



The Transformation Continues

QANTAS DATA BOOK 2013

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All dollar amounts are in Australian dollars unless otherwise specified. Where figures have been rounded, discrepancies may occur between the sum of the component items and the total, which are derived from figures prior to rounding.

ASIC GUIDANCE

In December 2011 ASIC issued Regulatory Guide 230. To comply with this Guide, Qantas is required to make a clear statement about whether information disclosed in documents other than the financial report has been audited or reviewed in accordance with Australian Auditing Standards.

In line with previous years and in accordance with the Corporations Act, the Qantas Data Book 2013 is unaudited. Notwithstanding this Data Book contains disclosures which are extracted or derived from the Appendix 4E – Preliminary Final Report for the year ended 30 June 2013, which has been audited by the Group's Independent Auditor.

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QANTAS GROUP SUMMARY

The Qantas Group's main business is the transportation of passengers using two complementary airlines, Qantas and Jetstar, operating international, domestic and regional services.

The Group's broader portfolio of businesses and investments, including Qantas Loyalty and Qantas Freight, generates diverse revenue streams and adds value for customers and investors.

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.

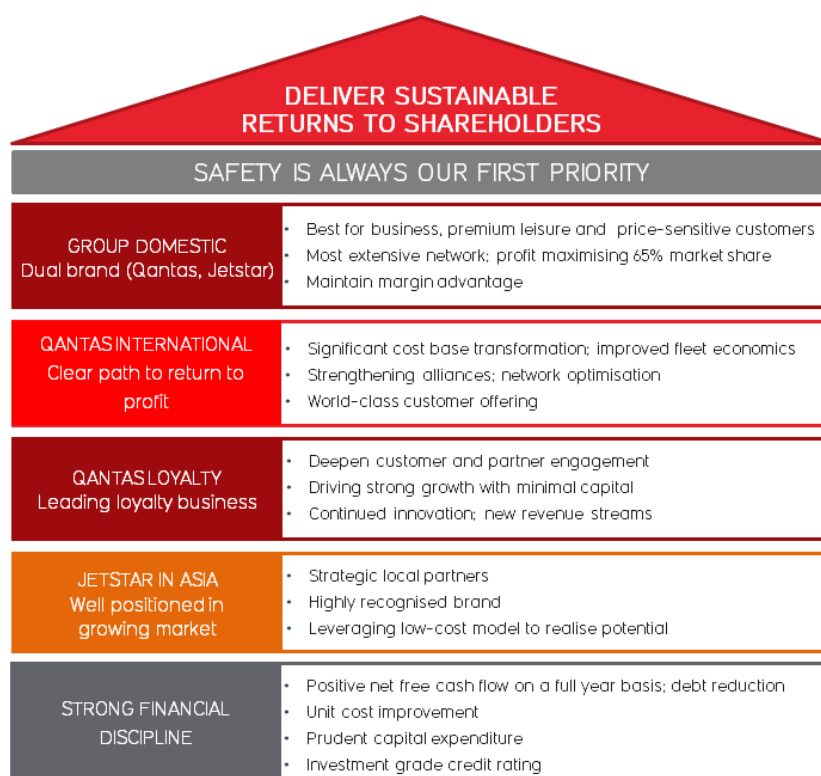
QANTAS GROUP STRATEGY

The Qantas Group has a clearly defined strategy, with the following core goals:

- Building on the strong Qantas and Jetstar domestic business
- Turn around Qantas International through the “four pillars” of flying to global gateways, being the best for global travellers, growing with Asia and building a strong, viable business
- Positioning Jetstar for success in Asia
- Broadening Qantas Loyalty

Safety remains our first operational priority and we are committed to maintaining our position as the leading Australian domestic carrier and one of the world's premier sustainable long-haul airlines through our dual airline brands, Qantas and Jetstar. We aim to maintain customer loyalty by delivering exceptional experiences through these dual brands, in conjunction with Qantas Loyalty. Our operating strategy is complemented with a prudent approach to capital management as we seek to deliver sustainable, long term returns to our shareholders.

The Qantas Group strategic priorities are illustrated below.



Trading codes

ISIN code: AU000000QAN2

Reuters: QAN.AX

Bloomberg: QAN AU

QANTAS GROUP IN 5 MINUTES



Qantas Domestic

for the year ended 30 June

Key figures	Unit	2013	2012
Revenue	\$M	6,218	6,063
Underlying EBIT	\$M	365	463
Passengers	M	22.1	22.0
Load Factor	%	75.9	77.7

Qantas Domestic is Australia's largest premium full service airline carrying 22 million passengers in 2012/13 on over 4,600 flights per week in Australia. Qantas Domestic is a single integrated airline providing airline transportation through its brands Qantas, QantasLink and Network Aviation.

Main Markets

Qantas Domestic serves all Australian capital cities, large metropolitan areas as well as various regional hubs throughout Australia, and together with Jetstar Domestic holds approximately 65% of domestic market capacity share.

QantasLink and Network Aviation, together service 55 metropolitan and regional regular passenger transport destinations across Australia and Port Moresby in Papua New Guinea, as well as 17 dedicated fly-in-fly-out charter destinations.

2012/13 Main Domestic Markets Available Seat Kilometres (ASKs)

East West	36%
Triangle	21%
Regionals	14%
Other	29%

Customers

Qantas Domestic's goal is to be the carrier of choice for corporate, business and premium leisure passengers.

Product

Qantas Domestic offers passengers a premium network and service product on its extensive domestic network. Qantas Domestic offers a one or two class product on domestic routes – Business and Economy. Qantas Frequent Flyer members (QFF members) also have the opportunity to earn and redeem frequent flyer points across the domestic network. Passengers have access to 35 Qantas lounges across Australia.

Qantas International

for the year ended 30 June

Key figures	Unit	2013	2012
Revenue	\$M	5,496	5,770
Underlying EBIT	\$M	(246)	(484)
Passengers	M	5.8	6.0
Load Factor	%	81.6	82.1

Qantas International is a premium full service international airline providing transportation between Australia, New Zealand, Asia, North and South America, Africa, the Middle East and Europe under the Qantas brand. In 2012/13, 5.8 million passengers were carried on over 550 flights per week.

Qantas International has an extensive network offering through its Qantas-Emirates partnership, its strong bilateral alliances and its founding membership in the **oneworld** alliance.

Main Markets

Qantas International's main market is international traffic to and from Australia.

2012/13 Main International Markets

Available Seat Kilometres (ASKs)

Europe	26%
America	35%
Asia	28%
Other	11%

Customers

Qantas International's goal is to be the carrier of choice for corporate, business and premium leisure passengers.

Product

Qantas International offers passengers a premium network and service product. Through its **oneworld** membership and the Qantas-Emirates partnership, Qantas International provides access to over 850 destinations in 139 countries, as well as 550 lounges globally. The Qantas Frequent Flyer loyalty program also provides QFF members the opportunity to earn and redeem frequent flyer points across its global network.

Qantas International offers up to four classes on certain international routes – First, Business, Premium Economy and Economy.

Jetstar

for the year ended 30 June

Key figures	Unit	2013	2012
Revenue	\$M	3,288	3,076
Underlying EBIT	\$M	138	203
Passengers	M	20.4	18.7
Load Factor	%	79.1	79.2

Jetstar is the Qantas Group's low cost airline brand. It is a value based, low fares network of airlines operating in the leisure and value based markets. Jetstar consists of Jetstar Domestic and Jetstar International (including New Zealand based domestic operations). Jetstar also has holdings in Singapore based Jetstar Asia, Vietnam based Jetstar Pacific, Jetstar Japan and Jetstar Hong Kong. Jetstar Hong Kong, a joint venture between Jetstar, China Eastern Airlines and Shun Tak Holdings¹, remains subject to regulatory approval which is anticipated by the end of calendar year 2013.

Jetstar is the largest low cost carrier brand in the Asia Pacific by gross revenue² and has flown over 100 million passengers since it launched in May 2004.

Main Markets

Jetstar's main markets are domestic and international traffic to and from Australia (both short-haul and long-haul). Jetstar's Asian network has been strengthened through Jetstar Asia, Jetstar Pacific and Jetstar Japan. New Zealand operations encompass both trans-Tasman and domestic New Zealand markets.

	Passenger Distribution ³	Passenger Revenue ³
2012/13		
Australia domestic	57%	50%
International	43%	50%

Customers

Jetstar is focused 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 offers up to two classes on certain International routes – Business and Economy.

¹ Shun Tak Holdings Limited became an equal shareholder in June 2013

² Based on gross revenues of Jetstar consolidated entities for the 12 months to March 2013.

³ Jetstar consolidated entities.

Qantas Loyalty

for the year ended 30 June

Key figures	Unit	2013	2012
Revenue	\$M	1,205	1,157
Underlying EBIT	\$M	260	231
Members	M	9.4	8.6
Awards redeemed	M	5.6	5.1

Qantas Loyalty was founded in 1987 and was established as a separate segment in 2007. It is Australia's premier coalition loyalty business with 9.4 million members in 2012/13 and hundreds of earn partners. In 2012/13 over 4.1 million award seats were redeemed on flights, over 530,000 awards redeemed on products and vouchers through the Qantas Frequent Flyer (QFF) Store and almost 900,000 Auto-Rewards redeemed through Woolworths Everyday Rewards.

Main Markets

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

Customers

Qantas Loyalty customers include program partners and QFF members. Partners pay Qantas Loyalty to issue QFF points to members when members purchase partner products or services. The partner benefits by attracting and retaining member spend on its products, as well as improving its understanding of member behaviour. Members earn QFF points so that they can redeem them for awards through the QFF Program. Qantas Group recognises the loyalty of airline customers through awarding points, tiering and lounge access.

Product

Qantas Loyalty enables its QFF members to earn QFF points from a wide range of coalition partners including Qantas, Jetstar and 24 other partner airlines and their affiliates, credit cards, Woolworths Group companies, Optus, David Jones, hotels and other retailers.

QFF members can redeem points for Classic Awards (including flights with Qantas, Jetstar, **oneworld** partners and other airline partners), Qantas and Jetstar Any Seat Awards, or a range of over 3,750 products and vouchers through the QFF Store.

Qantas Loyalty is also expanding and diversifying by developing new revenue streams in online retail, data analytics and the operation of third party loyalty programs, including employee recognition and reward schemes.

Qantas Freight

for the year ended 30 June

Key figures	Unit	2013	2012
Revenue	\$M	1,056	1,013
Underlying EBIT ¹	\$M	36	45
Terminal tonnes ²	'000	770	538
AFKT, international	'000	3,701	4,137

1. Australian air Express consolidated from 13 November 2012.

2. 2013 includes Australian air Express from 13 November 2012.

Qantas Freight is Australia's largest independent air freight services business focussed on providing excellence in air freight services.

Qantas Freight operates a network of 22 specialist cargo handling terminals in 15 major gateway ports across Australia and in a dedicated terminal in Los Angeles. These terminals handle freight for Qantas and Jetstar, as well as many other major carriers.

Qantas Freight also markets the freight capacity of Qantas and Jetstar aircraft and operates a fleet of 12 freighter aircraft to supplement capacity to key import and export destinations around the world.

During 2012/13, Qantas Group acquired 100 per cent of Australian air Express (AaE) and sold its 50 per cent stake in Star Track Express to Australia Post. The integration of AaE's operations into Qantas Freight has enabled it to offer an integrated air freight product across domestic and international networks.

Main Markets

Qantas Freight 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.

Qantas Freight also serves over 80 domestic destinations, utilising Qantas Group aircraft and dedicated freighters.

2012/13 Main International Markets Revenue Freight Tonnage Kilometres (RFTK)

America	30%
North East Asia	29%
United Kingdom/Europe	16%
South East Asia	25%

Customers

Qantas Freight's main customers are businesses seeking efficient and reliable domestic and international air transport and ground handling services.

Product

Qantas Freight offers a full range of air freight services, including airport to airport air linehaul and ground handling services (including customs clearance), supported by related courier and trucking services.

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 Australian Securities Exchange (ASX)
1998	Qantas increased its equity in Air Pacific to 46 per cent
October 2001	\$450 million share placement
November 2001	Qantas Group acquired Impulse Airlines (domestic carrier)
February 2002	Launch of Snap Fresh (catering facility)
September 2002	\$720 million JUMBO rights issue and share purchase plan
October 2002	Launch of Australian Airlines (international carrier)
December 2003	Star Track Express acquired by a joint venture between Qantas 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, commenced services
July 2006	Australian Airlines ceased operations (international carrier)
November 2006	Jetstar International commenced operations
September 2007	Qantas Frequent Flyer business segmented from Qantas Group
May 2008	Completed on market buy-back of 91 million shares for \$506 million
July 2008	Qantas Holidays and Jetset Travelworld merged and formed the Jetset Travelworld Group with Qantas Group as a 58 per cent shareholder. The Jetset Travelworld Group is listed on the ASX
February 2009	\$525 million capital raising and share purchase plan
April 2009	New ownership structure for Jetstar Asia and Valuair announced 49 per cent holding for Qantas Group (Newstar Investment)
June 2009	Jetstar replaced Qantas Jetconnect services in the New Zealand Domestic market
September 2010	Jetset Travelworld Group merged with Stella Travel Services. Qantas Group has a 29 per cent shareholding of Jetset Travelworld Limited
October 2010	Qantas Group investments in Australian air Express and Star Track Express transferred to AUX Investments in exchange for a 50 per cent shareholding in the entity
February 2011	Qantas Group acquired 100 per cent of the Network Aviation Group
August 2011	Qantas Group acquired 100 per cent of Wishlist Holdings
April 2012	Qantas operated Australia's first commercial flights powered by sustainable aviation fuel
July 2012	Jetstar Japan commenced operations
November 2012	Qantas Group acquired 100 per cent of Australian air Express and sold its 50 per cent stake in Star Track Express
December 2012	Commenced on market buy-back of up to \$100 million
March 2013	Qantas and Emirates partnership commenced
August 2013	Qantas Group announced the sale of its wholly owned subsidiary Qantas Defence Services (QDS) to Northrop Grumman Australia

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QANTAS MANAGEMENT AND DIRECTORS

QANTAS GROUP MANAGEMENT COMMITTEE



Alan Joyce
Chief Executive Officer

Alan Joyce has been Chief Executive Officer and Managing Director of Qantas Group since November 2008. This period has seen a major transformation of Qantas International, including a ground-breaking partnership with Emirates Airlines, the continuing strength of Qantas Domestic including through supporting the resources sector, the rapid development of Jetstar's pan-Asian strategy and the sustained growth and success of the Qantas Frequent Flyer program. Mr Joyce served as founding Chief Executive Officer of Jetstar for five years from October 2003, a period that included the commencement of the airline's domestic and international operations. Prior to his appointment at Jetstar, Mr Joyce spent over 15 years in key positions at Qantas Group, Ansett and Aer Lingus. Mr Joyce has previously held the position of Chairman of the International Air Transport Association. Mr Joyce holds a Bachelor of Science in Applied Science (Physics and Mathematics) (Honours) and a Master of Science in Management Science. He is also a Fellow of the Royal Aeronautical Society and a Fellow of the Australian Academy of Technological Sciences and Engineering.



