OPERATING VARIABLE COSTS UP 2%

- CPI increases, capacity growth and unfavourable FX
- Partially offset by Transformation initiatives

SHARE OF LOSS FROM ASSOCIATES UP 63%

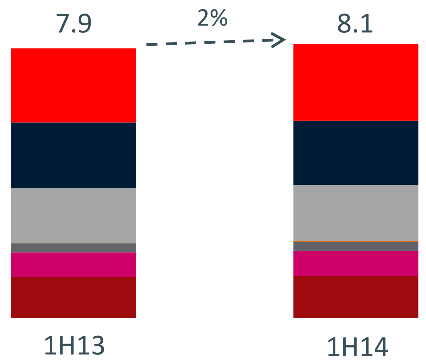
- Start up costs for Jetstar Japan and Jetstar Hong Kong

(Continued next slide)

Note: All expenditure is presented on an Underlying basis which excludes hedge ineffectiveness relative to other reporting periods and other items not included in Underlying PBT. All expenditure movements include FX. 1. Fuel efficiency measured as litres per ASK.

Expenditure

EXPENSES ($B)



ASKs (m) 71,374 → 0.7% → 71,844

LEASE RENTAL EXPENSE DOWN 2%

- Net reduction of 2 leased aircraft

DEPRECIATION AND AMORTISATION COSTS UP 4%

- Net increase of 7 owned aircraft

OTHER EXPENDITURE UP 2%

- Reduced selling and marketing and IT expenditure offset by CPI increases

Note: All expenditure is presented on an Underlying basis which excludes hedge ineffectiveness relative to other reporting periods and other items not included in Underlying PBT. All expenditure movements include FX.

Unit Cost

- 2% improvement in Comparable Unit Cost[3]
  - Ongoing benefits from Qantas Transformation initiatives

C/ASK	1H14	1H13	VLY %
Unit Cost[1]	8.37	8.03	
Excluding:			
• Fuel	(3.14)	(3.06)	
Net Underlying Unit Cost[2]	5.23	4.97	↑ 5
• Boeing settlement	-	0.18	
• B767 phased fleet retirement	(0.03)	-	
• Associate losses	(0.04)	(0.02)	
• Change in FX rates	(0.07)	-	
• Sector length adjustment	(0.05)	-	
Comparable Unit Cost[3]	5.04	5.13	↓ 2

1. Based on Underlying PBT less passenger revenue per ASK. 2. Net Underlying Unit Cost is defined as Underlying PBT less passenger revenue and fuel per ASK. 3. Comparable Unit Cost is calculated as Net Underlying Unit Cost adjusted for the impact of the Boeing settlement, B767 phased fleet retirement, share of the Group's associate losses, change in FX rates and movements in average sector length.

Group Operational Information

QANTAS

Fleet at 31 December 2013

Aircraft Type	1H14	FY13	Change
A380-800	12	12	
B747-400	9	10	(1)
B747-400ER	6	6	
A330-200	10	10	
A330-300	10	10	
B767-300ER	15	20	(5)
B737-400	3	6	(3)
B737-800NG	70	66	4
Total Qantas	135	140	(5)
A320-200	77	70	7
A321-200	6	6	
A330-200	10	10	
B787-8	2	-	2
Total Jetstar[1]	95	86	9
B717-200	15	13	2
Q200/Q300	21	21	
Q400	30	28	2
Total QantasLink	66	62	4
EMB120	5	7	(2)
F100	12	12	
Total Network Aviation[2]	17	19	(2)
B737-300SF	4	4	
B767-300SF	1	1	
Total Freight[3]	5	5	
Total Group	**318**	**312**	**6**

- 5 aircraft deliveries in 2H14
  - 2xB787-8, 3xB717-200
- 8 aircraft planned for retirement in 2H14
  - 1xB747-400, 3xB737-400, 2xB767-300, 2xQ200
- 4xA320-200 lease returns in 2H14

1. Includes Jetstar Asia fleet (19xA320), excludes Jetstar Pacific, Jetstar Japan and Jetstar Hong Kong. 2. Excludes two aircraft used for spares. 3. Qantas Group wet leases 3xB747-400 freighter aircraft and 3xBAe146 freighter aircraft (not included in the table).

