Group Fleet Strategy
*Flexibility, Simplification, Efficiency*

- 5 key principles
  - Right aircraft, right route
  - Fleet simplification
  - Flexibility – delivery, retirement, renewal
  - Sustainable fleet investment profile
  - Continual reduction in fuel and unit cost

- Maximum fleet plan flexibility
  - Firm orders, options, purchase rights
  - Orders span family of aircraft types
  - Strong relationships with manufacturers and suppliers

- Up to 96 narrow-body, 13 wide-body aircraft planned for delivery in next 5 years
- 37 options and 268 purchase rights through to Dec 2025
- 27 narrow-body, 10 wide-body and 4 turboprop aircraft potential lease renewals in next 3 years
- Up to 37 aircraft retirements in next 5 years
### Group Fleet Strategy
**Deliveries and Retirements**

#### AIRCRAFT DELIVERIES

<table>
<thead>
<tr>
<th>Aircraft Type</th>
<th>FY14</th>
<th>FY15-FY16</th>
<th>FY17-FY25</th>
</tr>
</thead>
<tbody>
<tr>
<td>A380-800</td>
<td>-</td>
<td>-</td>
<td>8</td>
</tr>
<tr>
<td>B787-8</td>
<td>6</td>
<td>5</td>
<td>3</td>
</tr>
<tr>
<td>A320 Family¹</td>
<td>8</td>
<td>15</td>
<td>80</td>
</tr>
<tr>
<td>B737-800NG</td>
<td>4</td>
<td>5</td>
<td>-</td>
</tr>
<tr>
<td>B717-200</td>
<td>5</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Q400</td>
<td>3</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td><strong>Total Deliveries</strong></td>
<td><strong>26</strong></td>
<td><strong>25</strong></td>
<td><strong>91</strong></td>
</tr>
</tbody>
</table>

#### AIRCRAFT RETIREMENTS & LEASE RETURNS

<table>
<thead>
<tr>
<th>Aircraft Type</th>
<th>FY14</th>
<th>FY15-FY16</th>
</tr>
</thead>
<tbody>
<tr>
<td>B747-400</td>
<td>2</td>
<td>2</td>
</tr>
<tr>
<td>B767-300</td>
<td>7</td>
<td>13</td>
</tr>
<tr>
<td>B737-400</td>
<td>6</td>
<td>-</td>
</tr>
<tr>
<td>B737-800</td>
<td>-</td>
<td>0-6</td>
</tr>
<tr>
<td>A320-200</td>
<td>5-7</td>
<td>6-23</td>
</tr>
</tbody>
</table>

#### REDUCTION IN FUEL CONSUMPTION PER ASK²

- A380 v B747: ~10%
- A320neo v A320 (no sharklets): ~15%
- B787 v B767: ~20%
- Q400 v similar sized jet: ~35%

¹ Includes Jetstar Asia, excludes Jetstar Pacific, Jetstar Japan and Jetstar Hong Kong. ² On a per available seat kilometre basis. Source: Qantas internal assessment and manufacturer guidance.
Group Fleet Strategy

*Maintaining a young, fuel-efficient fleet*

- Young average fleet age of 7.9 years\(^1\)
- Lowest fleet age since privatisation
- Forecast fleet age to decline further
  - 15 retirements of older fleet type in FY14
    - 6xB737-400, 7xB767-300, 2xB747-400
  - 26 new aircraft deliveries in FY14
- A320 order supports cost-effective future fleet growth at Jetstar associates

---

\(^1\) Average fleet age of the Group’s scheduled passenger fleet based on manufacturing date. \(^2\) Source: Airfleet.net. \(^3\) Qantas Group fleet age includes Qantas and Jetstar scheduled passenger fleet. Jetstar fleet age includes Jetstar Australia Domestic and International, Jetstar New Zealand and Jetstar Asia scheduled passenger fleet.
Group Fleet Strategy

