



2006/07 Full Year Results Supplementary Information

Thursday 16 August 2007

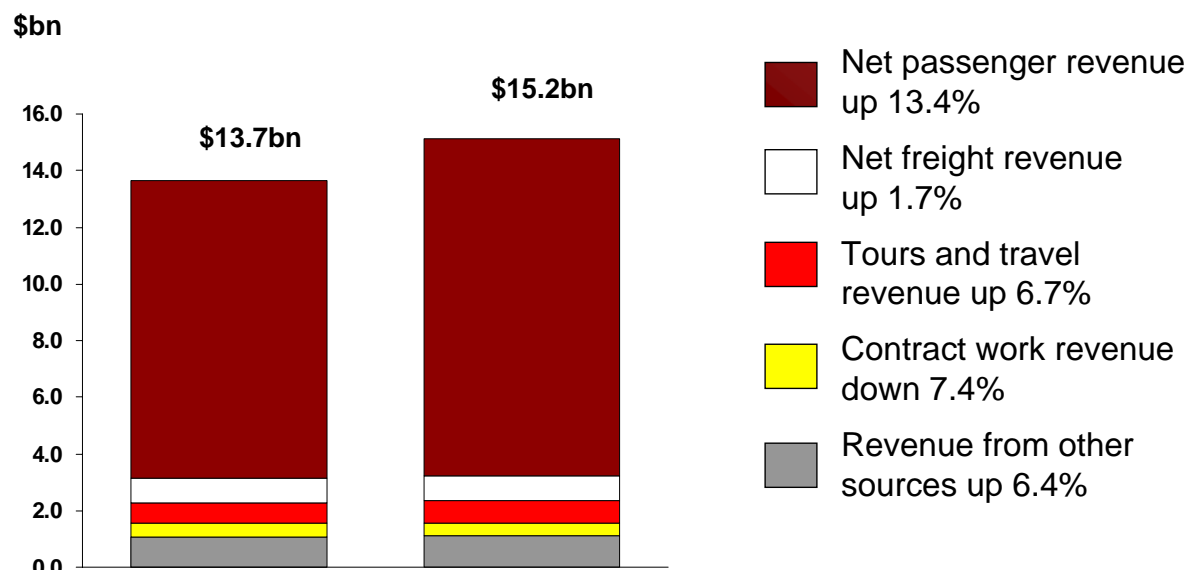
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Brands with Spirit

Highlights

		Year Ended 30 June 2007	Year Ended 30 June 2006	Increase/ (decrease) %
Sales and other income	\$m	15,166	13,661	11.0
Expenditure	\$m	(14,119)	(12,935)	9.2
EBIT	\$m	1,047	726	44.3
Net finance costs	\$m	(15)	(55)	(72.5)
Profit before tax	\$m	1,032	671	53.8
Net profit after tax	\$m	720	480	50.0
Earnings per share	¢	36.4	24.9	46.4
Total dividend per share	¢	30.0	26.0	15.4

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Revenue



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Note: All revenue movements include the impact of foreign exchange movements.

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Revenue

- **Sales and operating revenue up 11%**
 - Net passenger revenue up 13.4%
 - Group RPKs up 7.4%
 - Group yield per RPK up 6.9% including exchange
 - Net freight revenue up 1.7%
 - Freight yield per RFTK up 2.0%
 - Lower activity

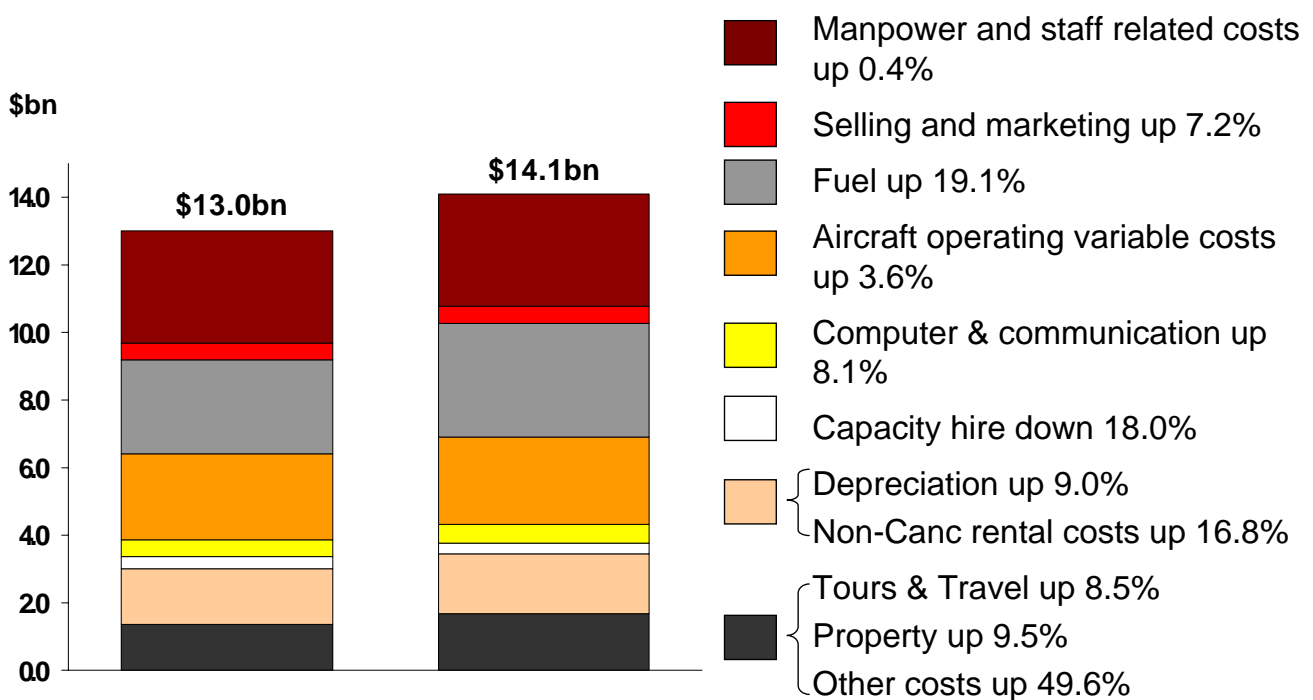
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Revenue