On Time Performance (OTP)

- Qantas Domestic on time leader[1]
  - Superior performance with best on time departure 12 out of 12 months in 2013
  - Market leading on time arrivals
  - Lowest number of cancellations

ON TIME DEPARTURES[2] (%)	2013	RANK
Qantas[3]	85.5	1
Virgin[3]	79.6	2
Jetstar	75.0	3

ON TIME ARRIVALS[2] (%)	2013	RANK
Qantas[3]	84.3	1
Virgin[3]	77.3	2
Jetstar	75.7	3

CANCELLATIONS[2] (%)	2013	RANK
Qantas[3]	1.5	1
Virgin[3]	1.6	2
Jetstar	1.9	3

1. Best on time performance compared to main competitor. 2. Source: BITRE 2013. Data is in reference to domestic operations only. 3. Qantas excludes QantasLink operations. Virgin excludes ATR turboprop and F100 jet operations.

Segment: Qantas Domestic

Qantas Domestic – Mainline & Regional Network

- Held strong corporate position
  - Renewed 123[1] corporate accounts, 39[1] new accounts
  - Lost 5[1] accounts; won back 5[1] accounts
- Maintained margin advantage
- Record customer satisfaction
  - 'Best Economy' and 'Best Lounges'[2]
  - Investment in front-line team training
- Enhanced network and frequency advantage
  - Largest premium and regional network
  - 30% increase in charter market share since July 2012[3]

Mainline Network		1H14	1H13	VLY %
ASKs	M	16,431	16,586	(0.9)
RPKs	M	12,621	12,995	(2.9)
Passengers	'000	8,532	8,698	(1.9)
Seat factor	%	76.8	78.3	(1.5)pts
OTP	%	86.0	84.4	1.6pts

Regional Network		1H14	1H13	VLY %
ASKs	M	2,796	2,601	7.5
RPKs	M	1,773	1,754	1.1
Passengers	'000	2,730	2,711	0.7
Seat factor	%	63.4	67.4	(4.0)pts
OTP	%	80.1	78.4	1.7pts

1. Represents large corporate accounts only. Total large corporate and SME accounts: renewed 158 accounts and signed 113 new accounts. 2. AirlineRatings.com's Airline Excellence Awards January 2014 3. Monthly BITRE data July 2012 – November 2013

Qantas Domestic

Best for business and premium leisure customers

SUPERIOR CUSTOMER PROPOSITION

- 12 out of 12 months OTP leader[1]
- Improved lounge experience – MEL Chairman's Lounge, PER, TMW, OOL[2]
- QantasLink relocation to Sydney T3 premium terminal
- Continued investment in front-line team training

LEADING NETWORK AND FREQUENCY

- East-West, intra-WA, TAS, NSW and QLD growth[3]
- QantasLink supporting regional and charter market – Q400 and B717 fleet expansion
- 2 class B717 launched on CBR and TAS routes[4]

MAINTAIN MARGIN ADVANTAGE

- Fleet renewal improving economics
  - B738s fully replaced B734s in February 2014
  - Ongoing replacement of B767s with A330s
  - Completion of B717 seat reconfiguration (115 to 125)
- Ongoing cost base transformation – Engineering, Catering

1. Source: BITRE data 2013. 2. Melbourne, Perth, Tamworth, Coolangatta. 3. Intra-Western Australia, Tasmania, New South Wales, Queensland. 4. Canberra, Tasmania; Tasmania services commencing mid-April 2014.

Segment: Qantas International

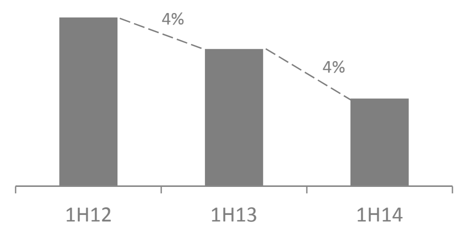
QANTAS

Qantas International

- 4% Comparable Unit Cost[1] improvement
  - Reduced B747 heavy maintenance
  - 5% increase in fleet utilisation through efficient maintenance scheduling
- 18% customer advocacy improvement
  - Dubai hub exceeding expectations
  - Record advocacy levels among business flyers
  - SIN[2] lounge won 2013 Interior Design Excellence 'People's Choice Award'
- Strengthening China network proposition – China Southern[3], China Eastern codeshares
- One-stop Emirates European proposition continues to grow
  - 65+ one-stop destinations, > 2 times increase in codeshare bookings[4]

