Qantas Airways Limited
FY12 Results

23 August 2012

Overview

- FY12 result in line with guidance
  - Record high fuel costs, industrial dispute
  - Portfolio performed strongly except Qantas International
- Lowest fleet age since privatisation[1]
  - Fleet renewal substantially complete
  - Focus now on debt reduction
- Qantas International set for improvement in FY13
- Successfully launched Jetstar Japan

A CHALLENGING YEAR OF TRANSFORMATION
POSITIONING THE GROUP FOR A STRONG, SUSTAINABLE FUTURE

1. Average fleet age of the Group's scheduled passenger fleet based on manufacturing date.

FY12 Financial Results

- FY12 Underlying PBT[1] $95m, Statutory Loss After Tax $244m
  - Fuel costs up $645m on FY11, industrial dispute impact $194m
  - Statutory Loss driven by Qantas International transformation costs of $376m[2]
- Positive free cash flow[3] $206m in 2H12
- Record results for Jetstar and Qantas Frequent Flyer[4]

KEY GROUP FINANCIAL METRICS	FY12	FY11	VLY[5]
Revenue ($M)	15,724	14,894	+6%
Yield[6] excluding FX (c/RPK)	10.99	10.71	+3%
Underlying Fuel Cost ($M)	4,329	3,684	+18%
Comparable Unit Cost[6,7] (c/ASK)	5.37	5.53	-3%
Operating Cash Flow ($M)	1,810	1,782	+2%

- Cash balance $3.4b
- QFuture benefits $404m (despite industrial dispute), $1.4b over 3 years
- No final dividend declared

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. All line items in the FY12 Results Presentation are reported on an Underlying basis . Refer to slide 9 for a reconciliation of Statutory and Underlying PBT. 2. Not included in Underlying PBT, refer to slide 10 for further detail. 3. 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. 4. Jetstar result based on Underlying EBIT; QFF result based on Normalised EBIT which is Underlying EBIT normalised for prior period changes in accounting estimates. Refer to Supplementary Slide 37 for further detail. 5. Variance to last year. 6. 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 in FY11. 7. Comparable Unit Cost is defined as Net Underlying Unit Cost (Underlying PBT less Passenger Revenue, fuel and Frequent Flyer change in accounting estimate per ASK) adjusted for impact of industrial dispute (FY12), natural disasters (FY11) and movements in average sector length. Refer to Supplementary Slide 11 for further detail.

Qantas Group Portfolio

GROUP DOMESTIC
Strong returns, targeted growth

- Multi-brand strategy (Qantas, Jetstar)
- Market leader in both business and leisure
- 65% market share delivers >65% revenue share
- Unique customer proposition with QFF
- ***Most profitable domestic airlines***

QANTAS FREQUENT FLYER (QFF)
Strong growth, cash flow stability

- Australia's leading loyalty program
- Unparalleled market penetration, 8.6m members
- Benefit of ~$2b cash 'float'
- Growing members and partner network
- ***FY09-12 Normalised EBIT CAGR 16%[1]***

QANTAS INTERNATIONAL
Clear pathway to return to profit

- Major business transformation underway
- Fundamental reform of legacy cost base
- Over $300m annual benefits identified to date[2]
- Enhancing world class customer offering
- ***Substantial turnaround potential***

JETSTAR IN ASIA
Significant growth opportunity

- Jetstar Group - largest LCC in Asia Pacific[3]
- Highly recognised brand
- Targeted, value-driven investments in Singapore, Japan, Vietnam, Hong Kong[4]
- ***Well positioned in world's fastest growing market***

1. Compound Annual Growth Rate. The Normalised QFF EBIT is a non-statutory measure which creates a comparable basis for the presentation of results. It adjusts QFF 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 QFF segment revenue for the 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. Refer Slide 20 for further detail. 3. Largest low cost carrier in Asia Pacific by gross revenues. 4. Hong Kong subject to regulatory approvals.

