

Qantas Data Book
2008/09



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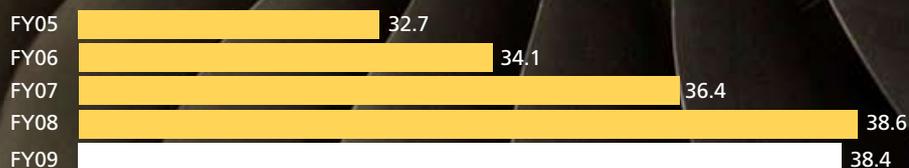
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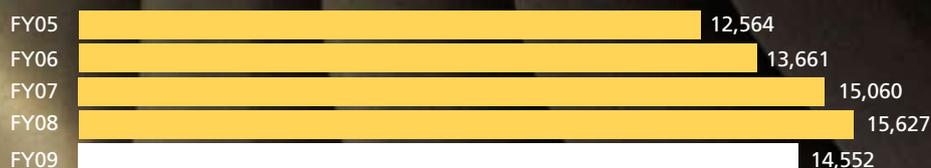
Qantas Group summary

The operational excellence of the Qantas Group is underpinned by its broad scale, deep experience and exceptional people. In 2008/09 it carried 38 million passengers to 151 destinations, undertaking 334,000 flights.

Passengers carried, million



Total revenues (\$M)



Profit before tax (\$M)



*Per 2005 annual report. Restated to \$914 million in 2006 due to accounting changes relating to the adoption of International Financial Reporting Standards.

Qantas Group summary

The Qantas Group's main business is the transportation of passengers. The flying businesses are grouped under two major brands – Qantas and Jetstar. The Qantas Group has a diverse portfolio of businesses including Qantas Frequent Flyer, Qantas Freight Enterprises and Jetset Travelworld Limited.

The world's most experienced airline

Qantas is the world's second oldest airline. It was founded in the Queensland outback in 1920 and has been in continuous operation since that date, longer than any other airline. The name comes from the initial letters of the words in the original registered title – Queensland and Northern Territory Aerial Services Limited.

The Company began its operations with joy rides and air taxi flights. Regular scheduled airmail and passenger services began on 2 November 1922, from Charleville to Cloncurry in rural Queensland. The journey of 923 kilometres took two days with an overnight stop at Longreach. Passenger ticket No. 1 was issued to 84 year old Alexander Kennedy, a pioneer of western Queensland. The first Qantas overseas passenger left Brisbane for Singapore in April 1935.

The World's Best Premium and Low Fares Airlines

Sustainable Returns to Shareholders

Safety is our First Priority

Unwavering commitment to world's best safety practices and reporting

Right Aircraft Right Routes

Fleet renewal delivering one of the world's most effective fleets flying on an optimal route network

Customer Service Excellence

Consistent customer service excellence as the cornerstone of our business

Operational Efficiency

Major projects underway, internally and with suppliers, to achieve simplicity and further productivity across the business

Two Strong Complementary Brands

Qantas and Jetstar as the best premium and low fares brands respectively

Great People

The success of the Qantas Group is underpinned by our 35,000 plus employees. The future of the Qantas Group is about great people who are skilled, motivated and supported to do great things.

The Vision

All Qantas Group businesses – from Frequent Flyer to Freight – depend upon the core strength of our two airlines, Qantas and Jetstar.

The Qantas Group's long term vision is to operate both the world's best premium airline and the world's best low fares carrier.

The Group's future will be determined by its capacity to reward shareholders who provide it with the capital to grow and invest. In February 2009, shareholders demonstrated their confidence in the Group by providing more than \$500 million to strengthen the balance sheet and support fleet renewal.

Trading codes: ISIN code: AU000000QAN2 Reuters: QAN.AX Bloomberg: QAN AU

Qantas Group in 5 minutes

QANTAS

Key figures	Unit	2008/09	2007/08
Revenue	\$M	11,710	12,971
Underlying EBIT*	\$M	4	1,358
Passengers	m	27.7	29.4
Load factor	%	80	81
Employees	#	27,636	29,573

*excludes significant items

Qantas is Australia's largest full service airline carrying 28 million passengers to 72 destinations in Australia, New Zealand, Asia, North and South America, Africa and Europe. It was a founding member of the **oneworld** alliance. Qantas is a single integrated airline providing airline transportation through its two Qantas brands Qantas and QantasLink.

Main Markets

Qantas' main markets are domestic and international traffic to and from Australia. QantasLink, operating turboprop aircraft, services regional areas of Australia.

Passenger distribution 2008/09

Australia domestic	74%
International	26%

Passenger revenue 2008/09

Australia domestic	45%
International	55%

Customers

Qantas carried 28 million business and leisure passengers in 2008/09.

Product

Qantas offers passengers a premium network product on its extensive domestic and international network, and through its **oneworld** membership accessing 26 bilateral codeshare agreements, 675 destinations and 550 lounges. Passengers also have the opportunity to earn and redeem frequent flyer points across its global network.

Qantas is focused on both business and leisure travellers by offering a one to two class product on domestic routes; and a two, three or four class product for international services.

JETSTAR

Key figures	Unit	2008/09	2007/08
Revenue	\$M	1,851	1,564
Underlying EBIT*	\$M	107	102
Passengers	m	10.7	9.2
Load factor	%	77	77
Employees	#	3,010	2,735

*excludes significant items

Jetstar commenced operations in May 2004. It is Qantas Group's low fares airline and the world's largest low cost long haul carrier. Its operations carried 13.4 million passengers to 50 destinations in Australia, New Zealand, Asia and the Asia Pacific (Honolulu). Jetstar comprises Jetstar Domestic, including Express Ground Handling (EGH), Jetstar International, including New Zealand based operations; and holdings in Singapore based Jetstar Asia/Valuair and Vietnam based Jetstar Pacific.

Main Markets

Jetstar's main market is domestic Australia, but has significantly grown international operations using a combination of widebody and narrowbody aircraft. Pan Asian expansion has strengthened through Jetstar Asia/Valuair and Jetstar Pacific.

Passenger distribution 2008/09

(Consolidated businesses)	
Australia domestic	76%
International	24%

Passenger revenue 2008/09

Australia domestic	57%
International	43%

Customers

Jetstar focuses on providing consistently low fares to predominantly leisure travellers.

Product

Jetstar offers domestic and international passengers a value based product with the flexibility to select additional options in relation to seating, entertainment, catering, baggage and premium seating on long haul.

Jetstar's continual focus on leading online technology has enabled more innovative ways to book, check in and board.

QANTAS FREIGHT ENTERPRISES

Key figures	Unit	2008/09	2007/08
Revenue	\$M	1,080	1,141
Underlying EBIT ¹	\$M	7	79
Terminal tonnes	m	577	648
Employees ²	#	1,256	1,374

¹excludes significant items

²includes DPEX Worldwide and Qantas Road Express (formerly Jets Transport Express)

The Qantas Group's freight assets are held by its subsidiary, Qantas Freight Enterprises (QFE). QFE markets the freight capacity of all Qantas and Jetstar international aircraft and its fleet of three leased B747-400 freighters and one B767-200 freighter. This network is complemented by agreements with **oneworld** and other carriers. Domestic air and road freight is handled by two jointly controlled entities, Australian air Express and Star Track Express, which QFE operates in partnership with Australia Post.

Main Markets

QFE is present in all international markets where the Qantas Group flies and has dedicated freighter aircraft operating between Australia and Asia, New Zealand and the Americas; and Asia and the Americas.

Main international markets

Revenue Freight Tonnage Kilometres (RFTK)	
America	30%
North East Asia	22%
United Kingdom	19%
South East Asia	10%

Customers

QFE's main customers are businesses seeking efficient and reliable air transport and ground handling services, both domestic and international.

Product

QFE offers a full range of freight services from major general cargo, airmail, courier, and door to door express deliveries to customs clearance and ground handling services.

Qantas Group in 5 minutes

QANTAS FREQUENT FLYER

Key figures	Unit	2008/09	2007/08
Revenue	\$M	1,133	849
Underlying EBIT*	\$M	226	128
Members	m	5.8	5.3
Employees	#	71	53

*excludes significant items

Qantas Frequent Flyer ('QFF') was founded in 1987 and established as a separate segment in 2007. It is Australia's premier loyalty program with 6.2 million members and more than 400 partners. In 2008/09 approximately 3.4 million award seats were redeemed on Qantas Group flights and 300,000 products redeemed through the Qantas Frequent Flyer Store.

Customers

QFF's customers include program partners and members. Partners pay QFF to issue points to members to encourage members to purchase products and services. The Partner benefits by attracting and retaining members spend on their products, as well as understanding member behaviour. Members earn points so that they can redeem them for Awards. Qantas recognises the loyalty of the airline customers through awarding points, tiering, and lounge access.

Business Model

A Coalition Loyalty Program

Provides members with the opportunity to maximise the number of points earned by allowing members to earn points in one account from their everyday consumer spend across airline, credit card, supermarket and retail. Earning points can be accelerated by double dipping with partners by paying with a direct earn credit card.

Members choose to shop with QFF partners to earn points. Partners pay QFF to issue points to members. The points and cash are held (generating interest) until the points are redeemed. When the member chooses to redeem points for an award, QFF pays the cost of the award.

Product

QFF enables its members to earn points from its 400+ partners including Qantas, Jetstar and 23 partner airlines, credit cards, Woolworths Group companies, restaurants, hotels, car rental companies, entertainment providers and other retailers.

QFF members can redeem points for Classic Awards including flights with Qantas, Jetstar, **oneworld** partners and other bilateral airline partners, Qantas and Jetstar Any Seat Awards or a range of 1,200 vouchers and merchandise in Australia and New Zealand through the Qantas Frequent Flyer Store.

Main Markets

QFF operates in the international loyalty market with a focus on Australia and New Zealand.

JETSET TRAVELWORLD LIMITED

Key figures	Unit	2008/09	2007/08
Transactional value	\$M	2,377	698
Revenue	\$M	145	99
Underlying EBIT*	\$M	16	19
Employees	#	794	450

*excludes significant items

In July 2008 Qantas Holidays and Qantas Business Travel (QBT) merged with Jetset Travelworld Limited to create a vertically integrated travel services business. Following the merger, the Qantas Group owns 58 per cent of Jetset Travelworld Limited (JTL). JTL sells around \$2.4 billion in holidays and travel services and is represented in more than 640 retail locations as well as in several wholesale and corporate locations across Australia.

Main Markets

JTL's main markets are the domestic and outbound international leisure markets. JTL distributes an extensive range of travel products to consumers (via both direct and indirect channels) and corporate customers, from which JTL derives a commission.

Customers

JTL operates in three segments:

- (i) retail – selling travel products and services to customers either via on-line channels or through the franchise network;
- (ii) wholesale – selling travel products and services to retail travel chains across Australia; and
- (iii) corporate – selling corporate travel management services to both corporate and government clients.

Product

JTL offers a wide range of mass-market travel products to the Australian leisure market and specialised corporate travel management services to both corporate and government clients.

The Qantas board of directors



Leigh Clifford, AO
BEng, MEngSci
Chairman, Independent Non-Executive Director

Leigh Clifford was appointed to the Qantas Board in August 2007 and as Chairman in November 2007. He is Chairman of the Qantas Nominations Committee. Mr Clifford is a Director of Barclays Bank plc and Bechtel Group Inc. He is Chairman of Bechtel Australia Pty Ltd, a Senior Advisor to Kohlberg Kravis Roberts & Co, a Director of the Murdoch Children's Research Institute and a Board Member of the National Gallery of Victoria Foundation. Mr Clifford was Chief Executive of Rio Tinto from 2000 to 2007. He retired from the Board of Rio Tinto in 2007 after serving as a Director of Rio Tinto plc and Rio Tinto Limited for 13 and 12 years respectively. His executive and board career with Rio Tinto spanned some 37 years, including a wide variety of operational and marketing roles in the coal and metalliferous operations of the Rio Tinto Group in Australia and overseas. Age: 61



Alan Joyce
BAppSc(Phy)(Math)(Hon.), MSc(MgtSc), FRAeS
Chief Executive Officer

Alan Joyce was appointed Chief Executive Officer and Managing Director of Qantas on 28 November 2008; and Chief Executive Officer Designate and to the Qantas Board on 28 July 2008. Mr Joyce is a Director of a number of controlled and associated entities of the Qantas Group, a former Director of Orangestar Investment Holdings Pte Limited and Jetstar Pacific Airlines Aviation Joint Stock Company. Mr Joyce was appointed Chief Executive Officer of Jetstar in October 2003 after having spent over 15 years in leadership positions for full service carriers Qantas, Ansett and Aer Lingus. At both Qantas and Ansett, he led the Network Planning, Schedules Planning and Network Strategy functions. Prior to that, Mr Joyce spent eight years at Aer Lingus, where he held a number of roles in Sales, Marketing, IT, Network Planning, Operations Research, Revenue Management and Fleet Planning. Age: 43



Colin Storrie
BCom, GradDipMgt, CPA, MAICD
Chief Financial Officer

Colin Storrie was appointed Chief Financial Officer and Finance Director, and to the Qantas Board on 30 September 2008. Mr Storrie has over 10 years' experience in senior financial roles at Qantas. Previously, he was Group Financial Controller, Group Treasurer and Deputy Chief Financial Officer with responsibility for the Group Finance function. He has been a member of the Qantas Executive Committee since October 2005. Mr Storrie is a Director of a number of controlled and associated entities of the Qantas Group. He was formerly a Director of Jetset Travelworld Limited, Australian air Express Pty Ltd, Star Track Express Pty Limited, Qantas Superannuation Limited and Jet Turbine Services Pty Limited. Prior to joining Qantas, Mr Storrie worked in finance and accounting roles within investment banking and the New South Wales Government. Age: 41



General Peter Cosgrove, AC, MC
FAICD
Independent Non-Executive Director

Peter Cosgrove was appointed to the Qantas Board in July 2005. He is a Member of the Qantas Safety, Environment & Security Committee and a Director of Qantas Superannuation Limited. General Cosgrove is Vice-Chairman of the Australian Rugby Union and a Director of Cardno Limited. He is also Chairman of the South Australian Defence Industry Advisory Board, Chairman of the Australian War Memorial Council and a consultant to Deloitte Touche Tohmatsu. General Cosgrove served in the Australian Army from 1965 and was the Chief of the Australian Defence Force from July 2002 until his retirement in July 2005. He was in command of the international forces in East Timor from 1999 until the force was withdrawn in February 2000, for which General Cosgrove was appointed a Companion of the Military Division of the Order of Australia. General Cosgrove was Australian of the Year in 2001. Age: 62



Patricia Cross
BSc (Hons), FAICD
Independent Non-Executive Director

Patricia Cross was appointed to the Qantas Board in January 2004. She is a Member of the Qantas Audit Committee and the Qantas Remuneration Committee. Mrs Cross is a Director of Wesfarmers Limited, National Australia Bank Limited, the Murdoch Children's Research Institute, the Grattan Institute and the Methodist Ladies College. She is also a Member of the Federal Government's Australian Financial Centre Forum. Mrs Cross was previously Chairman of Qantas Superannuation Limited and Deputy Chairman of Victoria's Transport Accident Commission. She has served on a variety of publicly listed, government, university and private company boards. Prior to becoming a professional company director in 1996, Mrs Cross held senior executive positions with Chase Manhattan Bank, Banque Nationale de Paris and National Australia Bank. Age: 50



Richard Goodmanson
BEng(Civil), BCom, BEC, MBA
Independent Non-Executive Director

Richard Goodmanson was appointed to the Qantas Board in June 2008. He is a Member of the Qantas Remuneration Committee. Mr Goodmanson will retire as Executive Vice President and Chief Operating Officer of E.I. du Pont de Nemours and Company on 30 September 2009, after serving in the role since May 1999. He is a Director of Rio Tinto plc, Rio Tinto Limited and the United Way of Delaware (as Past Chair), and is an economic adviser to the Governor of Guangdong Province. From 1996 to 1999, he was President and Chief Executive Officer of America West Airlines. Mr Goodmanson was previously Senior Vice President of Operations for Frito-Lay Inc. and was a principal at McKinsey & Company Inc. He previously spent 10 years in heavy civil engineering project management, principally in South East Asia. Mr Goodmanson was born in Australia and is a citizen of both Australia and the United States. Age: 62

The Qantas board of directors



Garry Hounsell
BBus(Acc), FCA, CPA, FAICD
Independent Non-Executive Director

Garry Hounsell was appointed to the Qantas Board in January 2005. He is Chairman of the Qantas Audit Committee and a Member of the Qantas Nominations Committee. Mr Hounsell is Chairman of PanAust Limited and a Director of Orica Limited and Nufarm Limited. Mr Hounsell is also Deputy Chairman of Mitchell Communication Group Limited. He is also Chairman of Investec Global Aircraft Fund, a Director of Ingeus Limited, a Board Member of law firm Freehills and a Director of The Macfarlane Burnet Institute for Medical Research and Public Health Ltd. Mr Hounsell is a former Senior Partner of Ernst & Young and Chief Executive Officer and Country Managing Partner of Arthur Andersen. Age: 54



Paul Rayner
BEC, MAdmin, FAICD
Independent Non-Executive Director

Paul Rayner was appointed to the Qantas Board in July 2008. He is a Member of the Qantas Audit Committee and Qantas Safety, Environment & Security Committee. Mr Rayner is a Director of Boral Limited and Centrica plc. He also serves as Chairman of Boral's Audit Committee and Centrica's Audit Committee. From 2002 to 2008, Mr Rayner was Finance Director of British American Tobacco plc, based in London. Mr Rayner joined Rothmans Holdings Limited in 1991 as its Chief Financial Officer and held other senior executive positions within the Group, including Chief Operating Officer of British American Tobacco Australasia Limited from 1999 to 2001. Previously, Mr Rayner worked for 17 years in various finance and project roles with General Electric, Rank Industries and the Elders IXL Group. Age: 55



Dr John Schubert
BE, PhD, FIEAust, CPEng, FTS, FIChemE
Independent Non-Executive Director

John Schubert was appointed to the Qantas Board in October 2000. He is Chairman of the Qantas Safety, Environment & Security Committee and a Member of the Qantas Nominations Committee. He is Chairman of Commonwealth Bank of Australia and a Director of BHP Billiton Limited and BHP Billiton plc. He is also Chairman of G2 Therapies Limited and the Great Barrier Reef Foundation. Dr Schubert held various positions with Esso in Australia and overseas. In 1983, he was appointed to the Board of Esso Australia. In 1985, Dr Schubert became Esso's Deputy Managing Director and in 1988 he became Esso's Chairman and Managing Director. Dr Schubert was Managing Director and Chief Executive Officer of Pioneer International Limited from 1993 until 2000. From 2001 to 2003, he was President of the Business Council of Australia. He was also previously Chairman of WorleyParsons Limited. Age: 66