		1H14	1H13	VLY %
ASKs	M	29,863	29,625	0.8
RPKs	M	24,138	24,513	(1.5)
Passengers	'000	3,007	2,917	3.1
Seat factor	%	80.8	82.7	(1.9)pts
Market share[5]	%	16.8	17.8	(1.0)pts
OTP	%	76.9	79.4	(2.5)pts

COMPARABLE UNIT COSTS[1]



1. Comparable Unit Cost is calculated as Underlying EBIT less passenger revenue and fuel per ASK adjusted for the impact of the Boeing settlement, change in FX rates and movements in average sector length. 2. Singapore 3. From April 2014 4. Compared to previous alliances with British Airways, Iberia, Air France and Cathay Pacific for the corresponding period in 1H13. 5. Source: BITRE July 2013-November 2013.

Qantas International
Four pillar strategy

GATEWAYS TO THE WORLD — 1
- Emirates partnership successfully launched
- North American daily flights to AA[1] hub (DFW[1])
- Expanded US network with AA/US Airways merger
- South American flights to LATAM hub (SCL[2])
- Expanded China Eastern codeshare
- New codeshare with China Southern[3]

BEST FOR GLOBAL TRAVELLERS — 2
- WIP New SIN[4] premium lounge opened; HKG[5] opening March 2014, LAX[6] development in progress
- Introduction of Business Sleep Service, Select on Q-Eat and Chauffeur Drive
- Continued investment in service training, technology
- Improved Frequent Flyer opportunities

GROWING WITH ASIA — 3
- Rescheduled services enhancing intra-Asia proposition
- WIP Leveraging partners to key Asian & China hubs
- WIP A330 reconfiguration – lie flat beds in business class
- WIP Closer integration with Jetstar Group

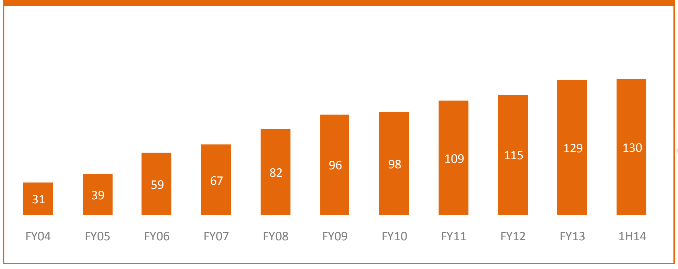
A STRONG VIABLE BUSINESS — 4
- A380 & B747 reconfigurations improving economics
- WIP Increased utilisation enabled by natural ground time maintenance initiatives
- WIP Ongoing legacy cost base transformation
- WIP Continued network enhancements

1. America Airlines hub at Dallas Fort-Worth. 2. Santiago. 3. From April 2014. 4. Singapore. 5. Hong Kong. 6. Los Angeles.

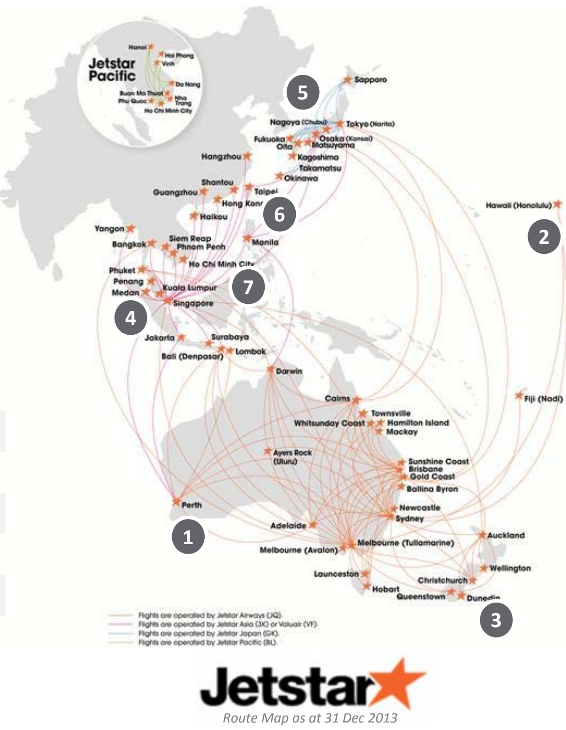
Segment: Jetstar

Growing Jetstar Footprint

JETSTAR GROUP – GROWING NETWORK OF ROUTES[1]