Delivering on Key Priorities in FY12

STRONG FINANCIAL DISCIPLINE	• Substantially completed fleet renewal – invested $2.3b in FY12 • Realigned capex plan for changed environment – FY13 $1.9b, FY14 $1.9b • Achieved $206m positive free cash flow in 2H12 • Disciplined capital allocation, focused on shareholder value
BUILDING ON OUR STRONG DOMESTIC BUSINESS	• Retained profit-maximising 65% domestic market share • Qantas – best OTP[1], highest level of customer satisfaction in over 3 years • Qantas – unrivalled value proposition, strong corporate account growth • Jetstar – clear leader in price-sensitive market, driving record result • Leading loyalty program driving high returns with minimal capital
TRANSFORMING QANTAS INTERNATIONAL	• Enhanced customer offering – new aircraft, modernised existing fleet • Exited major loss making routes • Fundamental reform of legacy cost base • Strengthened network through partnerships, now flying to AA & LAN hubs[2]
GROWING JETSTAR IN ASIA	• Growth through 'capital lite' investments • Successful launch of Jetstar Japan, 5 months ahead of schedule • Strengthened Jetstar Pacific through new partnership (Vietnam Airlines) • Joint venture with China Eastern to form Jetstar Hong Kong[3]

1. On Time Performance. Source: June 2012 BITRE data, Qantas most on time major domestic airline for jet operations greater than 10,000 sectors in FY12. 2. American Airlines hub – Dallas-Fort Worth, LAN Chile hub – Santiago. 3. Subject to regulatory approvals.

FY12 Result

QANTAS

Underlying Income Statement Summary

$M	FY12[1]	FY11[1]	VLY %	
Net passenger revenue	12,494	12,042	4	3% yield[2] improvement (excluding FX) and 5% increase in capacity
Net freight revenue	784	842	(7)	Softness in freight markets and reduced international capacity
Other revenue	2,446	2,010	22	Driven by Jetstar product bundle, Wishlist and Network Aviation revenues and Frequent Flyer marketing revenue
Revenue	**15,724**	**14,894**	**6**	
Operating expenses (excluding fuel)	9,197	8,751	(5)	In line with 5% increase in capacity. Unit cost[2] improvements overall. CPI cost increases mitigated by savings initiatives including QFuture
Fuel	4,329	3,684	(18)	Record annual average fuel price. Partially offset by stronger AUD 5% increase in activity partially offset by fuel conservation initiatives
Depreciation and amortisation	1,384	1,249	(11)	37 aircraft acquisitions focused on Qantas Domestic, Regional and Jetstar growth, or replacement aircraft 14 aircraft were retired or sold in the year
Non-cancellable aircraft operating lease rentals	549	566	3	Purchased 3 leased aircraft , reducing operating lease costs
Underlying EBIT	**265**	**644**	**(59)**	
Net finance costs	(170)	(92)	(85)	Loan drawdowns to fund aircraft acquisitions increased net on-balance sheet debt
Underlying PBT[1]	**95**	**552**	**(83)**	

1. All line items presented on an Underlying basis. Refer to slide 9 for a reconciliation of Underlying PBT to Statutory PBT. 2. Yield and unit cost calculation adjusted in FY12 to treat fee revenue from Jetstar product bundles (launched May 2011) as passenger revenue to ensure comparability to FY11.

Segment Underlying EBIT Contribution

$M	FY12	FY11	VLY %	
Qantas	(21)	228	>(100)	Yield improvement offset by impact of industrial dispute and higher fuel costs
Jetstar	203	169	20	Record result 20% EBIT improvement on 14% capacity growth, despite significant increase in fuel price
Qantas Frequent Flyer (QFF)	231	342	(32)	Record Normalised EBIT[1]
Normalised QFF[1]	*231*	*202*	*14*	9% growth in members, product enhancements
Qantas Freight	45	62	(27)	Fuel surcharges and yield improvement partially offset weaker freight markets
Corporate/Unallocated	(191)	(189)	1	Corporate costs stable year on year
Other Businesses[2]	-	3	>(100)	3mths Jetset contribution prior to deconsolidation in FY11
Eliminations[1]	(2)	29	>(100)	Prior year included impact of change in QFF accounting estimates
Underlying EBIT[3]	**265**	**644**	**(59)**	