James Strong, AO
Independent Non-Executive Director

James Strong was appointed to the Qantas Board in July 2006. He is Chairman of the Qantas Remuneration Committee. Mr Strong was the Chief Executive Officer and Managing Director of Qantas between 1993 and 2001, following an appointment to the Board in 1991. He is Chairman of Woolworths Limited, Insurance Australia Group Limited (IAG), IAG Finance (New Zealand) Limited and the Australia Council for the Arts and a Director of the Australian Grand Prix Corporation. Mr Strong was formerly the Group Chief Executive of the DB Group in New Zealand and National Chairman of Partners of Corrs Chambers Westgarth. He was Chief Executive Officer of Australian Airlines from 1985 until 1989. He has been admitted as a barrister and/or solicitor in various state jurisdictions in Australia. Age: 65



Barbara Ward
BEC, MPolEc
Independent Non-Executive Director

Barbara Ward was appointed to the Qantas Board in June 2008. She is a Member of the Qantas Safety, Environment & Security Committee. Ms Ward is the Chairman of Country Energy, a Director of Lion Nathan Limited, Brookfield Multiplex Funds Management Limited and O'Connell Street Associates Pty Ltd and is on the Advisory Board of LEK Consulting. She was formerly a Director of Commonwealth Bank of Australia, Brookfield Multiplex Limited, Allco Finance Group Limited, Record Investments Limited, Data Advantage Limited, Rail Infrastructure Corporation and Delta Electricity. She was Chairman of NorthPower and a Board Member of Allens Arthur Robinson. Prior to becoming a professional company director in 1998, Ms Ward was Chief Executive Officer of Ansett Worldwide Aviation Services from 1993 to 1998. Before that, Ms Ward held various positions at TNT Limited, including General Manager Finance, and also served as a Senior Ministerial Adviser to The Hon PJ Keating. Age: 55

The Qantas executive team



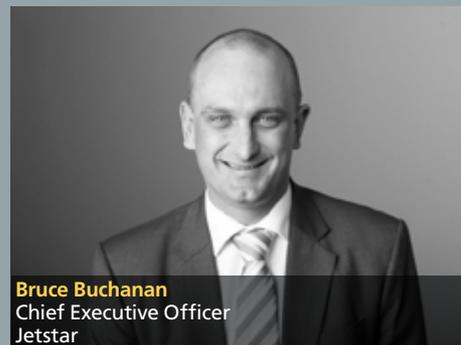
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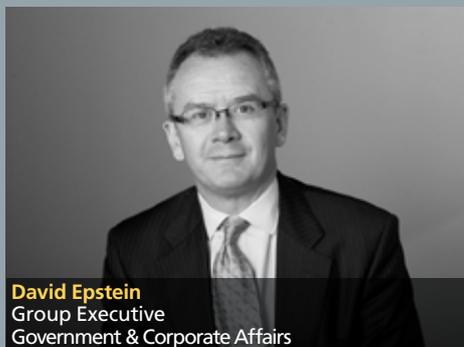
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Bruce Buchanan
Chief Executive Officer
Jetstar

Bruce Buchanan joined Jetstar in January 2003 and was appointed CEO of Jetstar in October 2008. Prior to joining Jetstar, Bruce worked for The Boston Consulting Group for five years where he was a core member of the Travel and Tourism practice area. Bruce has worked for various airlines within Australia, Asia and United States in a wide range of areas including sales, distribution, pricing, marketing, airline loyalty programs, finance and business strategy. Bruce participated in the establishment of Jetstar in 2003 and its subsequent launch in May 2004 and has been a critical driver of the expansion of the Jetstar brand and operations both domestically and internationally. Bruce has a Civil Engineering Degree, a MBA from the AGSM and the Anderson School at UCLA. He is a director of Newstar Investment Holdings Pte Ltd, Jetstar Pacific Airlines Aviation Joint Stock Company and Jetstar Holidays Co Ltd.



David Epstein
Group Executive
Government & Corporate Affairs

David Epstein joined Qantas in December 2008 as Group Executive Government and Corporate Affairs. David's career includes work in government, as a corporate adviser and in the telecommunications industry. Before joining Qantas, David was Chief of Staff to Australia's Prime Minister the Hon Kevin Rudd (2007 – 2008). His background in federal government also includes staff positions with two Cabinet Ministers and six years as Federal Government media director during the Hawke and Keating Governments. In 1996, he joined the staff of the Leader of Opposition the Hon Kim Beazley to become Chief of Staff (1997 – 1999).



Lesley Grant
Executive Manager
Qantas Customer & Marketing

Lesley Grant joined Qantas in May 2002 and holds the position of Executive Manager Customer and Marketing. Lesley has extensive experience in senior customer and operations roles in the airline industry including the management of different jurisdictions and large, remote and multi-cultural workforces. She has also led large scale transformational change programmes. Lesley is responsible for customer advocacy and the development and execution of the marketing and brand strategy as well as strategic, industrial and operating plans for a division consisting of 7,000 employees. Lesley has been a director of UNICEF Australia since June 2006, a director of Jetset Travelworld Group since July 2008, a director of the Qantas foundation since March 2009 and is a member of Chief Executive Women organisation.



Rob Gurney
Group Executive
Qantas Commercial

Rob Gurney joined Qantas in 1997 and was appointed Group Executive Qantas Airlines Commercial in May 2009. Rob has held a variety of senior roles in Qantas and British Airways. Most recently, he held the appointment of Executive Manager Sales & Distribution, Group General Manager UK/Europe/S.E.Asia and prior to that was Group General Manager International Sales. Rob has responsibility for all commercial activities of the airline including Sales and Distribution, Network Scheduling, Pricing, Airline Alliances, Airport infrastructure, International Airport Operations, Regional operator, QantasLink and Freight. Rob is on the Boards of Tour East Australia Pty Limited, Holiday Tours & Travel Pte Ltd, Tour East (1996) Singapore Pte Ltd, Holiday Tours & Travel (Singapore) Pte Ltd and Tourism & Transport Forum. Rob has a degree in Economics and a Business degree majoring in Accounting.

The Qantas executive team



David Hall
Executive Manager
Corporate Services & Technology

David Hall joined Jetstar in November 2005 as Chief Financial Officer of Jetstar Airways. David has enjoyed an extensive finance career in public practice, banking and mining. David has held senior finance positions in Rio Tinto (Melbourne and London), National Australia Bank, ANZ Banking Group Limited and WMC Resources Limited. As Executive Manager Corporate Services, David is responsible for the Qantas Group's IT strategy and service delivery, the Group's margin improvement and cost base transformation program and the co-ordination of activities between the Office of the CEO, corporate executives and business portfolios.



Simon Hickey
Chief Executive Officer
Qantas Loyalty

Simon Hickey joined Qantas in September 2004 as Head of Group Strategy. Simon began his career in Arthur Andersen's Business Consulting Group. Between 2001 and 2004, he was Chief Financial Officer for Bovis Lend Lease Americas. Prior to this, he held various roles with Lend Lease including Bovis Lend Lease Chief Financial Officer Asia Pacific. In May 2007, Simon was appointed Chief Executive Officer, Qantas Loyalty. Simon is responsible for establishing Loyalty as a separate business within the Qantas Group, and developing the next generation of loyalty programs. Simon is a Chartered Accountant and has an Executive MBA from the AGSM. Simon is a Director of Air Pacific Limited and is in the process of being appointed to the Board of The Sydney Children's Hospital Foundation.



Brett Johnson
General Counsel

Brett Johnson joined Qantas in July 1995 as Qantas' General Counsel. Admitted as a Solicitor of the Supreme Court of New South Wales in 1982, Brett has more than 25 years legal experience in Australia and overseas. As General Counsel, Brett is responsible for legal risk management, in addition to managing the Qantas Legal Department which has more than 20 lawyers and provides a full-service legal support to the Qantas Group. Brett is an Independent Non-Executive Director and Chairman of the Audit Committee of Scott Corporation, sits on the board of the Jetset Travelworld Group and is a member of the ASX Appeals Tribunal.



Rob Kella
Chief Risk Officer

Rob Kella joined Qantas in March 2003 and was appointed Chief Risk Officer in February 2006. Rob has over 25 years experience in risk management and assurance, having previously worked at Andersen, Ernst and Young and KPMG. Rob is responsible for Risk and Assurance for the Qantas Group comprising of safety, environment and fuel conservation, resilience and regulatory affairs, risk and reporting, security and audit. Rob has assisted Management develop and implement an overarching Group risk management framework to enable effective corporate governance and risk mitigation.



Jon Scriven
Group Executive People

Jon Scriven joined Qantas in April 2009 as Group Executive People. Prior to joining Qantas Jon was appointed to the role of Group HR Director at Coca Cola Amatil in 2002. Between 1999 – 2002 Jon was a Human Capital Services Partner at Andersen. From 1991 Jon held various roles within Coca-Cola Amatil including Group Remuneration and Benefits Manager, Group Learning and Development Manager. Earlier on in his career Jon held Learning and Development roles at both Westpac and PriceWaterhouse. Jon is responsible for all aspects of Human Resources across the Qantas Group. His key focus is employee engagement, leadership development, management capabilities, succession planning, and industrial relations. Jon studied at Cambridge University and holds a Masters in Mathematics with Honours. He is a member of the Institute of Chartered Accountants Australia. Jon is a member of the Qantas Superannuation Limited Board and the Qantas Remuneration Committee.



Lyell Strambi
Group Executive
Qantas Operations

Lyell Strambi joined Qantas in December 2008 as Executive General Manager Qantas Operations. Prior to joining Qantas, Lyell was Executive Director, Airline Services followed by Chief Operating Officer for Virgin Atlantic Airways. Lyell also worked for Ansett Australia Limited from 1976 to 2000 and those 24 years culminated in working as Executive General Manager, Ground Services. Lyell is responsible for the continued transformation of Qantas Airline's operational divisions, Australian onshore Airports, Catering, Engineering and Flight Operations, a portfolio that includes approximately 16,000 staff. Lyell is the accountable manager for safety and is a member of the Privatised Airports Committee. Lyell has a Bachelor of Business in Accounting and Finance, is a fellow of the Australian Institute of Company Directors and a member of the Australian Institute of Management.

10 year financial overview

for the year ended 30 June

QANTAS GROUP	2009	2008	2007	2006	2005
Income Statement \$M					
Net passenger revenue	11,604	12,709	11,912	10,504	9,835
Net freight revenue	764	959	903	888	760
Tours and travel revenue ⁴	223	124	126	128	144
Contract work revenue	426	454	434	469	485
Other	1,535	1,381	1,150	1,067	861
Total revenue	14,552	15,627	14,525	13,056	12,085
Manpower and staff related	3,684	3,533	3,335	3,322	3,245
Aircraft operating variable	2,834	2,608	2,616	2,525	2,436
Fuel	3,602	3,701	3,337	2,802	1,932
Selling and marketing	632	755	503	470	444
Property	402	346	351	320	301
Computer and communication	406	382	527	488	492
Capacity hire	274	276	303	370	341
Ineffective and non-designated derivatives ⁵	(105)	55	122	–	–
Other ⁶	765	768	652	467	365
Operating expenditure	12,494	12,424	11,746	10,764	9,555
Non-cancellable operating lease rentals	450	400	415	356	310
Depreciation and amortisation	1,390	1,469	1,363	1,250	1,100
Share of net loss/(profit) of associates and jointly controlled entities	15	(28)	(47)	(39)	(2)
Profit before related income tax expense and net finance (costs) / income	203	1,362	1,047	726	1,122
Finance income	207	285	244	163	117
Finance costs	(229)	(239)	(259)	(218)	(212)
Net finance (costs)/income	(22)	46	(15)	(55)	(95)
Profit before tax	181	1,408	1,032	671	1,027
Income tax expense	58	438	313	191	263
Profit after tax	123	970	720	480	764
Summarised Balance Sheet \$M					
Current assets, excluding cash and cash equivalents	2,349	3,017	2,271	2,150	1,806
Cash and cash equivalents	3,617	2,599	3,363	2,902	1,904
Non-current assets	14,083	14,084	13,972	14,131	14,425
Total assets	20,049	19,700	19,606	19,183	18,134
Current liabilities	6,714	7,604	6,504	5,430	4,635
Non-current liabilities	7,570	6,361	6,907	7,672	7,072
Total liabilities	14,284	13,965	13,411	13,102	11,707
Total equity	5,765	5,735	6,195	6,081	6,427
Total liabilities and equity	20,049	19,700	19,606	19,183	18,134
Summarised Cash Flow Statement \$M					
Net cash from operating activities	1,129	2,128	2,353	2,026	1,950
Net cash used in investing activities	(1,163)	(1,322)	(1,220)	(890)	(1,396)
Net cash from/(used in) financing activities, excluding dividend	1,270	(932)	(257)	74	160
Dividend	(218)	(638)	(415)	(212)	(175)
Net change in cash held	1,018	(764)	461	998	539
EBITDAR	2,043	3,231	2,825	2,332	2,532
EBITDA	1,593	2,831	2,410	1,976	2,222
Key ratios					
	Unit				
Earnings per share	cents	5.6	49.0	36.4	24.9
Net debt (on Balance Sheet)	\$M	1,923	1,769	1,392	2,248
Net debt including off balance commitments	\$M	5,595	4,621	3,976	4,919
Net debt to net debt plus equity ratio		25:75	24:76	18:82	27:73
Net debt to net debt plus equity including off balance sheet debt and hedge reserve		49:51	46:54	39:61	46:54
Return on equity	%	2.1	16.9	11.6	7.9
Average full-time equivalent employees	#	33,966	33,670	34,267	34,832

- 2009 and 2008 financial results reflect the 2009 Annual Report. Please note that 2008 was restated to reflect the allocation of foreign exchange hedging. 2000 – 2007 financial results correspond to numbers reported in the respective period's Annual Report unless noted otherwise below.
- 2006 – 2009 results were prepared in accordance with Australian Accounting Standards (AASBs) adopted by the Australian Accounting Standards Board and the Corporations Act 2001. The reported results also comply with International Financial Reporting Standards (IFRS) and interpretations adopted by the International Accounting Standards Board (IASB).
- 2000 – 2005 reported results have not been restated for compliance with IFRS and interpretations adopted by the IASB and reflect the AASB in the relevant period.
- 2000 – 2007 Tours and travel expense has been offset by Tours and travel revenue to provide consistency with accounting changes made in 2009.
- 2007 Ineffective and non-designated derivatives – open positions and Ineffective and non-designated derivatives – closed positions have been merged with Ineffective and non-designated derivatives to provide consistency with accounting changes made in 2009.
- 2000 Abnormal items has been added to Other expenses to provide consistency with accounting changes made in subsequent years.
- Earnings per share has not been restated in 2000 – 2007 for the impact of the 2009 equity raising.

10 year financial overview

for the year ended 30 June

QANTAS GROUP	2004	2003	2002	2001	2000	
Income Statement \$M						
Net passenger revenue	8,978	8,993	9,028	7,942	6,976	
Net freight revenue	470	511	564	596	543	
Tours and travel revenue ⁴	140	132	90	79	69	
Contract work revenue	503	531	479	457	–	
Other	692	644	578	589	1,036	
Total revenue	10,783	10,811	10,738	9,663	8,624	
Manpower and staff related	2,939	3,018	2,689	2,550	2,296	
Aircraft operating variable	2,227	2,405	2,201	2,023	1,733	
Fuel	1,356	1,540	1,570	1,330	863	
Selling and marketing	466	547	1,159	1,142	1,051	
Property	310	287	264	247	215	
Computer and communication	439	412	408	365	352	
Capacity hire	287	382	500	220	222	
Ineffective and non-designated derivatives ⁵	–	–	–	–	–	
Other ⁶	412	488	354	202	256	
Operating expenditure	8,435	9,078	9,146	8,078	6,988	
Non-cancellable operating lease rentals	264	284	256	182	128	
Depreciation and amortisation	1,006	891	694	707	634	
Share of net (loss/profit) of associates and jointly controlled entities	(20)	(10)	(36)	–	–	
Profit before related income tax expense and net finance (costs) / income	1,098	567	679	696	874	
Finance income	126	108	69	69	89	
Finance costs	(260)	(172)	(118)	(168)	(200)	
Net finance (costs)/income	(134)	(65)	(48)	(99)	(111)	
Profit before tax	965	502	631	597	763	
Income tax expense	316	156	202	177	245	
Profit after tax	649	347	429	420	518	
Summarised Balance Sheet \$M						
Current assets, excluding cash and cash equivalents	1,957	1,939	2,971	2,100	1,749	
Cash and cash equivalents	1,365	2,016	785	259	689	
Non-current assets	14,252	13,019	11,046	10,155	9,569	
Total assets	17,574	16,974	14,802	12,514	12,007	
Current liabilities	5,190	4,767	5,581	5,013	4,954	
Non-current liabilities	6,544	6,945	4,967	4,184	4,188	
Total liabilities	11,734	11,712	10,548	9,198	9,142	
Total equity	5,840	5,262	4,254	3,316	2,864	
Total liabilities and equity	17,574	16,974	14,802	12,514	12,007	
Summarised Cash Flow Statement \$M						
Net cash from operating activities	1,999	1,291	1,143	1,101	1,600	
Net cash used in investing activities	(2,170)	(2,996)	(2,306)	(871)	(263)	
Net cash from/(used in) financing activities, excluding dividend	(319)	3,108	1,813	(204)	(1,112)	
Dividend	(161)	(172)	(124)	(455)	(430)	
Net change in cash held	(651)	1,231	526	(430)	(205)	
EBITDAR	2,368	1,742	1,629	1,585	1,636	
EBITDA	2,104	1,458	1,373	1,403	1,508	
Key ratios						
	Unit					
Earnings per share	cents	35.7	20.0	29.1	33.0	42.8
Net debt (on Balance Sheet)	\$M	3,506	3,076	1,905	1,316	926
Net debt including off balance commitments	\$M	5,574	5,182	4,110	3,794	2,504
Net debt to net debt plus equity ratio		38:62	37:63	31:69	28:72	24:76
Net debt to net debt plus equity including off balance sheet debt and hedge reserve		49:51	51:49	49:51	53:47	44:56
Return on equity	%	11.1	6.5	10.1	12.6	18.1
Average full-time equivalent employees	#	33,862	34,872	33,044	31,632	29,217

- 2009 and 2008 financial results reflect the 2009 Annual Report. Please note that 2008 was restated to reflect the allocation of foreign exchange hedging. 2000 – 2007 financial results correspond to numbers reported in the respective period's Annual Report unless noted otherwise below.
- 2006 – 2009 results were prepared in accordance with Australian Accounting Standards (AASBs) adopted by the Australian Accounting Standards Board and the Corporations Act 2001. The reported results also comply with International Financial Reporting Standards (IFRS) and interpretations adopted by the International Accounting Standards Board (IASB).
- 2000 – 2005 reported results have not been restated for compliance with IFRS and interpretations adopted by the IASB and reflect the AASB in the relevant period.
- 2000 – 2007 Tours and travel expense has been offset by Tours and travel revenue to provide consistency with accounting changes made in 2009.
- 2007 Ineffective and non-designated derivatives – open positions and Ineffective and non-designated derivatives – closed positions have been merged with Ineffective and non-designated derivatives to provide consistency with accounting changes made in 2009.
- 2000 Abnormal items has been added to Other expenses to provide consistency with accounting changes made in subsequent years.
- Earnings per share has not been restated in 2000 – 2007 for the impact of the 2009 equity raising.

