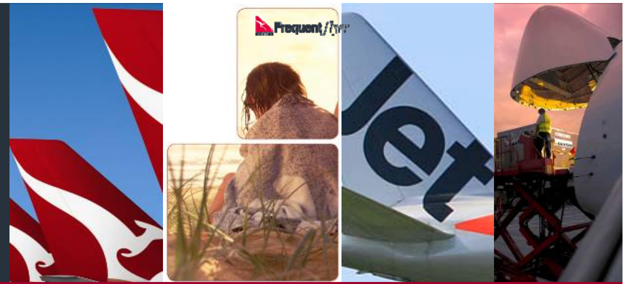
2007/08 Full Year Results Investor Briefing

QantasGroup
Brands with Spirit

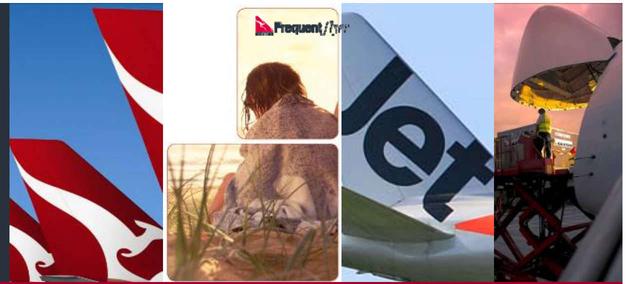
Highlights of Result



- Profit before tax up 46% to $1,408 million
  - Up 36% on the reported result
- Margin improvement
- $3 billion of Sustainable Future Benefits achieved
- Well advanced on segmentation strategy
- Attractive dividend payout

QantasGroup
Brands with Spirit

Key Drivers



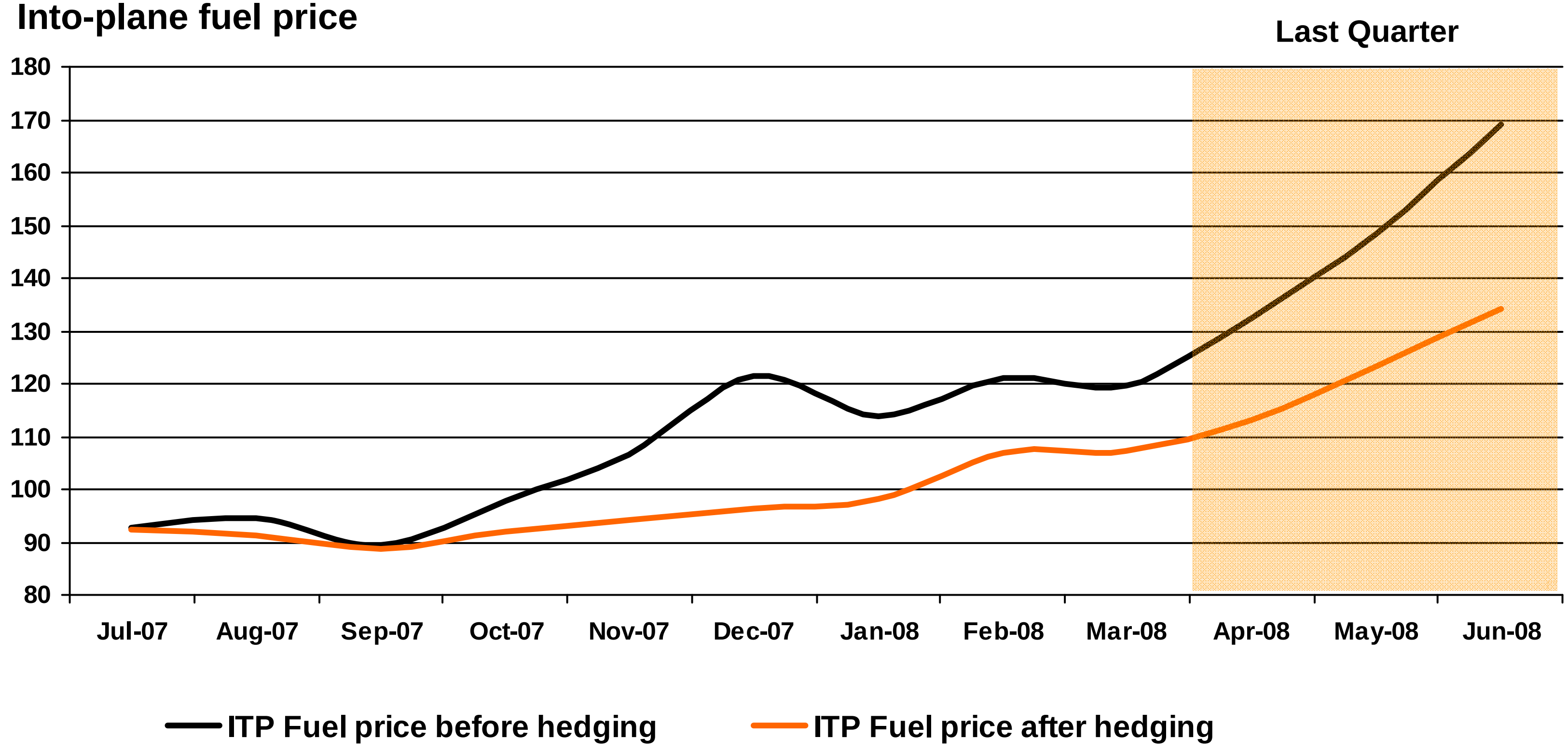
- Strong first three quarters for all businesses
- Favourable revenue environment
- Fourth quarter challenges – fuel, capacity, slowing economy
- Proactively addressing those issues