1. The Normalised QFF EBIT is a non-statutory measure which creates a comparable basis for the presentation of results. It adjusts QFF 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 QFF segment revenue for the 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. Eliminations result also includes the impact of the change in accounting estimate, which has contributed $5 million to FY12 and $32 million in FY11. 2. Includes Jetset Travelworld Group (JTG) Underlying EBIT for the period July 2010 to September 2010. From 1 October 2010, the equity accounted results of the Group's investment in JTG is included in the Qantas segment. 3. Underlying EBIT is the primary reporting measure for all segments except Corporate.

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.

Cash Flow and Debt Position

SUMMARISED CASH FLOW				
$M	FY12	FY11	VLY %	
Operating	1,810	1,782	2	Strong growth in passenger revenue, unit cost and working capital improvements
Investing	(2,282)	(2,478)	(8)	Includes 37 aircraft for growth and renewal in Qantas and Jetstar
Free cash flow (Net Operating & Investing) *Includes 2H12 free cash flow*	(472) *206*	(696) *(18)*	32 *>100*	$206 million positive free cash flow for 2H12
Financing	370	508	27	Secured debt financing for select new aircraft
Net change in cash held	(102)	(188)	(46)	
Effects of FX on cash	4	(20)	>100	
Cash at end of period	**3,398**	**3,496**		

DEBT POSITION AND GEARING				
	FY12	FY11		
Net debt[1] ($M)	3,558	2,971	587	Net debt reduced 5% since 1H12 primarily due to 2H12 free cash flow
Equity excluding hedge reserve ($M)	5,848	6,071	(223)	
Gearing ratio[2]	56:44	53:47		Significant investment in fleet renewal – gearing in line with 1H12 levels

1. Includes interest bearing liabilities and the fair value of hedges related to debt less cash and aircraft security deposits. 2. 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. Net debt including off balance sheet debt includes net debt and non-cancellable aircraft 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.

Capital Management and Treasury

- Significant surplus liquidity – cash reserves of $3.4b and $300m undrawn standby facility
- Investment grade credit rating maintained
- 18 new unencumbered aircraft (A320, B738) added in past 2 years
  - Up to 10xA320/B738s to be added in FY13
- Continued access to a variety of funding sources in FY12
  - 2xA380 (ECA loan), 5xB738 (JOL[1]), 5xB738 (commercial debt), 7xA320 & 3xB738 (cash)
- Funding future deliveries with cash, structured leases, bank and ECA loans
- Debt reduction focus going forward, including use of surplus liquidity as debt matures

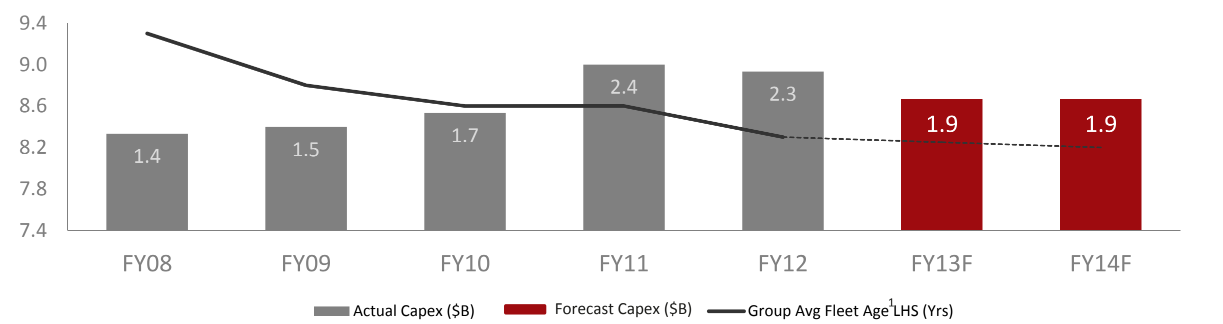
FOCUS ON GENERATING POSITIVE FREE CASH FLOW ON A FULL YEAR BASIS GOING FORWARD

1. Japanese operating lease.

Fleet
Fleet renewal substantially complete

- 114 new aircraft over last 4 years (total fleet of 308)
  – 62% Qantas and 38% Jetstar, for growth and renewal
- Fleet age[1] reduced to 8.3 years, lower end of target range (8 – 10 years)
  – Lowest fleet age since privatisation in 1995

