2008/09 Year End Results Supplementary Information

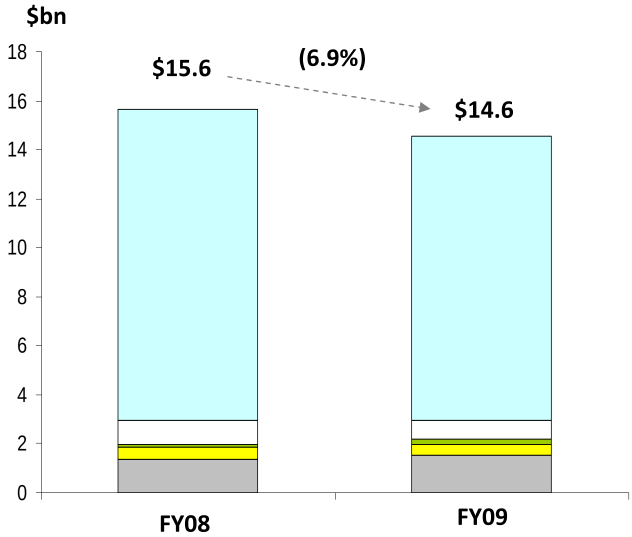
QANTAS

Group Highlights

		Year Ended 30 June 2009	Year Ended 30 June 2008	Variance Fav/(Unfav)	Variance Fav/(Unfav) %
Revenue	$m	**14,552**	**15,627**	**(1,075)**	**(6.9)**
Group Underlying EBITDAR	$m	**1,905**	**3,077**	**(1,172)**	**(38.1)**
Group Underlying EBIT	$m	**204**	**1,318**	**(1,114)**	**(84.5)**
Profit before tax	$m	**181**	**1,408**	**(1,227)**	**(87.1)**
NPAT	$m	**123**	**970**	**(847)**	**(87.3)**
Passenger Revenue per RPK (Yield)	(¢)	**11.30**	**11.81**	**(0.5)**	**(4.3)**
Unit cost (¢ per ASK excluding fuel & SFP)	(¢)	**5.72**	**5.44**	**0.3**	**5.1**
Underlying EBITDAR Margin	%	**13.1**	**19.7**	**(6.6)**	**(33.5)**
PBT Margin	%	**1.2**	**9.0**	**(7.8)**	**(86.7)**
Earnings Per Share	(¢)	**5.6**	**49.0**	**(43.4)**	**(88.6)**
Dividend per Share	(¢)	**6.0**	**35.0**	**(29.0)**	**(82.9)**
Return on Equity	%	**2.1**	**16.9**	**(14.8)**	**(87.4)**

QANTAS

Revenue



	FY08		FY09
RPKs (m)	102,466	(3.2%)	99,176
ASK's (m)	127,019	(1.9%)	124,595

- Net passenger revenue down 8.7%
- Net freight revenue down 20.3%
- Tours and travel revenue up 79.8%
- Contract work revenue down 6.2%
- Revenue from other sources up 11.2%

Note: All revenue movements include exchange

Revenue

– **Net passenger revenue down 8.7%**

- Group RPKs down 3.2%
- Group yield per RPK down 4.3% excluding exchange driven by price discounting in competitive market and change in ticket class mix.
- H1N1 Influenza 09 virus has impacted loads in second half of the year