QantasGroup
Brands with Spirit

Fuel

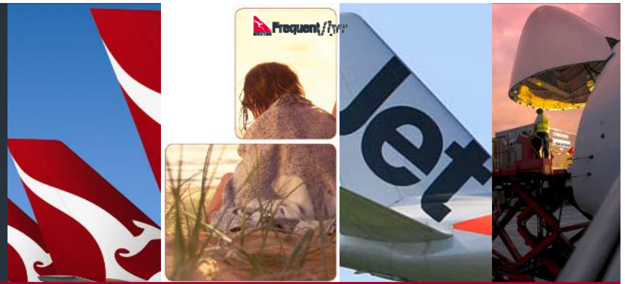
Hedging and FX benefits helped offset sharp rise in fuel prices

Into-plane fuel price



QantasGroup
Brands with Spirit

Segment Profit Before Tax



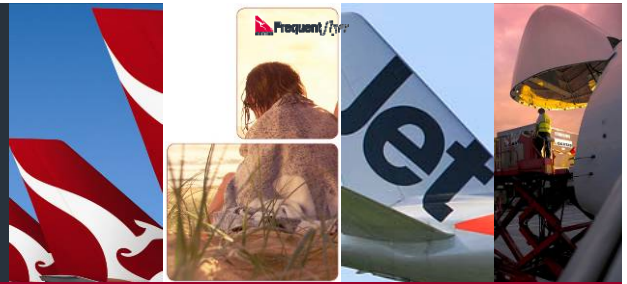
Year Ended 30 June	PBT 2008 $m	2007 $m	Increase/ (Decrease) $m	Increase/ (Decrease) %
Qantas Flying Brands	**935.3**	**769.1**	166.2	21.6
Qantas Freight Enterprises	**63.7**	**64.9**	(1.2)	(1.8)
Qantas Frequent Flyer	**233.9**	**210.6**	23.3	11.1
Jetstar Flying Brands **	**115.7**	**81.9**	33.8	41.3
Qantas Holidays	**42.4**	**46.0**	(3.6)	(7.8)
Q Catering *	**13.0**	**19.1**	(6.1)	(31.7)
Corporate Overheads	**(205.0)**	**(203.0)**	(2.0)	1.0
Corporate one-offs/Unallocated	**205.0**	**(27.1)**	232.1	(856.5)
Eliminations	**3.6**	**3.6**		
Group	**1,407.6**	**965.1**	**442.5**	**45.9**

* Q Catering includes a $15m market rebate to Qantas. Adjusted result would be 47% favourable