CAPITAL EXPENDITURE ($B) & FLEET AGE (YEARS)



GROUP FLEET AGE WILL REMAIN IN TARGET RANGE OF 8 – 10 YEARS GOING FORWARD

1. Average fleet age of the Group's scheduled passenger fleet based on manufacturing date.

Fleet
Remaining wide-body fleet renewal

QANTAS DOMESTIC B767 REFRESH

- 16 x B767 aircraft to be upgraded with Marc Newson interiors from Oct 2012
- QStreaming iPad initiative rolled out to all domestic B767s
- Capex ~$20m, high customer benefit

WIDE-BODY FLEET ROLL OVER

- B787-8s to be deployed to Jetstar International to release A330s to Qantas Domestic and retire B767s (FY14+)

Fleet

Qantas International – Globally competitive product offering

DESTINATION	ORIGIN	PRODUCT	STATUS
UK	SYD/MEL	A380	✓
Germany	SYD	B744	✓
United States[1]	SYD/MEL/BNE	A380/B744 (New Product[2])	✓
	SYD (DFW)	B744 (New Product[2])	✓
SE Asia[3]	SYD/MEL/ BNE/PER/ADL	A330[4]	✓
NE Asia	SYD	A380	✓
	SYD/MEL/BNE/PER	A330[4]	✓
Japan	SYD	B744/A330[4]	✓
South America	SYD	B744 (New Product[2])	✓
South Africa	SYD	B744 (New Product[2])	✓
Trans-Tasman	SYD/MEL/BNE	B738 (Boeing Sky Interior)[5]	✓

1. Excludes flights from Australia to Honolulu (operated by B767). 2. 9 x B744 aircraft will be reconfigured with A380 product by October 2012. 3. SE Asia excludes flights that continue onto the UK and Germany. 4. A330 aircraft are on average approximately 6 years old. 5. All B738 aircraft are fitted with modern seating and IFE , 6 (of 8) have Boeing Sky Interior.

Fleet

Revised delivery profile

STRATEGIC RESTRUCTURE OF B787-9 FLEET ORDER

- Reduced potential commitment for B787-9s from 85 to 50, effective 2 year delay
  - Firm commitments for 35 B787-9s cancelled
  - Retained 50 options/purchase rights from 2016, preserved pricing
  - US$433m cash to be received (US$355m in FY13)
  - Options timed to coincide with QAI[1] turnaround

B787-9 Profile	FY15-FY16	FY17+	Total
Prior	17	68	85
Revised	- - - - ->	50	50

DRIVERS OF CHANGE

- Lower growth requirements due to changing market conditions
- Additional A330s were ordered due to B787-9 manufacturer delays
- 9 cancellation rights expired, outcome optimised by negotiating on 35 aircraft

REVISED PROFILE SUFFICIENT FOR CURRENT NETWORK & GROWTH REQUIREMENTS

- *Qantas International:* Young A380 and A330 fleet; refurbished B744s with A380 product
- *Qantas Domestic:* To utilise modern A330 and B738 fleet (average age <6 years)
- *Jetstar:* Growth via 15xB788s replacing 11xA330s, Pan Asia growth via 'capital lite' investments
- Additional optionality retained via reschedule rights, retirements and lease expiry profiles

SIGNIFICANT REDUCTION IN CAPITAL COMMITMENTS

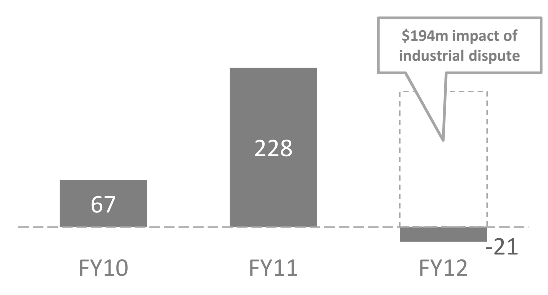
1. Qantas International.