– **Net freight revenue down 20.3%**

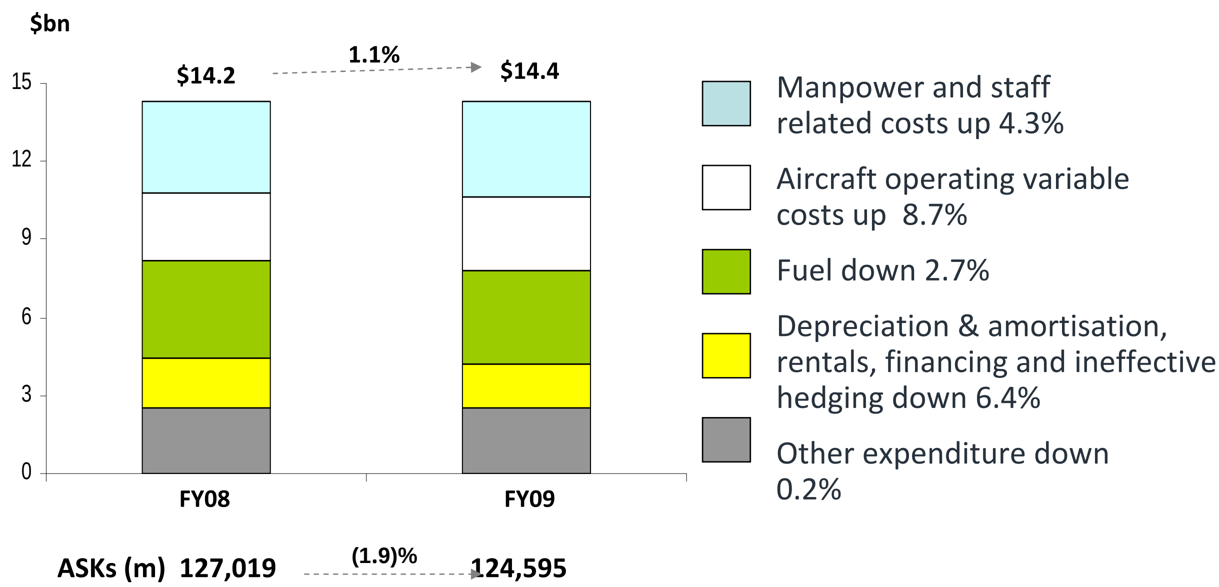
- Competitive pressures in Asian markets and reduced demand for consumer goods from economic downturn has driven a significant reduction in freight revenue

Revenue

- **Contract work revenue down 6.2%**
  - Loss of third party contracts in Q Catering
  - Reduced third party work for line and component maintenance
- **Tours and travel revenue up 79.8%**
  - Increase in customer base due to the merger of Jetset Travelworld and Qantas Holidays in July 2008
  - Profit on sale of Qantas Holidays in July 2008 of $86 million
- **Revenue from other sources up 11.2%**
  - Increased frequent flyer revenue following new program enhancements and reward offerings
  - Prior year included $291 million of liquidated damages

QANTAS

Expenditure and net finance costs



Note: All expenditure movements include exchange

QANTAS

Expenditure and net finance costs

- **Manpower and staff related costs up 4.3%**
  - Wage increases under Enterprise Bargaining Agreements
  - Restructuring costs from headcount reductions and capacity cuts
  - Activity impacts arising from industrial action

- **Aircraft Operating Variable costs up 8.7%**
  - Price and activity related increases on engineering materials and landing fees

QANTAS

Expenditure and net finance costs

- **Fuel costs down 2.7%**
  - Net hedged fuel price increases partially offset by favourable FX
  - Consumption decreased by $91 million due to activity
  - Fuel conservation initiatives delivered benefits of $64 million

- **Selling and marketing costs down 16.3%**
  - Decrease in commissions in line with passenger revenue reduction
  - Reduced Jetstar advertising activity

QANTAS

Expenditure and net finance costs

- **Property costs up 16.2%**
  - Market rental price increases on properties and additional charges attributable to new premises
  - Unfavourable variance for release of onerous lease provisions in the prior year
- **Computer and communications up 6.3%**
  - Project costs increase including projects for Application Support Transformation, Airports and Jetstar
  - Application support costs reflecting the outsourcing of internal IT systems support function (partially offset by manpower savings)

Expenditure and net finance costs

- **Capacity hire costs down 0.7%**
- **Other costs down 0.4%**
  - Favourable FX movements of $69 million
  - Increased Frequent Flyer redemption costs due changes to Frequent Flyer program
  - Prior year freight cartel provisions of $64 million
- **Depreciation and amortisation costs down 5.4%**
  - Mainly due to depreciation savings on aircraft written down in the prior year and a one-off maintenance accounting charge for QantasLink aircraft in the prior year

Expenditure and net finance costs

- **Rentals expense up 12.5%**
  - 11 additional aircraft leased in FY09
- **Ineffective and non-designated derivative gains of $105 million compared to $55 million loss in prior year**
- **Net finance costs of $22 million compared to $46 million income in prior year**
  - Lower interest received due interest rate cuts and reduction in capitalised interest on aircraft progress payments