The next big decisions

- Flexibility key to long-term fleet strategy
- Arrangements with manufacturers provide maximum optionality for Qantas to manage orders to demand
- 41 lease expiries\(^1\) over next 3 years; ability to replace or extend with existing orders
- Future fleet replacement decisions, ongoing assessment of products

\[\begin{align*}
\text{B738}^2 & \rightarrow \text{B737Max, A320/A321neo}^3 \\
\text{B747} & \rightarrow \text{A380, A330, A350XWB, B787, B777X} \\
\text{B717} & \rightarrow \text{A319neo, B737-7Max, Bombardier C-series, Embraer E-jet family}
\end{align*}\]

<table>
<thead>
<tr>
<th>TIMING</th>
<th>OPTIONS</th>
<th>PURCHASE RIGHTS(^5)</th>
</tr>
</thead>
<tbody>
<tr>
<td>FY17</td>
<td>5</td>
<td></td>
</tr>
<tr>
<td>FY18</td>
<td>6</td>
<td></td>
</tr>
<tr>
<td>FY19</td>
<td>7</td>
<td></td>
</tr>
<tr>
<td>FY20</td>
<td>2</td>
<td></td>
</tr>
<tr>
<td>FY25</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total</td>
<td>20</td>
<td>30</td>
</tr>
</tbody>
</table>

\(^1\) Includes Network Aviation aircraft. \(^2\) Eight options still remaining. \(^3\) Currently have 190 options and purchase rights for A320neo or A321neo. \(^4\) Qantas has conversion rights for all B787 family aircraft. \(^5\) Subject to availability.
**Fleet Simplification**  
*Driving unit cost improvements*

Benefits of fleet simplification:

- Operational synergies
- Commonality cost savings
- Lower spares cost
- Network and scheduling benefits
- Customer satisfaction from consistent product offering

<table>
<thead>
<tr>
<th>2013¹ - 9 Fleet Types</th>
</tr>
</thead>
<tbody>
<tr>
<td>A380</td>
</tr>
<tr>
<td>B747</td>
</tr>
<tr>
<td>A333</td>
</tr>
<tr>
<td>A332</td>
</tr>
<tr>
<td>B767</td>
</tr>
<tr>
<td>B737-400</td>
</tr>
<tr>
<td>B737-800</td>
</tr>
<tr>
<td>A330</td>
</tr>
<tr>
<td>A320</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>2016 - 7 Fleet Types</th>
</tr>
</thead>
<tbody>
<tr>
<td>A380</td>
</tr>
<tr>
<td>B747</td>
</tr>
<tr>
<td>A333</td>
</tr>
<tr>
<td>A332</td>
</tr>
<tr>
<td>B737-800</td>
</tr>
<tr>
<td>B787</td>
</tr>
<tr>
<td>A320</td>
</tr>
</tbody>
</table>

¹ As at 30 June 2013.
Fleet Simplification
*Qantas Domestic wide-body fleet evolution*

**Operational Synergies and Commonality cost savings:**
Reduced tech crew, cabin crew, engineering and reserve crew requirements. Catering equipment and other equipment designed for use with B767s no longer required.

**Right aircraft, right route:** With retirement of B767s, consistent fleet type used on domestic routes. Currently B767s fly East-West and East Coast. Simplification results in dedicated wide-body fleet flying East-West (A332s) and narrow-body fleet (B738s) flying East Coast.

**Lower spares cost:** B767s have 2 engine types specific to fleet, enabling a lower spares inventory requirement.

**Customer satisfaction with consistent product:**
Retirement of the B767 fleet, and introduction of new domestic product, will result in all Qantas A330s having consistent product and in-seat IFE² offering.