FY12 Segment Results & Strategic Update

Qantas

- 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

UNDERLYING EBIT ($M)



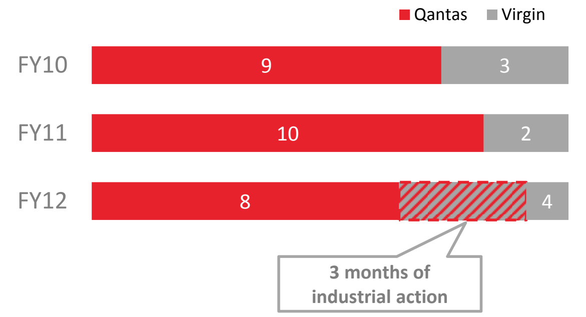
- Comparable unit cost up 0.7%[1], adversely impacted by non cash items
- Domestic outperformed prior year, despite industrial dispute
- International result in line with previous guidance[2]; transformation agenda on track
- $404m QFuture benefits (despite industrial dispute); $1.4b over 3 years (FY10–FY12)

1. Comparable Unit Cost is defined as Net Underlying Unit Cost adjusted for 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.

Qantas
Market leading domestic position

- Highest level of customer satisfaction in over 3 years
- Consistently superior On Time Performance (OTP)[1]
- Qantas 'Best Domestic Airline' 2010 – 2012[2]
- QantasLink 'Regional Airline of the Year' 2012[3]
- Supporting Australia's resource sector with QantasLink and Network Aviation (scheduled services and charter operations)

SUPERIOR OTP[1] (MONTHS OF THE YEAR)



CLEAR CHOICE FOR BUSINESS

- ✓ Renewed 171 accounts[4], lost 4
- ✓ 48 new accounts[4], including 9 won back as preferred airline
- ✓ Strong double-digit corporate travel revenue growth

1. Source: BITRE June 2012. 2. 2012 Australian Federation of Travel Agents National Industry Awards. 3. 2012 Air Transport World (ATW) awards. 4. Represents large market accounts. Including both large market and SME accounts: renewed 239 accounts and signed 118 new accounts.

Qantas
International transformation on track

A STRONG, VIABLE BUSINESS	✓	Exit of major loss making routes – BKK/HKG-LHR, AKL-LAX, SIN-BOM[1]
	WIP	Improving fleet economics – 7 (of 9) B747, 1 (of 12) A380 reconfigurations complete
	WIP	Consolidation of Engineering and Catering facilities
	WIP	Further cost base transformation across all suppliers
	WIP	Ongoing network optimisation
GATEWAYS TO THE WORLD	✓	North America – now flying to AA hub (DFW); received ATI clearance for JBA[2]
	✓	South America – now flying to LAN hub (SCL)[3]
	✓	UK – enhanced network with British Airways
	WIP	On-going discussions with other airlines to further enhance network
BEST FOR GLOBAL TRAVELLERS	✓	Service training for cabin crew to enrich customer experience
	✓	Greater opportunities to earn and redeem Qantas Frequent Flyer points
	WIP	Lounge upgrades commenced in LAX, SIN and HKG[4]
	WIP	On-board connectivity and other technology enabled offerings
GROWING WITH ASIA	WIP	Enhancing network reach through 'capital lite' partnerships
	WIP	Flying direct to multiple business hubs (NRT, HKG, PVG, SIN, BKK)[5] with convenient intra-Asia connections

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

EXPECTED ANNUAL BENEFITS ONCE FULLY IMPLEMENTED ~$300m ✓ WIP

1. Bangkok, Hong Kong, London Heathrow, Auckland, Los Angeles, Singapore, Mumbai. 2. American Airlines hub Dallas/Fort Worth, Anti Trust Immunity, Joint Business Agreement. 3. LAN hub Santiago. 4. Los Angeles, Singapore, Hong Kong. 5. Narita, Hong Kong, Shanghai, Singapore, Bangkok.