BUSINESS	OWNERSHIP[2]	LAUNCH	BASED AIRCRAFT[2]
1 Jetstar Australia	100%	2004	55xA320s/A321s
2 Jetstar International	100%	2006	12xA330s/787s
3 Jetstar NZ[3]	100%	2009	9xA320s
4 Jetstar Asia (Singapore)	49%	2004	19xA320s
5 Jetstar Japan	33%	2012	18xA320s
6 Jetstar Hong Kong[4]	33%	–	–
7 Jetstar Pacific (Vietnam)[5]	30%	2008	5xA320s



1. Including Jetstar Asia, Jetstar Pacific and Jetstar Japan. 2. As at 31 December 2013. 3. Jetstar Trans Tasman services commenced in 2005, Jetstar NZ (Domestic) services commenced in 2009. 4. Subject to regulatory approval. 5. Jetstar Pacific rebranded in 2008.

Jetstar Domestic Network

- Profitable every year since 2004 launch despite challenging competitive environment
  - Capacity growth 4%, passenger growth 5%
  - Load factors remain high, above 80%
- Record customer advocacy
  - Innovation in technologies – launch of avatar virtual assistant “Ask Jess”, Manage My Booking mobile website enhancement
  - Price leadership through “Price Beat Guarantee”
  - Training and investment for front-line teams

Jetstar Domestic		1H14	1H13	VLY %
ASKs	M	9,207	8,867	3.8
RPKs	M	7,574	7,253	4.4
Passengers	‘000	6,283	5,975	5.2
Seat Factor	%	82.3	81.8	0.5pts
OTP[1]	%	74.7	75.8	(1.1)pts
Destinations	No.	19	18	

1. Source: BITRE July 2013-December 2013.

Jetstar International Network

- Jetstar International
  - Linking Jetstar footprint in Asia
  - Commenced A330 fleet rollover to B787
  - Expanded short haul international to match strong customer demand – ADL-DPS[1], AKL-ADL[2]
- New Zealand Domestic
  - Yield improvement on trunk routes
  - Significantly improved customer advocacy; market leading OTP[3] and low fares leadership

Jetstar International (excl. Jetstar Asia & NZ Domestic)		1H14	1H13	VLY %
ASKs	M	8,830	9,164	(3.6)
RPKs	M	6,571	7,022	(6.4)
Passengers	‘000	1,612	1,710	(5.7)
Seat Factor	%	74.4	76.6	(2.2)pts
Market share[4]	%	7.7	8.2	(0.5)pts
Destinations	No.	14	14	

New Zealand Domestic		1H14	1H13	VLY %
ASKs	M	747	742	0.7
RPKs	M	586	599	(2.2)
Passengers	‘000	901	918	(1.9)
Seat Factor	%	78.4	80.7	(2.3)pts
Market share[5]	%	21.2	22.0	(0.8)pts
Destinations	No.	5	5	

1. Adelaide-Denpasar 2. Auckland-Adelaide 3. Compared to Air New Zealand 4. Source: BITRE - Australian based International operations only for 12 months to November 2013. 5. Source: Diio LLC - New Zealand domestic market share for the 6 months to December 2013.

Jetstar Asia (Singapore)

- Strategically important 'gateway' to region
- Increasingly competitive LCC[1] market
  - 34% LCC market capacity growth[2]
  - Yields under pressure
- LCC business fundamentals remain strong
  - Controllable Unit Cost improvement of 2%[3]
  - Ancillary revenue per passenger up 4%[4]
- Enhancing customer experience
  - Straight to Gate web check-in launched
  - Expanded inter-line codeshare partnerships

Jetstar Asia		1H14	1H13	VLY %
ASKs	M	3,970	3,789	4.8
RPKs	M	3,129	2,959	5.7
Passengers	'000	2,029	1,772	14.5
Load	%	78.8	78.1	0.7 pts
Destinations	No.	22	25	

Jetstar

Route Map as at 31 Dec 2013

1. Low Cost Carrier. 2. Diio Report published 9 January 2014. 3. Controllable Unit Cost calculated as total underlying expenses excluding fuel, change in FX rates and movements in average sector length per ASK. 4. Ancillary revenue per passenger is calculated in local currency and excludes management and branding fee revenue, adjusted for change in customer mix.