Acquisitions and milestones

June 1992	Qantas purchased Australian Airlines (domestic carrier)
March 1993	British Airways purchased 25 per cent of Qantas
June 1995	Public Share Offer launched
July 1995	Privatisation of Qantas complete and shares listed on the ASX
1998	Qantas increased its equity in Air Pacific to 46 per cent
October 2001	\$450 million share placement
November 2001	Qantas acquired Impulse Airlines
February 2002	Launch of Snap Fresh
September 2002	\$720 million jumbo rights issue and share purchase plan
October 2002	Launch of Australian Airlines (international carrier)
December 2003	Star Track Express was acquired by a joint venture between the Qantas Group and Australia Post
May 2004	Jetstar commenced operations in Australia
September 2004	British Airways sold its stake (18.25 per cent at the time) in Qantas
December 2004	Jetstar Asia, based in Singapore, was launched with the inaugural flight in December
July 2006	Australian Airlines ceased operations (international carrier)
November 2006	Jetstar International began operations
August 2007	Qantas Freight Enterprises acquired DPEX Worldwide
July 2008	Qantas Holidays and Jetset Travelworld merged and formed Jetset Travelworld Limited with the Qantas Group as a 58 per cent shareholder. Jetset Travelworld Limited is listed on the ASX
February 2009	\$525 million share placement and share purchase plan
April 2009	New ownership structure for Jetstar Asia and Valair announced. The Qantas Group owns 49 per cent of this structure

Operating key figures

for the year ended 30 June

QANTAS GROUP	Unit	2009	2008	2007	2006	2005
Passenger related key figures						
Number of destinations (including code share)	#	151	146	140	142	145
Number of destinations (excluding code share)	#	80	85	85	83	77
Countries (excluding code share)	#	17	16	17	15	13
Number of aircraft (including freighters)	#	233	228	213	216	200
Number of passengers	'000	38,438	38,621	36,449	34,075	32,658
Revenue passenger kilometre	m	99,176	102,466	97,622	90,899	86,986
Available seat kilometre	m	124,594	127,019	122,119	118,070	114,003
Passenger load factor	%	79.6	80.7	79.9	77.0	76.3
Passenger revenue/RPK	cents	11.7	12.4	12.2	11.6	11.3
Yield	cents	11.3	11.8	11.7	11.1	10.6
Weight related cargo key figures¹						
Available Freight tonne kilometre (AFTK)	m	4,046	4,322	4,216	3,938	3,386
Terminal handling tonnes	'000	577	648	640	608	578
Cost and efficiency key figures						
Average WTI crude oil	USD	70	97	63	64	49
Average Singapore jet fuel	USD	85	115	79	77	58
Average AUD/USD	cents	0.75	0.90	0.79	0.75	0.75
Consumption of jet fuel	'000 barrels	29,799	30,681	30,108	29,755	27,886
Qantas on time domestic departures < 15 minutes	%	80.8	79.1	86.7	85.6	84.8
QantasLink on time domestic departures < 15 minutes	%	83.7	82.8	88.0	85.7	87.1
Jetstar on time domestic departures < 15 minutes	%	76.8	78.4	85.9	85.7	86.1
Other key figures						
Number of frequent flyer members	m	5.8	5.3	4.9	4.6	4.3
Number of meals prepared	m	36	39	38	42	43
Visits at www.qantas.com ²	m	92	79	67	32	–

¹Refers only to international freight. Australian domestic freight is handled through a joint venture with Australia Post.

²2006 data is only inclusive of 28 November 2005 to 30 June 2006.

Largest global airlines ranking

Total number of passengers Calendar year 2008		Number of revenue passenger kilometres (RPK) Calendar year 2008	
	million		million
Southwest Airlines	101.9	American Airlines	212.0
American Airlines	92.8	Air France/KLM	208.8
Lufthansa Group	76.0	United Airlines	177.2
Air France/KLM	73.8	Delta Air Lines	170.1
Delta Air Lines	71.7	Lufthansa Group	138.0
United Airlines	63.2	Continental Group	133.3
US Airways Group	62.7	Southwest Airlines	118.3
China Southern Airlines	58.2	Northwest Airlines	115.3
JAL Group	54.1	British Airways	114.3
Ryanair	50.9	Emirates Airlines	101.8
SAS Group	49.3	Qantas Group	101.1
Northwest Airlines	48.9	US Airways Group	101.0
Continental Group	48.7	Cathay Pacific	91.0
All Nippon Airways	47.2	Singapore Airlines	90.1
Easyjet	44.6	JAL Group	86.6
Qantas Group	38.5	China Southern Airlines	83.2
China Eastern Airlines	37.2	Air Canada	81.3
Air China	34.2	Air China	66.0
Air Canada Group	33.2	All Nippon Airways	57.0
British Airways	33.1	Thai Airways	56.4
TAM Linhas Aereas	30.1	Ryanair	55.5
Air Berlin	28.6	Korean Air	55.1
Iberia Group	28.5	China Eastern Airlines	53.8
GOL Linhas Aereas	25.7	Iberia Group	52.9
Cathay Pacific	25.0	SAS Group	46.0
AirTran Airways	24.6	Air Berlin	44.3
Emirates Airlines	22.7	Jetblue Airways	42.0
Turkish Airlines (THY)	22.5	Virgin Atlantic Airways	41.2
Jetblue Airways	21.9	TAM Linhas Aereas	40.5
Korean Air	21.8	Qatar Airways	36.2
Virgin Blue Airlines	17.7	Air New Zealand Group	28.7
Air New Zealand Group	12.9	Virgin Blue Airlines	19.9
Rex – Regional Express	1.4	Rex – Regional Express	0.5

Source: World Airline Report 2008, Air Transport Weekly

Financial analysis



Financial analysis

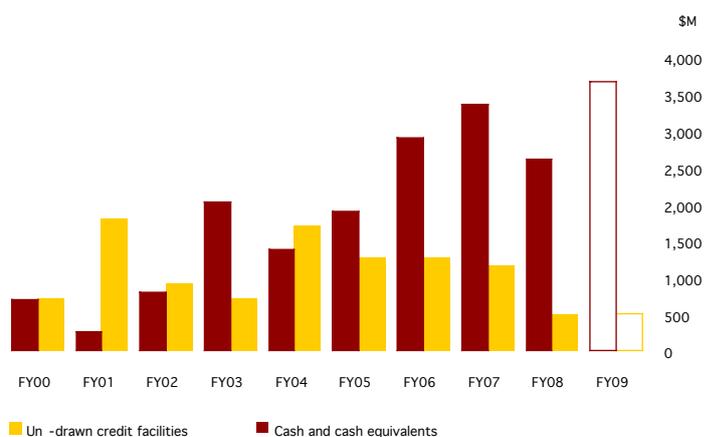
CASH PROFILE

The Qantas Group maintains a cash balance to cover forecast short term liquidity requirements and other potential cash requirements that may arise in the course of operating an international airline. The cash balance has increased since 2001 as the business has expanded. Ratings agencies also prefer minimum cash levels for rated airlines. Surplus cash is invested in highly rated short term money market securities and term deposits.

Financial year end \$M	Cash and credit facilities	
	2009	2008
Cash and cash equivalents	3,617	2,599
Undrawn credit facilities	500	500
Total available funds	4,117	3,099

The Qantas Group has an additional unused \$1.1 billion secured funding and sale and leaseback facility which will be drawn down in line with aircraft deliveries over the next 12 months.

CASH AND CASH EQUIVALENTS 1999/00 – 2008/09



DEBT PROFILE

Funding and repayments of debt

The Qantas Group debt funding decisions are made with the aim of obtaining a debt portfolio which is competitive in cost, has repayment flexibility, minimises credit and residual value risks and has a balanced maturity profile.

As at 30 June 2009, the Qantas Group debt portfolio totalled \$5,503 million. It comprised an unsecured bank loan which matures between February 2011 and February 2012, two unsecured 144A bonds that mature in 2012/13 and 2015/16 and a series of longer term debt and lease facilities secured by aircraft which generally amortise over 10 to 12 years.

The Qantas Group has limited unsecured refinancing requirements up to 2010/11. The first tranche of the existing syndicated bank facility of \$315 million is due for refinancing in 2010/11.

The Qantas Group has a range of off balance sheet operating leases with a debt-equivalent value estimated to be \$3,664 million as at 30 June 2009. These operating leases expire progressively over the next 12 years.

The Qantas Group currently expects to be able to fund future capital expenditure from cash reserves, cash flow from operations and debt and operating lease facilities.

The Qantas Group targets an investment grade credit rating. This optimises funding costs and provides investment and funding flexibility.

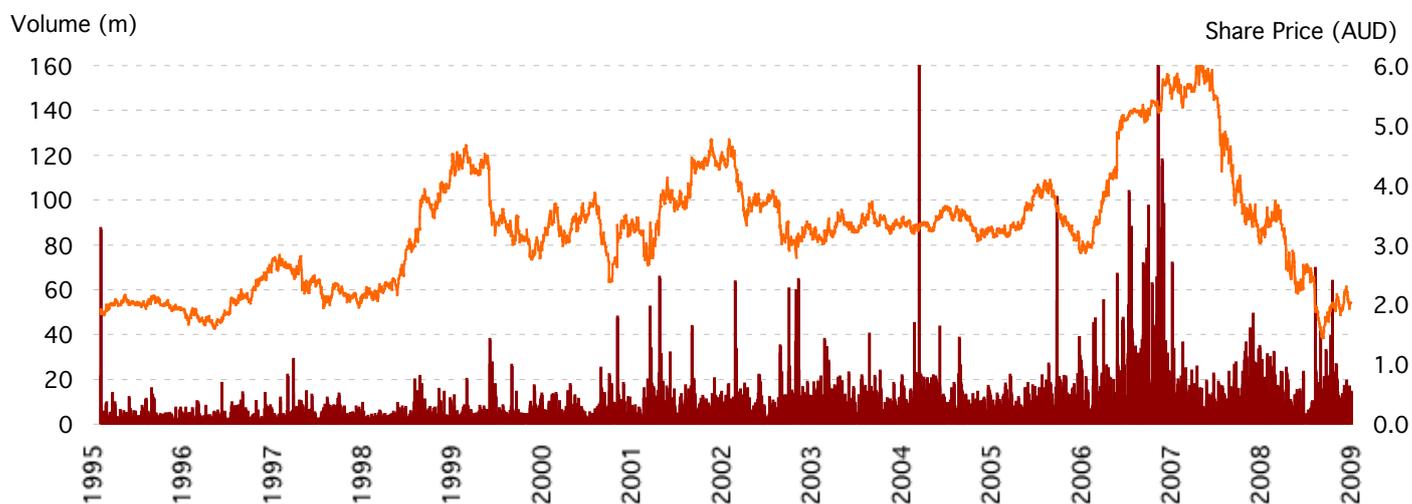
Debt maturity profile

The Qantas Group has a relatively stable debt maturity profile in 2010 to 2012 of approximately \$700 million to \$1,100 million per year. More than 70 per cent of the Qantas Group's debt is currently denominated in AUD. The Qantas Group also has foreign currency debt denominated in currencies in which the Group generates major net foreign currency receipts such as GBP, JPY and EUR.

Financial analysis

EQUITY PROFILE

Qantas Airways Limited listed on the Australian Stock Exchange in July 1995 with a float price of \$1.90.



KEY FINANCIAL EQUITY DATA

Year ending	Unit	2009	2008	2007	2006	2005
Market capitalisation	\$M	4,553	5,759	11,116	5,787	6,395
Number of shares traded	m	3,036	3,359	6,024	2,474	2,707
Weighted average number of ordinary shares	m	2,051	1,929	1,977	1,928	1,869
Number of shares at year end	m	2,265	1,894	1,985	1,955	1,898
Profit before tax per share	cents	9	73	49	35	49
Profit after tax per share	cents	6	50	34	25	37
Dividend per share	cents	6	35	30	22	20
Net tangible asset per share	\$	2.25	2.79	2.93	2.95	3.31
Share price at 30 June	\$	2.01	3.04	5.60	2.96	3.37
Highest price during the year	\$	3.71	6.05	5.83	4.17	3.73
Lowest price during the year	\$	1.42	3.01	2.93	2.93	3.13
Average price during the year	\$	2.49	4.85	4.63	3.54	3.45

Financial analysis

SHARE DATA, OWNERSHIP AND DIVIDENDS

Substantial Shareholders

The following shareholders have notified that they are substantial shareholders of Qantas Airways Limited:

Shareholder	Ordinary shares held	% of issued shares	Notification date
The Capital Group of Companies	350,421,045	15.47	1 September 2009
Balanced Equity Management	140,994,333	7.44	1 May 2008
Total	491,415,378	22.91	

Distribution of Ordinary Shares

Shareholders	Ordinary shares held	# of shareholders	% of issued shares
1 – 1,000	24,339,324	52,810	1.1
1,001 – 5,000	174,148,640	69,803	7.7
5,001 – 10,000	84,563,647	12,208	3.7
10,001 – 100,000	114,239,689	5,814	5.0
100,001 and over	1,867,832,320	187	82.5
Total	2,265,123,620	140,822	100

Data as at 11 August 2009

Historical number of shares

Date	Event	Number of shares	Total number of shares
February 04	Qantas Long-Term Executive Incentive Plan	10,470	1,822,259,643
April 04	Dividend Reinvestment Plan	22,855,397	1,845,115,040
August 04	Qantas Long-Term Executive Incentive Plan	388	1,845,115,428
September 04	Dividend Reinvestment Plan	22,675,271	1,867,790,699
February 05	Qantas Long-Term Executive Incentive Plan	59,177	1,867,849,876
April 05	Dividend Reinvestment Plan	29,798,872	1,897,648,748
September 05	Dividend Reinvestment Plan	31,024,893	1,928,673,641
February 06	Qantas Long-Term Executive Incentive Plan	2,053,015	1,930,726,656
April 06	Dividend Reinvestment Plan	24,308,788	1,955,035,444
October 06	Dividend Reinvestment Plan	28,991,867	1,984,027,311
February 07	Qantas Long-Term Executive Incentive Plan	963,037	1,984,990,348
August 07	Qantas Long-Term Executive Incentive Plan	516,085	1,985,506,433
October 07 – May 08	On-market Share Buyback	91,062,424	1,894,444,009
October 08	Dividend Reinvestment Plan	55,176,946	1,949,620,955
February 09	Institutional Placement	270,270,271	2,219,891,226
March 09	Share Purchase Plan	17,182,087	2,237,073,313
April 09	Dividend Reinvestment Plan	28,050,307	2,265,123,620

Foreign ownership

Under the Qantas Constitution and the Qantas Sale Act, the following limits apply:

- the maximum aggregate level of relevant interest that foreign persons are permitted to hold in Qantas is 49 per cent;
- the maximum level of interest of any one foreign person is permitted to hold in Qantas is 25 per cent; and
- the maximum aggregate level of interest of foreign airlines are permitted to hold in Qantas is 35 per cent.

While only Qantas is subject to the Qantas Sale Act, 49 per cent foreign ownership limit is also imposed on other Australian-designated international airlines by the Air Navigation Act.

Australian Securities Exchange Listing Rule 3.19 requires that Qantas advise the market when the level of foreign relevant interest is more than 44 per cent. On 1 September 2009, Qantas advised the ASX that the foreign ownership in Qantas was approximately 46.9 per cent. (Please refer to the ASX and Qantas websites for the latest advised level of foreign ownership).

Financial analysis

DIVIDEND HISTORY (CENTS)

Year	Final	Interim	Special
2008/09	–	6.0	–
2007/08	17.0	18.0	–
2006/07	15.0	15.0	–
2005/06	11.0	11.0	–
2004/05	10.0	10.0	–
2003/04	9.0	8.0	–
2002/03	9.0	8.0	–
2001/02	9.0	8.0	–
2000/01	9.0	11.0	–
1999/00	11.0	11.0	37.0
1998/99	11.0	8.0	13.5
1997/98	7.0	6.5	–
1996/97	6.5	6.5	–
1995/96	6.5	6.5	–

ANALYSTS COVERING QANTAS*

Aegis	Ben Brownette
Citi	Phil Campbell
CLSA	Robert Bruce
Commonwealth Bank	Adrian Lemme
Credit Suisse	Anthony Moulder
Deutsche Bank	Cameron McDonald
Goldman Sachs JBWere	Andrew Gibson
JP Morgan	Matthew Crowe
Macquarie	Name withheld
Merrill Lynch	Kevin O'Connor
Morgan Stanley	Philip Wensley
RBS	Mark Williams
UBS	Simon Mitchell

*These analysts follow the Qantas Group and are known to the Company. Please note this list is provided for informational purposes only and any opinions, estimates, forecasts, predictions, conclusions, recommendations or other statements regarding the Qantas Group performance made by these analysts are theirs alone and do not constitute the opinions, estimates, forecasts, predictions, conclusions, recommendations or statements of the Qantas Group or its management. The Qantas Group does not by its reference above or distribution imply its endorsement of or concurrence with such information. Analyst reports may contain errors or omissions and the Qantas Group does not provide any assurance that facts stated in any analyst report are correct. The Qantas Group undertakes no duty to update or correct information contained in any analyst report.