Qantas
Building a Better, Stronger Qantas

EFFICIENT, STREAMLINED OPERATIONS

- Consolidating heavy maintenance bases from three to two in August 2012[1]
- Agreed to sell two of seven catering centres[2]
- Eliminating out-dated checks on new aircraft
- Winding down LTQ engine maintenance facility
- Consolidating supply chain, component maintenance and operation control functions

SUPERIOR PRODUCT, BETTER SERVICE

- Lounge upgrades to occur in LAX, SIN, HKG[3]
- Award-winning cellars in the sky & Neil Perry food
- Successful A380 connectivity trial
- QStreaming iPads in every domestic B767
- Top-tier frequent flyer recognition - Platinum One
- Specialised service training for >11,000 staff
- In-flight coaching & real-time customer feedback

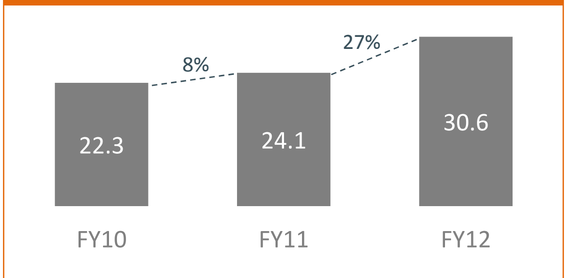
Transformation program (FY13–FY15) driving fundamental change and unit cost improvements: CLOSING THE COST BASE GAP TO KEY COMPETITORS[4]

1. Announced in May 2012, consolidating heavy maintenance work into Brisbane and Avalon facilities. 2. Announced in July 2012, reached agreement on the sale of Cairns and Riverside catering centres. 3. Los Angeles, Singapore, Hong Kong. 4. Refer to Supplementary Slide 27 for further details on the ongoing Transformation Program (FY13 – FY15).

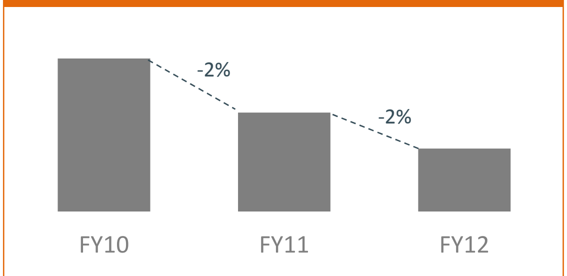
Jetstar

- Record Underlying EBIT $203m, up 20%
- 14% capacity growth, 13% passenger growth
- Strengthening competitive position with growth and scale
  - Industry leading ancillary revenue[1] up 27%
  - Unit cost[2] down 2%
- Strong domestic position, clear leadership in price-sensitive market – yield[3] up 10% (2H12)
- Expansion in key Asian markets, leveraging strong brand and expertise working with full service carriers

ANCILLARY REVENUE[1] ($/PAX)



UNIT COST PERFORMANCE[2] (C/ASK)



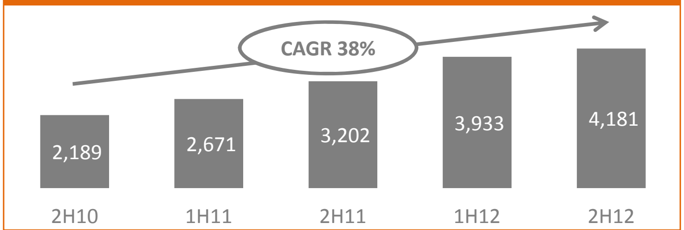
1. Includes bag fees sold as bundle in JetSaver and JetFlex fares and excludes management and branding fee revenue. 2. Total Underlying expenses excluding fuel per ASK. 3. Yield excluding FX (c/RPK).