Jetstar Japan

- Largest domestic LCC[1] with over 3 million passengers carried since launch[2]
- Launched 5 new destinations
- Market leading OTP[3]
- Strong customer advocacy, up 19pts
- Well positioned to leverage growth opportunity
  - Domestic LCC penetration only 5% of total market[4] with potential to be >30%

Jetstar Japan		1H14	1H13	VLY %
ASKs	M	1,843	796	>100
RPKs	M	1,418	550	>100
Passengers	'000	1,598	589	>100
Load	%	76.9	69.0	7.9pts
Destinations	No.	10	5	

Jetstar *Route Map as at 31 Dec 2013*

1. Based on fleet as at 31 December 2013 and domestic ASKs compared to Peach Aviation and AirAsia Japan/Vanilla. 2. July 2012 to December 2013 3. MLIT Report July-September 2013 reporting period 4. CAPA report dated 14 June 2013.

Jetstar Pacific (Vietnam)

- Challenges remain in increasingly competitive LCC market
- LCC business fundamentals improved
  - Fleet renewal complete, all A320 fleet driving 7% Controllable Unit Cost improvement[1]
  - Ancillary revenue per passenger up 8%[2]
  - Strong customer advocacy and OTP

Jetstar Pacific		1H14	1H13	VLY %
ASKs	M	1,051	952	10.4
RPKs	M	942	862	9.2
Passengers	'000	1,028	917	12.1
Load	%	89.6	90.6	(1.0)pts
Destinations	No.	8	5	

Jetstar *Route Map as at 31 Dec 2013*

1. Controllable Unit Cost calculated as total underlying expenses excluding fuel, change in FX rates and movement in average sector length per ASK. 2. Ancillary revenue per passenger is calculated in local currency and excludes management and branding fee revenue, adjusted for change in customer mix.

Segment: Qantas Loyalty

QANTAS

Qantas Loyalty
Financial Results

- Continued robust financial growth
  - Underlying EBIT[1] up 7%, 10% excluding start-up costs for Qantas Cash and AQUIRE
- Total billings[2] $662m, up 9%
- Record credit card billings up 10% driven by promotional campaigns and new products
- Other revenue up 100%
  - Qantas Cash and Loyalty Services businesses exceeding expectations
- Continued growth in deferred revenue
- Investment in brand, technology and people to support development of growth initiatives

M$	1H14	1H13	VLY %
Marketing Revenue	197	180	9
• Redemption Revenue	431	404	7
• Redemption Costs	388	359	(8)
Redemption Margin	43	45	(4)
Other Revenue	12	6	100
Other Costs	3	2	(50)
Gross Profit	249	229	9
Operating Costs	99	92	(8)
One Off Project Costs	4	-	-
Underlying EBIT	146	137	7
Deferred Revenue Growth[3]	59	45	31

1. No profit is derived from transfer pricing between Qantas Loyalty and Qantas Group airlines. 2. Billings represent point sales to partners. 3. Deferred revenue growth from 1 July 2013 and 1 July 2012 respectively.