** Includes Jetstar Pacific equity accounted loss of $2.8m

QantasGroup
Brands with Spirit

Strategic Priorities



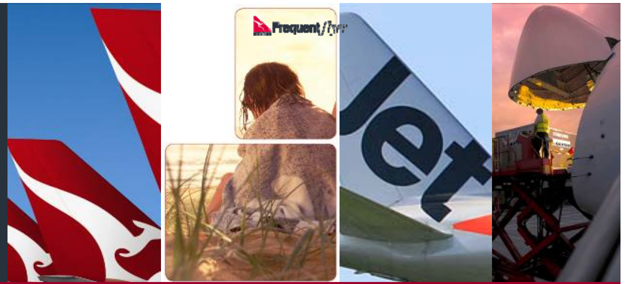
- Optimising Two Brand Strategy

- Investing in fleet, product and service

- Realising greater efficiencies across all parts of the business

QantasGroup
Brands with Spirit

Strategic Priorities



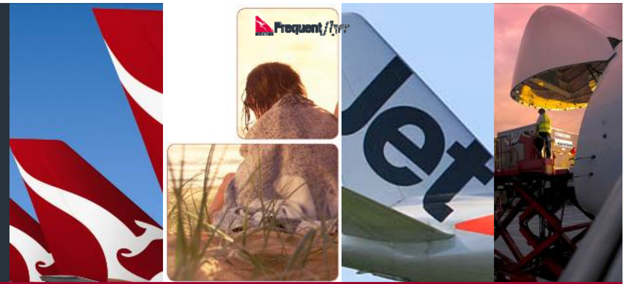
- Progressing business segmentation

- Further leveraging Qantas Frequent Flyer

- Capital management

QantasGroup
Brands with Spirit

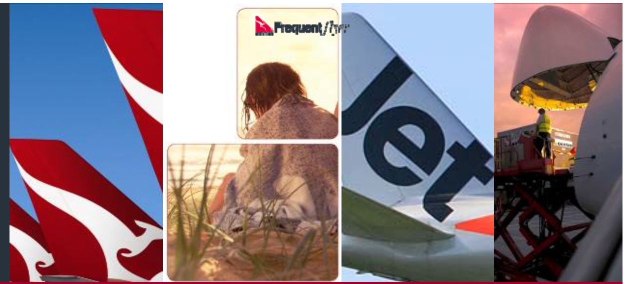
Qantas



- Strong improvement in international operations
- Growth on key routes – domestic, regional and international
- One of top 3 airlines in the world – 2008 Skytrax
- Continued investment in product and service

QantasGroup
Brands with Spirit

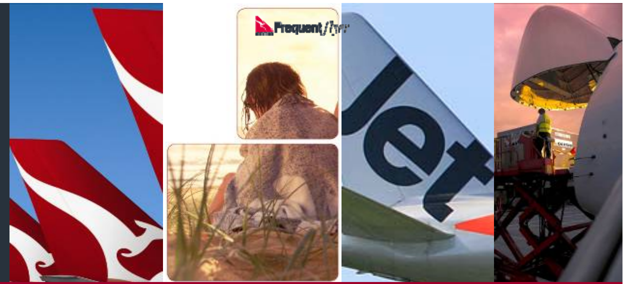
Jetstar



- Cost leadership
- Focusing on profitable growth
- One of top 3 low cost airlines in the world – 2008 Skytrax
- Revenue diversification - ancillary streams

QantasGroup
Brands with Spirit

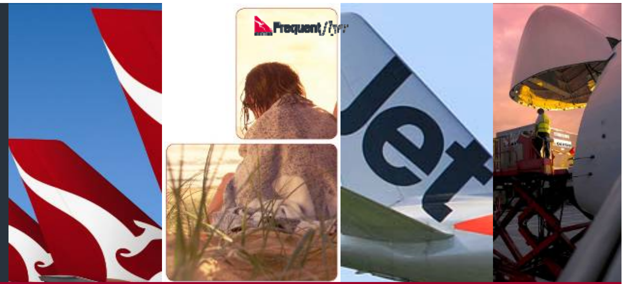
Two Brand Strategy – Domestic and Regional



- Domestic Group market share 66.3%
- Adapting brand mix to optimise returns through the cycle
- Group growth plans moderated for 2008/09
- Market growth expected to slow to ~5%
- Stronger first half system growth as capacity plans scale down