Jetstar

Jetstar Group – one of the fastest growing airlines in Asia Pacific

- Sustained low fares stimulating demand
- Ancillary revenue model working in all markets
- Significant growth into China (9 ports)[1]
- Jetstar Asia – most profitable and best low cost network based in Singapore[2]
- Jetstar Pacific – new partner (Vietnam Airlines)
- JV partnership with China Eastern Airlines to launch Jetstar Hong Kong in mid 2013[3]
- Jetstar Japan off to a strong start

JETSTAR ASIA ASKs (M)



Route Map as at 30 June 2012

1. Includes Singapore-Beijing operated by Jetstar International. 2. Based on Tiger Singapore EBIT as at 31 March 2012. 3. Subject to regulatory approvals.

Jetstar

Jetstar Japan successfully launched

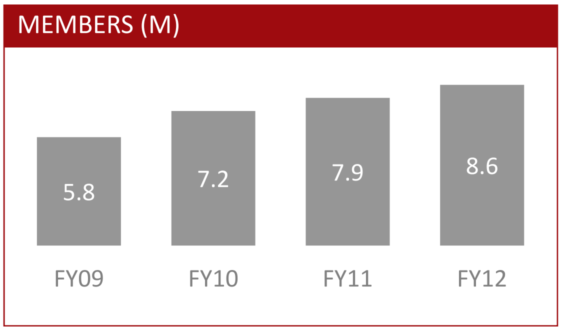
- Launched 5 months ahead of schedule[1]
  - ~110,000 passengers flown to date[2]
  - 86% load factor in opening month, with continued strong performance
- Current fleet of 4xA320[3] growing to 13 by June 2013
  - Funding committed for 24 aircraft
- 78 departures/week, growing to 495 by end of FY13
  - 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

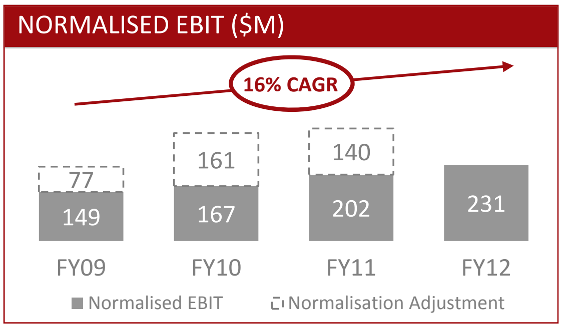
REINFORCING JETSTAR AS THE LARGEST LCC IN ASIA PACIFIC[5]

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.

Qantas Frequent Flyer

- Record Normalised EBIT[1] $231m, up 14%
- Billings $1,187m, up 14%
- 8.6m members, up 9%
- 5.1m awards redeemed, up 16%
- Now operating over 100 loyalty programs
- Major program enhancements
  – Improved upgrade request process
  – Woolworths Auto Redeem vouchers
- Growth in partners
  – David Jones American Express partnership for reward programs
  – Optus launched September 2011





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.

Qantas Frequent Flyer
Leading loyalty program driving high returns with minimal capital

COMPETITIVE ADVANTAGES

More ways to earn and redeem points
- Over 500 partners to earn points
- 1,000+ destinations to fly to using points
- 3,300 products to redeem in the QFF store
- One account to earn/redeem points across expansive partner network

More destinations/better network
- Over 24 partner airlines and their affiliates
- Over 1,000 destinations in over 150 countries
- 550+ lounges with award winning First lounges (SYD, MEL) being extended to LAX, SIN, HKG[1]

More rewarding
- Over 5 million awards were redeemed last year including 4 million flights
- More redemption seats and upgrades available
- Over 1 million products/vouchers redeemed via QFF store and Auto Rewards

Better customer experience, enhanced levels of recognition the more you fly
- Australia's leading recognition program
- Continual innovation to lift the bar (eg. Platinum One, upgrade overhaul)
- Goal: delivery of consistently extraordinary experience