Gareth Evans
Chief Financial Officer

Gareth Evans is Chief Financial Officer of the Qantas Group. He has held this position since March 2010. Mr Evans' portfolio includes Finance, Strategy, Treasury, IT, Procurement (including Fleet), Investor Relations, Mergers & Acquisitions and the Group's Business Transformation Program. His previous roles with Qantas covered a number of operational areas including the responsibility for the financial operations of the airline, commercial and business analytics and the implementation of major business change initiatives, scheduling of the international and domestic network, ticket pricing, revenue management and airline operations on the day as well as readiness activities for the arrival of the A380. Prior to joining Qantas Group in 1999, he held a number of corporate finance roles with Caltex Australia and KPMG in Australia and the UK. Mr Evans is a member of the Institute of Chartered Accountants in England and Wales.



Andrew Finch
General Counsel

Andrew Finch joined Qantas Group in November 2012 as General Counsel. Mr Finch is responsible for legal risk management across the Qantas Group, managing that function through the 30 lawyer Qantas legal department, which provides full-service legal support to the Qantas Group. Mr Finch has more than 20 years legal experience in Australia and overseas, joining Qantas Group from the leading Australian practice of Allens, where he had been a partner since 2002, specialising in mergers and acquisitions, equity capital markets and general corporate and governance advice. At Allens, Mr Finch was relationship partner for Qantas, and led a number of significant Qantas transactions. Mr Finch holds a Bachelor of Commerce, Bachelor of Laws from UNSW, and a Master of Laws with First Class Honours from the University of Sydney. He is a Visiting Fellow at the University of New South Wales, Faculty of Law and is a member of the Australian Corporate Lawyers Association (ACLA) and the ACLA Advocacy Network.



Lesley Grant
Chief Executive Officer Qantas Loyalty

Lesley Grant was appointed Chief Executive Officer Qantas Loyalty in July 2012 and has been with Qantas Group since May 2002, previously holding the position of Group Executive Customer and Marketing. Ms Grant has been a non-executive director of UNICEF Australia since May 2006, a Director of the Qantas Foundation since March 2009 and a member of Chief Executive Women. In addition to her current responsibilities, Ms Grant has played an active role within Qantas Group in talent development and inclusion and diversity. Ms Grant has extensive senior executive experience in the airline industry successfully leading several large transformational change programmes in key customer, marketing and operations functions. Prior to joining Qantas Group, Ms Grant held senior executive roles at both Ansett and Air New Zealand.



Simon Hickey
Chief Executive Officer Qantas International & Freight

Simon Hickey was appointed Chief Executive Officer of Qantas International & Freight in June 2012 and is responsible for turning around the financial performance of the International business. Mr Hickey joined Qantas Group in September 2004 as Group General Manager Strategy and Fleet. Between 2007 and 2012, Mr Hickey held the position of Chief Executive Officer Qantas Frequent Flyer and was responsible for establishing the Loyalty business. Between 2001 and 2004, Mr Hickey was Chief Financial Officer for Lend Lease Americas. Prior to this, he held various roles with Lend Lease including Bovis Lend Lease Chief Financial Officer Asia Pacific. Mr Hickey began his career with Arthur Andersen's Business Consulting Group working in Sydney, Melbourne and London and has over 20 years of international finance and corporate strategy experience. Mr Hickey is a Chartered Accountant and holds a Bachelor of Commerce from UNSW and an Executive MBA from the AGSM. Mr Hickey is also a Director of Holiday Tours & Travel Pte Ltd and a Director of the Sydney Children's Hospital Foundation.



Jayne Hrdlicka
Group Chief Executive Officer Jetstar

Jayne Hrdlicka was appointed Jetstar Group Chief Executive Officer in July 2012 and has been with the Qantas Group since August 2010, previously holding the position of Qantas Group Executive Strategy and Technology. In addition to her role at Jetstar, Ms Hrdlicka is also a Non-Executive Director of Woolworths, a member of the Sydney Medical School's Advisory Board and a member of Chief Executive Women. Ms Hrdlicka is a seasoned executive with a mix of executive and advisory experience. Prior to joining Qantas Group, Ms Hrdlicka was a senior partner of Bain and Company, a global strategy consulting firm, where she was a global and regional leader in the Customer Strategy Practice. She advised several airline clients around the world in her 15 years at Bain including both Ansett and Qantas Group in Australia. Earlier in her career, Ms Hrdlicka left consulting to spend six years running businesses in industry. She ran two significant transformations as an operations executive and ultimately as a CEO. Ms Hrdlicka holds a Bachelor of Arts (Honours) from the Colorado College, Colorado, USA, and an MBA from Dartmouth College, New Hampshire, USA.



Tino La Spina
Deputy Chief Financial Officer

Tino La Spina is the Deputy Chief Financial officer of the Qantas Group. He has held this position since July 2009. Mr La Spina's portfolio includes, Group Finance, Procurement (including Fleet), Fleet Planning, Taxation and Insurance. Prior to this, Mr La Spina held the position of Chief Financial Officer and Head of Commercial for Qantas Loyalty, and prior to that, General Manager Strategy. Prior to joining Qantas Group in 2006, Mr La Spina held the position of Chief Financial Officer of National Express Group in Australia for six years, and prior to that, various finance and commercial roles with Ansett Australia Limited, including Ansett International and Skywest Airlines. Mr La Spina started his career in 1990 with Ernst & Young. Mr La Spina has a Bachelor of Business from Swinburne University of Technology. He is a member of the Institute of Chartered Accountants, the Australian Institute of Company Directors and the Securities Institute of Australia.



Rob Marcolina
Executive Manager Group Strategy

Rob Marcolina joined Qantas Group in October 2012 as Executive Manager Group Strategy. Mr Marcolina's portfolio also includes Group Customer Insights and Dual Brand Strategy for both Qantas and Jetstar. Before joining the Qantas Group, Mr Marcolina was a partner in Bain & Company. He joined the Bain office in Los Angeles in 1999 and spent the majority of his career with Bain based in the United States before returning home to Australia in 2012. Earlier in his career, Mr Marcolina worked for Marakon Associates in Australia and the United States and also spent a year working in Eastern Europe. Mr Marcolina has an MBA from the Kellogg School of Management at Northwestern University and a Bachelor of Commerce in Economics from the University of Melbourne.



Andrew Parker
Group Executive Government and International Affairs

Andrew Parker joined Qantas Group in July 2013 as Group Executive Government and International Affairs. In this role, Mr Parker manages the airline's government and international relations. This role involves managing political, public policy, regulatory and government issues for the Group and representing the Group airlines in government negotiations and broader political, environmental and public affairs engagement worldwide. Before joining the Qantas Group, Mr Parker was Senior Vice President Public Affairs, International Affairs, Industry Affairs and the Environment at Emirates Airline based in Dubai between 2007 and 2013. He also served on the Board of the Emirates Airline Foundation. In this role Mr Parker helped to grow the Emirates network to over 120 cities in 70 countries. Mr Parker was a key architect in the global partnership between Qantas and Emirates. Prior to Emirates, he was the Managing Director of a large public affairs firm in Australia and partner of the global public relations group Ogilvy. He has also been a Press Secretary and Senior Political Adviser to various Australian political leaders and Ministers and worked as a journalist and producer in newspapers and television in Australia, the UK and US. He is a member of the Tourism and Transport Forum (TTF) Advisory Board.



Jon Scriven
Group Executive Human Resources and Office of the CEO

Jon Scriven joined Qantas Group in April 2009 as Group Executive People. In April 2011, Mr Scriven's responsibilities at Qantas were extended to include oversight of the Office of the CEO comprising Safety, Security, Environment, Risk, Legal, Internal Audit and the Company Secretariat while continuing his responsibility for all aspects of Human Resources across the Group. Prior to joining Qantas Group, Mr Scriven was the Group HR Director for Coca-Cola Amatil taking on that role in 2002. Between 1999-2002, Mr Scriven was a Human Capital Services Partner at Andersen. From 1991, Mr Scriven held various roles within Coca-Cola Amatil including Group Remuneration & Benefits Manager and Group Learning & Development Manager. Earlier in his career Mr Scriven held Learning & Development roles at both Westpac and PriceWaterhouse. Mr Scriven studied at Cambridge University and holds a Masters in Mathematics. He is a Fellow of the Institute of Chartered Accountants of Australia and also a Fellow of the Australian Human Resources Institute. Mr Scriven is also a Director of Qantas Superannuation Limited and the Australian Human Resources Institute.



Lyell Strambi
Chief Executive Officer Qantas Domestic

Lyell Strambi was appointed Chief Executive Officer of Qantas Domestic in June 2012. Mr Strambi joined Qantas Group in December 2008 as the Group Executive Qantas Airlines Operations. He was responsible for the management and continued transformation of Qantas' Operational divisions including Australian onshore Airports, Catering, Engineering and Flight Operations. Prior to joining Qantas Group, Mr Strambi was Chief Operating Officer for Virgin Atlantic Airways. Based in the UK Mr Strambi was responsible for Commercial, Product, Global Sales and Marketing, Engineering, Cargo, Flight and Ground Operations and In-flight Services. Mr Strambi began his career in aviation joining Ansett Australia Limited in 1976. Over a 24 year period with the company he rose to the position of Executive General Manager, Ground Services. Mr Strambi received a Bachelor of Business in Accounting and Finance from Royal Melbourne Institute of Technology. Mr Strambi is on the board of the Royal Flying Doctor Service (South East Section). He is also a fellow of the Australian Institute of Company Directors, a Fellow of the Royal Aeronautical Society and a member of the Australian Institute of Management.



Olivia Wirth
Group Executive Brand, Marketing and Corporate Affairs

Olivia Wirth is the Qantas Group Executive Brand, Marketing & Corporate Affairs responsible for the company's internal and external communication, community relations and sponsorship as well as the brand and marketing for the Qantas Group. Ms Wirth was previously the Group Executive, Government & Corporate Affairs and the Head of Corporate Communication for the Qantas Group, appointed in 2009. Ms Wirth has over 15 years of experience in public affairs, government relations and media relations most recently as the Executive Director of industry association and lobby group, the Transport and Tourism Forum (TTF). She has worked in a range of public and corporate affairs roles including the London based, Business in the Community (part of the Prince's Trust) and the Australian Tourist Commission (now Tourism Australia). Ms Wirth is a Board member of the Qantas Foundation.

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 Bechtel Group Inc. and Chairman of Bechtel Australia Pty Ltd and the Murdoch Childrens Research Institute. He is a Senior Advisor to Kohlberg Kravis Roberts & Co and a Board Member of the National Gallery of Victoria Foundation. Mr Clifford was previously a Director of Barclays Bank plc. 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, in Australia and overseas.

Age: 65



Alan Joyce

BAppSc(Phy)(Math)(Hons)

MSc(MgtSc), MA, FRAeS, FTSE

Chief Executive Officer

Alan Joyce was appointed Chief Executive Officer and Managing Director of Qantas in November 2008. He is a Member of the Safety, Health, Environment and Security Committee. Mr Joyce is a Director of a number of controlled entities of the Qantas Group. Mr Joyce is a member of the International Air Transport Association's Board of Governors, and he served as Chairman from 2012 to 2013. Mr Joyce was the CEO of Jetstar from 2003 to 2008. Before that, Mr Joyce spent over 15 years in leadership positions with 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 roles in sales, marketing, IT, network planning, operations research, revenue management and fleet planning.

Age: 47



Maxine Brenner

BA, LLB

Independent Non-Executive Director

Maxine Brenner was appointed to the Qantas Board in August 2013. She is a Member of the Remuneration Committee. Ms Brenner is a Managing Director of Investment Banking at Investec Bank (Australia) Limited. She has extensive experience in corporate advisory work, particularly in relation to mergers and acquisitions, corporate restructures and general corporate activity. Ms Brenner is a Director of Orica Limited, Growthpoint Properties Australia Limited and the State Library of NSW Foundation. She is also a Member of the Advisory Panel of the Centre for Social Impact at the University of New South Wales. Previously Ms Brenner was the Deputy Chairman of Federal Airports Corporation and a Director of Neverfail Springwater Limited, Bulmer Australia Limited and Treasury Corporation of NSW. She also served as a Member of the Australian Government's Takeovers Panel. Earlier, she practised as a lawyer with Freehills and was a law lecturer at the Universities of New South Wales and Sydney.

Age: 51



Jacqueline Hey

BCom, Assoc Dip (Marketing), GAICD

Independent Non-Executive Director

Jacqueline Hey was appointed to the Qantas Board in August 2013. She is a Member of the Audit Committee. Ms Hey is a Director of Bendigo and Adelaide Bank Limited and is Chairman of its Change & Technology Committee and a Member of its Audit and Risk Committees. She is also a Director of the Australian Foundation Investment Company Limited, Special Broadcasting Service and Cricket Australia. Ms Hey is the Honorary Consul for Sweden in Victoria. Between 2004 and 2010, Ms Hey was Managing Director of various Ericsson entities in Australia and New Zealand, the United Kingdom and Ireland and the Middle East. Her executive career with Ericsson spanned for more than 20 years in which she held finance, marketing, sales and leadership roles.

Age: 47



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 Audit Committee and a Member of the Nominations Committee. Mr Hounsell is Chairman of PanAust Limited and a Director of DuluxGroup Limited and Treasury Wine Estates Limited. He is also Chairman of Investec Global Aircraft Fund and a Director of Ingeus Limited. Mr Hounsell was formerly a Director of Orica Limited and Nufarm Limited and Deputy Chairman of Mitchell Communication Group Limited. He was also a former Senior Partner of Ernst & Young, Chief Executive Officer and Country Managing Partner of Arthur Andersen and a Board Member of law firm Herbert Smith Freehills.

Age: 58



William Meaney

BScMEng, MSIA

Independent Non-Executive Director

William Meaney was appointed to the Qantas Board in February 2012. He is a Member of the Safety, Health, Environment and Security Committee. Mr Meaney is the President and Chief Executive Officer of Iron Mountain Inc. He is a Member of the Asia Business Council and also serves as Trustee of Carnegie Mellon University and Rensselaer Polytechnic Institute. Mr Meaney was formerly the Chief Executive Officer of The Zuellig Group and a Director of moksha8 Pharmaceuticals, Inc. He was also the Managing Director and Chief Commercial Officer of Swiss International Airlines and Executive Vice President of South African Airways responsible for sales, alliances and network management. Prior to these roles, Mr Meaney spent 11 years providing strategic advisory services at Genhro Management Consultancy, as the Founder and Managing Director, and as a Principal with Strategic Planning Associates. Mr Meaney holds United States, Swiss and Irish citizenships.

Age: 53



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 Safety, Health, Environment and Security Committee and a Director of Qantas Superannuation Limited. General Cosgrove is a Director of Cardno Limited, the Australian Rugby Union and the Prince's Charities Australia. He is Chairman of the South Australian Defence Industry Advisory Board and Leading Age Services Australia and Chancellor of the Australian Catholic University. General Cosgrove served in the Australian Army from 1965 including command of the International Forces in East Timor from 1999 until the International Forces were withdrawn in February 2000. He was the Chief of the Australian Defence Force from July 2002 until his retirement in July 2005. General Cosgrove was Australian of the Year in 2001.