Financial analysis

SALES AND OTHER INCOME

The Qantas Group's main business is the transportation of passengers. In 2008/09 passenger revenue contributed \$11.6 billion equating to 80 per cent of the Groups total revenue.

The Qantas Group's other key revenue streams are freight revenue, tours and travel revenue, contract work revenue and Qantas frequent flyer revenue. The Qantas Group also earns revenue through third party contract work, the leasing of aircraft and Qantas Club membership.

NET PASSENGER REVENUE

The Qantas Group net passenger revenue comes from its two major brands, Qantas and Jetstar.

The Qantas Group carried more than 38 million passengers in 2008/09. Approximately 74 per cent of the Qantas Group's passengers travelled on domestic routes and 64 per cent of RPKs were on international routes.

Net passenger revenue includes flown and unflown passenger revenue, fuel surcharge, frequent flyer revenue and passenger recoveries. Yield is calculated as Net passenger revenue excluding foreign exchange, passenger recoveries and unflown passenger revenue divided by RPKs.

OTHER KEY REVENUE STREAMS

The Qantas Group non flying revenue was \$2.9 billion in 2009.

Net Freight Revenue

Net freight revenue is derived from the carriage of freight in Qantas and Jetstar aircraft belly space, as well as on a fleet of three wet-leased B747-400 freighters and one wet-leased B767 freighter.

Tours and Travel Revenue

Tours and travel revenue is the net amount of commission retained by JTL through the sale of travel products and services.

Contract Work Revenue

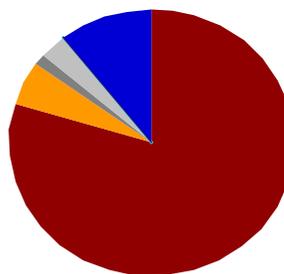
Contract work revenue is largely earned by Qantas Engineering, Qantas Defence Services, Qantas Catering and Airport businesses.

In addition to work performed for Qantas, the Qantas Engineering business provides engineering and maintenance services to other international airlines. Services include aircraft heavy and line maintenance, engines and component maintenance, aircraft interior upgrades, inventory management and training.

Qantas Defence Services provides aviation maintenance services and support to the Australian Defence Force (ADF) including the Australian Government's Special Purpose Aircraft fleet, the RAAF's Hercules and tanker fleet and the ADF's fighter and helicopter fleets.

In addition to work performed for Qantas, Q Catering and Snap Fresh cater for airlines outside the Qantas Group as well as providing catering services for rail clients, retail markets, quick service restaurants, defence and healthcare. Airport services earn revenue by offering airport related services to airlines outside the Qantas Group.

QANTAS GROUP REVENUE 2008/09

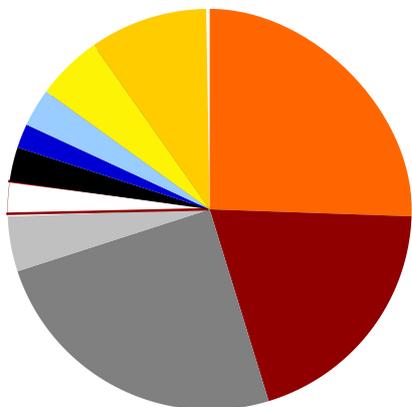


Net Passenger Revenue	80%
Net Freight Revenue	5%
Tours and Travel Revenue	2%
Contact Work Revenue	3%
Other	10%

Financial analysis

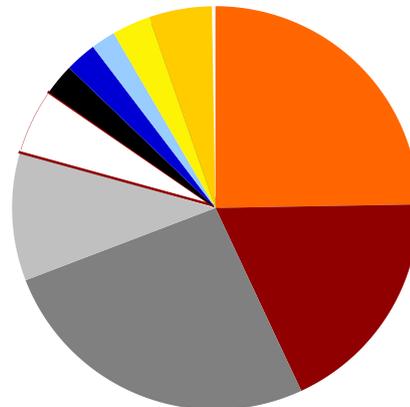
EXPENDITURE

QANTAS GROUP OPERATING COSTS



2008/09
\$M %

Manpower and staff related	3,684	25%
Aircraft operating variable	2,834	20%
Fuel	3,602	25%
Depreciation and amortisation	1,390	10%
Selling and marketing	632	4%
Property	402	3%
Computer and communication	406	3%
Capacity hire	274	2%
Non-cancellable operating lease rentals	450	3%
Other	765	5%



2007/08
\$M %

Manpower and staff related	3,533	25%
Aircraft operating variable	2,608	18%
Fuel	3,701	26%
Depreciation and amortisation	1,469	10%
Selling and marketing	755	5%
Property	346	2%
Computer and communication	382	3%
Capacity hire	276	2%
Non-cancellable operating lease rentals	400	3%
Other	768	6%

Financial analysis

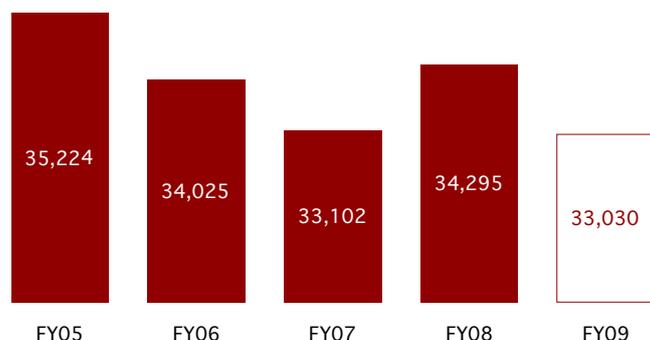
MANPOWER

The Qantas Group had 33,030 full time equivalents (FTEs) as at 30 June 2009. Approximately 83.5 per cent of the Qantas Group employees are full-time employees and 90.4 per cent are based in Australia.

Key employee facts as at 30 June 2009

FTE	33,030
Total headcount	35,277
Attrition rate	4.8%
Average age (years)	42.2
% Part time employees	12.9%
Union membership	60%–70%

FULL TIME EQUIVALENTS 2004/05 – 2008/09



AIRCRAFT OPERATING VARIABLE

The Qantas Group spent \$2.8 billion on aircraft operating variable (AOV) costs in 2008/09.

Route Navigation charges are incurred by accessing Australian and international airspace.

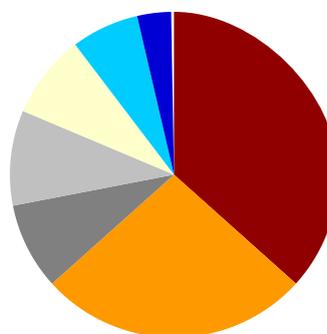
Landing fees are charged for every landing by the relevant airport company or authority. Each location incurs different fees.

Maintenance consists of aircraft maintenance costs including subcontractor fees and materials. The timing of aircraft maintenance checks depends on flying hours and cycles (number of departures) and can also be based on calendar dates.

Passenger expenses include Inflight consumables and amenities, Inflight entertainment (IFE), baggage, delay, Qantas Club and laundry costs.

Crew expenses include accommodation, allowances and vehicle hire.

INDICATIVE % OF TOTAL AOV CHARGES



Route Navigation and Landing fees	40%
Maintenance (including materials and labour)	24%
Airmeals	10%
Passenger Expenses	10%
Ground Handling	9%
Crew Expenses	6%
Other sundry AOV related expenses	1%

Financial analysis

FUEL

The Qantas Group has jet fuel supply arrangements with various fuel suppliers in the ports to which the aircraft operate. The price the Qantas Group pays for fuel uplifted in each port is determined by reference to a regional fuel benchmark such as Singapore Jet. Jet fuel costs represented 25 per cent of the Qantas Group's total operating expenditure in 2008/09.

Into-plane margin

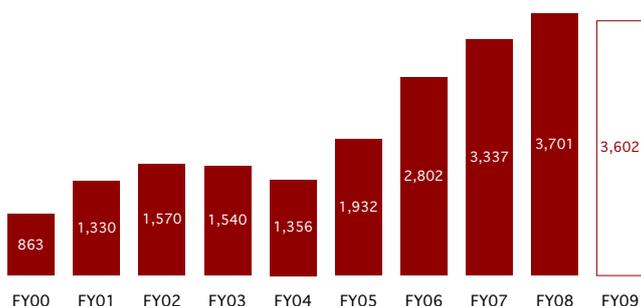
In addition to the regional jet fuel benchmark referenced in supplier arrangements in the relevant port, airlines typically pay an additional into-plane margin. This covers transport, insurance and manpower typically associated with the physical delivery of fuel into the aircraft. The margin varies by location and supplier. The price is negotiated by Qantas and its supplier periodically.

Strategies to offset jet fuel prices

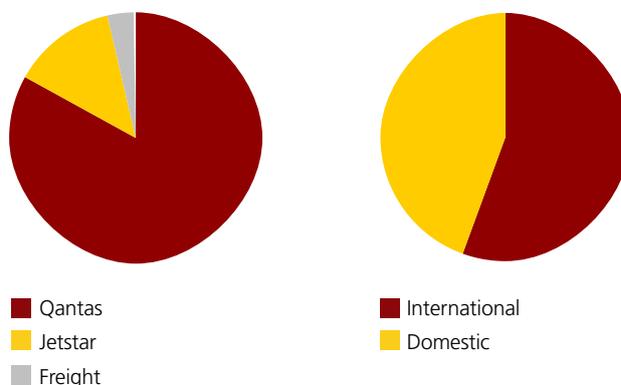
The Qantas Group uses the following to reduce the negative impact from rising jet fuel prices:

- hedging to give the organisation time to adapt to new prices levels
- yield and price management including charging fuel surcharges on tickets;
- shortening the jet fuel supply chain;
- fuel conservation;
- investment in new aircraft;
- improvement in air traffic management; and
- enhanced technology around flying techniques and navigation approach.

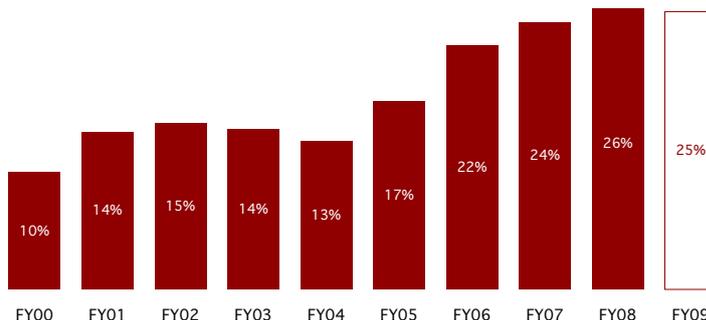
TOTAL FUEL SPEND 1999/00 – 2008/09



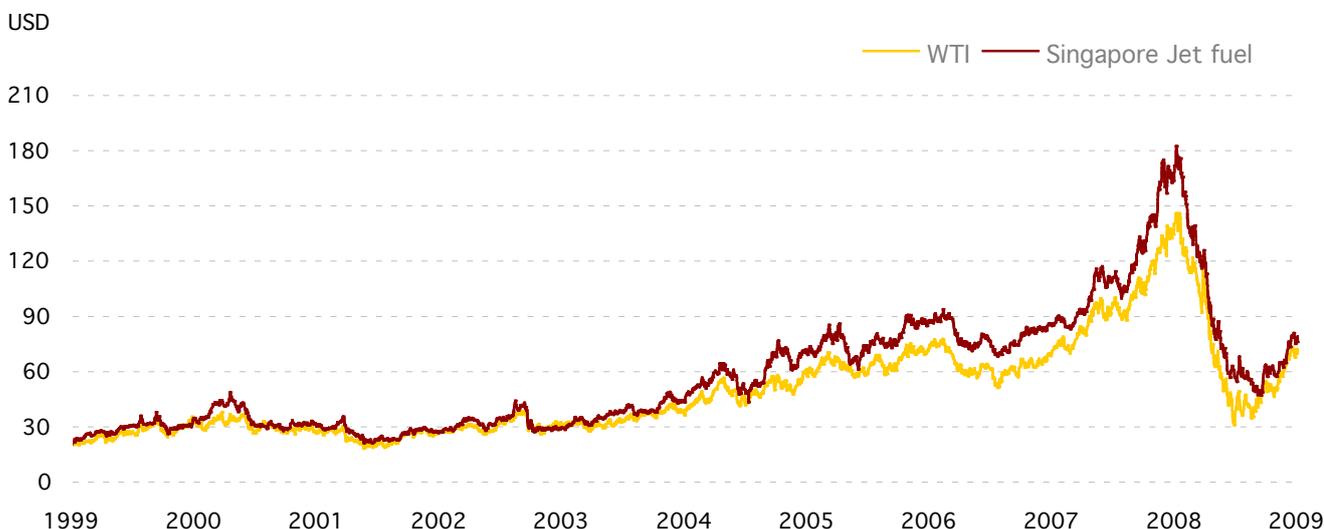
INDICATIVE FUEL SPEND SPLIT



FUEL SHARE OF TOTAL OPERATING COSTS 1999/00 – 2008/09



HISTORIC OIL AND JET FUEL PRICES USD PER BARREL



Financial analysis

OTHER KEY EXPENDITURE AREAS

Selling and Marketing

Incentive commissions are paid to travel agents for ticket sales.
IT system fees are charged to Qantas for the use of global distribution booking systems.
Card charges from major credit card suppliers are expensed under Selling and Marketing.
Marketing support consists mainly of advertising and sponsorship.

Property

Building rentals are charged to the Qantas Group for leased properties including office buildings, terminals, catering centres, ground space and car parks.
Property outgoings include maintenance and cleaning of facilities, waste removal, utilities (energy and water) and statutory charges.

Computer and Communications

Managed service costs are costs for outsourced services including desktop, mainframes, network, communications and application support.
Project costs include external vendor costs associated with IT project development.

Capacity Hire

Wet-lease is a leasing arrangement where the aircraft, operational crew and maintenance are provided by a third party (lessor). Qantas currently has wet-lease arrangements in its Airlink, Jetconnect, Jetstar Asia/Valuair and freighter operations.

Qantas also incurs capacity hire costs when it purchases seats from codeshare partners.

Non-cancellable Operating Leases

The Qantas Group has a mixture of leased aircraft and owned aircraft across its fleet in order to achieve an optimal funding mix. Leased aircraft currently make up approximately 30 per cent of the fleet.

Other

Other expenses include costs that cannot be allocated to other Income Statement categories, such as printing, stationery, vehicle costs, exchange rate adjustments and consulting costs.

DEPRECIATION

The Qantas Group uses straight-line depreciation rates for all of its assets using rates ranging from 2.5 years to 40 years.

The asset depreciation and amortisation periods are:

	Years	Residual Value
Buildings and leasehold improvements	10 – 40	0
Plant and equipment	3 – 20	0
Aircraft and engines	2.5 – 20	0 – 20
Aircraft spare parts	15 – 20	0 – 20

Q FUTURE

Q Future is a three year program announced in August 2009 that will deliver \$1.5 billion in transformation benefits.

Q Future is about becoming the world's best premium airline:

- creating value for our customers
- working smarter, doing things in new and better ways (simplification and efficiency)
- deploying technologies intelligently for our customers and business
- building a sustainable platform to invest in being the world's best premium airline

2010 Benefit Realisation – Target \$500m

- 2009 organisation and management restructure
- IT transformation
- Sales and distribution
- Fuel conservation
- Ancillary revenue

2011-2012 Benefit Realisation – Target - \$1bn

- Configuration
- Aircraft utilisation and scheduling
- Productivity
- Procurement
- Non-aircraft asset efficiency
- Fleet simplification/retirements

Financial risk management



Financial risk management

The Qantas Group is subject to interest rate, credit, liquidity, foreign exchange and fuel price risks. These risks are an inherent part in operating an international airline. The Qantas Group has a centralised Treasury function that manages the financial risks in line with Board approved policies. The policies include information such as approved financial instruments, hedging delegation levels, reporting requirements and hedge tenors.

INTEREST RATE MANAGEMENT

The Qantas Group has a portfolio of interest rate sensitive assets and liabilities and is exposed to movements in interest rates. In addition to AUD borrowings, the Qantas Group has borrowings denominated in currencies where there are surplus revenue streams such as JPY, GBP, EUR and USD.

The relative mix of fixed and floating interest rate funding is managed by using interest rate swaps, forward rate agreements and options.

For the year ended 30 June 2009, interest-bearing liabilities amounted to \$5,503 million (2008: \$4,160 million). The fixed/floating split is 37 per cent and 63 per cent respectively (2008: 37 per cent and 63 per cent). The Group's cash investments provide some natural offset toward the floating interest rate risk on liabilities.

CREDIT RISK MANAGEMENT

Credit risk is the potential loss from a transaction in the event of default by the counterparty during the term of the transaction or on settlement of the transaction.

The Qantas Group minimises the concentration of credit risk by undertaking transactions with a range of customers and counterparties in various countries in accordance with Board approved policy. The Qantas Group applies stringent credit policies and accreditation of travel agents through industry programs. Excluding associates and joint venture entities, the Qantas Group's credit exposure for its cash and equivalents is with counterparties which have a minimum credit rating of A- / A3.

Cash is invested in money market instruments of a short-term nature typically maturing in less than one year. The investments may be deposits, discount securities or interest bearing securities.

Insurance cover

The Qantas aviation insurance program covers all aircraft owned, leased or operated by a Qantas Group company including all aircraft spare parts and other technical equipment. The program also covers liabilities arising out of the Group's aviation operations. Under the Qantas Constitution, Qantas indemnifies, to the extent permitted by law, each Director and Secretary of Qantas against any liability incurred by that person as an officer of Qantas.

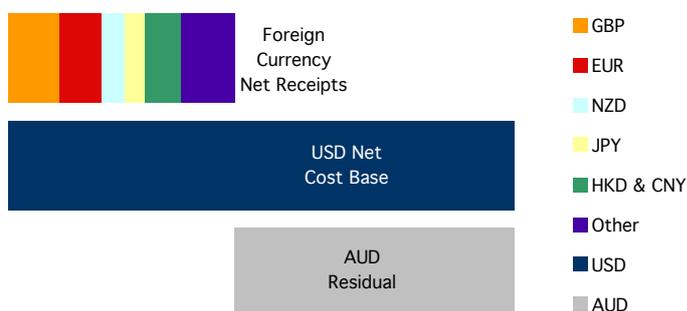
FOREIGN CURRENCY HEDGING

The Qantas Group earns revenue in many currencies and incurs USD costs mainly arising from fuel, maintenance and aircraft leasing. The Qantas Group also has expenditure in many other foreign currencies, however revenues earned in those currencies generally offset these expenditures resulting in a net foreign currency receipt. Qantas also has foreign currency capital expenditure commitments for aircraft and related parts.