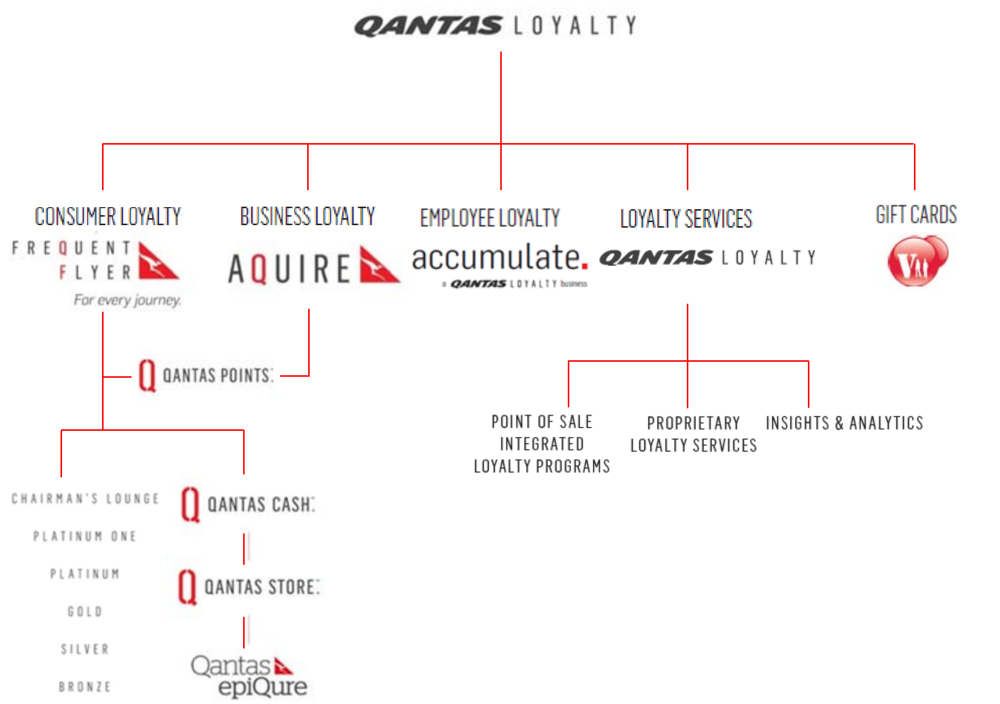
Qantas Loyalty
Australia's leading loyalty business

NEW GROWTH PATHWAYS

Qantas Loyalty manages a group of diversified businesses

A multi-partner loyalty program with a common currency for consumers and businesses

Designs, builds and manages loyalty programs and provides analytical professional services for clients



Qantas Frequent Flyer in New Zealand

Member engagement, investing in our brand

FREQUENT FLYER

ENGAGING AND GROWING OUR BASE IN NEW ZEALAND

Mass media marketing campaign to educate members about the breadth of the program, partner network and drive flight revenue

Jetstar and Emirates participated in the campaign

Campaign generated 20% increase in bookings

Increased NZ member base by 5%

Qantas Frequent Flyer

Hundreds of partners, thousands of ways to earn points

NEW PARTNERS

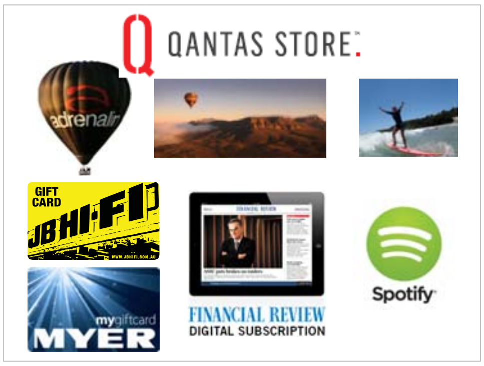
New and expanding partnerships in Australia and internationally added to Australia's leading loyalty coalition with more coming soon

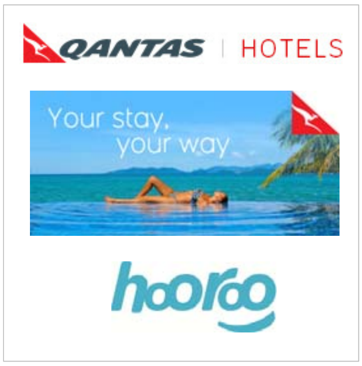
MORE REWARD OPTIONS

Qantas Store enhanced experiences and digital reward options

Over 100,000 hotels worldwide

Successful redemption campaigns including status credit on Classic Awards, double status credits on domestic flights





Qantas Cash

Exceeding expectations in 1st phase of launch

New Qantas Frequent Flyer membership card and Qantas Cash prepaid travel card **all in one** sent to members

Over **200,000 activations**[1]

On average **1,400 members** activate their cards each day (1 member per minute per day since launch)

Ten loadable currencies, Thai Baht added in December

Value loaded in Dec-13 was **61%** higher than Nov-13 and spend was **90%** higher. Continued growth expected as activations continue and members start to reload.