Age: 66



Patricia Cross

BSc(Hons), FAICD

Independent Non-Executive Director

Patricia Cross was appointed to the Qantas Board in January 2004. She is Chairman of the Remuneration Committee and a Member of the Audit Committee and the Nominations Committee. Mrs Cross is a Director of Macquarie Group Limited, Macquarie Bank Limited, the Grattan Institute and the Australian Institute of Company Directors. She is an Ambassador for the Australian Indigenous Education Foundation. Mrs Cross is a former Director of National Australia Bank Limited, Wesfarmers Limited, Suncorp-Metway Limited, AMP Limited, JBWere Pty Limited and the Methodist Ladies College. She was Chairman of Qantas Superannuation Limited and Deputy Chairman of Victoria's Transport Accident Commission. She also served in honorary Government roles including the Australian Financial Centre Forum and the Financial Sector Advisory Council, as well as numerous charities. Prior to becoming a professional company director in 1996, Mrs Cross held senior executive positions for over 15 years with Chase Manhattan Bank, Banque Nationale de Paris and National Australia Bank.

Age: 54



Richard Goodman

BEng(Civil), BCom, BEC, MBA

Independent Non-Executive Director

Richard Goodman was appointed to the Qantas Board in June 2008. He is Chairman of the Safety, Health, Environment and Security Committee and a Member of the Nominations Committee. Mr Goodman is a Director of Rio Tinto plc and Rio Tinto Limited. From 1999 to 2009 he was Executive Vice President and Chief Operating Officer of E.I. du Pont de Nemours and Company. Previous to this role, he was President and Chief Executive Officer of America West Airlines. Mr Goodman was also previously Senior Vice President of Operations for Frito-Lay Inc. and was a Principal at McKinsey & Company Inc. He spent 10 years in heavy civil engineering project management, principally in South East Asia. Mr Goodman was born in Australia and is a citizen of both Australia and the United States.

Age: 66



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 Audit Committee and the Remuneration Committee. Mr Rayner is Chairman of Treasury Wine Estates Limited and a Director of Centrica plc. He is also a Director of Boral Limited and Chairman of its 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: 59



Barbara Ward, AM

BEC, MPolEc

Independent Non-Executive Director

Barbara Ward was appointed to the Qantas Board in June 2008. She is a Member of the Safety, Health, Environment and Security Committee and the Audit Committee. Ms Ward is a Director of a number of Brookfield Multiplex Group companies, O'Connell Street Associates Pty Ltd and the Sydney Children's Hospital Foundation. She was formerly a Director of the Commonwealth Bank of Australia, Lion Nathan Limited, Brookfield Multiplex Limited, Allico Finance Group Limited, Rail Infrastructure Corporation, Delta Electricity, Ausgrid, Endeavour Energy and Essential Energy. She was also Chairman of Country Energy and NorthPower, a Board Member of Allens Arthur Robinson and on the Advisory Board of LEK Consulting. 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: 59

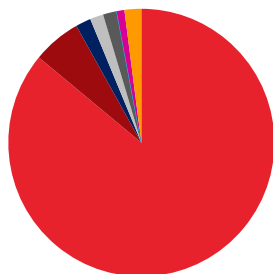
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FINANCIAL DATA

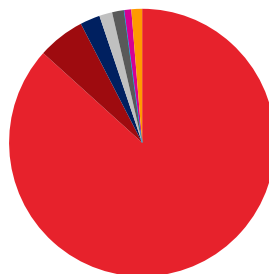
INCOME STATEMENT*

REVENUE AND OTHER INCOME

Revenue Sources



	FY13	
	\$M	%
Net Passenger Revenue	13,673	86%
Net Freight Revenue	935	6%
Contract Work Revenue	296	2%
Frequent Flyer store and other redemption revenue	257	2%
Frequent Flyer membership fees, marketing revenue and other	268	2%
Retail, advertising and other property revenue	148	1%
Other	325	2%



	FY12	
	\$M	%
Net Passenger Revenue	13,625	87%
Net Freight Revenue	903	6%
Contract Work Revenue	380	2%
Frequent Flyer store and other redemption revenue	245	2%
Frequent Flyer membership fees, marketing revenue and other	235	1%
Retail, advertising and other property revenue	131	1%
Other	205	1%

The Qantas Group's main business is the transportation of passengers. In 2012/13 passenger revenue contributed \$13.7 billion equating to 86 per cent of the Group's total revenue. The Qantas Group's other key revenue streams are freight, contract work, frequent flyer, retail, advertising and other revenue.

NET PASSENGER REVENUE

The Qantas Group's net passenger revenue comes from its two major brands, Qantas and Jetstar. The Qantas Group carried 48 million passengers in 2012/13. Net passenger revenue includes:

- ticketed passenger revenue;
- unavailed passenger revenue;
- fuel surcharge;
- frequent flyer revenue relating to redemptions on Qantas Group's flights;
- passenger recoveries;
- ancillary passenger revenue;
- passenger service fees;
- lease revenue (codeshare);
- charter revenue; and
- Emirates margin share revenue.

Unavailed passenger revenue

Unavailed passenger revenue is revenue recognised on tickets which have passed their ticketed travel date in line with ticket terms and conditions and historic experience.

Passenger recoveries

Passenger recoveries refer to taxes and airport passenger charges that an airline collects on behalf of national or local governments or airports.

Ancillary passenger revenue

Ancillary revenue is revenue from in-flight catering and bar sales, baggage charges, in-flight duty free sales and since May 2011, Jetstar product bundles.

Passenger service fees

Passenger service fees are derived through booking related fees including change and cancellation fees as well as additional leg room.

Lease revenue

Lease revenue is primarily derived from codeshare and joint venture partners. Qantas Group receives revenue for seats sold to codeshare passengers travelling on Qantas flights. Offsetting this revenue is a fee charged by codeshare partners when Qantas Group passengers travel on codeshare flights. This offset is accounted for under capacity hire expenses.

Charter revenue

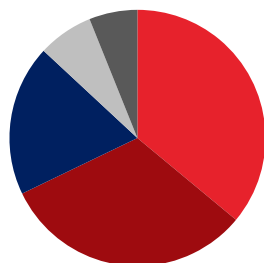
Charter revenue represents unscheduled passenger services, including Network Aviation services.

YIELD

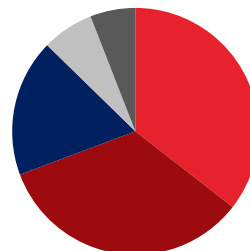
Yield is calculated as ticketed passenger revenue excluding foreign exchange divided by revenue passenger kilometres. Other revenue items including unavailed passenger revenue, passenger recoveries, ancillary passenger revenue, passenger service fees, lease and charter revenue are reported as part of net passenger revenue but are not included in the calculation of yield. A five year history of Group yield and other passenger related statistics are on page 32. A ten year history of traffic statistics split by airline can be found on pages 48 and 49.

* All figures are presented on a Statutory basis unless indicated otherwise

Segment Revenue (excluding corporate and eliminations)



	FY13	
	\$M	%
Qantas Domestic	6,218	36%
Qantas International	5,496	32%
Jetstar	3,288	19%
Qantas Loyalty	1,205	7%
Qantas Freight	1,056	6%



	FY12	
	\$M	%
Qantas Domestic	6,063	35%
Qantas International	5,770	34%
Jetstar	3,076	18%
Qantas Loyalty	1,157	7%
Qantas Freight	1,013	6%

OTHER KEY REVENUE STREAMS

The Qantas Group had net freight revenue of \$0.9 billion and other revenue of \$1.3 billion in 2012/13.

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 freighter aircraft. Lease freight revenue from codeshares is also included in this category.

Contract work revenue

Contract work revenue is largely earned by Qantas Engineering, Qantas Defence Services (QDS), 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.

QDS provides aviation maintenance services and support to the Australian Defence Force (ADF) and international defence organisations. In August 2013, Qantas Group announced the sale of QDS to Northrop Grumman Australia, a subsidiary of Northrop Grumman Corporation.

While most catering work is performed for Qantas, Q Catering and Snap Fresh also 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 contract work revenue by offering airport related services to airlines outside the Qantas Group.

Frequent Flyer membership fees, marketing revenue and other revenue

Frequent Flyer marketing revenue is recognised when the service is performed (typically on issuance of frequent flyer points). Marketing revenue is measured as the difference between the cash received on issuance of a point and the redemption revenue. The Qantas related portion of marketing revenue is eliminated on consolidation. Also included in this category are membership fees and other revenue from related activities including Wishlist and revenue from other third party loyalty programs.

Frequent Flyer store and other redemption revenue

Frequent Flyer store and other redemption revenue represents the remaining revenue from the issuance of frequent flyer points which is not recognised until the points are redeemed, excluding redemptions on Qantas Group flights which are reported in net passenger revenue. Redemption revenue is measured based on management's estimates of the fair value of the expected awards for which the points will be redeemed.

Retail, advertising and other property revenue

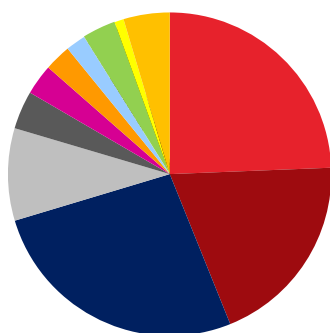
Included in this category is revenue from ongoing long term leases with retail stores at Qantas owned domestic terminals. Qantas generates revenue from utilising digital advertising assets within the terminals through joint revenue share agreements with media agencies. Freight terminal fees are also included in this category.

Other revenue

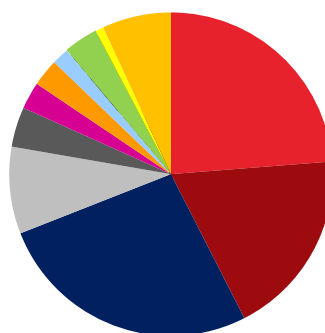
Other revenue is any other revenue not falling into the abovementioned categories including Qantas Club membership, international freight handling fees, Tours and Travel revenue and liquidated damages.

EXPENDITURE

Expenditure Sources



	FY13 \$M	%
Manpower and staff related	3,825	24%
Aircraft operating variable	3,066	20%
Fuel	4,154	26%
Depreciation and amortisation	1,450	9%
Selling and marketing	598	4%
Property	482	3%
Computer and communication	418	3%
Capacity hire	311	2%
Non-cancellable aircraft operating lease rentals	525	3%
Airport security charges	145	1%
Other	724	5%



	FY12 \$M	%
Manpower and staff related	3,774	24%
Aircraft operating variable	2,980	19%
Fuel	4,220	27%
Depreciation and amortisation	1,384	9%
Selling and marketing	635	4%
Property	429	3%
Computer and communication	437	3%
Capacity hire	266	2%
Non-cancellable aircraft operating lease rentals	549	3%
Airport security charges	131	1%
Other	1,092	7%

MANPOWER

The Qantas Group had 33,265 full-time equivalents employees (FTEs) as at 30 June 2013. Approximately 81 per cent of Qantas Group employees are full-time employees and 93 per cent are based in Australia.

Key employee facts

for the year ended 30 June

	Unit	2013	2012
Full-time equivalent (FTE) employees	#	33,265	33,584
Total headcount	#	35,231	36,815
Attrition rate	%	4.5	5.4
Average age	Years	43.3	43.3
% Part time employees	%	15.5	14.1
Union membership	%	60-70	60-70

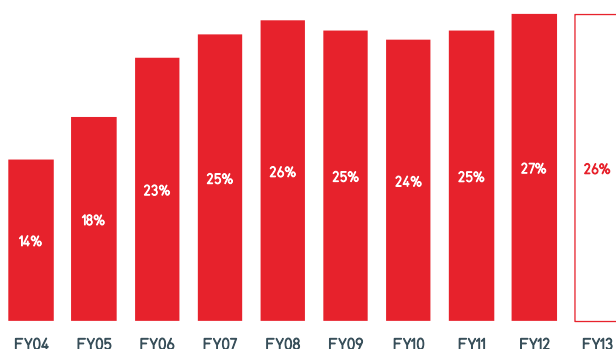
DEPRECIATION

The Qantas Group uses straight-line depreciation rates for all of its property, plant and equipment (excluding freehold land, which is not depreciated) using rates ranging from 2.5 years to 40 years. The asset depreciation periods are:

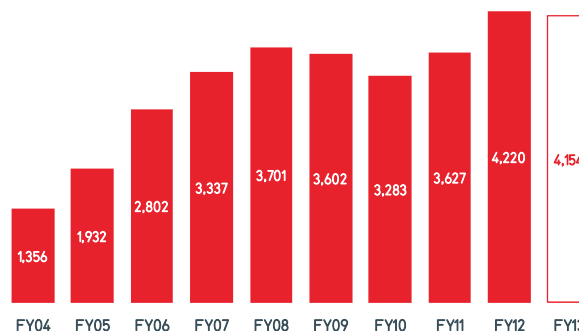
	Years	Residual Value %
Buildings and leasehold improvements	10 – 40	0
Plant and equipment	3 – 20	0
Passenger aircraft and engines	2.5 – 20	0 – 10
Freighter aircraft and engines	2.5 – 20	0 – 20
Aircraft spare parts	15 – 20	0 – 20

FUEL

Fuel as a % of Total Expenditure



Total Fuel Spend \$M



The Qantas Group has jet fuel supply arrangements with various fuel suppliers in ports to which its 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 26 per cent of the Qantas Group's total expenditure in 2012/13.

Into-plane margin

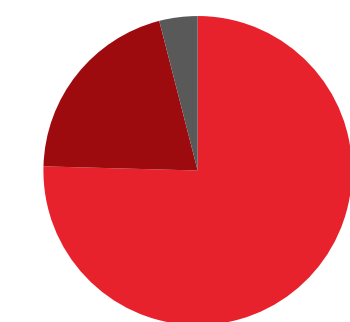
In addition to the regional jet fuel benchmark referenced in supplier arrangements in the relevant port, airlines typically pay an additional into-plane margin. This covers transport, insurance and manpower typically associated with the physical delivery of fuel into the aircraft. The margin varies by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

Strategies to offset jet fuel prices

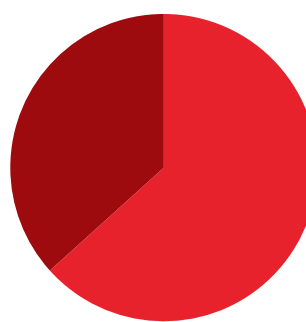
The Qantas Group uses the following strategies to reduce the negative impact from rising jet fuel prices:

- hedging to give the organisation time to adapt to new price 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
- enhanced technology around flying techniques and navigation approach

FY13 Indicative Fuel Consumption Split



- Qantas
- Jetstar (excluding Jetstar Asia)
- Freight



- International
- Domestic

AIRCRAFT OPERATING VARIABLE

The Qantas Group spent \$3 billion on aircraft operating variable (AOV) costs in 2012/13.

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.