The Qantas Group foreign exchange risk is managed in three ways:

- foreign currency costs are netted against revenues in the same currency;
- Qantas may denominate borrowings in net surplus currencies to provide a natural hedge; and
- Qantas may hedge portions of the remaining exposure using derivatives.

INDICATIVE FOREIGN CURRENCY EXPOSURE



Foreign exchange hedging on future capital expenditure

The Qantas Group hedges foreign exchange exposure for its capital expenditure costs. At 30 June 2009 aircraft capital expenditure was approximately 80 per cent hedged until December 2011.

The capital expenditure sensitivity will rise or fall depending on the level of capital expenditure commitments Qantas has outstanding at any given time, the level of those commitments that are hedged and the hedging instruments used.

Accounting effects from currency hedging

Two hedging strategies in particular drive accounting ineffectiveness in the Qantas Group results. Crude oil prices and jet fuel prices do not always result in the effectiveness of the hedge falling within the 80 per cent to 125 per cent range required by AASB 139 Financial Instruments: Recognition and Measurement (AASB 139) and can result in changes in fair value of the derivative being deemed ineffective for accounting purposes from time to time.

AASB 139 only permits the intrinsic component of an option value to be deemed an effective hedge. As a result all other aspects of the option value must be marked-to-market through the Income Statement as ineffective. Changes in the value of this non-intrinsic component do not necessarily reflect the original premium paid or potential losses until the option reaches maturity.

Financial risk management

10 YEAR AUD/USD HISTORY



FUEL HEDGING

The Qantas Group uses derivatives such as options and swaps on aviation fuel, gasoil and crude oil to hedge the exposure to movements in the price of aviation fuel. Hedging is conducted in accordance with the Board approved Qantas Treasury Risk Management policy which does not allow speculative trading.

Differential between crude oil and jet fuel

The Qantas Group hedging is mainly undertaken in crude oil proxies such as WTI and Brent as liquidity tends to be better for longer term transactions. Proxy hedging may be converted to a jet fuel basis as the hedge period nears and liquidity improves.

DIFFERENTIAL BETWEEN WTI CRUDE OIL AND SINGAPORE JET



Market drivers

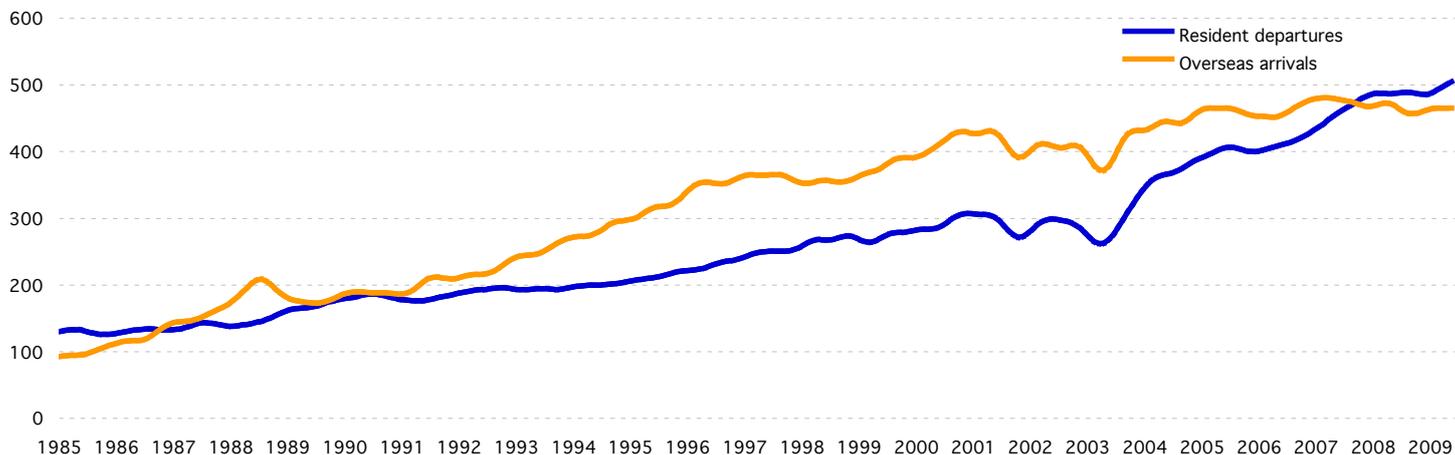


Market drivers

GLOBAL PASSENGER GROWTH

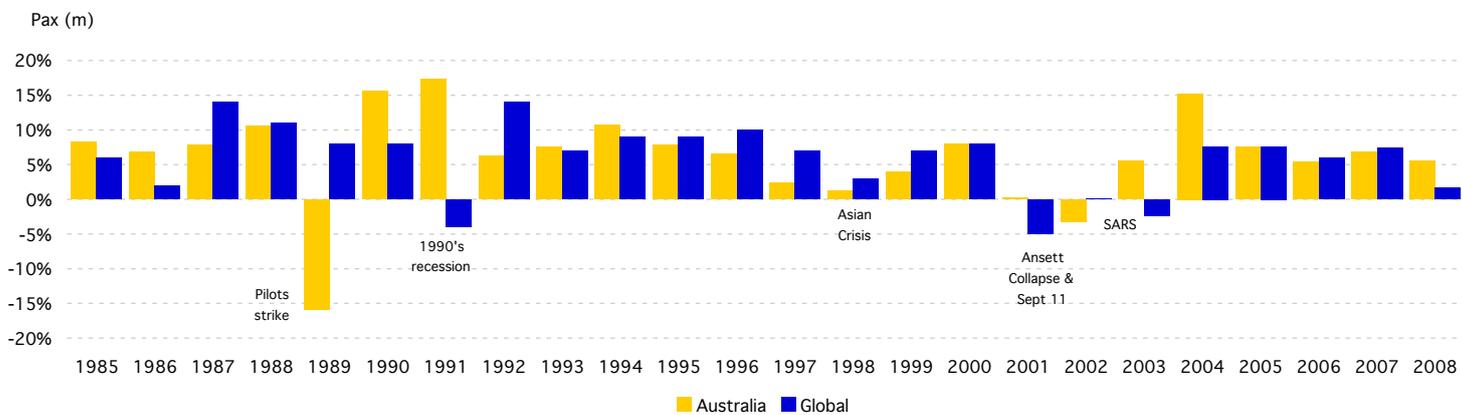
AUSTRALIAN DEPARTURES AND OVERSEAS ARRIVALS 1984/85 – 2008/09

'000s of pax movements



Source: ABS, Qantas Economics

AUSTRALIAN AND GLOBAL PASSENGER GROWTH CALENDAR YEAR 1985–2008



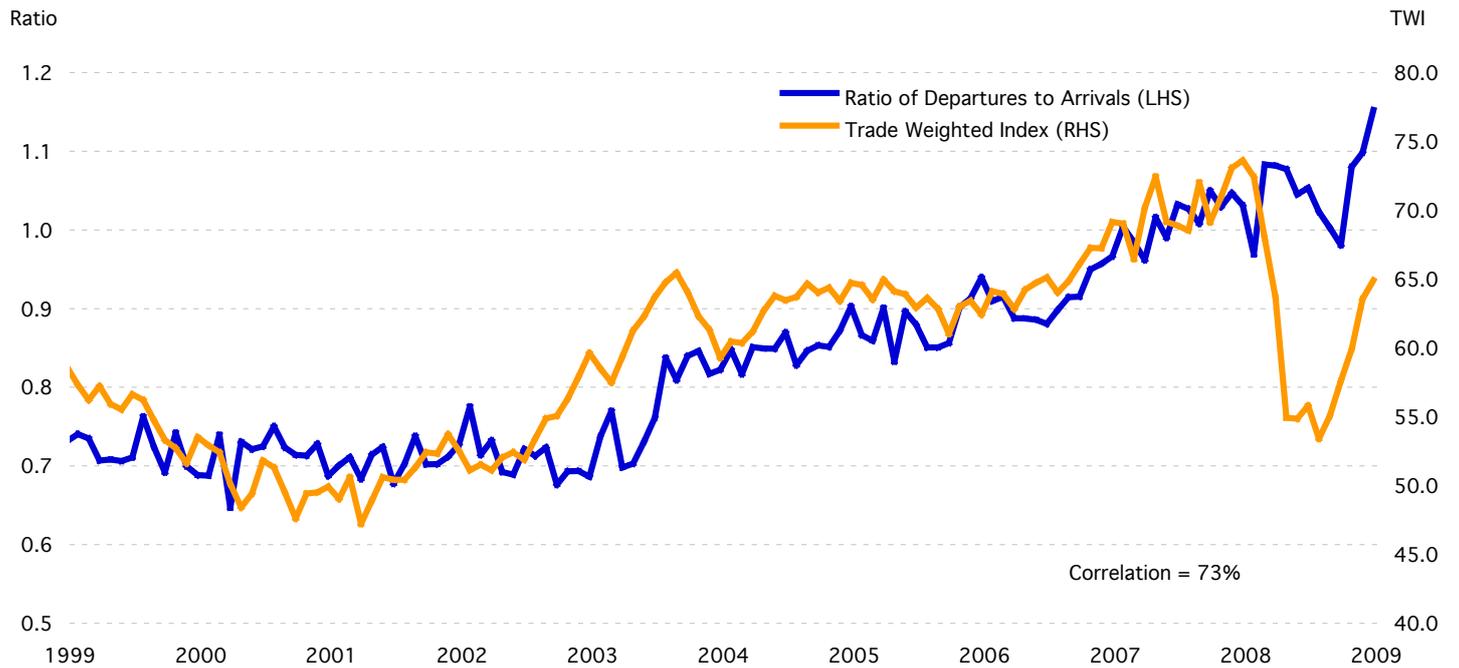
Source: ABS, Qantas Economics

Market drivers

CURRENCY IMPACTS ON INTERNATIONAL PASSENGERS

Passengers travelling to and from Australia are impacted by movements in exchange rates amongst other things. A stronger AUD makes outbound travel relatively cheaper for Australians and inbound travel more expensive for overseas visitors. This generates a positive correlation between the AUD exchange rate and the ratio of outbound to inbound travel.

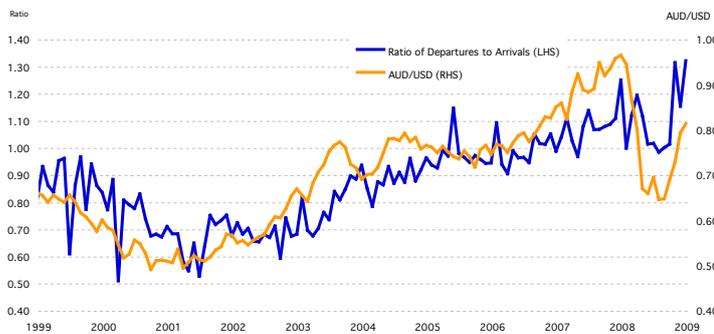
CORRELATION BETWEEN TOTAL AUSTRALIAN OUTBOUND/INBOUND PASSENGERS AND THE TRADE WEIGHTED INDEX



Source: RBA, ABS, Qantas Economics

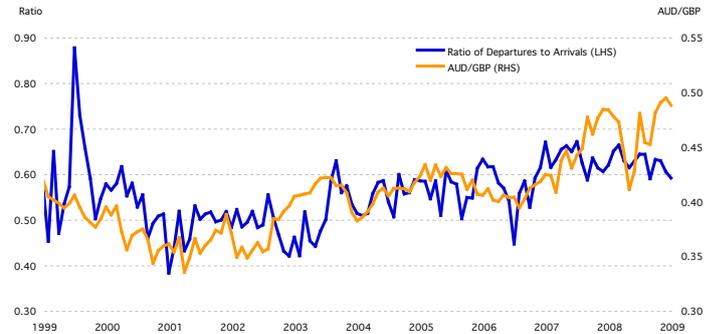
The relationship between the currency and inbound/outbound ratio is also noticeable on specific markets. For example, between the USA/Australia and UK/Australia.

CORRELATION INBOUND/OUTBOUND PASSENGERS TO/FROM THE USA/AUSTRALIA AND THE USD 1998/99 – 2008/09



Source: RBA, ABS, Qantas Economics

CORRELATION INBOUND/OUTBOUND PASSENGERS TO/FROM UK/AUSTRALIA AND THE GBP 1998/99 – 2008/09

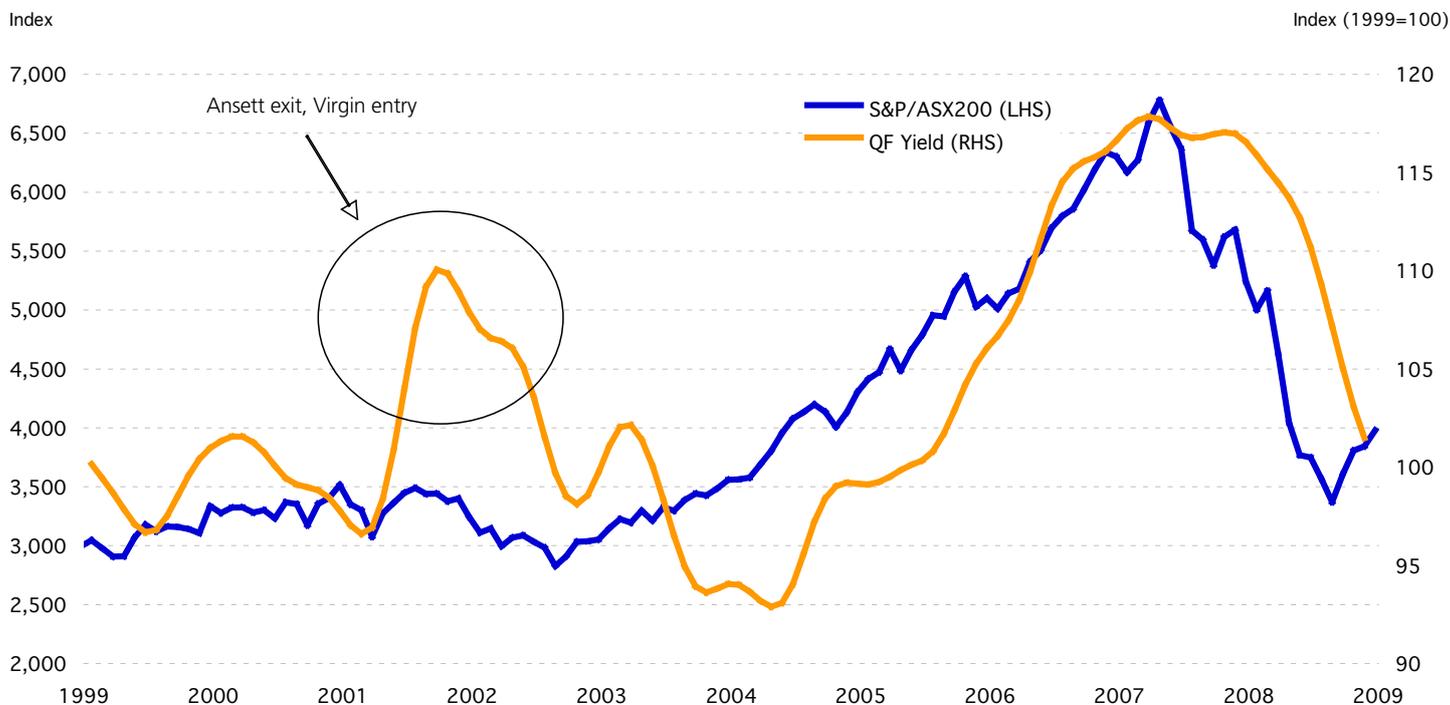


Source: RBA, ABS, Qantas Economics

Market drivers

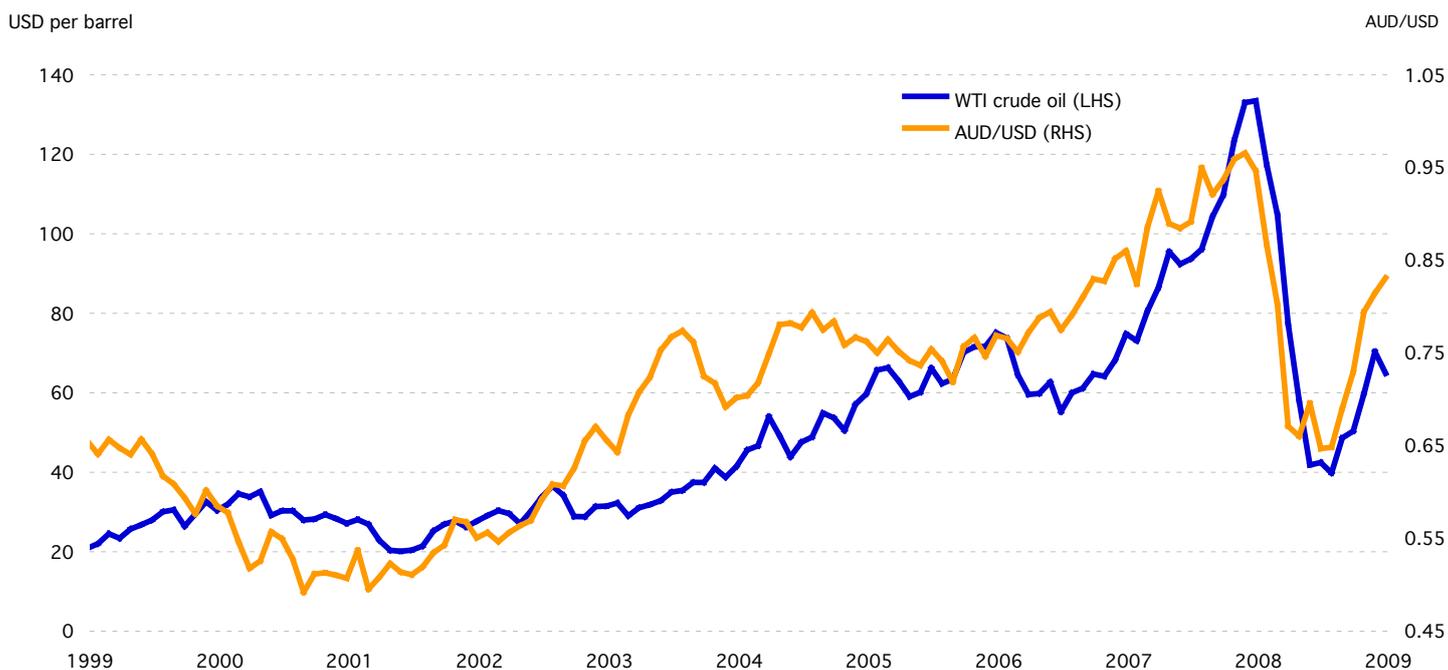
QANTAS YIELDS AND AUSTRALIAN EQUITY MARKET