1. As at 30 June 2013. 2. In-Flight Entertainment.
Fleet Simplification
Assisting Qantas Domestic unit cost improvement

Reduce Qantas Domestic unit cost gap to competitor

• B763, B734 fleet retirement
• Qantas Transformation initiatives
  — Engineering  — Commercial
  — Operations  — Overhead
• B717 fleet on right route (Canberra, Hobart)
• Increase narrow-body utilisation
  — Scope for additional off-peak and leisure services

FUEL COST IMPROVEMENT PER ASK¹

A332 v B763  >10%
B738 v B734  >15%

¹. On a per available seat kilometre basis. Source: Qantas internal assessment and manufacturer guidance.
Fleet Simplification
Evolution of fleet configurations

2008
7 Configurations
- Superior A380 product on 9xB747s:
  - Latest IFE
  - Refreshed seats in all cabins
  - Fully lie-flat Business class skybeds

2013
3 Configurations
- Retirement of aircraft with legacy product older than 20 years
- Continued operation of refreshed 9xB747s

Future State
1 Configuration

B747

A330

2013
6 Configurations
- All Jetstar A330s transferred to Qantas Domestic by mid-2015
- Reconfiguration of Qantas Domestic and Qantas International aircraft:
  - Fully flat business class seat A330-300/200
  - New economy seats for international A330-300
  - Refreshed economy seats for domestic A330-200
  - New IFE with Q-Streaming technology

2016
2 Configurations
Fleet Economics

*Improved utilisation*

- Improving asset utilisation to drive unit cost benefits
  - Reconfiguration programs: driving fuel savings on a per-seat basis and capacity increases without heavy capital investment
  - B738 engine refresh program: 19 aircraft to be refreshed by Aug 2014, driving approximately 1.5% fuel burn saving\(^1\)
  - Jetstar sharklet program: 7xA320s with sharklets delivering 3-4% fuel burn saving\(^2\)
- FY14 Group utilisation forecast at ~9.9 hours (FY13 ~9.4 hours)\(^3\)
  - Natural ground time initiatives
  - Increasing utilisation both internationally and domestically

<table>
<thead>
<tr>
<th>Aircraft type</th>
<th>Configuration changes FY11-Current (seats)</th>
<th>Seat change</th>
</tr>
</thead>
<tbody>
<tr>
<td>B744(^4)</td>
<td>307 / 353 ➔ 364</td>
<td>19%</td>
</tr>
<tr>
<td>A380</td>
<td>450 ➔ 484</td>
<td>8%</td>
</tr>
<tr>
<td>B717 (single class)</td>
<td>115 / 117 ➔ 125</td>
<td>9%</td>
</tr>
<tr>
<td>A320</td>
<td>177 ➔ 180</td>
<td>2%</td>
</tr>
</tbody>
</table>

Fleet Economics
Reconfiguration programs

World class product offering on main fleet types:

• B747 reconfiguration completed Oct 2012 (9 aircraft)
• B738 to fully replace B734 by Feb 2014
  — In-seat IFE on all B738s delivered from Aug 2009
• A330 reconfiguration commencing end 2014, completed by end 2016 (30 aircraft)
  — Latest IFE, new business suites with fully lie-flat beds, refreshed/new economy seats
• B767 cabin refresh completed May 2013 (15 aircraft)
  — Q-streaming iPad technology (fully transferable to other aircraft), refreshed seats and interiors
• B717 two-class introduction in FY14
  — First two-class offering on regional network, latest IFE
Fleet Economics
Qantas International

Finding more flying time from existing long-haul fleet

• Natural ground time
  — Line maintenance conducted in Los Angeles when A380 otherwise idle
  — 1 extra day of flying available; 15% utilisation increase
  — Exploring further opportunities within network

• Improved utilisation
  — Perth-Auckland A330 seasonal flying, aircraft otherwise idle in Perth on weekends
  — Rescheduling of JetConnect Tasman flying to release equivalent of ~1 aircraft for domestic flying

• Additional capacity options
  — Utilise improved A380 heavy maintenance schedule to up-gauge B747 flying with A380 or add frequencies on core routes (e.g. Brisbane-Los Angeles)
  — Seasonal supplementary flying (e.g. from 3 to 4 weekly Sydney-Santiago)
Fleet Simplification & Engineering

Driving efficiency gains

• Younger fleet requires less maintenance spend per ASK:
  — Improved technology results in reduced maintenance requirements (maintenance on demand)
  — New aircraft require less frequent heavy maintenance checks than older aircraft