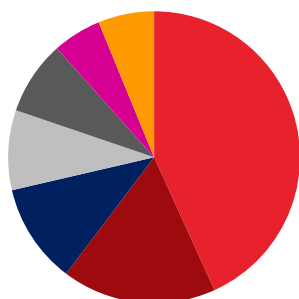
Maintenance consists of aircraft maintenance costs including subcontractor fees and materials. The timing of

aircraft maintenance checks depends on flying hours and cycles (number of departures) and can also be based on calendar days.

Passenger expenses include in-flight consumables and amenities, in-flight entertainment (IFE), lost baggage, delay, and Qantas Club operational costs.

Crew expenses include accommodation, vehicle hire and allowances.

Aircraft Operating Variable – Indicative Split



	FY13
Route Navigation and Landing fees	43%
Maintenance (including materials and labour)	17%
Passenger Expenses	11%
Airmeals	9%
Ground Handling	8%
Crew Expenses	5%
Other sundry AOV related expenses	6%

OTHER KEY EXPENSES

Non-cancellable operating leases

The Qantas Group has a mixture of leased and owned aircraft across its fleet in order to achieve an optimal funding mix. Leased aircraft currently make up approximately 33 per cent of the fleet.

Selling and marketing

Incentive commissions are paid to agents for ticket sales. IT system fees are charged to Qantas Group 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 Group currently has wet-lease arrangements in its Airlink, Jetconnect, Jetstar Asia and Qantas Freight operations.

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

Airport Security Charges

Airports recover the cost of security related services from the Qantas Group through a per-passenger levy which is then passed through to the passenger.

Other

Other expenses include costs that cannot be allocated to other Income Statement categories such as contract work material, printing, stationery, vehicle costs, exchange rate adjustments and consulting costs. Other also includes transformation costs including redundancies and impairment.

UNDERLYING PBT METHODOLOGY

Underlying Profit Before Tax (PBT) is the primary reporting measure used by the Qantas Group's chief operating decision-making bodies, being the Chief Executive Officer, Group Management Committee and the Board of Directors, for the purpose of assessing the performance of the Group. The primary reporting measure of the Qantas Domestic, Qantas International, Qantas Loyalty, Qantas Freight and Jetstar Group operating segments is Underlying EBIT. The primary reporting measure of the Corporate/Unallocated segment is Underlying PBT as net finance costs are managed centrally and are not allocated to Qantas Domestic, Qantas International, Qantas Loyalty, Qantas Freight and Jetstar Group operating segments.

Underlying PBT is derived by adjusting Statutory PBT for the impacts of AASB 139: Financial Instruments: Recognition and Measurement (AASB 139) which relate to other reporting periods and identifying certain other items which are not included in Underlying PBT. For a reconciliation of Underlying PBT to Statutory PBT refer to page 116 of the Qantas Annual Report 2013.

(i) Adjusting for impacts of AASB 139 which relate to other reporting periods

All derivative transactions undertaken by the Qantas Group represent economic hedges of underlying risk and exposures. The Qantas Group does not enter into speculative derivative transactions. Notwithstanding this, AASB 139 requires certain mark-to-market movements in derivatives which are classified as "ineffective" to be recognised immediately in the Consolidated Income Statement. The recognition of derivative valuation movements in reporting periods which differ from the designated transaction causes volatility in statutory profit that does not reflect the hedging nature of these derivatives.

Underlying PBT reports all hedge derivative gains and losses in the same reporting period as the underlying transaction by adjusting the reporting period's statutory profit for derivative mark-to-market movements that relate to underlying exposures in other reporting periods.

This adjustment is calculated as follows:

- Derivative mark-to-market movements recognised in the current reporting period's statutory profit that are associated with current year exposures remain included in Underlying PBT
- Derivative mark-to-market movements recognised in the current reporting period's statutory profit that are associated with underlying exposures which will occur in future reporting periods are excluded from Underlying PBT
- Derivative mark-to-market movements recognised in the current reporting period's statutory profit that are associated with capital expenditure are excluded from Underlying PBT and subsequently included in Underlying PBT as an implied adjustment to depreciation expense for the related assets commencing when the assets are available for use
- Derivative mark-to-market movements recognised in previous reporting periods' statutory profit that are associated with underlying exposures which occurred in the current year are included in Underlying PBT
- Ineffectiveness and non-designated derivatives relating to other reporting periods affecting net finance costs are excluded from Underlying PBT

All derivative mark-to-market movements which have been excluded from Underlying PBT will be recognised through Underlying PBT in future periods when the underlying transaction occurs.

(ii) Other items not included in Underlying PBT

Items which are identified by Management and reported to the chief operating decision-making bodies as not representing the underlying performance of the business are not included in Underlying PBT. The determination of these items is made after consideration of their nature and materiality and is applied consistently from period to period.

Items not included in Underlying PBT primarily result from revenues or expenses relating to business activities in other reporting periods, major transformational/restructuring initiatives, transactions involving investments and impairments of assets outside the ordinary course of business.

(iii) Underlying EBIT

Underlying EBIT is calculated using a consistent methodology as outlined above but excluding the impact of statutory net finance costs and ineffective and non-designated derivatives relating to other reporting periods affecting net finance costs.

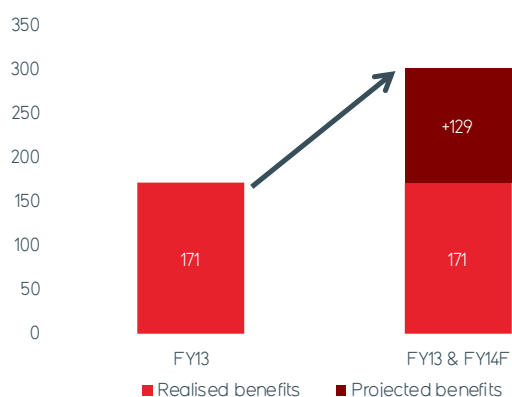
QANTAS TRANSFORMATION

Qantas Transformation, announced in August 2012, is the ongoing transformation program for Qantas Domestic and Qantas International. Qantas Transformation has the following target outcomes:

Target Outcomes Over 3 Years (FY13 to FY15)	Qantas Transformation agenda
1. Competitive relative cost position for Qantas Domestic and Qantas International	<ul style="list-style-type: none"> • Efficiencies in Engineering, Catering, Ground Operations, cost of sales, Procurement and corporate functions • Strategic changes to network, fleet, alliances
2. Market-leading customer advocacy	<ul style="list-style-type: none"> • Lifting the service offering, ongoing enhancements to alliances and network, aircraft reconfigurations and other customer initiatives
3. Workforce engagement comparable with peer organisations	<ul style="list-style-type: none"> • Investment in management training, leadership and change capability, communication effectiveness and workplace transformation

In 2012/13, gross benefits of \$428 million were achieved. This comprised \$171 million from announced strategic initiatives and \$257 million in ongoing cost management which offsets annual inflation.

Qantas Transformation Benefits \$M



Major achievements in FY13 included:

- International network changes
- Benefits from strengthened alliances and aircraft reconfigurations
- Engineering transformation: heavy maintenance consolidation and line maintenance efficiencies
- Rationalisation of catering facilities
- Ground Operations workforce efficiencies
- IT improvements
- Corporate cost reduction and procurement savings

FUNDING

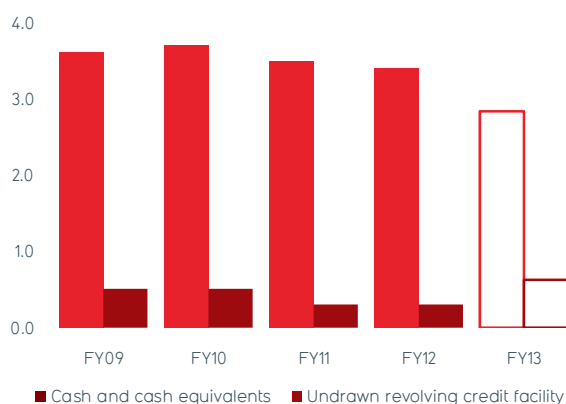
The Qantas Group's funding decisions are made with the aim of maximising strategic and operating flexibility for the fleet renewal cycle. The debt portfolio aims to be competitive in cost, offer repayment flexibility, minimise credit and residual value risks and comprise a balanced maturity profile.

CASH

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 airline. Cash is invested in highly rated short term money market securities and term deposits.

As at 30 June 2013, the Qantas Group had a cash balance of \$2.8 billion. In addition to this is a \$0.6 billion undrawn revolving credit facility.

Cash and Cash Equivalents \$B



DEBT

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

As at 30 June 2013, the Qantas Group debt portfolio totalled \$6 billion. It included unsecured bank loans which mature in April 2015 and April 2017, one unsecured Rule 144A/Reg S bond that matures in 2015/16, A\$250 million medium term notes maturing in 2019/20 and a series of longer term debt and lease facilities secured by aircraft which generally amortise over 10 to 15 years.

The Qantas Group has a range of off-balance sheet operating leases. These operating leases expire progressively over the next 10 years. The Qantas Group anticipates being able to fund future capital expenditure from cash reserves, cash flow from operations and debt and operating lease facilities.

Debt Position and Gearing

for the year ended 30 June	2013	2012
Net on balance sheet debt ¹	3,226	3,507
Net debt including operating lease liability ²	4,819	5,367
On balance sheet debt ratio ³	36:64	39:61
Gearing Ratio ⁴	46:54	49:51

1. Net on balance sheet debt is comprised of current and non-current interest-bearing liabilities, net of cash and cash equivalents, aircraft security deposits and includes fair value of hedges relating to debt from Other Financial assets and liabilities on the consolidated balance sheet in accordance with AASB 139: Financial Instruments: Recognition and Measurement.
2. Net debt including operating lease liabilities includes net on balance sheet debt and off balance sheet aircraft operating lease liabilities. Operating lease liabilities are measured as the present value of minimum lease payments for aircraft operating leases which, in accordance with AASB 117: Leases, is not recognised on balance sheet. This operating lease liability has been calculated in accordance with Standard and Poor's methodology using an assumed interest rate of nine per cent.
3. Net debt on balance sheet to net debt on balance sheet and equity (excluding hedge reserve and defined benefit superannuation prepayments net of deferred tax and including vested benefits surplus/(deficit) of defined benefit superannuation plans, net of deferred tax).
4. Gearing ratio is net debt including operating lease liability to net debt including operating lease liability and equity (excluding hedge reserve and defined benefit superannuation prepayments net of deferred tax and including vested benefits surplus/(deficit) of defined benefit superannuation plans, net of deferred tax). The gearing ratio is used by Management to represent the Qantas Group's debt obligation including obligations under operating leases.

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 of operating an 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 USD and also in currencies where there are surplus revenue streams such as JPY, GBP and EUR. At 30 June 2013, Net debt including operating lease liability, was \$4,819 million (2012: \$5,367 million).

The Qantas Group manages interest rate risk using a "fixed versus floating" framework. The proportion of "fixed versus floating" net debt is maintained within specified minimum and maximum approved bands as defined in the Board approved Treasury Risk Management Policy. Interest rate swaps, forward rate agreements and options are used to uphold these proportions.

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 jointly controlled 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

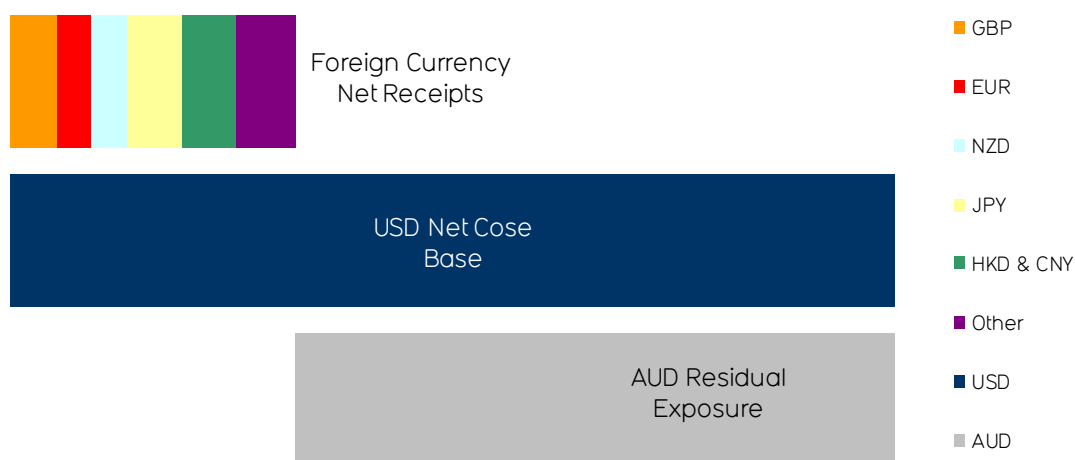
The Qantas Group aviation insurance program covers all aircraft owned, leased or operated by a Qantas Group company including all aircraft spare parts and other technical equipment. The program also covers liabilities arising out of the Group's aviation operations. Under the Qantas Constitution, Qantas 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. The Qantas Group 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
- The Qantas Group may denominate borrowings in net surplus currencies to provide a natural hedge
- The Qantas Group 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 in accordance with a Board approved set of policy parameters. The capital expenditure sensitivity will rise or fall depending on the level of capital expenditure commitments the Qantas Group has outstanding at any given time, the level of those commitments that are hedged and the hedging instruments used.

FUEL HEDGING

The Qantas Group uses derivatives such as options and swaps on aviation fuel, gas oil 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. Up to 80 per cent of estimated fuel consumption out to 12 months and up to 40 per cent in the subsequent 12 months may be hedged, with any hedging outside these parameters requiring approval by the Board.

Differential between crude oil and jet fuel

The Qantas Group hedging is mainly undertaken in crude oil proxies such as West Texas Intermediate (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.

CARBON PRICE HEDGING

From July 2012, the Qantas Group is liable for its carbon emissions in three jurisdictions – Australia, the European Union (EU) and New Zealand.

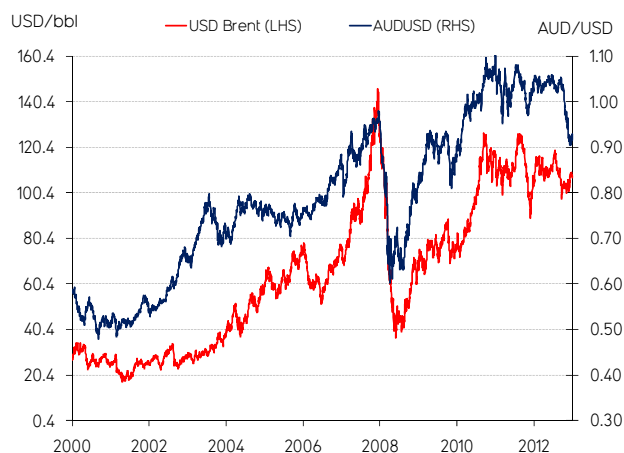
As the price of carbon is fixed in Australia for the first three years and the Qantas Group is also to receive a significant proportion of free credits in the EU, the current price risk exposure is comparatively small. Hedging this risk will be managed using derivatives such as options, forwards and swaps in accordance with a Board approved set of policy parameters.