More currencies and improvements in coming months

1. As at February 2014.

Qantas Loyalty

Business Model Financials

FREQUENT FLYER

Points Flow

Points Earned by Spending → Life of a Point ~2 years → Points Redeemed for Award / Points Expire (Breakage)

Cash Flow

Cash In: Billings[1] and Other Cash in → Cash Balance: Cash Generated → Cash out[3]: Free Cash Flow[2] / Net Operating Costs / Award Costs

Revenue Recognition 1H14

$662m Billings[1] → $197m Marketing Revenue / $465m Fair Value Deferred → $2b Deferred Revenue → $197m Marketing Revenue / $431m Redemption Revenue → $59m / $146m EBIT / $94m Net[4] Operating Costs / $388m[5] Award Costs

Growth in Deferred Revenue

1. Billings represent point sales to partners. 2. Free cash flow represents EBIT plus growth in deferred revenue. 3. Cash out excludes movement in working capital and cash outflow from capital expenditure. 4. Net Operating Costs include other revenue, other costs and one off project costs . 5. Total redemption costs.

Governance, Environment and Social

QANTAS

Governance

- Sustainable Procurement program
  - Supporting Indigenous Business sector through engagement of Supply Nation suppliers
  - Male Champions of Change[1] group, including Alan Joyce and other influential male CEOs, launched 'Supplier Multiplier' promoting gender balance in procurement policies
  - Qantas Sustainable Procurement Self-Assessment questionnaire launched – strengthening governance frameworks and mitigating risk
- New risk management training suite
  - Supports all employees and managers to integrate risk management into the business

GOVERNANCE HIGHLIGHTS

- Continued listing on DJSI[2] Index
  - Silver Class sustainability award – Aviation sector
  - Only Australian airline in the Index series
  - Member of the DJSI World Index since 2011

MEMBER OF
Dow Jones Sustainability Indices
In Collaboration with RobecoSAM

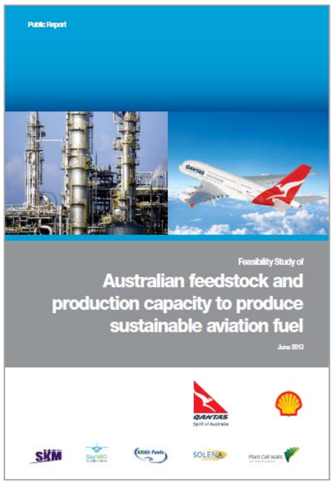
ROBECOSAM
Sustainability Award
Silver Class 2014

- Qantas and Telstra partnership awarded Best Supplier Relationship at the Chartered Institute of Purchasing and Supply 2013 Awards

1. In April 2010 Commissioner Broderick was instrumental in bringing together some of Australia's most influential and diverse male CEOs and Chairpersons to form the Male Champions of Change group. The group aims to use their individual and collective influence and commitment to ensure the issue of women's representation in leadership is elevated on the national business agenda.
2. Dow Jones Sustainability Index.

Environment

- B787 Dreamliner aircraft entered service
  - 20 per cent more fuel efficient than comparable aircraft[1]
- Group Fuel Optimisation Program targeting 1% fuel saving
- Qantas' Mascot tri-generation project won 'Best Cogeneration or District Energy Project'[2]
- Aviation biofuel feasibility study with Shell and Australian Government completed and public report released
- ICAO[3] Assembly agreed to global market-based carbon measure for development by 2016 and implementation by 2020
- Group targets for reduction of electricity, water and direct waste-to-landfill refreshed to 20%, 20% and 30% respectively[4]



1. B787 fuel efficiency compared to B763 on a per seat basis. Source: B787 (manufacturer guidance). 2. 2013 Energy Efficiency Council of Australia awards . 3. International Civil Aviation Organisation. 4. Previous targets were electricity 10%, water 10% and waste-to-landfill 20% set against FY10 baseline.