QANTAS YIELD (INDEXED) V S&P/ASX200 1998/99 – 2008/09



Source: DX Data, Qantas internal database, Qantas Economics

WTI CRUDE OIL V AUD/USD 1998/99 – 2008/09



Source: US EIA, RBA

Qantas traffic and capacity statistics

Qantas Group	Unit	2008/09	2007/08	2006/07	2005/06	2004/05
Passengers	'000	38,438	38,621	36,449	34,075	32,658
Traffic (RPK)	m	99,176	102,466	97,622	90,899	86,986
Capacity (ASK)	m	124,594	127,019	122,119	118,070	114,003
Load factor	%	79.6	80.7	79.9	77.0	76.3
Qantas Domestic						
Passengers	'000	16,379	17,105	16,350	15,772	16,145
Traffic (RPK)	m	23,781	24,831	23,709	22,449	22,472
Capacity (ASK)	m	30,013	30,901	29,783	28,347	28,078
Load factor	%	79.2	80.4	79.6	79.2	80.0
QantasLink						
Passengers	'000	4,120	4,204	3,858	3,316	3,058
Traffic (RPK)	m	2,918	2,904	2,507	2,092	1,879
Capacity (ASK)	m	4,281	4,071	3,523	3,048	2,596
Load factor	%	68.2	71.3	71.2	68.6	72.4
Jetstar Domestic						
Passengers	'000	8,110	7,596	6,882	5,599	4,384
Traffic (RPK)	m	9,060	8,602	7,752	5,941	4,346
Capacity (ASK)	m	11,197	10,753	9,944	7,990	6,004
Load factor	%	80.9	80.0	78.0	74.4	72.4
Qantas International*						
Passengers	'000	7,243	8,138	8,600	9,188	9,401
Traffic (RPK)	m	54,337	59,030	60,709	59,948	58,631
Capacity (ASK)	m	66,871	71,563	74,596	78,012	77,834
Load factor	%	81.3	82.5	81.4	76.8	75.3
Jetstar International**						
Passengers	'000	2,123	1,578	759	200	–
Traffic (RPK)	m	8,412	7,099	2,945	469	–
Capacity (ASK)	m	11,355	9,731	4,273	673	–
Load factor	%	74.1	73.0	68.9	69.7	–
Jetstar Asia***						
Passengers	'000	463	–	–	–	–
Traffic (RPK)	m	668	–	–	–	–
Capacity (ASK)	m	878	–	–	–	–
Load factor	%	76.0	–	–	–	–

* Includes Australian Airlines in 2004/05.

** Jetstar International commenced operations in November 2006.

*** Jetstar Asia became a Qantas Group subsidiary in April 2009.

Qantas traffic and capacity statistics

Qantas Group	Unit	2003/04	2002/03	2001/02	2000/01	1999/00
Passengers	'000	30,076	28,884	27,128	22,147	20,485
Traffic (RPK)	m	81,276	77,225	75,134	70,540	64,149
Capacity (ASK)	m	104,200	99,509	95,944	92,943	85,033
Load factor	%	78.0	77.6	78.3	75.9	75.4
Qantas Domestic						
Passengers	'000	17,700	16,789	15,063	11,218	10,646
Traffic (RPK)	m	23,711	22,496	20,168	14,790	13,959
Capacity (ASK)	m	29,713	28,754	25,373	18,695	17,369
Load factor	%	79.8	78.2	79.5	79.1	80.4
QantasLink						
Passengers	'000	2,996	3,527	3,641	3,166	2,886
Traffic (RPK)	m	1,931	2,332	2,357	2,068	1,954
Capacity (ASK)	m	2,687	3,233	3,334	3,001	2,785
Load factor	%	71.9	72.1	70.7	68.9	70.2
Jetstar Domestic						
Passengers	'000	315	0	0	0	0
Traffic (RPK)	m	277	0	0	0	0
Capacity (ASK)	m	383	0	0	0	0
Load factor	%	72.3	0	0	0	0
Qantas International*						
Passengers	'000	9,111	8,568	8,424	7,763	6,953
Traffic (RPK)	m	55,395	52,397	52,609	53,682	48,236
Capacity (ASK)	m	71,455	67,522	67,237	71,247	64,879
Load factor	%	77.5	77.6	78.2	75.3	74.3
Jetstar International**						
Passengers	'000	0	0	0	0	0
Traffic (RPK)	m	0	0	0	0	0
Capacity (ASK)	m	0	0	0	0	0
Load factor	%	0	0	0	0	0
Jetstar Asia***						
Passengers	'000	0	0	0	0	0
Traffic (RPK)	m	0	0	0	0	0
Capacity (ASK)	m	0	0	0	0	0
Load factor	%	0	0	0	0	0

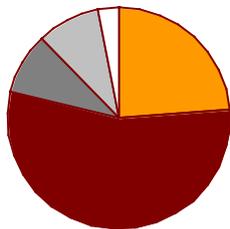
* Includes Australian Airlines in 2004/05.

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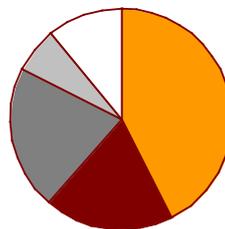
Passengers and market share

**DISTRIBUTION OF TRAFFIC RPK
2008/09**



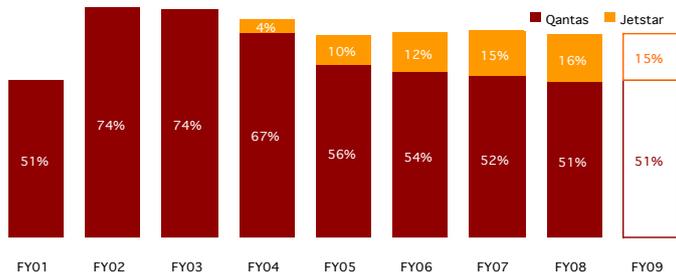
■ Qantas Domestic	24%
■ Qantas International	55%
■ Jetstar Domestic	9%
■ Jetstar International	9%
■ QantasLink	3%

**DISTRIBUTION OF PASSENGERS
2008/09**



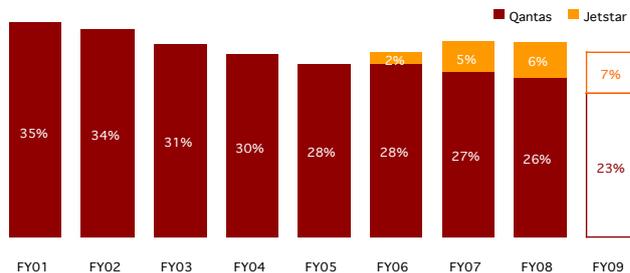
■ Qantas Domestic	43%
■ Qantas International	19%
■ Jetstar Domestic	21%
■ Jetstar International	7%
■ QantasLink	10%

**QANTAS GROUP DOMESTIC MARKET SHARE
2000/01 – 2008/09**



Source: BITRE

**QANTAS GROUP INTERNATIONAL MARKET SHARE
2000/01 – 2008/09**



Source: BITRE

Fleet



Fleet

At 30 June 2009, the Qantas Group operated a total passenger fleet of 229 aircraft. In addition, Express Freighters Australia operated four dedicated freighter aircraft.

AIRCRAFT ORDERS (AS AT 30 JUNE 2009)

2009/10 – 2017/18	Firm Order
Airbus A330-200	2
Airbus A320-200/A321-200	62
Airbus A380-800	16
Boeing B787-8/B787-9	50
Boeing B737-800	31
Bombardier Q400	7
Total	168

Aircraft List Prices	USD, million
Boeing B737-800	72.5 – 81.0
Boeing B747-400/400ER	234.0 – 266.5
Boeing B767ER	144.5 – 161.5
Boeing B787-8	161.0 – 171.5
Boeing B787-9	194.0 – 205.5
Airbus A320	73.2 – 80.6
Airbus A321	87.7 – 92.8
Airbus A330-200	176.3 – 185.5
Airbus A330-300	195.9 – 205.7
Airbus A380	317.2 – 337.5

Source: Boeing and Airbus websites, June 2009

Qantas negotiates its own price with both Airbus and Boeing. The agreed price is not disclosed due to commercial reasons.

Fleet Retirements

In December 2008 Qantas retired its fleet of Boeing B747-300 aircraft. Since then two Boeing B737-300, and three B717-200 aircraft were retired from the fleet.

In addition, Bombardier Dash 8-100 aircraft have been retired progressively since 2004/05 and the last aircraft was retired in September 2008. They are being replaced with Bombardier Q300 and Q400 aircraft.

The equivalent of 10 aircraft have been identified for grounding or for reducing utilisation and are being withdrawn from the fleet for storage or sale.

QANTAS GROUP FLEET AS AT 30 JUNE 2009

Aircraft Type	Owned ¹	Operating		Total ²
		Lease		
Boeing B747-400ER	6	–		6
Boeing B747-400	20	4		24
Boeing B767-300ER	19	10		29
Boeing B737-800	29	9		38
Boeing B737-400	21	–		21
Boeing B737-300	3	–		3
Boeing B737-300SF	4	–		4
Airbus A380-800	3	–		3
Airbus A330-200	6	6		12
Airbus A330-300	10	–		10
Airbus A320-200	–	33		33
Airbus A321-200	–	4		4
Boeing B717-200	–	11		11
Dash 8-200/Q300	21	–		21
Bombardier Q400	14	–		14
Total	156	77		233
Qantas	146	40		186
Jetstar	6	37		43
Total Passenger Fleet	152	77		229
Express Freighters Australia	4	–		4
Total	156	77		233

¹Includes Hire Purchase and Finance Lease Aircraft.

²Excludes Jetstar Asia.

Fleet

AIRCRAFT AS AT 30 JUNE 2009



Airbus A380	Unit	
Number of aircraft	#	3
Max number of seats	seats	450
Configuration	seats	P 14, J 72, W 32, Y 332
Length	m	72.6
Wingspan	m	79.8
Altitude	m	13,700
Cruising speed	km/h	920
Range (full payload)	km	14,800
Engines	Type	Rolls Royce Trent 900s



Boeing B747-400/400ER	Unit	
Number of aircraft	#	24/6
Max number of seats	seats	412/307
Configuration	seats	Kangaroo: P 14, J 52, W 32, Y 255 Pacific: P 14, J 66, W 40, Y 187 Other: J 56, Y 356
Length	m	70.7
Wingspan	m	64.4
Altitude	m	13,700
Cruising speed	km/h	920
Range (full payload)	km	12,700/12,971
Engines	Type	Rolls Royce RB211-524G-T/ General Electric CF6-80C2B5F



Airbus A330-200*/300	Unit	
Number of aircraft	#	12/10
Max number of seats	seats	303/297
Configuration	seats	J 30-36, Y 199 – 267
Length	m	58.4/63.7
Wingspan	m	60.3/60.3
Altitude	m	12,500
Cruising speed	km/h	890
Range (full payload)	km	8,500/7,000
Engines	Type	General Electric CF6-80E1A4

*6 operated by Jetstar



Boeing B767ER	Unit	
Number of aircraft	#	29
Max number of seats	seats	254
Configuration	seats	J 25-30, Y 204-224
Length	m	54.9
Wingspan	m	60.3
Altitude	m	13,100
Cruising speed	km/h	890
Range (full payload)	km	9,085
Engines	Type	Rolls Royce RB211-524H/ General Electric CF6-80C2-B6

P = First Class, J = Business Class, W = Premium Economy, Y = Economy Class

Fleet

AIRCRAFT AS AT 30 JUNE 2009



Airbus A320/A321*	Unit	
Number of aircraft	#	33/4
Max number of seats	seats	177/210
Configuration	seats	All Economy
Length	m	37.7/44.5
Wingspan	m	34.1/34.1
Altitude	m	12,000
Cruising speed	km/h	850/830
Range (full payload)	km	4,800
Engines	Type	International Aero Engines V2500

*operated by Jetstar



Boeing B737-300/400/800	Unit	
Number of aircraft	#	3/21/38
Max number of seats	seats	130/150/168
Configuration	seats	J 8-16, Y 112-156
Length	m	33.4/36.4/39.5
Wingspan	m	28.9/28.9/35.8
Altitude	m	11,300/11,300/12,500
Cruising speed	km/h	830/830/850
Range (full payload)	km	4,100/4,400/4,800
Engines	Type	CFM International CFM56-3B-2/ CFM56-3C-1/ CFM56-7B24/ CFM56-7B26



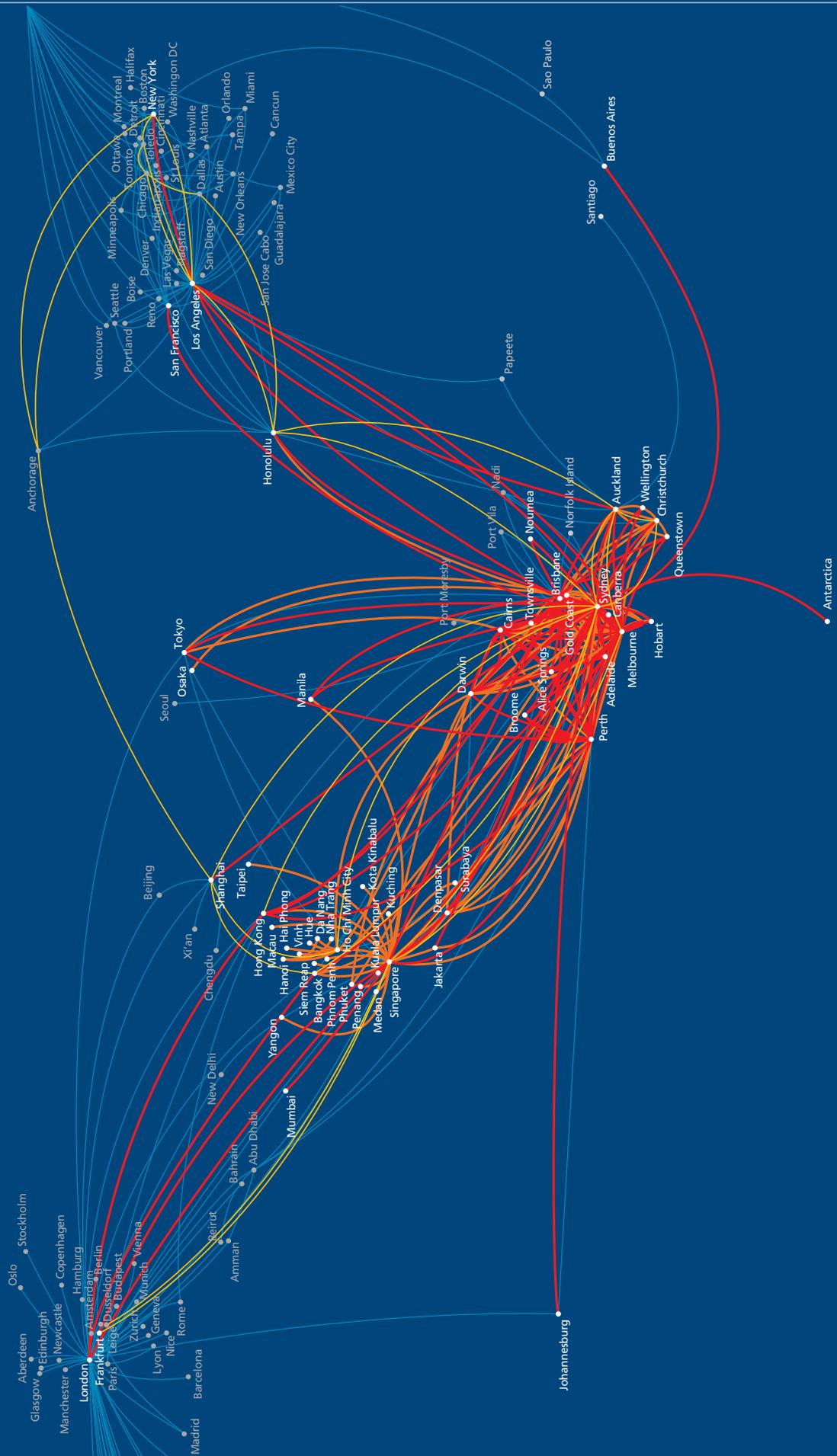
Bombardier Dash 8/Q400	Unit	
Number of aircraft	#	21/14
Max number of seats	seats	50/72
Configuration	seats	All Economy
Length	m	25.7/32.8
Wingspan	m	27.4/28.4
Altitude	m	7,600
Cruising speed	km/h	500/670
Range (full payload)	km	1,557/1,668
Engines	Type	Pratt & Whitney PW150A



Boeing B717	Unit	
Number of aircraft	#	11
Max number of seats	seats	115
Configuration	seats	All Economy
Length	m	37.8
Wingspan	m	28.4
Altitude	m	10,700
Cruising speed	km/h	850
Range (full payload)	km	2,408
Engines	Type	Rolls Royce Deutschland BR-715

P = First Class, J = Business Class, W = Premium Economy, Y = Economy Class

Qantas Group network



- Qantas operates more than 4,700 flights each week to 72 destinations in Australia and around the world – to every continent.
- The Jetstar brands operate around 1,900 flights each week to 50 destinations in Australia, New Zealand, Asia and the United States.
- Dedicated freighter services offer wide-body cargo capacity to key ports in Asia, the Pacific and North America.
- Routes operated by Qantas' partner airlines, including codeshare services, provide even more connections around the world.

Alliance and partners

Qantas Group is a founding member of oneworld. In addition, Qantas has 26 bilateral codeshare partners extending the Qantas network beyond its own destinations offering passengers a global network.

oneworld

The **oneworld** alliance comprises some of the world's leading airlines. Customers can earn and redeem frequent flyer points and earn status credits with all member airlines on eligible fares across the **oneworld** network and, for top tier members, enjoy their privileges across over 550 lounges worldwide. Alliance members also work together to make travel across their combined networks as smooth as possible. **oneworld** was the first airline alliance to offer interline e-ticketing across all member carriers, meaning customers can travel with the convenience of a single electronic ticket across the combined **oneworld** network. **oneworld** also offers an unrivalled choice of tickets, including the popular Explorer round-the-world fare and Visit passes for each continent. QantasLink is an **oneworld** affiliate airline.