ACCOUNTING EFFECTS FROM HEDGING

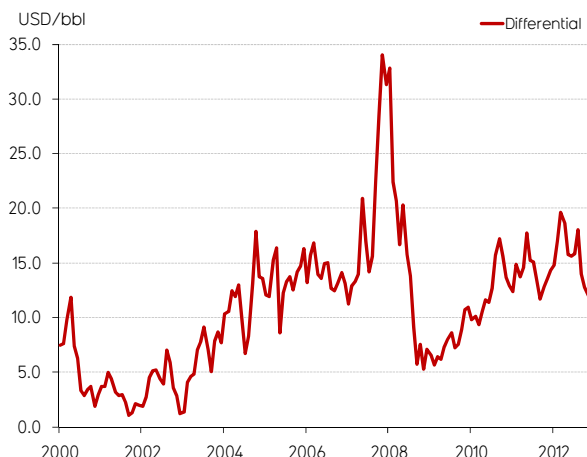
Two hedging strategies in particular drive accounting ineffectiveness in the Qantas Group statutory results. Crude oil prices and jet fuel prices do not always result in the effectiveness of the hedge falling within the 80 per cent to 125 per cent range required by AASB 139 Financial Instruments: Recognition 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.

Brent Crude Oil v AUD/USD
FY01 – FY13



Differential between Brent Crude Oil and
Singapore Jet fuel – FY01 – FY13



10 YEAR FINANCIAL OVERVIEW

for the year ended 30 June

QANTAS GROUP

Income Statement \$M	2013	2012	2011	2010	2009
Net passenger revenue	13,673	13,625	12,042	10,938	11,604
Net freight revenue	935	903	842	821	764
Contract work revenue	296	380	347	402	426
Other	998	816	1,663	1,611	1,758
Total Revenue	15,902	15,724	14,894	13,772	14,552
Manpower and staff related	3,825	3,774	3,695	3,405	3,684
Aircraft operating variable	3,066	2,980	2,768	2,675	2,834
Fuel	4,154	4,220	3,627	3,283	3,602
Selling and marketing	598	635	626	572	632
Property	482	429	398	396	402
Computer and communication	418	437	409	405	406
Capacity hire	311	266	258	249	274
Ineffective and non-designated derivatives	76	165	120	173	(105)
Other	754	1,061	764	633	765
Operating expenditure	13,684	13,967	12,665	11,791	12,494
Non-cancellable aircraft operating lease rentals	525	549	566	525	450
Depreciation and amortisation	1,450	1,384	1,249	1,199	1,390
Share of net (profit)/loss of associates and jointly controlled entities	39	(3)	(22)	4	15
Statutory profit/(loss) before tax and net finance costs	204	(173)	436	253	203
Finance income	109	181	192	181	207
Finance costs	(296)	(357)	(305)	(256)	(229)
Net Finance (costs)/income	(187)	(176)	(113)	(75)	(22)
Statutory profit/(loss) before tax	17	(349)	323	178	181
Income tax (expense)/benefit	(11)	105	74	62	58
Statutory profit/(loss) after tax	6	(244)	249	116	123
Underlying profit before tax	192	95	552	377	100

Summarised Balance Sheet \$M

Current assets excluding cash and cash equivalents	2,416	2,062	2,145	2,128	2,349
Cash and cash equivalents	2,829	3,398	3,496	3,704	3,617
Non-current assets	14,955	15,718	15,217	14,078	14,083
Total assets	20,200	21,178	20,858	19,910	20,049
Current liabilities	6,370	7,118	6,235	6,241	6,714
Non-current liabilities	7,876	8,171	8,472	7,688	7,570
Total equity	5,954	5,889	6,151	5,981	5,765
Total liabilities and equity	20,200	21,178	20,858	19,910	20,049

Summarised Cash Flow Statement \$M

Net cash from operating activities	1,417	1,810	1,782	1,351	1,149
Net cash from investing activities, excluding capital expenditure	202	(153)	(71)	43	367
Capital expenditure	(1,247)	(2,129)	(2,407)	(1,688)	(1,530)
Net cash from/(used in) financing activities	(953)	370	508	381	1,032
Net change in cash held (incl FX on cash & cash equivalents)	(569)	(98)	(208)	87	1,018

Key ratios

	Unit					
Earnings per share (Statutory)	cents	0.2	(10.8)	11.0	4.9	5.6
Net debt (on balance sheet)	\$M	3,226	3,507	2,971	2,236	1,923
Return on equity	%	0.1	(4.1)	4.0	1.9	2.1
Full-time equivalent employees, FTE	#	33,265	33,584	33,169	32,489	33,966

Please refer to notes on page 33.

for the year ended 30 June

QANTAS GROUP

Income Statement \$M

	2008	2007	2006	2005	2004
Net passenger revenue	12,709	11,912	10,504	9,835	8,978
Net freight revenue	959	903	888	760	470
Contract work revenue	454	434	469	485	503
Other	1,505	1,276	1,195	1,005	832
Total Revenue	15,627	14,525	13,056	12,085	10,783
Manpower and staff related	3,533	3,335	3,322	3,245	2,939
Aircraft operating variable	2,608	2,616	2,525	2,436	2,227
Fuel	3,701	3,337	2,802	1,932	1,356
Selling and marketing	755	503	470	444	466
Property	346	351	320	301	310
Computer and communication	382	527	488	492	439
Capacity hire	276	303	370	341	287
Ineffective and non-designated derivatives	55	122	-	-	-
Other	768	652	467	365	412
Operating expenditure	12,424	11,746	10,764	9,555	8,435
Non-cancellable aircraft operating lease rentals	400	415	356	310	264
Depreciation and amortisation	1,469	1,363	1,250	1,100	1,006
Share of net (profit)/loss of associates and jointly controlled entities	(28)	(47)	(39)	(2)	(20)
Statutory profit/(loss) before tax and net finance costs	1,362	1,047	726	1,122	1,098
Finance income	285	244	163	117	126
Finance costs	(239)	(259)	(218)	(212)	(260)
Net Finance (costs)/income	46	(15)	(55)	(95)	(134)
Statutory profit/(loss) before tax	1,408	1,032	671	1,027	965
Income tax expense	438	313	191	263	316
Statutory profit/(loss) after tax	970	720	480	764	649
Underlying profit before tax	NA	NA	NA	NA	NA

Summarised Balance Sheet \$M

Current assets excluding cash and cash equivalents	3,017	2,271	2,150	1,806	1,957
Cash and cash equivalents	2,599	3,363	2,902	1,904	1,365
Non-current assets	14,084	13,972	14,131	14,425	14,252
Total assets	19,700	19,606	19,183	18,134	17,574
Current liabilities	7,604	6,504	5,430	4,635	5,190
Non-current liabilities	6,361	6,907	7,672	7,072	6,544
Total equity	5,735	6,195	6,081	6,427	5,840
Total liabilities and equity	19,700	19,606	19,183	18,134	17,574

Summarised Cash Flow Statement \$M

Net cash from operating activities	2,128	2,353	2,026	1,950	1,999
Net cash from investing activities, excluding capital expenditure	102	16	638	287	(226)
Capital expenditure	(1,424)	(1,236)	(1,527)	(1,683)	(1,944)
Net cash from/(used in) financing activities	(1,570)	(672)	(138)	(15)	(481)
Net change in cash held (incl FX on cash & cash equivalents)	(764)	461	998	539	(651)

Key ratios

	Unit					
Earnings per share (Statutory)	cents	49.0	36.4	24.9	40.8	35.7
Net debt (on balance sheet)	\$M	1,769	1,392	2,248	2,844	3,506
Return on equity	%	16.9	11.6	7.9	11.9	11.1
Full-time equivalent employees, FTE	#	33,670	34,267	34,832	35,520	33,862

Please refer to notes on page 33.

HALF YEAR FINANCIAL OVERVIEW

for the 6 months ended

QANTAS GROUP

Income Statement \$M

	30 Jun 2013	31 Dec 2012	30 Jun 2012	31 Dec 2011	30 Jun 2011
Net passenger revenue	6,724	6,949	6,042	6,452	5,854
Net freight revenue	460	475	377	407	395
Contract work revenue	139	157	188	192	166
Other	337	661	1,069	997	888
Total Revenue	7,660	8,242	7,676	8,048	7,303
Manpower and staff related	1,898	1,927	1,856	1,918	1,815
Aircraft operating variable	1,422	1,644	1,418	1,562	1,302
Fuel	2,019	2,135	2,103	2,117	1,913
Selling and marketing	296	302	299	336	314
Property	241	241	221	208	199
Computer and communication	214	204	239	198	189
Capacity hire	155	156	137	129	124
Ineffective and non-designated derivatives	59	17	90	75	92
Other	383	371	634	427	362
Operating expenditure	6,687	6,997	6,997	6,970	6,310
Non-cancellable aircraft operating lease rentals	260	265	272	277	283
Depreciation and amortisation	731	719	705	679	643
Share of net (profit)/loss of associates and jointly controlled entities	23	16	12	(15)	(5)
Statutory (loss)/profit before tax and net finance costs	(41)	245	(310)	137	72
Finance income	43	66	83	98	91
Finance costs	(136)	(160)	(180)	(177)	(162)
Net Finance(costs)/income	(93)	(94)	(97)	(79)	(71)
Statutory (loss)/profit before tax	(134)	151	(407)	58	1
Income tax benefit/(expense)	29	(40)	(121)	16	(9)
Statutory (loss)/profit after tax	(105)	111	(286)	42	10
Underlying (loss)/profit before tax	(31)	223	(107)	202	135

Summarised Balance Sheet \$M

Current assets excluding cash and cash equivalents	2,416	2,183	2,062	2,056	2,145
Cash and cash equivalents	2,829	3,058	3,398	3,342	3,496
Non-current assets	14,955	15,189	15,718	15,984	15,217
Total assets	20,200	20,430	21,178	21,382	20,858
Current liabilities	6,370	6,575	7,118	6,135	6,235
Non-current liabilities	7,876	7,861	8,171	9,059	8,472
Total equity	5,954	5,994	5,889	6,188	6,151
Total liabilities and equity	20,200	20,430	21,178	21,382	20,858

Summarised Cash Flow Statement \$M

Net cash from operating activities	637	780	987	823	996
Net cash from investing activities, excluding capital expenditure	(56)	258	(112)	(41)	16
Capital expenditure	(414)	(833)	(669)	(1,460)	(1,375)
Net cash from/(used in) financing activities	(406)	(547)	(155)	525	528
Net change in cash held (incl FX on cash & cash equivalents)	(227)	(342)	51	(153)	165

Key ratios

	Unit					
Earnings per share (Statutory)	cents	(4.7)	4.9	(12.6)	1.9	0.4
Net debt (on balance sheet)	\$M	3,226	3,363	3,507	3,753	2,971
Net tangible asset per share	\$	2.34	2.37	2.33	2.46	2.45
Full-time equivalent employees, FTE	#	33,265	33,608	33,584	33,697	33,169

Please refer to notes on page 33.

for the 6 months ended

QANTAS GROUP

Income Statement \$M

	31 Dec 2010	30 Jun 2010	31 Dec 2009	30 Jun 2009	31 Dec 2008
Net passenger revenue	6,188	5,362	5,576	5,196	6,408
Net freight revenue	447	424	397	271	493
Contract work revenue	181	214	188	220	206
Other	775	863	748	797	961
Total Revenue	7,591	6,863	6,909	6,484	8,068
Manpower and staff related	1,880	1,675	1,730	1,746	1,938
Aircraft operating variable	1,466	1,304	1,371	1,315	1,519
Fuel	1,714	1,719	1,564	1,552	2,050
Selling and marketing	312	295	277	252	380
Property	199	196	200	199	203
Computer and communication	220	193	212	191	215
Capacity hire	134	127	122	130	144
Ineffective and non-designated derivatives	28	78	95	(167)	62
Other	402	265	368	352	413
Operating expenditure	6,355	5,852	5,939	5,570	6,924
Non-cancellable aircraft operating lease rentals	283	272	253	236	214
Depreciation and amortisation	606	624	575	730	660
Share of net (profit)/loss of associates and jointly controlled entities	(17)	5	(1)	20	(5)
Statutory (loss)/profit before tax and net finance costs	364	110	143	(72)	275
Finance income	101	107	74	92	115
Finance costs	(143)	(129)	(127)	(127)	(102)
Net Finance income/(costs)	(42)	(22)	(53)	(35)	13
Statutory (loss)/profit before tax	322	88	90	(107)	288
Income tax expense	83	32	30	(14)	72
Statutory (loss)/profit after tax	239	56	60	(93)	216
Underlying profit before tax	417	110	267	61	39

Summarised Balance Sheet \$M

Current assets excluding cash and cash equivalents	2,285	2,128	2,200	2,349	4,079
Cash and cash equivalents	3,337	3,704	3,498	3,617	2,831
Non-current assets	14,433	14,078	14,143	14,083	15,587
Total assets	20,055	19,910	19,841	20,049	22,497
Current liabilities	6,222	6,241	6,396	6,714	8,599
Non-current liabilities	7,803	7,688	7,690	7,570	8,250
Total equity	6,030	5,981	5,755	5,765	5,648
Total liabilities and equity	20,055	19,910	19,841	20,049	22,497

Summarised Cash Flow Statement \$M

Net cash from operating activities	786	824	483	771	378
Net cash from investing activities, excluding capital expenditure	(87)	86	1	(22)	389
Capital expenditure	(1,032)	(678)	(1,010)	(150)	(1,380)
Net cash from/(used in) financing activities	(20)	(26)	407	187	845
Net change in cash held (incl FX on cash & cash equivalents)	(353)	206	(119)	786	232

Key ratios

	Unit					
Earnings per share (Statutory)	cents	10.6	2.5	2.6	(5.2)	10.7
Net debt (on balance sheet)	\$M	2,558	2,236	2,353	1,923	3,214
Net tangible asset per share	\$	2.42	2.35	2.25	2.25	2.55
Full-time equivalent employees, FTE	#	32,896	32,489	32,386	33,966	34,110

Please refer to notes on page 33.