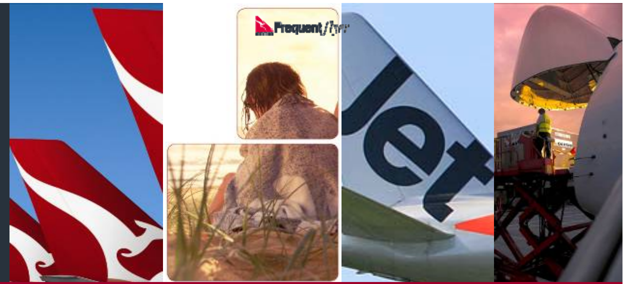
QantasGroup
Brands with Spirit

Two Brand Strategy - International



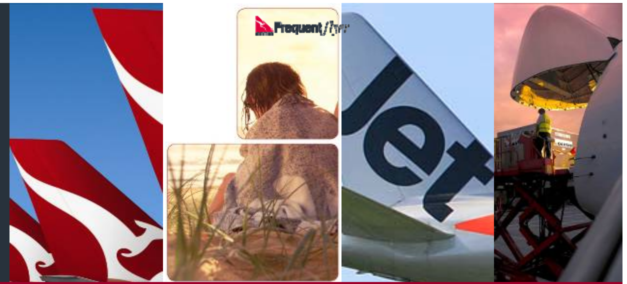
- Rationalisation of flying to protect profitability
- Transition of leisure routes to Jetstar
- Growth in select markets
- Market capacity growth in line with long term trend

Two Brand Strategy - Asia



- Jetstar Asia – profitable April 2007 to March 2008
- Jetstar Pacific – 18% interest growing to 30% by 2010
- Good network potential
- Both airlines reviewing initiatives to address fuel challenge
- Continued commitment to Pan-Asian expansion

Product and Service

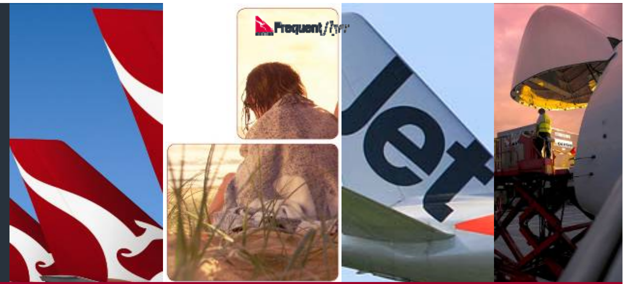


Over the past five years:

- An average $2 billion a year on new aircraft
- Around $120 million a year on new product
- $275 million a year on average on staff training
- More than $300 million on engineering facilities + $120 million committed