JOINT SERVICES AGREEMENT (JSA)

Qantas and **oneworld** partner British Airways (BA) entered into a Joint Services Agreement (JSA) in 1995, giving customers a wider range of routing and fare options between Australia, Asia and Europe, reciprocal member lounge access and frequent flyer program benefits and the establishment of joint lounges in a number of ports. In February 2005, the Australian Competition and Consumer Commission (ACCC) renewed its approval of the continuation of the JSA on the Kangaroo Route between Australia, Asia and Europe for a further five years. The authorisation gives Qantas and BA the ability to coordinate schedules and pricing on their services between Australia, Asia and Europe. The JSA is a profit sharing arrangement where costs and revenue on the JSA routes are aggregated and the benefits are shared based on the capacity contribution.

As a result of the JSA, Qantas and BA have an extensive codeshare relationship and share a wide variety of resources. The partnership has led to the integration of operations in Bangkok and Singapore, joint or co-located airport and sales offices in a number of locations around the world and the sharing of airport lounges in Bangkok, Hong Kong, and Singapore.

Together, Qantas and BA operate 42 return services between Australia and the United Kingdom and Europe each week under the JSA.

OTHER CODESHARE PARTNERS

In addition to its bilateral relationships with BA, American Airlines and Air Pacific, Qantas has codeshare relationships with many other leading airlines, offering customers an extended network that provides seamless access to destinations around the world.

As at 30 June 2009 Qantas had codeshare arrangements with 26 partners and will continue to explore new opportunities.

Alliance and partners

Partner	Explanation of code share and co-operations
Aircalin	Qantas and Aircalin codeshare on services between Sydney, Brisbane and Noumea.
Air Niugini	Qantas codeshares on all Air Niugini services between Port Moresby and Cairns, Sydney and Brisbane.
Air France	Qantas codeshares on all Air France services between Singapore and Paris and between Hong Kong and Paris. Air France codeshares on selected Qantas services between Singapore and Sydney, Melbourne, Brisbane, Adelaide and Perth and between Hong Kong and Sydney, Melbourne and Brisbane.
Airnorth	Qantas codeshares on Airnorth services between Kununurra and Perth, Darwin and Broome.
Air Pacific	Qantas codeshares on Air Pacific services between Nadi and Sydney, Melbourne, Brisbane, Honolulu, Los Angeles, Auckland and Christchurch.
Air Tahiti Nui	Qantas codeshares on all Air Tahiti Nui services between Papeete and Auckland and also selected services between Papeete and Los Angeles. Air Tahiti Nui codeshares on selected Qantas services between Auckland and Sydney.
Air Vanuatu	Qantas codeshares on all Air Vanuatu services between Port Vila and Sydney, Melbourne and Brisbane.
Alaska Airlines/ Horizon Air	Qantas codeshares on Alaska services from: <ul style="list-style-type: none"> • Los Angeles to Seattle, Vancouver, Portland, Anchorage, Flagstaff, Reno and Boise; • San Francisco to Seattle, Portland and Vancouver; and • Honolulu to Seattle and Anchorage.
Alliance Airlines	Qantas codeshares on Alliance Airlines services between Adelaide and Olympic Dam.
American Airlines	Qantas codeshares on American Airlines services from: <ul style="list-style-type: none"> • Los Angeles to Austin, Boston, Chicago, Dallas/Fort Worth, Denver, Fresno, Honolulu, Las Vegas, Miami, Monterey, Nashville, Newark, New York, Orlando, San Diego, San Francisco, San Jose, Santa Barbara, St Louis, Toronto and Washington DC; • San Francisco to Boston, Chicago, Dallas/Fort Worth, Honolulu, Miami, New York, Santa Ana and St Louis; • Chicago to Atlanta, Cincinnati, Detroit, Honolulu, Indianapolis, Minneapolis, New Orleans, Tampa, Ottawa, Montreal and Toronto; • Dallas/Fort Worth to Atlanta, Cincinnati, Detroit, Honolulu, Indianapolis, Memphis, Minneapolis, New Orleans and Tampa; and • New York to Montreal, Halifax, Toronto and Tampa. American Airlines codeshares on Qantas services: <ul style="list-style-type: none"> • from Los Angeles to Auckland, Brisbane, Melbourne and Sydney; • from Sydney to Honolulu, New York and San Francisco; • 11 Australian domestic routes; and • Four trans-Tasman routes.
Asiana Airlines	Qantas codeshares on Asiana services between Seoul and Sydney.
British Airways	Qantas and British Airways codeshare on each others' services between Australia, Singapore, Bangkok, and both London and Frankfurt. Qantas codeshares on British Airways services beyond London Heathrow to: <ul style="list-style-type: none"> • 17 points in Continental Europe; Amsterdam, Barcelona, Berlin, Copenhagen, Dusseldorf, Frankfurt, Geneva, Hamburg, Lyon, Madrid, Munich, Nice, Paris, Oslo, Stockholm, Vienna and Zurich; • Five points within the United Kingdom; Aberdeen, Edinburgh, Glasgow, Manchester and Newcastle. British Airways codeshares on selected Qantas services; <ul style="list-style-type: none"> • 10 Australian domestic routes; • Six trans-Tasman routes; and • Between Auckland and Los Angeles.
Cathay Pacific	Qantas codeshares on Cathay Pacific services between Hong Kong and Rome.
China Eastern Airlines	Qantas codeshares on China Eastern services between Shanghai and Beijing, Chengdu and Xian. China Eastern codeshares on Qantas services between Auckland and Sydney and Auckland and Melbourne.

Alliance and partners

Partner	Explanation of code share and co-operations
Deutsche Bahn	Qantas codeshares on Intercity-Express rail services operated by Deutsche Bahn between Frankfurt and Cologne, Dusseldorf, Hamburg, Hanover, Munich, Nuremberg and Stuttgart.
Etihad Airways	Qantas codeshares on all Etihad services between Abu Dhabi and Sydney, Melbourne and Brisbane. It also codeshares onto selected connecting services from Abu Dhabi to Amman, Bahrain and Beirut. Etihad codeshares on selected Qantas services between Sydney and Cairns, Brisbane and Auckland and between Melbourne and Adelaide.
Eva Air	Qantas codeshares on Eva Air services between Brisbane and Taipei.
Iberia	Qantas codeshares on Iberia services between Madrid and London and between Madrid and Frankfurt. Iberia codeshares on Qantas services between London and Sydney and between Frankfurt and Sydney.
Japan Airlines	Qantas codeshares on Japan Airlines services between Brisbane and Tokyo. Qantas also codeshares on selected services between Singapore and Tokyo and Singapore and Osaka. Japan Airlines codeshares on selected Qantas services between Singapore and Melbourne, Adelaide and Perth.
Jet Airways	Qantas codeshares on Jet Airways services between Singapore and New Delhi, and Singapore and Mumbai. Jet Airways codeshares on selected Qantas services between Singapore and Sydney, Melbourne, Brisbane, Perth and Adelaide.
LAN Airlines	Qantas codeshares on all LAN services between Sydney, Auckland and Santiago.
Malev Hungarian Airlines	Qantas codeshares on Malev services between Budapest and Frankfurt.
Mexicana	Qantas codeshares on Mexicana services between Los Angeles and Mexico City, Cancun, Guadalajara and San Jose de Cabo and also between San Francisco and Mexico City. Mexicana codeshares on Qantas services between Los Angeles and Sydney, Brisbane and Melbourne, and also between San Francisco and Sydney.
Our Airline	Qantas codeshares on Our Airline services between Norfolk Island and Sydney, Brisbane and Newcastle.
South African Airways	Qantas codeshares on all South African Airways services between Johannesburg and Perth. South African Airways codeshares on all Qantas services between Sydney and Johannesburg.
Vietnam Airlines	Qantas codeshares on Vietnam Airlines services between Ho Chi Minh City and Sydney, and also between Ho Chi Minh City and Melbourne.

Qantas portfolio of businesses



Qantas portfolio of businesses

QANTAS

Qantas is a single integrated airline providing airline transportation through its two Qantas brands - Qantas and QantasLink. Qantas is comprised of Commercial, Customer and Marketing and Operations. Qantas Operations comprises Engineering, Airports, Catering, Flight Operations, Operations Planning and Control and Associated Businesses.

Qantas is Australia's largest full service airline, operating a fleet of 186 aircraft and carrying 28 million passengers to 72 destinations in Australia, New Zealand, Asia, North and South America, Africa and Europe.

Qantas is a premium, full-service airline offering First, Business, Premium Economy and Economy products on certain international services, Business and Economy products on domestic services, a Frequent Flyer program, inflight meals and airport lounges. Qantas manages a global sales and distribution network including qantas.com, Australia's leading travel website. Qantas is a founding member of the **oneworld** global airline alliance.

QantasLink is a wholly-owned subsidiary of Qantas Airways serving 52 metropolitan and regional destinations across Australia with 46 aircraft and approximately 1,750 flights each week.

Commercial Operations

Commercial Operations focus on the sales, distribution and network for the airline. Qantas distributes its products through travel agents and via its Qantas Travel centres, Qantas Telephone Sales centres, the internet and travel wholesalers such as Qantas Holidays.

Network planning, inventory management and pricing aim to achieve an optimal return from a network offering designed to suit the needs of a wide range of customers.

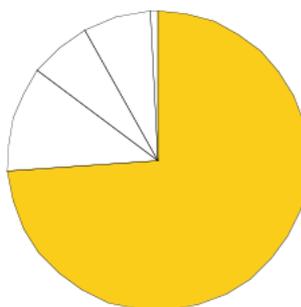
Alliance and codeshare development work with the 26 codeshare partners while looking for further opportunities with other airlines.

Customer and Marketing

The Customer and Marketing function of the airline is responsible for the Qantas brand, as well as designing and delivering the end-to-end customer experience on the ground and in the air. This involves incorporating customer feedback, market segmentation, competitive benchmarking and economic analysis to design and develop world-leading products and services which strengthen the Qantas brand and enhance customer satisfaction. Inflight Services is responsible for ensuring every item that is needed on board any flight, is sourced, purchased, shipped and loaded on board every aircraft in the correct quantities. Our Cabin Crew team deliver an exceptional service experience for our customers onboard, whilst our dedicated Customer Care unit is responsible for managing post-flight customer service and recovery.

Marketing encompasses all aspects of Qantas' advertising and promotional activities, using traditional and emerging digital media channels, as well as leveraging Qantas' sporting, arts and community sponsorships under the "Sharing the Spirit Program".

QANTAS PROPORTION OF GROUP REVENUES 2008/09



Qantas Financial Statement \$M	2008/09	2007/08
External segment revenue	10,784	11,877
Intersegment revenue	926	1,094
Total Qantas revenues	11,710	12,971

Share of net (loss)/profit of associates and jointly controlled entities	(13)	12
Qantas underlying EBITDAR	1,363	2,834
Depreciation and amortisation	(1,106)	(1,219)
Non-canc operating lease rentals	(253)	(257)
Qantas underlying EBIT	4	1,358

Operational data	2008/09	2007/08
Destinations	72	75
Daily departures	716	691
Number of passengers ('000)	27,742	29,450
RPK (m)	81,036	86,766
ASK (m)	101,165	106,536
Load factor (%)	77.9	81.4
Yield variance to prior year (%)	(4.1)	5.9
Number of aircraft	186	188
Qantas on time departures < 15 minutes (%)	80.8	79.1
Number of FTE	27,636	29,573

Qantas portfolio of businesses

QANTAS

Qantas Flight Operations

Qantas Flight Operations manages around 2,400 Pilots and the associated planning, training and scheduling required to execute Qantas' premium domestic and international flying program. Flight Operations' objective is to ensure the safe, effective and efficient flying operations of Qantas' premium airline.

As industry leaders in technology development, Flight Operations is helping Qantas harness the full potential of both its technological expertise and industry experience to set the highest operational standards to deliver world's best safety.

Operations Planning and Control

Operations Planning and Control (OP&C) manages the airline's Integrated Operations Centre (IOC) which houses functional experts from across the airline who manage the operation of up to 3,500 flights per week. The aim of the IOC is to focus on the customer in the delivery of the schedule and in the development of plans to recover from service disruptions. The IOC operates 24 hours per day, seven days per week, every day of the year. OP&C also focuses on delivering the published schedule and improving on time performance.

Engineering

Qantas Engineering operates one of the largest aircraft engineering and maintenance organisations in the Asia-Pacific region. As a full-service Maintenance, Repair & Overhaul organisation, Qantas Engineering ranks in the top 15 globally by civil operations revenue. Qantas Engineering operates Australian facilities in Adelaide, Avalon, Brisbane, Melbourne, and Sydney.

Airports

The Qantas Group's domestic and international airport operations provide a range of services to the Qantas Group airlines and other international airlines, including check-in, baggage handling, load control and the operation of lounge facilities. Express Ground Handling, a wholly owned subsidiary, provides baggage handling services to meet the cost, aircraft turnaround time and utilisation requirements of low cost airline Jetstar.

The Qantas Group currently owns and operates its own domestic terminals in Sydney and Melbourne. Qantas also operates its own leased domestic terminals in Brisbane, Canberra, Hobart and Perth and shares facilities at common-user terminals at other ports across Australia and overseas. Qantas operates 41 lounges as part of its terminal operations, offering Qantas Club members, First and Business class customers a relaxed and efficient working environment. Qantas Airports handles 26.5 million passengers yearly and has 27 external airline customers.

Catering

Catering is a wholly-owned subsidiary of the Qantas Group and is the largest flight caterer in Australia, servicing premium airlines, special needs of VIP aircraft, charter operations and providing catering and related services to long distance rail clients. Meals produced are supplied to Qantas, QantasLink and external customers, from both the airline and non-airline industries.

Catering consists of the premium catering business, Q Catering, and the meal component manufacturer Snap Fresh. Between them, they produced over 36 million meals across seven centres Australia-wide for 35 customers in the financial year 2008/09. Q Catering and Snap Fresh are ISO22000 certified, making the Qantas Group the first multi-site flight caterer in the world to achieve this certification at all of its locations.

Q Catering services customers through seven centres around Australia in Adelaide, Brisbane, Cairns, Melbourne, Perth, and its two centres in Sydney. Snap Fresh specialises in the centralised production of frozen meals for airline and non-airline customers.

Associated Businesses

The Associated Businesses Group delivers specialist services to the Qantas Group and third party customers. Qantas Defence Services (QDS) provides expert support for the Royal Australian Air Force (RAAF) C130 Hercules aircraft and the Australian Government's VIP aircraft. QDS is also providing aircraft conversion services for Airbus Military on the RAAF's Multi Role Tanker Transport.

LTQ is a joint venture between the Qantas Group and Lufthansa Technik to repair and overhaul Qantas, Lufthansa and third party General Electric engines and Qantas flap tracks.

Associated Businesses is also consolidating the support function for the Qantas Group's wide range of Ground Support Equipment.

Qantas portfolio of businesses

JETSTAR

Jetstar is the Qantas Group's low cost airline brand. Jetstar is a wholly-owned subsidiary of the Qantas Group and has separate management to Qantas. Based in Melbourne, Jetstar commenced operations on 25 May 2004 and is both the world's largest low-cost long haul carrier and now the largest low cost carrier in Asia. Jetstar is comprised of Jetstar Domestic, including EGH, Jetstar International, including New Zealand based operations; and holdings in Singapore based Jetstar Asia/Valuair and Vietnam based Jetstar Pacific.

Domestic and short haul international

Jetstar has been profitable since start-up and is predicted to be 10 times its launch operational size by 2012. Operations carried over 10.7 million passengers to 50 destinations in Australia, New Zealand and Asia in 2008/2009. The Group also has strategic investments in Jetstar Asia/Valuair based in Singapore and Jetstar Pacific based in Vietnam, both of which have brand and business service agreements with Jetstar.

Jetstar operates a fleet of 37 single-class Airbus A320/A321 aircraft on domestic and short haul international routes, within and from Australia/New Zealand. Jetstar proposes to accept at least seven A320/A321 aircraft during 2009/10 in addition to more A330-200s including one operational delivery within 2009/10.

Jetstar commenced international long haul flying on 23 November 2006, and offers two-class Airbus A330-200 services from Sydney, Melbourne, Cairns and the Gold Coast.

Jetstar first commenced international flying on the trans Tasman market from Christchurch in December 2005. In April 2009, Jetstar entered the Auckland market with daily services to Sydney and the Gold Coast. Jetstar replaced Qantas in the domestic New Zealand market in June 2009, operating 84 services a week between Auckland, Christchurch, Queenstown and Wellington.

An expanding base in Darwin for both domestic and international flights into Asia including Singapore, Ho Chi Minh City and Denpasar (Bali) is planned to grow from three A320s by mid 2009 to seven aircraft by 2012, serving numerous domestic and near Asian markets. From late October 2008 international short haul operations commenced from Perth, further growing Jetstar's pan Asian footprint. More recently Jetstar's Perth operations grew with flights from Melbourne, Adelaide and Cairns.

Jetstar has its own line and heavy maintenance operations. A320 heavy maintenance is performed at Jetstar's Newcastle maintenance base. Qantas Engineering maintains the carrier's A330-200 fleet.

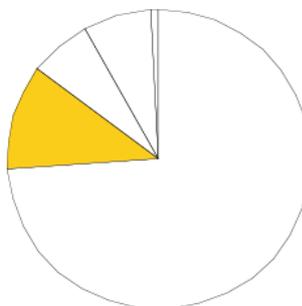
Jetstar Asia

The Qantas Group has a 49 per cent interest in Jetstar Asia and its sister airline, Singapore-based Valuair. Jetstar Asia and Valuair operate as separate brands and fly to 17 destinations in 10 Asian countries – Cambodia, Hong Kong, Indonesia, Macau, Malaysia, Myanmar, the Philippines, Taiwan, Thailand and Vietnam. Jetstar Asia/Valuair operates a fleet of seven A320 aircraft, but will move to 10 aircraft in 2009/10.

Jetstar Pacific is the only low cost, value-based airline in Vietnam and is 27 per cent owned by the Qantas Group.