OPERATING KEY FIGURES

for the year ended 30 June

Qantas Group	Unit	2013	2012	2011	2010	2009
Passenger related key figures						
Number of destinations (including codeshare) ¹	#	255	233	201	184	151
Number of destinations (excluding codeshare) ¹	#	112	106	86	85	80
Countries (excluding codeshare) ¹	#	22	22	19	19	17
Number of passengers	'000	48,276	46,708	44,456	41,428	38,438
Revenue passenger kilometre	M	110,905	111,692	106,759	100,727	99,176
Available seat kilometre	M	139,909	139,423	133,281	124,717	124,594
Passenger load factor	%	79.3	80.1	80.1	80.8	79.6
Net passenger revenue/RPK	cents	12.3	12.2	11.3	10.9	11.7
Yield (excluding foreign exchange)	cents	10.3	11.0	10.9	10.6	11.3
Yield variance to prior year (excluding foreign exchange variances)	%	(2.4)	2.6	5.8	(7.2)	(4.3)
Weight related cargo key figures²						
Available Freight tonne kilometre	M	3,701	4,137	4,191	3,925	4,046
Terminal handling tonnes	'000	552	538	548	584	577
Aircraft related						
Number of aircraft (including Network Aviation, Freighters and Jetstar Asia)	#	312	308	283	254	240
Average age of scheduled passenger aircraft ³	Years	7.9	8.3	8.6	8.6	8.8
Fuel and efficiency key figures						
Average WTI crude oil	USD	92	95	90	75	70
Average Brent crude oil	USD	109	112	97	75	70
Average Singapore jet fuel	USD	124	126	109	83	85
Average AUD/USD	cents	1.03	1.03	0.99	0.88	0.75
Consumption of jet fuel ⁴ (in barrels)	'000	32,005	32,449	31,430	29,761	29,944
Qantas Domestic on time domestic departures ⁵	%	84.7	84.4	83.8	87.7	80.8
QantasLink on time domestic departures ⁵	%	78.7	77.7	78.5	86.8	83.7
Jetstar Domestic on time domestic departures ⁵	%	75.6	76.6	77.1	82.1	76.8
Other key figures						
Number of Frequent Flyer members	M	9.4	8.6	7.9	7.2	5.8
Number of meals prepared	M	38	37	37	35	36
Visits at www.qantas.com	M	113	116	111	97	92

1. From 2012 onwards, number of destinations and countries include Jetstar Asia/Valuair.

2. Refers only to international freight.

3. Excludes Freighters and Network Aviation aircraft.

4. Jet fuel consumption includes Jetstar Asia from April 2009 onwards.

5. Source: BITRE

Notes to the financial statements

1. 2013 and 2012 financial results reflect the 2013 Annual Report. 2011, 2010 and 2009 financial results reflect the restated financial results in the 2012, 2011 and 2010 Annual Reports respectively. 2004 to 2008 financial results correspond to numbers reported in the respective period's Annual Report unless noted otherwise below.
2. Net passenger revenue has been adjusted in 2013 to include associate ancillary passenger revenue, passenger service fees, charter revenue and lease revenue from codeshare previously reported as Other revenue. 2012 net passenger revenue and Other revenue has been restated accordingly. Previous periods have not been restated.
3. Net freight revenue has been adjusted in 2013 to include lease revenue from codeshare previously reported in Other revenue. 2012 net freight revenue and Other revenue has been restated accordingly. Previous periods have not been restated.
4. 2006 to 2013 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).
5. 2004 to 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.
6. 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.
7. 2008 revenue and expenses have been adjusted to include the foreign exchange and fuel hedging allocations as per comparatives in the 2009 Annual Report.
8. Earnings per share has not been restated in 2004 to 2007 for the impact of the 2009 equity raising.
9. Full-time equivalent (FTE) employees from 1 July 2010 onwards are as at 30 June/31 December and include Jetstar Asia employees. Prior to this, FTE employees were stated as an average over the period.

SHARE DATA, OWNERSHIP AND DIVIDENDS

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

Key financial equity data

for the year ended 30 June	Unit	2013	2012	2011	2010	2009
Market capitalisation	\$M	3,027	2,435	4,168	4,983	4,553
Number of shares traded	M	2,674	2,952	3,866	4,104	3,036
Weighted average number of ordinary shares	M	2,255	2,265	2,265	2,265	2,051
Number of shares on issue at year end	M	2,242	2,265	2,265	2,265	2,265
Underlying profit before tax per share	cents	9	4	24	17	5
Statutory profit before tax per share	cents	0.8	(15)	14	8	9
Statutory profit after tax per share	cents	0.3	(11)	11	5	6
Net tangible asset per share	\$	2.34	2.33	2.45	2.35	2.25
Share price at 30 June	\$	1.35	1.08	1.84	2.20	2.01
Highest price during the year	\$	1.90	2.02	2.91	3.02	3.71
Lowest price during the year	\$	0.99	0.97	1.80	1.85	1.42
Average price during the year	\$	1.42	1.57	2.42	2.66	2.49

Substantial Shareholders

The following shareholders have notified that they are substantial shareholders of Qantas Airways Limited as at 10 September 2013:

Shareholder	Ordinary shares held (m)	% of issued shares	Notification date
The Capital Group Companies, Inc	259,184,530	11.44	1 August 2012
Franklin Resources, Inc	244,595,616	10.91	9 August 2013
Commonwealth Bank of Australia	212,083,192	9.46	6 September 2013
Westpac Banking Corporation	115,904,167	5.18	10 September 2013

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 Buy-back	(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
December 12 – 30 June 13 ¹	On-market Share Buy-back	(23,377,832)	2,241,745,788

1. On-market share buy-back continuing up to \$100 million as announced in November 2012.

Foreign ownership

Under the Qantas Constitution and the Qantas Sale Act:

- foreign persons are restricted from holding a relevant interest in shares in Qantas which, in aggregate, exceeds 49 per cent of the issued share capital of Qantas
- any one foreign person is restricted from holding a relevant interest in shares in Qantas which exceeds 25 per cent of the issued share capital of Qantas
- foreign airlines are restricted from holding a relevant interest in shares in Qantas which, in aggregate, exceeds 35 per cent of the issued share capital of Qantas

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

The ASX Listing Rules require Qantas to notify the market when the level of foreign ownership is within 5 percentage points of a foreign ownership limit and then for each percentage point change to the disclosed foreign ownership level.

Dividend history (cents per share)

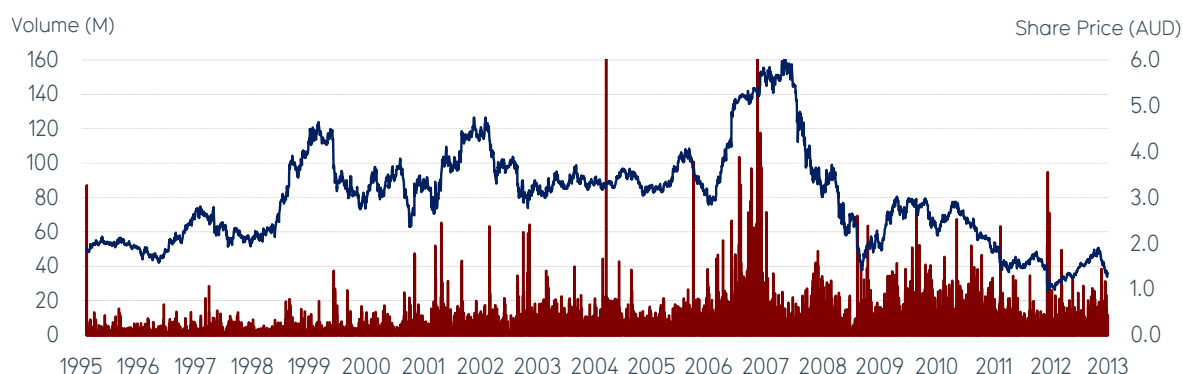
Year	Final	Interim	Special
2012/13	–	–	–
2011/12	–	–	–
2010/11	–	–	–
2009/10	–	–	–
2008/09	–	6.0	–
2007/08	17.0	18.0	–
2006/07	15.0	15.0	–
2005/06	11.0	11.0	–
2004/05	10.0	10.0	–
2003/04	9.0	8.0	–
2002/03	9.0	8.0	–
2001/02	9.0	8.0	–
2000/01	9.0	11.0	–
1999/00	11.0	11.0	37.0
1998/99	11.0	8.0	13.5
1997/98	7.0	6.5	–
1996/97	6.5	6.5	–

Analysts covering Qantas*

BoA Merrill Lynch	Matthew Spence
CIMB Securities	Mark Williams
Citi	Anthony Moulder
CLSA	Scott Ryall
Commonwealth Bank	Matthew Crowe
Credit Suisse	Nick Markiewicz
Deutsche Bank	Cameron McDonald
Goldman Sachs JBWere	Andrew Gibson
JP Morgan	Carolyn Holmes
Macquarie	Russell Shaw
Morgan Stanley	Scott Kelly
UBS	Simon Mitchell

*These analysts follow the Qantas Group and are known to Qantas. 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 other 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.

Qantas Share Price History

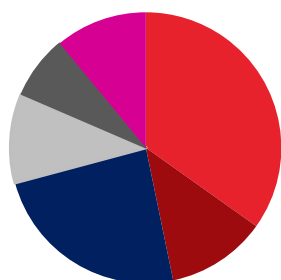


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OPERATIONAL AND COMMERCIAL DATA

PASSENGER AND MARKET SHARE DATA

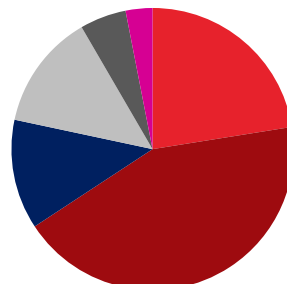
Distribution of Passengers – FY13



■	Qantas Domestic	35%
■	Qantas International	12%
■	Jetstar Domestic	24%
■	Jetstar International	11%
■	Jetstar Asia	8%
■	QantasLink	11%

Source: Qantas Group

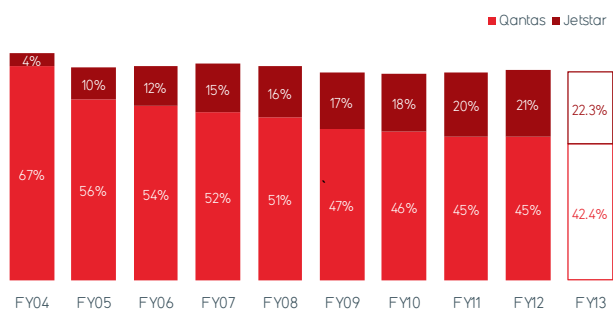
Distribution of Revenue Passenger Kilometres – FY13



■	Qantas Domestic	22%
■	Qantas International	43%
■	Jetstar Domestic	13%
■	Jetstar International	13%
■	Jetstar Asia	5%
■	QantasLink	3%

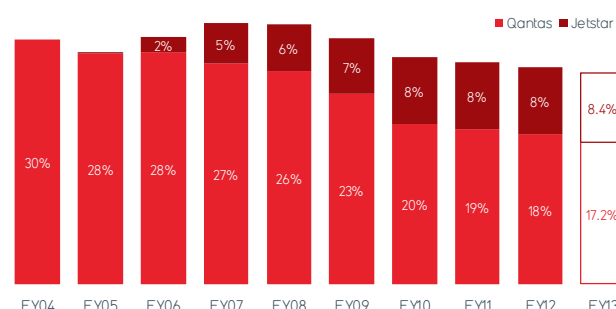
Source: Qantas Group

Market Share – Domestic



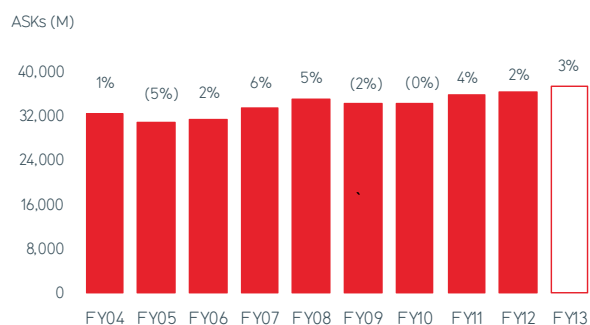
Source: Qantas Group

Market Share – International



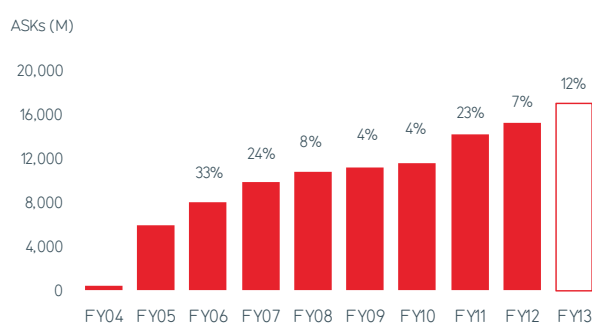
Source: Qantas Group

Growth Rates – Qantas Domestic (including QantasLink)



Source: Qantas Group traffic statistics

Growth Rates – Jetstar Domestic



Source: Qantas Group traffic statistics

FLEET

At 30 June 2013, the Qantas Group operated a total passenger fleet of 307 aircraft. This includes aircraft for Qantas Domestic (including QantasLink and Network Aviation), Qantas International and Jetstar (including Jetstar Asia but excluding Jetstar Pacific, Jetstar Japan and Jetstar Hong Kong). Qantas Freight operated four dedicated B737-300 freighter aircraft, dry-leased one dedicated B767-300ER freighter aircraft.

Aircraft Orders

FY14 – FY19	Firm Order
Airbus A320-200/A321-200 ¹	89
Airbus A380-800	3
Boeing B787-8	14
Boeing B737-800	9
Boeing B717-200	5
Bombardier Q400	3
Total	123

1. Includes Jetstar Asia, excludes Jetstar Pacific, Jetstar Japan and Jetstar Hong Kong

Aircraft List Prices	USD million (mean)
Airbus A380-800	404
Airbus A330-200	216
Airbus A330-300	239
Boeing B787-8	214
Airbus A320-200	92
Airbus A320 Neo	100
Boeing B737-800	92
Boeing B717-200*	15
Bombardier Q400	27
Fokker F100*	3

Source: January 2013 list prices where available, otherwise July 2012 list prices escalated by 3.5 per cent.

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

* Aircraft out of production – Current market value quoted

Fleet Retirements for FY13

From July 2012 through to June 2013, five B747-400 aircraft, three B767-300 aircraft, six A320-200 and six B737-400 aircraft were removed from service from the Qantas Group Fleet. Three B767-300, six B737-400 and nine B747-400 are currently being held for sale.

Qantas Group Fleet – FY13

Aircraft Type	Owned ¹	Operating Lease	Total
Qantas			
Airbus A380-800	12	–	12
Boeing B747-400ER	6	–	6
Boeing B747-400	10	–	10
Boeing B767-300ER	19	1	20
Boeing B737-800 ²	53	13	66
Boeing B737-400	6	–	6
Airbus A330-200	–	10	10
Airbus A330-300	10	–	10
	116	24	140
QantasLink			
Boeing B717-200	–	13	13
Bombardier Q200	5	–	5
Bombardier Q300	16	–	16
Bombardier Q400	28	–	28
	49	13	62
Jetstar			
Airbus A330-200	6	4	10
Airbus A320-200 ³	16	54	70
Airbus A321-200	1	5	6
	23	63	86
Network Aviation			
Fokker F100	12	–	12
EMB 120	4	3	7
	16	3	19
Total Passenger Fleet	204	103	307

Qantas Freight	4	1	5
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1. Includes Hire Purchase and Finance Lease Aircraft.