QantasGroup
Brands with Spirit

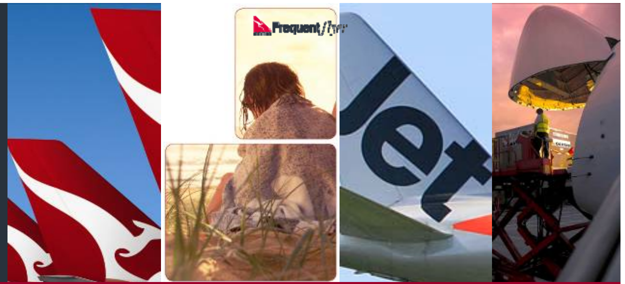
Product and Service



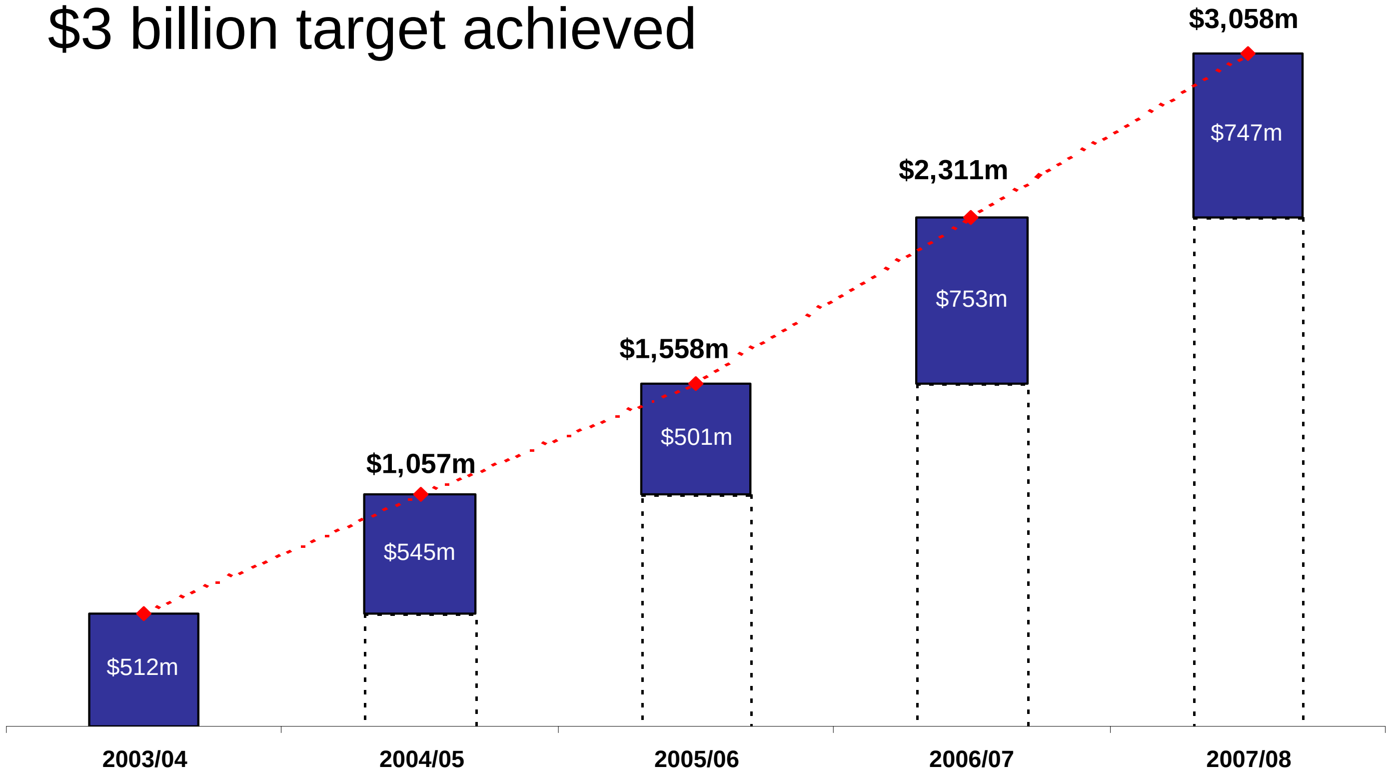
- Premium Economy
- Introduction of A380
- Domestic lounge upgrades and meeting rooms
- Customer Service Centre of Excellence – opening December

QantasGroup
Brands with Spirit

Sustainable Future Program



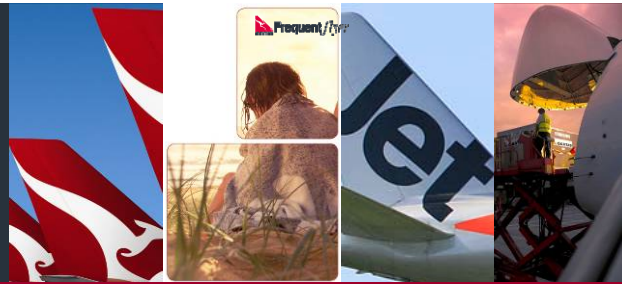
$3 billion target achieved



Restructuring Costs			$182m	$221m	$118m

QantasGroup
Brands with Spirit

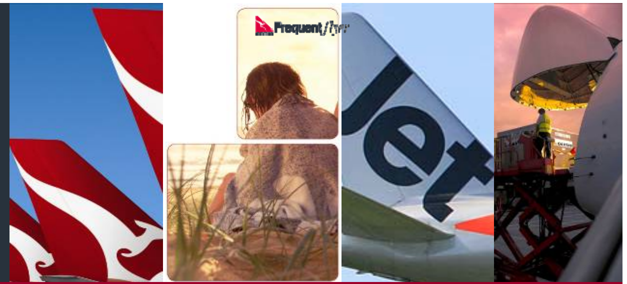
Sustainable Future Program



- Targeting $1.5 billion of additional benefits over next two years
- New focus on revenue and margin opportunities
- Improved workforce models and management
- Streamlined corporate services
- Focus on efficiency, while enhancing customer experience