• Engineering cost savings
  — Lower inventory levels per aircraft
  — Less spare engines per aircraft
  — Less total support staff per aircraft

• Benefits from exiting older fleet types (B767s, B734s)
  — Expected wide-body engineering cost base reduction ~$100 million FY16 vs FY12
  — Further cost savings through engineering, spares, flight operations, crew

• B747 fleet now in maintenance ‘honeymoon’ FY13-FY16
  — Period of heavy maintenance investment FY08-FY12
  — 25-30% reduction in forecast B747 engineering costs compared to FY12

1. Annual benefit from removal of B767 engineering program only.
# Qantas Engineering

**Removing maintenance complexity**

<table>
<thead>
<tr>
<th>QF Fleet Seating Configurations</th>
<th>2008</th>
<th>2011</th>
<th>2013</th>
<th>Future State</th>
</tr>
</thead>
<tbody>
<tr>
<td>A380</td>
<td>-</td>
<td>1</td>
<td>1</td>
<td>1</td>
</tr>
<tr>
<td>B747</td>
<td>7</td>
<td>5</td>
<td>3</td>
<td>1</td>
</tr>
<tr>
<td>A330</td>
<td>4</td>
<td>4</td>
<td>4</td>
<td>2</td>
</tr>
<tr>
<td>B767</td>
<td>4</td>
<td>4</td>
<td>4</td>
<td>Exit</td>
</tr>
<tr>
<td>B737</td>
<td>2</td>
<td>2</td>
<td>2</td>
<td>1</td>
</tr>
<tr>
<td>Fleet</td>
<td>17 Configs</td>
<td>16 Configs</td>
<td>14 Configs</td>
<td>5 Configs</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>QF Fleet Engine Types</th>
<th>2008</th>
<th>2011</th>
<th>2013</th>
<th>Future State</th>
</tr>
</thead>
<tbody>
<tr>
<td>A380</td>
<td>-</td>
<td>T900</td>
<td>T900</td>
<td>T900</td>
</tr>
<tr>
<td>B747</td>
<td>RB211-GT CF6-80C2(B5F)</td>
<td>RB211-GT CF6-80C2(B5F)</td>
<td>RB211-GT CF6-80C2(B5F)</td>
<td>RB211-GT CF6-80C2(B5F)</td>
</tr>
<tr>
<td>A330</td>
<td>CF6-80E1</td>
<td>CF6-80E1</td>
<td>CF6-80E1</td>
<td>CF6-80E1</td>
</tr>
<tr>
<td>B767</td>
<td>RB211-HT CF6-80C2(B6)</td>
<td>RB211-HT CF6-80C2(B6)</td>
<td>RB211-HT CF6-80C2(B6)</td>
<td>Exit</td>
</tr>
<tr>
<td>B737</td>
<td>CFM-56-7</td>
<td>CFM-56-7</td>
<td>CFM-56-7</td>
<td>CFM-56-7</td>
</tr>
<tr>
<td>Fleet</td>
<td>7 Engine Types</td>
<td>8 Engine Types</td>
<td>8 Engine Types</td>
<td>5 Engine Types</td>
</tr>
</tbody>
</table>

1. Excludes Jetstar.
Qantas Engineering
Transforming legacy cost base

• Heavy maintenance consolidation
• Maintenance on demand
• Reduction in engineering facility expenses
  — Older fleet retirement and network changes (e.g. exit of loss-making routes)
• Consolidation of engineering support services from Melbourne into Sydney
• New Maintenix IT system improving maintenance efficiency

QANTAS ENGINEERING C/ASK

PEER COMPARISON: MAINTENANCE SPEND C/ASK¹

1. Calculated in AUD. Source: US DOT Form 41; Company Annual Reports.
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 6 October 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 financial year ended 30 June 2013 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 presentation, this presentation is unaudited. Notwithstanding this, the presentation contains disclosures which are extracted or derived from the Consolidated Financial Report for the year ended 30 June 2013 which is audited by the Group’s Independent Auditor.