2. Includes aircraft operated by Jetconnect

3. Includes Jetstar Asia, excludes Jetstar Pacific, Jetstar Japan and Jetstar Hong Kong.

AIRCRAFT AS AT 30 JUNE 2013

Airbus A380-800



	Unit	
Number of aircraft	#	12
Max number of seats	seats	484
Configuration	seats	P 14, J 64, W 35, Y 371
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	#	10/6
Max number of seats	seats	371
Configuration	seats	P 14, J 66, W 40, Y 187 (x1)
		P 14, J 52, W 32, Y 255 (x2)
		J 58, W 36, Y 270 (x9)
		J 56, W 40, Y 275 (x4)
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

Boeing B767ER



	Unit	
Number of aircraft	#	20
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

Airbus A320/A321*



	Unit	
Number of aircraft	#	70/6
Max number of seats	seats	220
Configuration	seats	Y 180 - 220
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 and Jetstar Asia

Airbus A330-200*/300



	Unit	
Number of aircraft	#	20/10
Max number of seats	seats	310
Configuration	seats	J 36, Y 199 (x4)
		J 36, Y 265 (x2)
		J 36, Y 268 (x4)
		J 30, Y 267 (x10)
		J 38, Y 265 (x8) (JQ)
		J 42, Y268 (x2) (JQ)
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

*10 operated by Jetstar

Boeing B737-400/800



	Unit	
Number of aircraft	#	6/66
Max number of seats	seats	168
Configuration	seats	J 12, Y 132-156
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 (CFM56-3C-1, CFM56-7B24 & 7B26)

Bombardier Dash 8-Q200/Q300/Q400



	Unit	
Number of aircraft	#	5/16/28
Max number of seats	seats	74
Configuration	seats	Y 36 - 74
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

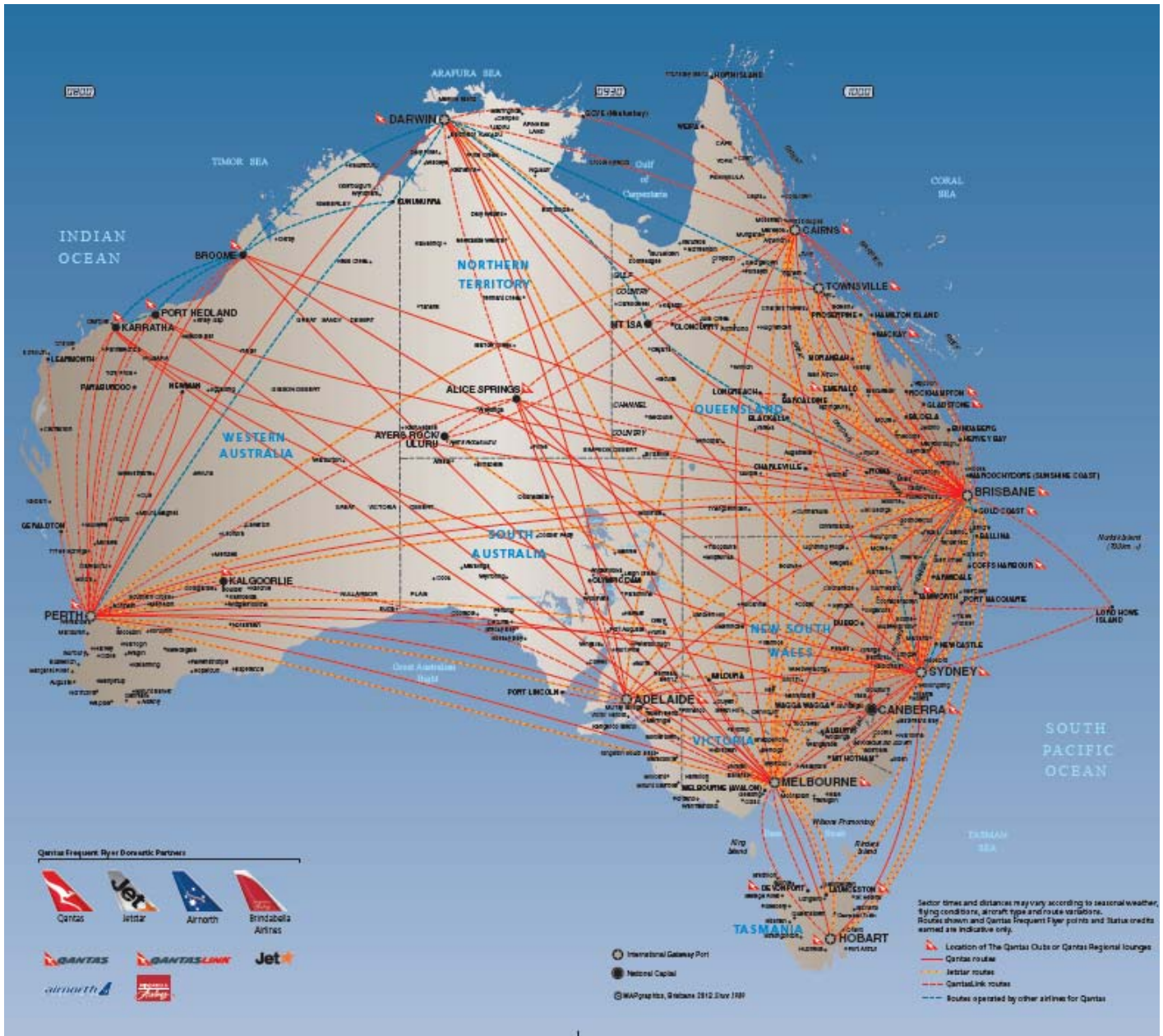
Boeing B717-200

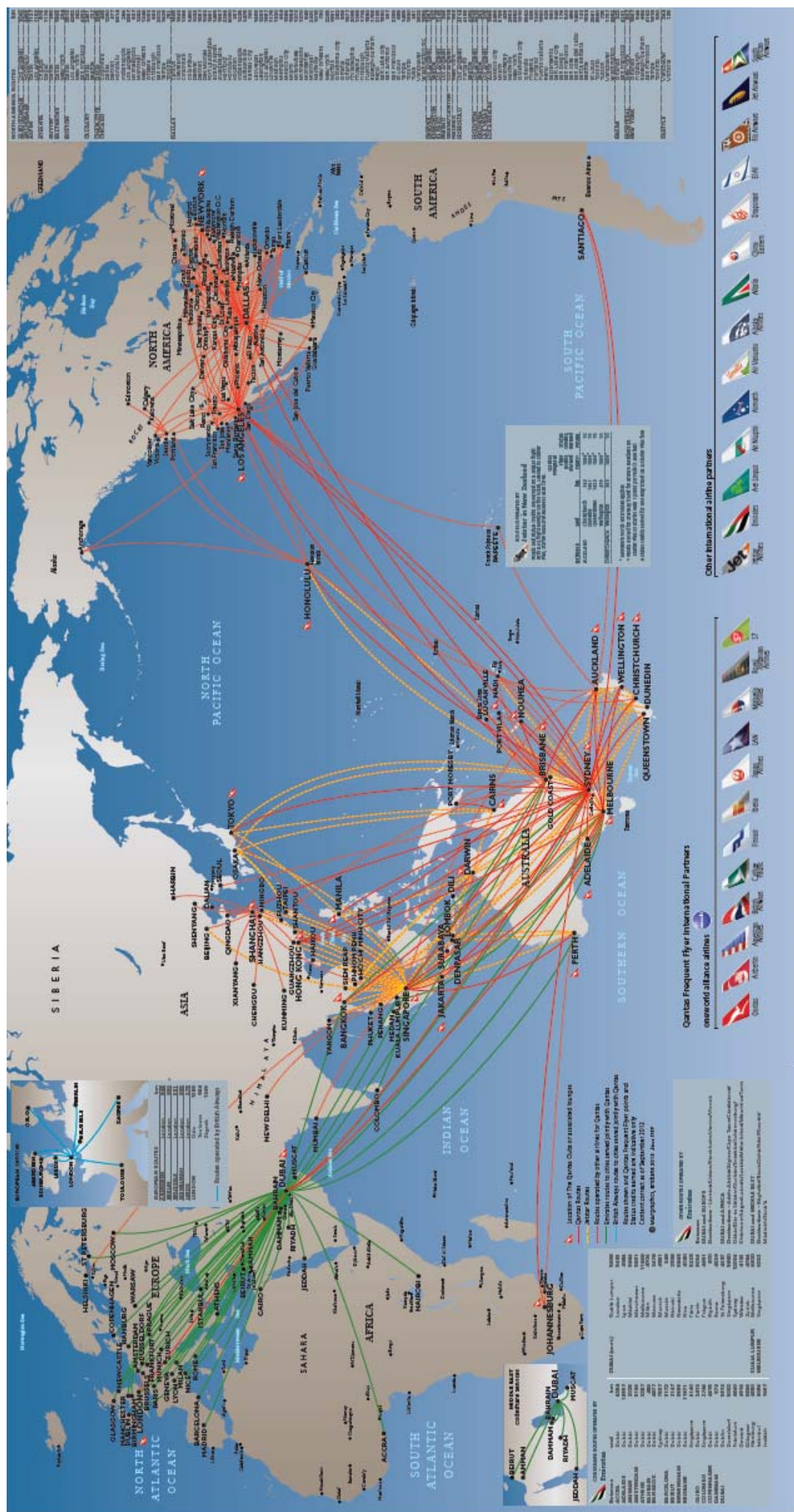


	Unit	
Number of aircraft	#	13
Max number of seats	seats	125
Configuration	seats	Y 115 - 125
Length	m	37.8
Wingspan	m	28.4
Altitude	m	10,700
Cruising speed	km/h	850
Range (full payload)	km	2,408
Engines	Type	Rolls Royce Deutschland BR-715

QANTAS GROUP ROUTE MAPS

As at September 2013





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ALLIANCES AND PARTNERS

Alliances and partnerships are a core pillar of the Qantas Group strategy. The Qantas Group has a diversity of alliance relationships with 22 bilateral codeshare partners, as at 1 July 2013, which strategically extend the Qantas Group network and offer passengers a truly global airline proposition.

oneworld

The Qantas Group is a founding member of **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, top tier loyalty members, enjoy their privileges across over 550 lounges worldwide. Alliance members also work together towards delivering a seamless travel experience across their combined networks. **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 a **oneworld** affiliate airline.

EMIRATES PARTNERSHIP – MASTER COORDINATION AGREEMENT

In March 2013, the Australian Competition and Consumer Commission (ACCC) and other relevant authorities conditionally approved the partnership between Qantas and Emirates for a period of five years. The partnership goes beyond codesharing and includes integrated network collaboration with coordinated pricing, sales and scheduling as well as a benefit-sharing model under a Master Coordination Agreement (MCA).

From 31 March 2013, Qantas launched daily A380 services from both Sydney and Melbourne to London via Dubai, and together Emirates and Qantas offer 98 weekly services between Australia and Dubai. Qantas operates services to Terminal 3, the purpose-built A380 concourse at Dubai International Airport.

The MCA gives Qantas customers one-stop access to over 65 Emirates destinations across Europe, the Middle East and North Africa. In addition, Emirates customers gain access to Qantas' Australian domestic network of more than 50 destinations. The carriers will also coordinate on their services between Australia and South East Asia and between Australia and New Zealand.

Under the MCA, many aspects of Emirates' and Qantas' frequent flyer programs have been aligned, giving QFF members expanded opportunities to earn and redeem points. Emirates and Qantas provide reciprocal access to many tier status benefits including end-to-end customer recognition, lounge access, priority check-in and boarding and other exclusive services.

Following commencement of the Qantas and Emirates partnership, Qantas terminated its Joint Services Agreement with British Airways (BA) effective from 31 March 2013. Qantas and BA will continue to work together as part of the **oneworld** alliance and through bilateral codeshares.

JOINT BUSINESS AGREEMENT

In November 2011, Qantas and American Airlines obtained regulatory approval from the ACCC and other relevant authorities for an expanded commercial relationship in the form of a Joint Business Agreement (JBA). The JBA involves coordination of operations between Australia, New Zealand and the United States, giving Qantas an extensive network footprint across North America providing more choice and convenience for travellers. Under the terms of the JBA, Qantas and American Airlines can carry out joint strategic planning, collaboration on route development, scheduling, sales, revenue management and marketing as well as deeper frequent flyer ties.

Through substantially expanded codeshare access, the JBA allows Qantas customers to travel beyond the gateways of Dallas/Fort Worth (American Airlines' primary hub) and Los Angeles to more than 60 codeshare destinations across the United States, Canada and Mexico.

OTHER CODESHARE PARTNERS

In addition to its bilateral relationships with Emirates and American Airlines, Qantas has codeshare relationships with many other leading airlines, offering customers seamless access to destinations around the world. As at 1 July 2013, Qantas had codeshare arrangements with 22 partners and will continue to explore new opportunities.

CODESHARE DETAILS

Partner	Explanation of codeshare and co-operations
Aircalin (SB)	Qantas and Aircalin codeshare on respective services between Sydney and Noumea and between Brisbane and Noumea.
Air Niugini (PX)	Qantas codeshares on all Air Niugini services between Sydney and Port Moresby and between Brisbane and Port Moresby.
Airnorth (TL)	Qantas codeshares on Airnorth services between Kununurra and Perth, Darwin and Broome and also between Darwin and Dili, Mount Isa, Gold Coast, Townsville, Port Hedland and Karratha (via Broome).
Fiji Airways (FJ)	Qantas codeshares on Fiji Airways services between Nadi and Sydney, Melbourne, Brisbane, Honolulu, Los Angeles, Auckland and Christchurch.
Air Tahiti Nui (TN)	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, Melbourne and Brisbane.
Air Vanuatu (NF)	Qantas codeshares on all Air Vanuatu services between Port Vila and Sydney, Melbourne and Brisbane and also between Espiritu Santo and Brisbane.
Alaska Airlines (AS)/ Horizon Air	Qantas codeshares on Alaska services from Los Angeles to Seattle, Vancouver, Portland, Anchorage, Mexico City, San Jose, Cabo San Lucas, Puerto Vallarta.
Alliance Airlines (QQ)	Qantas codeshares on Alliance Airlines services between Adelaide and Olympic Dam.
American Airlines (AA)	Qantas codeshares on American Airlines services from: <ul style="list-style-type: none"> Los Angeles to Albuquerque, Austin, Boise, Boston, Chicago, Dallas/Fort Worth, Denver, El Paso, Fresno, Houston, Las Vegas, Miami, Monterey, Nashville, Newark, New York, Oklahoma City, Orlando, Phoenix, Reno, Sacramento, Salt Lake City, Santa Barbara, San Diego, San Francisco, San Jose, St Louis, Washington DC, Toronto and Tucson; Dallas/Fort Worth to Atlanta, Austin, Hartford, Nashville, Baltimore, Boston, Calgary, Cancun, Charlotte, Chicago, Cincinnati, Cleveland, Columbus, Denver, Des Moines, Detroit, Fort Lauderdale, Guadalajara, Grand Rapids, Houston (Bush and Hobby), Indianapolis, Kansas City, Jacksonville, New York (La Guardia and Kennedy), Las Vegas, Lexington, Louisville, Memphis, Mexico City, Madison, Miami, Milwaukee, Minneapolis, Monterrey, Montreal, Newark, New Orleans, Norfolk, Oklahoma City, Omaha, Orlando, Philadelphia, Phoenix, Pittsburgh, Puerto Vallarta, Raleigh Durham, Reno, Salt Lake City, San Antonio, Saint Louis, Tampa, Toronto, Tulsa, Vancouver, and Washington DC (Dulles and Reagan); New York (Kennedy) to Baltimore, Boston, Orlando, Pittsburgh, Raleigh Durham, Tampa, Montreal, Halifax, Toronto; Honolulu to Chicago, Dallas, Los Angeles and San Francisco; Chicago to Atlanta, Cincinnati, Detroit, Indianapolis, Minneapolis, Montreal, New Orleans, Ottawa, Pittsburgh, Tampa, and Toronto; and San Francisco to Boston, Chicago, Dallas/Fort Worth, Miami, New York (Kennedy) and St Louis. <p>American Airlines codeshares on Qantas services from:</p> <ul style="list-style-type: none"> Dallas to Sydney/Brisbane; Los Angeles to Auckland, Brisbane, Melbourne and Sydney; Sydney to New York; and Australian selected domestic routes and Tasman routes.
Asiana Airlines (OZ)	Qantas codeshares on Asiana services between Seoul and Sydney.
Brindabella (FQ)	Qantas codeshares on Brindabella services between Sydney and Moree, Newcastle, Orange and between Brisbane and Coffs Harbour, Tamworth.
British Airways (BA)	Qantas codeshares on British Airways services beyond London Heathrow to 9 points in UK/Europe: <ul style="list-style-type: none"> Aberdeen, Berlin, Brussels, Edinburgh, Leeds-Bradford, Oslo, Stockholm, Toulouse, and Zagreb. <p>British Airways codeshares on selected Qantas services:</p> <ul style="list-style-type: none"> Domestic Australia: beyond Sydney to 10 destinations; Trans-Tasman: beyond Sydney to Auckland, Christchurch, Queenstown and Wellington; and On selected services between Singapore and Brisbane, Melbourne and Perth, and between Hong Kong and Melbourne and Brisbane.