A better program, experience and business

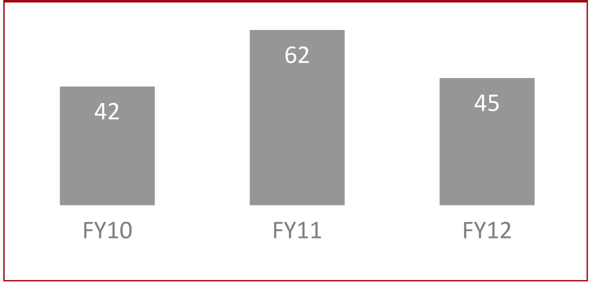
~2,000 new members per day

1. Los Angeles, Singapore and Hong Kong.

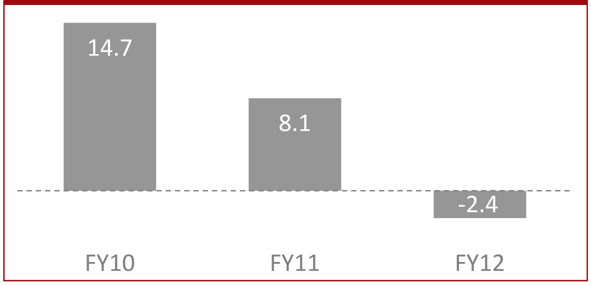
Qantas Freight

- Underlying EBIT $45m, down $17m
  - Weak global airfreight markets
  - High fuel prices and strong AUD
  - Industrial dispute
- Asia Pacific growth
  - Commenced Freighter operations to Chongqing (April 2012)
  - Marketing Jetstar's growing capacity
- JV transformation project completed
  - Realising full benefits
  - Partially offset by Q4 FY12 softening of domestic retail market

UNDERLYING EBIT ($M)



AVG INDUSTRY DEMAND GROWTH[1] (% VLY)



1. Demand measured by Revenue Freight Tonne Kilometres (RFTKs), data for 11 months to May 2012; June 2012 not yet available.

Sustainability

Key FY12 Achievements

- Highest levels of overall customer satisfaction since 2003[1]
- Qantas Domestic best on time performance in FY12[2]
- Australia's first commercial flights powered by Sustainable Aviation Fuel (SAF)
- Non-Negotiable Business Principles[3] introduced to underpin Group Corporate Governance Framework and Policies
- Best Practice sustainability reporting level achieved from the Australian Council of Superannuation Investors (ACSI)
- Named as Australian Indigenous Minority Supplier Council (AIMSC) Corporate Member of the Year

Recognition

- Recognition by the world's leading sustainability indices

Dow Jones Sustainability Indexes Member 2011/12 · sam 2012 silver class · sam 2012 sector mover · AuSSI The Australian SAM Sustainability Index Member 2011 · FTSE4Good · CARBON DISCLOSURE PROJECT

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.
3. Refer to Supplementary Slide 47 for further detail.

Summary

- A challenging year of transformation, positioning for a strong, sustainable future
- Fleet renewal substantially complete
  - Strategic restructure of aircraft delivery profile
  - Focus now on free cash flow and debt reduction
- Executing on strategy to deliver sustainable returns to shareholders
  - Building on our strong domestic business
  - Qantas International set for improvement in FY13
  - Successfully growing Jetstar in Asia
  - Reinforcing customer loyalty and employee engagement

Outlook

- The Group's 1H13 operating environment remains challenging, volatile and dependent on a number of uncontrollable external factors
- Current Group operating expectations for 1H13:
  - Capacity to increase by 3-4% in 1H13 compared to 1H12, whilst maintaining flexibility
  - The Group aims to maintain a profit-maximising 65% domestic market share. Given current market conditions, Group domestic capacity is expected to increase by 9-11% in 1H13 compared to 1H12. However, the Group has significant flexibility to adjust domestic capacity should current market conditions change
  - Underlying fuel costs (excluding carbon tax) expected to be ~$2.3b[1] in 1H13 compared to $2.2b in 1H12 due to higher forward market jet fuel prices and increased flying
- No Group profit guidance provided at this time due to the high degree of volatility and uncertainty in global economic conditions, fuel prices, FX rates, as well as the major transformational change agenda underway

1. As at 15 August 2012.

Disclaimer & ASIC Guidance

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

Summary information
This Presentation contains summary information about Qantas and its subsidiaries (**Qantas Group**) and their activities current as at 23 August 2012. 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.

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