The investment supports Jetstar's pan-Asian growth strategy and positions the Group to participate in the aviation industry in Vietnam. The country has a population of 84 million and has significant scope to grow the share of air travel and offers proximity to some of the fastest growing international markets in Asia. The airline was re-branded Jetstar Pacific (from Pacific Airlines) on 23 May 2008 under a Business Services Agreement and Branding Agreement with Jetstar. Under these agreements, Jetstar provides a broad range of commercial services, common branding and distribution arrangements. Jetstar Pacific has a future fleet plan to transition to all A320 operations.

JETSTAR PROPORTION OF GROUP REVENUES 2008/09



Jetstar Financial Statement \$M	2008/09	2007/08
External segment revenue	1,646	1,341
Intersegment revenue	205	223
Total Jetstar revenues	1,851	1,564

Share of net profit of associates and jointly controlled entities	(15)	3
Jetstar underlying EBITDAR	373	317
Depreciation and amortisation	(15)	(5)
Non-cancellable operating lease rentals	(251)	(210)
Jetstar underlying EBIT	107	102

Operational data	2008/09	2007/08
Destinations	50	30
Daily departures	199	176
Number of passengers ('000)	10,696	9,174
RPK (m)	18,140	15,702
ASK (m)	23,430	20,484
Load factor (%)	77.4	76.7
Yield variance to prior year (%)	(0.0)	5.1
Number of aircraft	43	36
Jetstar % domestic departures < 15 minutes	76.8	78.4
Number of FTE	3,010	2,735

Qantas portfolio of businesses

QANTAS FREIGHT ENTERPRISES

Qantas has been carrying freight since the airline's inaugural regular scheduled service in 1922, and uplifting international mail since the airline's first overseas flight to Singapore in 1935. Today, the Qantas Group's freight assets are controlled by the wholly-owned subsidiary Qantas Freight Enterprises (QFE).

Internationally, Qantas Air Freight (Air Freight) markets the freight capacity of all Qantas and Jetstar international aircraft and operates a fleet of three wet-leased B747-400SF freighters and one B767-300 freighter. Air Freight offers services on over 850 weekly Qantas and Jetstar flights to over 150 destinations in 38 countries. This network is complemented by commercial agreements with oneworld and other carriers through the use of an extensive trucking fleet throughout Australia, Europe and the USA.

Qantas Freight operates a further four B737-300 freighters which are leased through the Express Freighters Australia company which holds its own Air Operators Certificate (AOC) to its domestic express joint venture vehicle, Australian air Express.

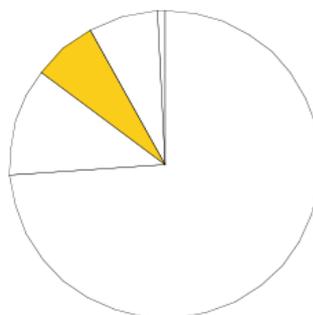
QFE is Australia's largest operator of cargo handling terminals with facilities throughout Australia and one in Los Angeles, servicing both Qantas and other third party clients.

In May 2008, QFE acquired Jets Transport Express, a specialist provider of trucking services for air freight movements within Australia. The acquisition enables QFE to manage the airside/trucking interface more effectively, delivering terminal operation efficiencies and providing existing customers with an alternative distribution offering.

In the domestic express sector, the Qantas Group owns 50 per cent of two joint ventures with Australia Post: Australian air Express and Star Track Express. Australian air Express is Australia's leading domestic express air freight service company. It operates dedicated freighter aircraft and markets Qantas and Jetstar domestic bellyspace. Star Track Express is a premier road express transport and logistics solutions provider of high value, express/time sensitive cargo in the business-to-business market.

In mid-2007, QFE acquired DPEX Worldwide, Asia's fifth largest express courier operator (excluding Japan). DPEX's network of vehicles, employees and service centres covers 18 countries across Asia.

QFE'S PROPORTION OF GROUP REVENUES 2008/09



QFE Financial Statement \$M	2008/09	2007/08
External segment revenue	1,077	1,140
Intersegment revenue	3	1
Total QFE revenues	1,080	1,141

Share of net profit of jointly controlled entities	13	22
QFE underlying EBITDAR	25	96
Depreciation and amortisation	(12)	(11)
Non-cancellable operating lease rentals	(6)	(6)
QFE underlying EBIT	7	79

Operational and key data	2008/09	2007/08
AFTK, international	4,046	4,322
Freight aircraft, international	4	3
Freight aircraft, domestic	4	4
Number of FTE#	1,256	1,374

#Includes DPEX Worldwide and Jets Transport Express

Qantas portfolio of businesses

QANTAS FREQUENT FLYER

Qantas Frequent Flyer (QFF) was established as a separate segment within the Qantas Group in September 2007. Australia's premier coalition loyalty program has over 6.2 million member accounts (5.8 million as at 30 June 2009). Qantas market research indicates QFF is one of the main reasons people choose to fly with Qantas.

QFF has over 400 earn partners, who pay QFF to issue points to members when they purchase partner products or services. The combination of a wide partner network for earning, and a large member base, makes the QFF program more valuable to both partners and members. QFF has a wide range of Awards for members to redeem, including Classic Award flights on Qantas, Jetstar and 23 partner airlines, Qantas and Jetstar Any Seat Awards, and over 1,200 merchandise and voucher options in Australia and New Zealand through the QFF Store.

Segmentation

The segmentation of QFF as a segment was designed to provide greater focus on growing the strong and stable cash flow and profit, while preserving and enhancing the synergies between QFF and the Qantas Group airlines. Segmentation has assisted in QFF becoming a coalition loyalty program and build a scalable business with a deep understanding of members and their behaviour. The segment is responsible for administering and growing the QFF program. Qantas, QFF's biggest partner, retains the ability to manage the airline's tier recognition system, including lounges and airline points offering.

Earn Partners

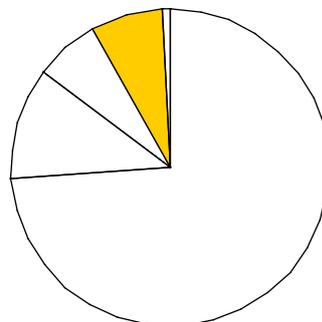
QFF has over 400 earn partners, who pay QFF to issue points to members when they purchase partner products or services, creating loyalty to the partner and rewarding the member for that loyalty.

Members can earn points on the following coalition partners:

- Airlines;
- Credit card issuers;
- Woolworths Group;
- Hotels;
- Car rentals companies;
- Restaurants;
- Financial institutions;
- Entertainment providers; and
- Other retailers.

QFF continues to expand its partner base to strengthen the coalition. Broadening the coalition allows QFF members to shorten the time to get valuable rewards by allowing members to earn in more places and double dip more often with direct earn credit cards.

QANTAS FREQUENT FLYER PROPORTION OF GROUP REVENUES 2008/09



QFF Financial Statement \$M	2008/09	2007/08
External revenue	1,103	849
Intersegment revenue	30	–
Total QFF revenues	1,133	849

Share of net profit of associates and jointly controlled entities	–	–
QFF underlying EBITDAR	226	128
Depreciation and amortisation	–	–
Non-cancellable operating lease rentals	–	–
QFF underlying EBIT	226	128

Operational and key data	2008/09	2007/08
Number of partners, circa	400	350
Number of FTEs	71	53
Number of members (million)	5.8 (30 June)	5.3
	6.2 (Aug 09)	

Qantas portfolio of businesses

Awards

QFF has a wide range of awards available for redemption. These include Classic Awards on Qantas, Jetstar, **oneworld** partners and other bilateral airline partners. Classic Awards can be in the form of one-way, return or multi-destination flights as well as flight upgrades. Classic awards usually provide the most prized redemption option for members.

To provide more flexibility on flight awards, in July 2008, QFF introduced Qantas and Jetstar Any Seat Awards offering more choice when using points to book an Award Flight. Points can be redeemed as a Qantas and Jetstar Any Seat Award for any available seat on any Qantas or Jetstar flight with a QF or JQ flight number. As long as there is a seat available for sale, there is a redemption option under the Qantas and Jetstar Any Seat Award. Members can redeem using 100 per cent points or points plus pay.

As part of the enhancements in July 2008, Qantas Frequent Flyer Store was expanded to include an extensive range of quality merchandise, vouchers and unforgettable experiences. The QFF Store offers two product ranges – one for delivery in Australia and one for delivery in New Zealand. Members can choose from over 1,200 products, including over 100 vouchers, for delivery in Australia, or from over 600 products, including over 50 vouchers, for delivery in New Zealand.

The improvements were designed to establish the program as a world leader in terms of customer value and to drive profit growth through increased member engagement and activity.

Commercial

QFF has commercial relationships in place with leading brands in most partner markets, providing over 400 different earn opportunities for members. Over the last year there have been significant additions to the partner portfolio, providing the opportunity for members to earn points on every day spend.

In October 2008, QFF commenced transitioning to a primarily "Direct Earn" model for its arrangements with its credit and charge card issuing partners. There are now well over a million direct earn card holders in Australia and New Zealand. QFF currently has agreements with eight issuers in Australia. From the end of March 2009, most members now require a Direct Earn card to earn Qantas Frequent Flyer points from credit and charge card spend.

The Woolworths Group became a Qantas Frequent Flyer program partner in June 2009. This world-leading loyalty alliance delivers an ability for consumers to earn points easily through their everyday shopping. Members are currently able to earn points at Woolworths and Safeway supermarkets, Woolworths and Safeway Liquor and Big W and will also be able to earn points at Dick Smith, Tandy, BWS and Woolworths/Caltex Fuel outlets once the program is fully rolled out.

Current business development efforts are focussed on developing partnerships with other leading brands in Australia and New Zealand, allowing members to earn points for consumer purchases not currently serviced by QFF.

Customer Service

Members can access their account online 24 hours a day to make Award bookings or use the QFF store, check how many points they have or view history and update their profile. The Frequent Flyer Service Centre (FFSC) assists members with account and program queries.

Changes to the program structure, rules or conditions are communicated via qantas.com, e-mails, Frequent Flyer newsletters or personal mailings. Members can subscribe to receive e-mail updates, amend existing e-mail preferences to make the most out of the program.

Customer and Marketing

QFF utilises advanced analytics to build a deep understanding of member behaviour. QFF is then able to target relevant offers from partners utilising a variety of communication channels. Optimisation of offers and channels provides positive member experiences and successful business outcomes for partners.

Operations

The current CRM platform used by QFF is the operational real-time system that records member details, preferences, interactions and transactions. It interacts with the internet and airline reservation systems, as well as other systems. It is responsible for the QFF support functions such as statement production, card issuance, member management and member behaviour. There are plans in place to improve the data warehouse and to invest in a new state of the art CRM platform to support QFF into future years.

People

QFF has a small but high calibre team of professionals. The organisation design is structured on key market verticals including operational and commercial channels.

Qantas portfolio of businesses

JETSET TRAVELWORLD LIMITED

Merger with Jetset Travelworld Limited

Jetset Travelworld Limited, Qantas Holidays and Qantas Business Travel merged on 25 July 2008. As Qantas has a 58 per cent holding in the company, the results of Jetset Travelworld Limited (JTL) are consolidated into the Qantas Group. The company is listed on the Australian Securities Exchange under the code JET.

The JTL is one of Australia's major travel businesses with a multi-channelled footprint providing wholesale, retail and specialist business travel products and services across Australia.

Retail

The nationwide network of two of the most trusted, well-respected and recognised brands in the travel retail market comprises over 640 outlets throughout Australia, operating under the master brands of Jetset and Travelworld or operating as non-branded affiliate members.

Wholesale

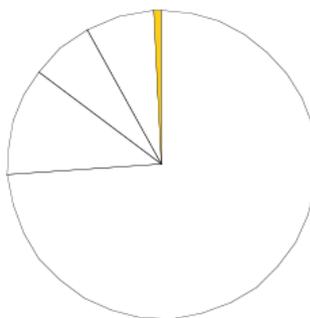
Qantas Holidays is one of Australia's leading mass market travel wholesalers, selling holidays to destinations throughout Australia and around the world. In calendar year 2008, the business sold holidays and travel services to more than 900,000 customers. Qantas Holidays' major destination holiday packaging is distributed via intermediaries such as travel agents and resellers, direct to consumers via contact centres and online via qantas.com.

As well as working with Qantas Group airlines, Qantas Holidays markets value-based travel packages for over 10 other airlines under the Viva! Holidays and Orient Pacific brands.

Corporate

Qantas Business Travel (QBT) is one of Australia's largest and most established corporate travel management specialists. With advanced reporting capabilities and travel management tools, clients are assured of high quality travel management. QBT provides cost effective travel services. QBT has representation across Australia, New Zealand and Singapore.

JTL PROPORTION OF GROUP REVENUES 2008/09



JTL Financial Statement \$M	2008/09	2007/08
External segment revenue	117	100
Intersegment revenue	28	(1)
Total JTL revenues	145	99

Share of net profit of associates and jointly controlled entities	–	–
JTL underlying EBITDAR	22	20
Depreciation and amortisation	(6)	(1)
Non-cancellable operating lease rentals	–	–
JTL underlying EBIT	16	19

Operational and key data	2008/09	2007/08
Number of FTE	794	450
Number of FTE (prior to merger)	n/a	984
Net tangible assets per ordinary share (\$)	0.10	0.27
Number of shares (m) ¹	219.6	92.2
Earnings per share (cents)	7.39	18.45

¹The 2007/08 level represent the number of outstanding shares for JTL before the reverse acquisition with the Qantas Group

Sustainability

At Qantas, Sustainability is:

- a *commitment* to operating in an ethical and responsible way;
- embracing opportunities and managing risks related to non-financial resources (*sustainability risk management*); and
- continuously improving non-financial performance in the areas of safety, security, environment, social and economic (*sustainability performance*).

Sustainability is an important part of the Qantas Group's Risk Management framework and is governed by the Board.

Inclusion in sustainability investment indexes

Qantas has been included in the following responsible investment indexes for the first time in 2008:

- FTSE4Good Global Index and Australia 30 Index; and
- Dow Jones Sustainability Index (DJSI) Asia Pacific

Inclusion in these indices demonstrates Qantas' improved performance and standards in the area of sustainability.

Environmental targets

In 2008, the Qantas Group set fuel, electricity, water and waste improvement targets for 2011.

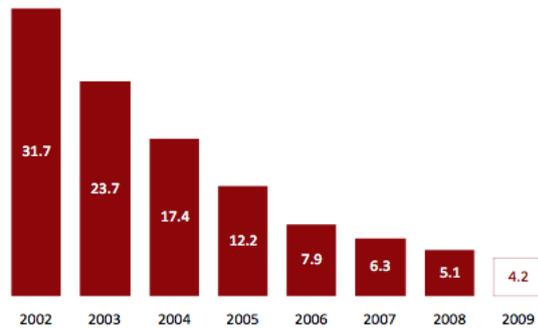
In 2009, the Qantas Group reset its 2011 fuel efficiency target to align with the International Air Transport Association's agreed improvement target of an average of 1.5 per cent per annum improvement between 2009 and 2020. This, combined with a greater focus on sustainable aviation fuels, provides a foundation for the Qantas Group's commitment to environmental improvement.



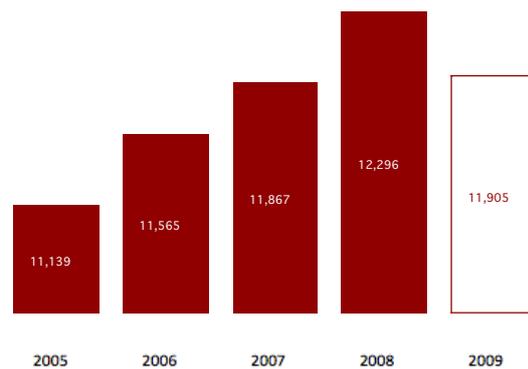
Qantas Sustainability Disclosures

Further information regarding the sustainability performance of the Qantas Group, including the Qantas Sustainability Report 2009, can be found at www.qantas.com.au/sustainability

LOST TIME FREQUENCY RATE (LTIFR) 2002/03 – 2008/09



AVIATION CO₂ EMISSIONS (THOUSAND TONNES)



Targets to 2011*

Reduce electricity consumption	10%
Reduce water consumption	25%
Reduce waste to land fill	25%

Target to 2020**

Improvement in fuel efficiency (litres of fuel/100 RTK)	16.5%
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* baseline of 2006/07

** baseline of 2008/09

Glossary and definitions

A

AFTK, Available freight tonne kilometres – Total freight tonnage capacity available, multiplied by the number of kilometres flown.

Associated company – Companies where the Qantas Group's holding amounts to at least 20 per cent and at the most 50 per cent.

ASK, Available seat kilometre – A measure of an airlines capacity. Total number of seats available for passengers, multiplied by the number of kilometres flown.

Average FTE – Average full time equivalent for the 12 months ending June.

B

Block hours – The time between the aircraft leaving the departure gate and arriving at the destination gate.

BITRE – Bureau of Infrastructure, Transport and Regional Economics (refer to www.bitre.gov.au).

C

CAPEX (Capital Expenditure) – Payments for capital assets.

E

Earnings per share (EPS) – Profit after tax divided by the weighted average number of issued shares.

EBIT – Earnings before interest and tax.

EBITDA – Earnings before interest, tax, depreciation and amortisation.

EBITDAR – Earnings before interest, tax, depreciation and amortisation and rentals (leasing costs for aircraft).

F

FTE – Full-time equivalent.

M

Market capitalisation – Share price at 30 June multiplied by the number of outstanding shares.

P

Passenger load/seat factor – Revenue passenger kilometres divided by available seat kilometres expressed as a percentage. Percentage of total passenger capacity actually utilised by paying passengers.

PAT – Profit after tax.

PAX – Passengers.

PBT – Profit before tax.

R

Return on equity – Profit after tax divided by average shareholders' equity.

RPK, Revenue passenger kilometre – Number of paying passengers carried, multiplied by the number of kilometres flown.

RFTK, Revenue freight tonne kilometre – Number of tonnes of paid freight and mail traffic multiplied by the number of kilometres flown.

RTK, Revenue tonne kilometre – Quantifies the amount of revenue generating payload carried, for the distance flown. Total number of tonnes of paying passenger, freight and mail carried, multiplied by the number of kilometres flown.

Y

Yield – Net passenger revenue, excluding foreign exchange, passenger recoveries and unflown passenger revenue, divided by revenue passenger kilometres.