- Tours and travel revenue up 6.7%
- Contract work revenue down 7.4%
 - Decline in third-party ground handling and catering revenue
- Other income up 6.4%
 - Profit on sale of Air New Zealand shares

Expenditure



Expenditure

- **Expenditure excluding net finance costs up 9.2%**
 - Manpower and staff related costs up 0.4%
 - Includes increased restructuring costs of \$45 million under the Sustainable Future Program (SFP)
 - Group ASKs up 3.4%
 - Increase in wages of 3% under current EBAs
 - Partially offset by SFP benefits
 - Average FTEs down 2.7%
 - Manpower cost per ASK (excluding SFP costs) down 3.0%
 - Group RPKs up 7.4%

Expenditure

- Fuel costs up 19.1%
 - Increase of \$555 million due to fuel price rises after hedging
 - Average US\$ into-plane jet fuel prices increased by 19.8% after hedging
 - Consumption increase of \$93 million due to activity growth
- Variable aircraft operating costs up 3.6%
 - Reflects activity and price related increases, particularly domestic airport charges and load related passenger expenses
 - Offset by cost saving initiatives and removal of noise tax levy at Sydney Airport and Counter Terrorism Response charge

Expenditure

- Depreciation and amortisation costs up 9.0%
 - New aircraft in 1H07 (3 x Q400)
 - \$45 million from a change in accounting policy on aircraft modifications
 - \$59 million in additional depreciation on capitalised maintenance costs as required under A-IFRS

Expenditure

- Tours and travel cost of sales up 8.5%
 - Driven by increased activity
- Selling and marketing costs up 7.2%
 - Includes Jetstar International start-up costs of \$21 million

Expenditure

- Capacity hire costs down 18.0%
 - Due to a move to a free sale codeshare agreement with Air Pacific and Air Vanuatu
- Non-cancellable operating lease rentals up 16.8%
 - Reflecting the full year impact of 15 Jetstar A320-200 leases acquired in 2005/06 and the 9 B738 aircraft acquired in the prior year

Expenditure

- Property costs up 9.5%
 - Inflationary rental increases and additional provisions as required under A-IFRS
- Computer and communications up 8.1%
 - Increase in reservation fees reflecting the higher passenger revenue
 - Increase in IT project costs principally related to the eQ program
 - Additional infrastructure costs following the closure of the CBD Data Centre

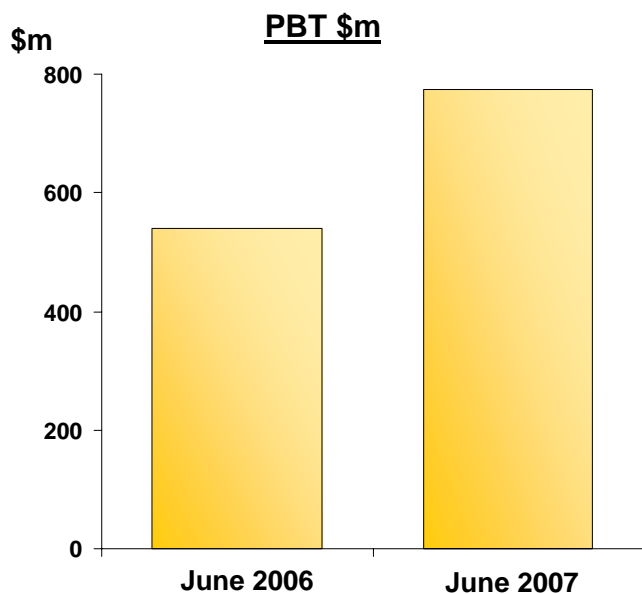
Expenditure

- Other costs up 49.6%
 - Includes the unfavourable impact of \$54 million from the accounting recognition of open hedging instruments (hedge ineffectiveness) as required under A-IFRS, compared to a favourable impact of \$27 million in the comparative results.
 - Includes \$47 million Freight fuel surcharge investigation provision.
- Net finance costs down 72.7%
 - Due to interest received from higher average cash balance