Safety

- Unwavering commitment to world's best safety practices and reporting
- Successful introduction of B787 into Jetstar fleet
- Reducing workplace injuries – ongoing focus on manual handling training, introduction of mechanical working aids and early intervention programs
- Group Safety Conference held with ~500 safety professionals, managers, frontline staff and industry partners
- Qantas Group Safety Climate Survey results indicate continued improvement and maturity of the organisation's safety culture

SAFETY HIGHLIGHTS

- Positive indicators of operational safety performance
  - 1H14 YTD TRIFR[1] improved 14%
  - 1H14 LWCFR[2] improved 20%
  - 1H14 DR[3] improved by 25%

1. Total Recordable Injury Frequency Rate 1H14 25.5 (FY13: 29.5). 2. Lost Work Case Frequency Rate 1H14 7.7 (FY13: 9.6). 3. Duration Rate (DR) measures the average number of days per injury where an employee is away from work or on restricted duties 1H14 39.2 (FY13: 52.1).

Customer

- Continuous investment in customer experience
  - Over 6,000 staff completed intensive service training in last 6 months
  - Qantas won the large business category at the International Customer Service Professionals awards
- 2 B787 Dreamliner commenced service
- 3 reconfigured 2 class B717 commenced service
- A330 reconfiguration on track to begin late 2014
- Singapore Lounge won 2013 Interior Design Excellence Awards 'People's Choice Award' – achieving highest customer satisfaction scores for offshore lounges
- Select on Q-Eat extended to Premium Economy[3]

CUSTOMER HIGHLIGHTS

- Qantas Domestic best on time performance in 2013[1]
- Net Promoter Score[2] continues to achieve record results
- Qantas awarded world's Best Economy and Best Lounge across both domestic and international networks; and top five of all world airlines by AirlineRatings.com

1. Source: BITRE 2013. Qantas most on time major domestic airline for jet operations greater than 10,000 sectors. Qantas most on time domestic airline compared to main competitor. 2. Net Promoter Score 2013/2014 YTD average. 3. Select on Q-Eat is available to Business and Premium Economy customers travelling on selected international flights.

Employees

- Qantas Uniform launched – collaboration with employees throughout development
- Diversity and inclusion supported through:
  - Unconscious bias training completed by 500 managers
  - Male Champions of Change group, including Alan Joyce, using influence to improve representation of women in leadership
  - Introduction of robust parental support program
- Continuous improvement in internal communications
  - New intranet launched providing tools to communicate and collaborate, anytime, anywhere
- 9 enterprise bargaining agreements (EBAs) closed in six month period[1]

1. EBAs closed between July 2013 and December 2013.

Community

- Qantas' Community Champion network continues to grow – 1,168 employees championing community initiatives
- Ongoing commitment to Australia's Indigenous community
  - Mendoowoorrji arrives – Group's 4th aircraft featuring Aboriginal art
  - Adam Goodes announced as newest Qantas Ambassador
  - Indigenous Marathon Project supported by Qantas
- New partnership with Make-A-Wish Foundation – granting wishes to children with life threatening illnesses

INDIGENOUS MARATHON PROJECT
RUN.SWEAT.INSPIRE.

Sustainability External Recognition

Recognition

MEMBER OF Dow Jones Sustainability Indices In Collaboration with RobecoSAM

ROBECOSAM Sustainability Award Silver Class 2014

FTSE4Good

CARBON DISCLOSURE PROJECT

ATW Air Transport World

Banksia environmental awards 2012 Category Winner

Dow Jones Sustainability Index World
— Member 2011-2013
— 1 of only 2 airlines and the only Australian airline in the World Index

RobecoSAM Sustainable Asset Management
— Silver Class 2014

Dow Jones Sustainability Index Asia Pacific
— Member 2009-2013
— Only Australian airline in the Index

Australian SAM Sustainable Asset Management
— Member 2009-2013
— Only Australian airline in the Index

FTSE4Good Index
— Member 2009-2013
— Only Australian airline in the Index

Carbon Disclosure Project
— Listed on the Carbon Disclosure Leadership Index for Australia/New Zealand since 2010

Air Transport World Eco-Aviation Awards
— Named 2013 Eco-Pioneer of the Year

Banksia Environmental Awards
— 2012 Award for Setting the Standard for Large Organisations
— The premier environmental awards program in Australia

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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 27 February 2014. The information in this Presentation does not purport to be complete. It should be read in conjunction with the Qantas Group's other periodic and continuous disclosure announcements lodged with the Australian Securities Exchange, which are available at www.asx.com.au.

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