QantasGroup
Brands with Spirit

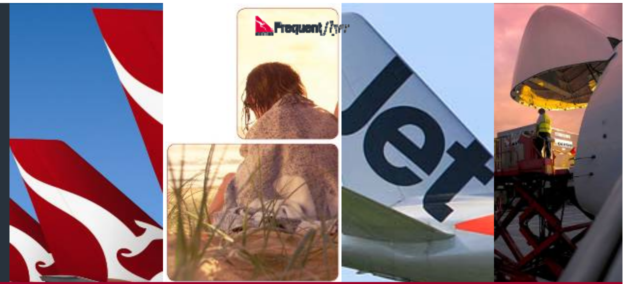
Jetset Travelworld



- Qantas Holidays-QBT/Jetset merger completed last month
- Enhanced retail and wholesale network offering
- Three leading brands diversified across leisure/corporate travel
- Strengthening online capability

QantasGroup
Brands with Spirit

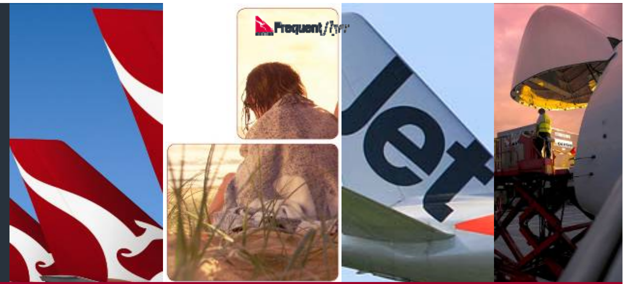
Loyalty



- EBIT up 0.2% at $128 million (reflects classic award redemptions)
- PBT up 11.1% to $234 million
- Adjusted EBITDA up 8.7% to $150 million (excluding relaunch costs, up 13.8%)
- Billings up 5.8% from $878 million to $929 million

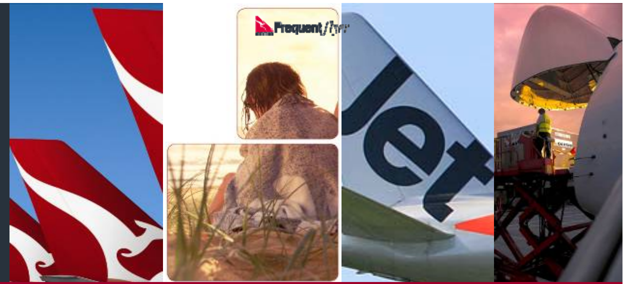
QantasGroup
Brands with Spirit

Loyalty



- Successful introduction of Qantas Frequent Flyer program enhancements
- July 2008 redemptions +24.3% over July 2007
- Higher member interest / engagement
- Focus on direct earn opportunities

Qantas Frequent Flyer

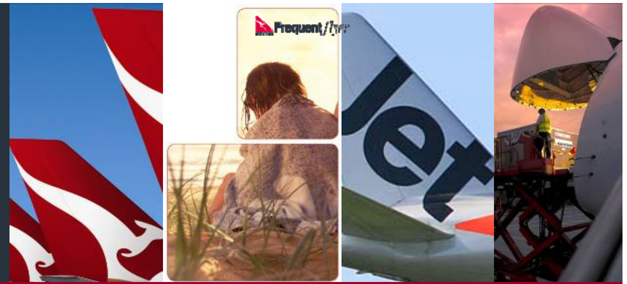


- Ongoing consideration of partial Initial Public Offer in Australia
- Able to proceed this calendar year
- Board continuing to assess market conditions
- Focus on maximising value to Qantas shareholders

This presentation has been prepared for publication in Australia. This presentation does not constitute an offer or invitation for any of securities in Qantas Airways Limited or Qantas Frequent Flyer Limited for sale in any jurisdiction including the United States or other countries and should not be relied on in connection with any decision to purchase or subscribe for securities. Any securities described in this presentation have not been registered under the US Securities Act of 1933 and may not be offered or sold in the United States absent registration or an applicable exemption from registration.