Expenditure

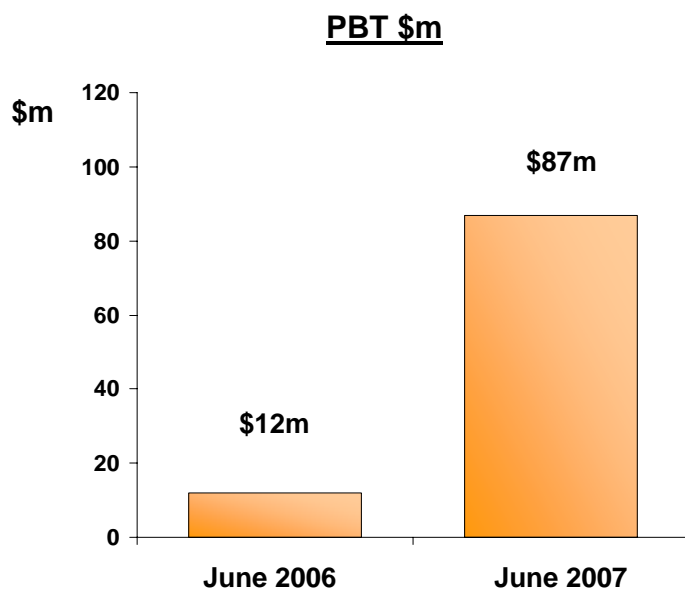
- Net expenditure per ASK increased by 8.1%
- Unit costs rose 0.9% after adjusting for fuel price increases, Sustainable Future Program restructuring costs, provisions for potential penalties relating to freight cartel investigations and accounting changes. Adjusting for product and load related expenses, unit costs fell by 1.9%.
- Net foreign exchange movements of \$2 million had a positive impact on the PBT result.

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- PBT of \$773m, or 74.9% of Group PBT
- RPKs up 2.9%
- ASKs down 1.4%
- Seat factor up 3.4% pts to 80.6%
- Yield increased by 8.4%

Jetstar Brands



- PBT of \$87m, or 8.5% of Group PBT
- RPKs up 66.9%
- ASKs up 64.1%
- Seat factor up 1.25% pts to 75.2%
- Yield decreased by 2.4%

Portfolio Businesses

	Year Ended 30 June 2007 \$m	Year Ended 30 June 2006 \$m	Increase/ (decrease) \$m
Qantas Flight Catering	33	37	(4)
Qantas Holidays	47	45	2
Qantas Defence Services	17	9	8
Share of net profits of Associates and JVs	47	39	8
Other Subs & Eliminations	28	(11)	39
Total Portfolio Businesses	171	119	52

Equity Accounted Investments

Contribution to Net Profit

	Year Ended 30 June 2007 \$m	Year Ended 30 June 2006 \$m	Increase/ (decrease) \$m
Australian air Express	15.5	14.3	1.2
Star Track Express	17.4	16.5	0.9
Air Pacific	0.7	8.4	(7.7)
Jetstar Asia / Orangestar	(0.3)	(0.7)	0.4
Jet Turbine Services	(1.9)	(4.6)	2.7
Thai Air Cargo	-	0.9	(0.9)
Travel Software Solutions	(1.0)	2.1	(3.1)
Other	16.1	2.0	14.1
Total	46.5	38.9	7.6

Balance Sheet and Cashflow

		Year Ended 30 June 2007	Year Ended 30 June 2006	Increase/ (decrease) %
Capital Expenditure	\$m	1,236	1,527	(19.1)
Operating cashflow	\$m	2,353	2,026	16.2

		June 2007	June 2006	Increase/ (decrease) %
Net Debt ¹	\$m	3,976	4,961	(19.9)
Total Equity	\$m	6,195	6,081	1.9
Leverage ²	%	39:61	46:54	-

¹ Includes off balance sheet debt.

² Includes off balance sheet debt and excludes hedge reserve.

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Aircraft in Service

Aircraft Type	30/06/2006	FY07 In	FY07 (Out)	Transfers	30/06/2007
Qantas					
B747-300	5		(1)		4
B747-400	24				24
B747-400ER	6				6
B767-300ER	22				22
B767-336ER	7				7
B737-300	2			(1)	1
B737-300JC	7			(2)	5
B737-400JC	2			1	3
B737-400	19			(1)	18
B737-800NG	33				33
A330-200	4			(4)	-
A330-300	10				10
TOTAL MAINLINE FLEET	141	-	(1)	(7)	133
Jetstar					
A320-200	24	1	(1)		24
A330-200	-			4	4
QantasLink					
Boeing 717-200	14		(3)		11
BAe 146	2		(2)		-
Turbo Props	35	3			38
Express Freighters					
B737-300SF	-			3	3
TOTAL GROUP FLEET *	216	4	(7)	-	213

* Aircraft movements are reflected as and when they enter into service. Excludes grounded B717-200 aircraft.

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