QANTAS

Group Unit Cost and SFP Performance

- SFP benefits of $557 million – labour savings $171m, fuel savings $64 million, enhancements to the Frequent Flyer program of $52 million, distribution savings of $51 million, and fleet, product and overhead savings of $219 million
- Gross expenditure unit cost increased by 3.5% to 8.75 reflecting a reduction in ASK's from capacity reductions and increase in manpower and aircraft operating variable costs
- Adjusted unit cost (excluding fuel, restructuring and significant items), increased by 3.9% to 5.73
  - second half increase of 2.6%

QANTAS

Yield

– Total yield (Qantas, QantasLink and Jetstar) excluding exchange for the current period decreased by 4.3% from the prior year

– Total domestic yield (Qantas, QantasLink and Jetstar) excluding exchange for the current period decreased by 5.1% from the prior year

– Total international yield (Qantas and Jetstar) excluding exchange for the current period decreased by 4.1% from the prior year

Segment Performance

Underlying EBIT

Year Ended 30 June	2009 $m	2008 $m	Increase/ (Decrease) %
Qantas	4	1,358	(99.7)
Jetstar	107	102	4.9
Qantas Freight	7	79	(91.1)
Qantas Frequent Flyer	226	128	76.6
Jetset Travelworld Group [1]	16	19	(15.8)
Corporate / Unallocated	(189)	(381)	(50.4)
Eliminations	33	13	153.8
Group Underlying EBIT	**204**	**1,318**	**(84.5)**
Ineffective & non-designated derivatives	105	(55)	(290.9)
Non-recurring significant items	(106)	99	(207.1)
Group EBIT	**203**	**1,362**	**(85.1)**
Net Finance (costs)	(22)	46	(147.8)
Group PBT	**181**	**1,408**	**(87.1)**

[1] Prior year comparatives represent Qantas Holidays only.

Balance Sheet

		As at 30 June 2009	As at 30 June 2008	Variance Increase / (Decrease)	Variance Increase / (Decrease) %
Total Assets	$m	20,049	19,700	349	1.8
Total Liabilities	$m	14,284	13,965	319	2.3
Net Assets/ Total Equity	$m	5,765	5,735	30	0.5
Net Debt *	$m	5,595	4,621	974	21.1
Book Net Debt to Equity ratio **		49:51	46:54	3 points	N/A

*** Includes off balance sheet debt**

**** Includes off balance sheet debt and excludes hedge reserve**

– Long term debt increased to fund aircraft purchases, while the cash balance also increased

– Equity movements comprised increased share capital from capital raising and DRP participation offset by reduced dividend payments, lower earnings and hedge reserve movements

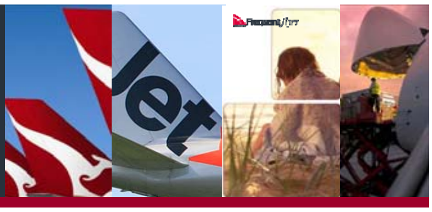
QANTAS

Cash Flow

	30 June 2009 $m	30 June 2008 $m	Variance Increase / (Decrease) $m	Variance Increase / (Decrease) %
Net Operating Cashflow	1,129	2,128	(999)	(46.9)
Capital Expenditure	(1,530)	(1,424)	(106)	7.4
Other Investing Cashflow	367	102	265	259.8
Net Financing Cashflow	1,052	(1,570)	2,622	167.0
Net Increase/(Decrease) in cash held	**1,018**	**(764)**	**1,782**	**233.2**
Cash at End of the Year	**3,617**	**2,599**	**1,018**	**39.2**

QANTAS

Aircraft In Service



Aircraft Type	As at 30 June 2008	In	(Out)	As at 30 June 2009
Qantas				
B747-300	4		(4)	-
B747-400	24			24
B747-400ER	6			6
B767-300ER	29			29
B737-300	5		(2)	3
B737-400	21			21
B737-800NG	35	3		38
A330-200	4	2		6
A330-300	10			10
A380-800	-	3		3
Total Mainline Fleet	**138**	**8**	**(6)**	**140**
Jetstar				
A320-200	28	5		33
A321	2	2		4
A330-200	6			6
QantasLink				
Boeing 717-200	14		(3)	11
Turbo Props	36	5	(6)	35
Total Group Fleet*	**224**	**20**	**(15)**	**229**

* Aircraft movements are reflected as and when they enter into service.

QANTAS