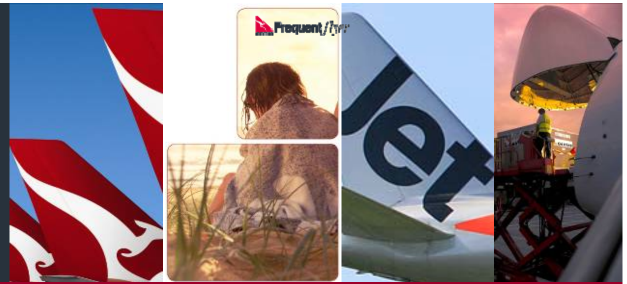
QantasGroup
Brands with Spirit

Qantas Freight Enterprises



- Air Freight $10 million PBT improvement
- Working to address cost pressures in domestic express JVs
- Tougher operating environment emerging
- Continuing to monitor growth opportunities

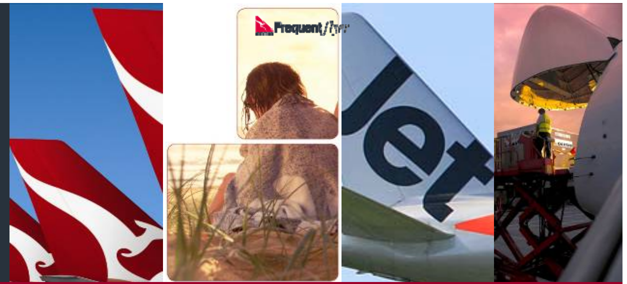
People



- EBAs covering 40% of workforce agreed in 2007/08
- Key agreements – LAMEs, Pilots, TWU, Short Haul Cabin Crew
- Outcomes within wages policy framework of 3% + 1%
- Substantial progress on market-based arrangements
- Focus on be safe, be green, customer service

QantasGroup
Brands with Spirit

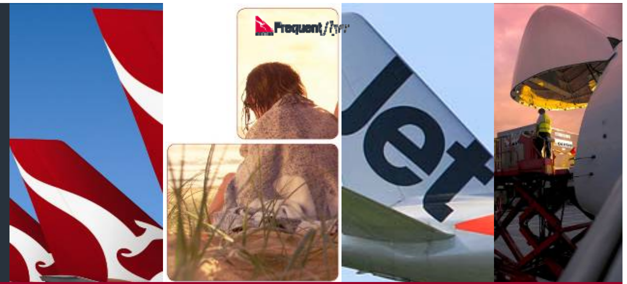
Capital Management



- Net cash held $2.6 billion
- Commitment to maintain investment grade credit rating
- Reinstatement of DRP to optimise flexibility
- While rewarding shareholders

QantasGroup
Brands with Spirit

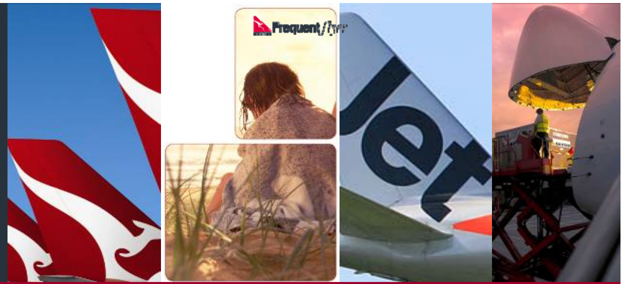
Capital Management



- Reducing non-essential non-aircraft capital expenditure
- Still financing aircraft in secured debt markets
- Few debt maturities in next 12 months
- Potential to access cash proceeds from QFF IPO

QantasGroup
Brands with Spirit

Outlook



- Although fuel prices have eased over the past month, they have not declined to levels that will sustain the current level of profitability, and fuel and economic conditions remain uncertain.

- However, assuming no further deterioration in economic conditions, Qantas expects its 2008/09 profit before tax to be broadly in line with analyst consensus forecasts.

QantasGroup Brands with Spirit