Partner	Explanation of codeshare and co-operations
China Eastern Airlines (MU)	<p>Qantas and China Eastern have a reciprocal block space codeshare on services to and from Australia and China.</p> <p>Qantas codeshares on China Eastern between Sydney and Shanghai, Nanjing and Beijing via Nanjing, Melbourne and Shanghai and Singapore and Shanghai.</p> <p>Qantas also codeshares on China Eastern services to 11 points within China; between Shanghai and Beijing, Chengdu, Dalian, Fuzhou, Guangzhou, Harbin, Kunming, Qingdao, Shenyang, Xian, Nanjing.</p> <p>China Eastern codeshares on selected Qantas services:</p> <ul style="list-style-type: none"> • 15 Australian domestic routes; • Five trans-Tasman routes; and • Between Singapore and Sydney, Melbourne, Brisbane and Perth.
Emirates (EK)	<p>Qantas codeshares on Emirate to the following destinations:</p> <ul style="list-style-type: none"> • 28 European destinations: Amsterdam, Athens, Barcelona, Birmingham, Paris, Copenhagen, Moscow, Dublin, Dusseldorf, Rome, Frankfurt, Glasgow, Geneva, Hamburg, Istanbul, St Petersburg, London (Heathrow and Gatwick), Lyon, Madrid, Manchester, Munich, Milan, Nice, Newcastle, Prague, Warsaw and Zurich; • 7 Middle Eastern destinations: Amman, Bahrain, Beirut, Dammam, Jeddah, Muscat and Riyadh; • 4 Asian destinations: Bangkok, Colombo, Kuala Lumpur and Singapore; • 3 North African destinations: Accra, Cairo and Nairobi; and • All Emirates' services between Australia and Dubai (including via Asia). <p>Emirates codeshares on the following Qantas services/destinations:</p> <ul style="list-style-type: none"> • 50 Australian domestic destinations; • Qantas' London services from Sydney and Melbourne via Dubai; and • Qantas' services between Bangkok and Sydney, Singapore and Sydney, Melbourne, Brisbane and Perth.
Finnair (AY)	<p>Qantas codeshares on all Finnair services between Singapore and Helsinki.</p> <p>Finnair codeshares on selected Qantas services between Singapore and Sydney, Melbourne, Brisbane and Perth and between Bangkok, Hong Kong and Sydney.</p>
Japan Airlines (JL)	<p>Qantas codeshares on Japan Airlines services between Singapore and Tokyo (Narita and Haneda).</p> <p>Japan Airlines codeshares on selected Qantas services between Singapore and Brisbane, Melbourne and Perth.</p>
Jet Airways (9W)	<p>Qantas codeshares on Jet Airways services between Singapore and New Delhi, and Singapore and Mumbai.</p> <p>Jet Airways codeshares on selected Qantas services between Singapore and Sydney, Melbourne, Brisbane and Perth.</p>
Jetstar (JQ)	<p>Qantas codeshares on Jetstar services within Domestic Australia, New Zealand and internationally.</p> <p>Jetstar codeshares on selected Qantas domestic services connecting to Jetstar International services.</p>
Jetstar Asia (3K)	Qantas codeshares on selected Jetstar Asia services.
LAN Airlines (LA)	<p>Qantas codeshares on all LAN services between Sydney and Santiago via Auckland.</p> <p>LAN codeshares on all Qantas services between Sydney and Santiago.</p>
South African Airways (SA)	<p>Qantas codeshares on all South African Airways services between Johannesburg and Perth.</p> <p>South African Airways codeshares on all Qantas services between Sydney and Johannesburg.</p>
Vietnam Airlines (VN)	Qantas codeshares on Vietnam Airlines services between Ho Chi Minh City - Sydney, and Ho Chi Minh City - Melbourne.

QANTAS GROUP TRAFFIC AND CAPACITY STATISTICS

for the year ended 30 June

	Unit	2013	2012	2011	2010	2009
Qantas Group						
Passengers	'000	48,276	46,708	44,456	41,428	38,438
Traffic (RPK)	M	110,905	111,692	106,759	100,727	99,176
Capacity (ASK)	M	139,909	139,423	133,281	124,717	124,594
Load factor	%	79.3	80.1	80.1	80.8	79.6
Qantas Domestic (excluding QantasLink)						
Passengers	'000	16,813	16,796	17,073	16,640	16,379
Traffic (RPK)	M	24,938	24,770	24,719	24,092	23,781
Capacity (ASK)	M	32,119	31,203	30,928	29,795	30,013
Load factor	%	77.6	79.4	79.9	80.9	79.2
QantasLink						
Passengers	'000	5,303	5,187	4,857	4,323	4,120
Traffic (RPK)	M	3,414	3,404	3,224	2,936	2,918
Capacity (ASK)	M	5,235	5,056	4,714	4,369	4,281
Load factor	%	65.2	67.3	68.4	67.2	68.2
Jetstar Domestic						
Passengers	'000	11,610	10,697	9,753	8,367	8,110
Traffic (RPK)	M	13,958	12,798	11,369	9,456	9,060
Capacity (ASK)	M	17,055	15,242	14,256	11,615	11,197
Load factor	%	81.8	84.0	79.8	81.4	80.9
Qantas International¹						
Passengers	'000	5,765	6,034	5,977	5,900	7,243
Traffic (RPK)	M	47,983	51,165	51,004	49,979	54,337
Capacity (ASK)	M	58,825	62,334	61,881	60,608	66,871
Load factor	%	81.6	82.1	82.4	82.5	81.3
Jetstar International²						
Passengers	'000	5,146	4,677	4,096	3,910	2,123
Traffic (RPK)	M	14,715	13,106	11,935	11,037	8,412
Capacity (ASK)	M	19,207	17,474	15,628	14,316	11,355
Load factor	%	76.6	75.0	76.4	77.1	74.1
Jetstar Asia³						
Passengers	'000	3,639	3,317	2,700	2,288	463
Traffic (RPK)	M	5,897	6,449	4,508	3,227	668
Capacity (ASK)	M	7,468	8,114	5,874	4,014	878
Load factor	%	79.0	79.5	76.7	80.4	76.0

1. Includes Australian Airlines in 2004/05.

2. Jetstar International commenced operations in November 2006.

3. In accordance with the Air Navigation Act (Singapore 2009), Newstar Investment Holdings Pte Ltd and its Singapore based airline subsidiaries (Jetstar Asia and Valuair) are substantially owned and effectively controlled by Singapore nationals. Notwithstanding this, the Qantas Group is required to consolidate Newstar Investment Holdings Pte Ltd and its controlled entities in the Qantas Group Financial Statements. Jetstar Asia includes Singapore based operations only. Jetstar Asia statistics for periods prior to 2012/13 include wide-body operations transferred to Jetstar International from 1 July 2012.

for the year ended 30 June

	Unit	2008	2007	2006	2005	2004
Qantas Group						
Passengers	'000	38,621	36,449	34,075	32,658	30,076
Traffic (RPK)	M	102,466	97,622	90,899	86,986	81,276
Capacity (ASK)	M	127,019	122,119	118,070	114,003	104,200
Load factor	%	80.7	79.9	77.0	76.3	78.0
Qantas Domestic (excluding QantasLink)						
Passengers	'000	17,105	16,350	15,772	16,145	17,700
Traffic (RPK)	M	24,831	23,709	22,449	22,472	23,711
Capacity (ASK)	M	30,901	29,783	28,347	28,078	29,713
Load factor	%	80.4	79.6	79.2	80.0	79.8
QantasLink						
Passengers	'000	4,204	3,858	3,316	3,058	2,996
Traffic (RPK)	M	2,904	2,507	2,092	1,879	1,931
Capacity (ASK)	M	4,071	3,523	3,048	2,596	2,687
Load factor	%	71.3	71.2	68.6	72.4	71.9
Jetstar Domestic						
Passengers	'000	7,596	6,882	5,599	4,384	315
Traffic (RPK)	M	8,602	7,752	5,941	4,346	277
Capacity (ASK)	M	10,753	9,944	7,990	6,004	383
Load factor	%	80.0	78.0	74.4	72.4	72.3
Qantas International¹						
Passengers	'000	8,138	8,600	9,188	9,401	9,111
Traffic (RPK)	M	59,030	60,709	59,948	58,631	55,395
Capacity (ASK)	M	71,563	74,596	78,012	77,834	71,455
Load factor	%	82.5	81.4	76.8	75.3	77.5
Jetstar International²						
Passengers	'000	1,578	759	200	–	–
Traffic (RPK)	M	7,099	2,945	469	–	–
Capacity (ASK)	M	9,731	4,273	673	–	–
Load factor	%	73.0	68.9	69.7	–	–
Jetstar Asia³						
Passengers	'000	–	–	–	–	–
Traffic (RPK)	M	–	–	–	–	–
Capacity (ASK)	M	–	–	–	–	–
Load factor	%	–	–	–	–	–

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QANTAS GROUP PORTFOLIO OF BUSINESSES

QANTAS DOMESTIC

for the year ended 30 June

Financial Summary \$M

	2013	2012 ¹
External segment revenue	5,731	5,603
Intersegment revenue	487	460
Total Qantas Domestic revenues	6,218	6,063
Share of net (loss)/profit of associates and jointly controlled entities	5	3
Qantas Domestic Underlying EBITDAR	1,147	1,186
Depreciation and amortisation	(619)	(564)
Non-cancellable operating lease rentals	(163)	(159)
Qantas Domestic Underlying EBIT	365	463

Operational Data	Unit	2013	2012
Destinations	#	55	54
Daily departures	#	668	632
Number of passengers	'000	22,116	21,983
RPK	M	28,352	28,174
ASK	M	37,354	36,259
Load factor	%	75.9	77.7
Number of aircraft ²	#	174	171
Number of FTE ³	#	25,665	26,936

1. From 1 July 2012, the Qantas Segment was restructured as two separate operating segments – Qantas Domestic and Qantas International. The presentation of the comparatives have been changed to reflect the current structure.
2. B767 and B738 aircraft may fly on Qantas Domestic and Qantas International network.
3. Full-time equivalent (FTE) employees for Qantas Domestic and Qantas International as at 30 June.

Qantas Domestic's vision is to be the preferred choice for business, premium leisure and regional customers.

Qantas Domestic is focused on offering the best network, frequency and flying experience to its passengers. During 2012/13, Qantas Domestic continued to invest in the customer proposition, including maintaining frequency advantage, fast tracking the B767 fleet refresh and operating all weekday services Perth to Sydney/Melbourne on A330 aircraft. Continued focus on customer service training ensures Cabin Crew deliver an exceptional service experience. Additional frontline customer service tools such as the rollout of iPads to all on-board managers also enables the delivery of personal service. The success of these investments is evidenced in Qantas Domestic's customer satisfaction scores which are currently at record levels.

QantasLink continued to support the growth of the resources industry and regional tourism in Western Australia and Queensland with expanded services and improved customer offering.

Network Aviation is a Western Australian based airline that has been supplying charter services to the resource sector since 1998. Network Aviation was acquired by the Qantas Group in February 2011 as part of its fly-in fly-out strategy and has continued to extend its reach into Western Australia's mining centres. Network Aviation currently operates a fleet of 12 Fokker F100s (100 seat jets) and 7 Embraer E120s (30 seat turboprops) out of Perth Airport. Network Aviation continues to operate under its own brand and livery.

QFF members also have the opportunity to earn and redeem QFF points across the domestic network.

During 2012/13, Qantas Domestic achieved superior on-time performance to its largest competitor in 10 of 12 months.

Qantas Domestic was also recognised in 2012/13 as:

- Best Domestic Airline¹
- Best Regional Airline²
- Regional Airline of the Year³
- Best Australian Lounges⁴

Qantas Domestic continues to focus on cost base transformation. Initiatives achieved in 2012/13 include Heavy Maintenance consolidation, Sydney Line maintenance transformation, rationalisation of catering facilities, ground operations workforce efficiencies, IT transformation, corporate cost reduction and procurement savings.

The fleet simplification and renewal program for Qantas Domestic aims to achieve network efficiencies and allow for flexibility to deal with changing operating conditions. It is expected that all B734 aircraft will be retired by the end 2013/14 and all B767 aircraft will be retired by the end of 2014/15. The simplified fleet will consist of A330, B738, B717, Dash 8 and F100 aircraft.

¹ Australian Federation of Travel Agents National Industry Awards 2013

² Australian Traveller Awards 2012

³ Air Transport World Awards 2012

⁴ Australian Business Traveller Awards 2012

QANTAS INTERNATIONAL

for the year ended 30 June

Financial Summary \$M

	2013	2012 ¹
External segment revenue	4,821	5,279
Intersegment revenue	675	691
Total Qantas International revenues	5,496	5,770
Share of net (loss)/profit of associates and jointly controlled entities	4	3
Qantas International Underlying EBITDAR	495	317
Depreciation and amortisation	(673)	(698)
Non-cancellable operating lease rentals	(68)	(103)
Qantas International Underlying EBIT	(246)	(484)

Operational Data

	Unit	2013	2012
Destinations	#	26	27
Daily departures	#	81	83
Number of passengers	'000	5,765	6,034
RPK	M	47,983	51,165
ASK	M	58,825	62,334
Load factor	%	81.6	82.1
Number of aircraft ²	#	47	52
Number of FTE ³	#	25,665	26,936

1. From 1 July 2012, the Qantas Segment was restructured as two separate operating segments – Qantas Domestic and Qantas International. The presentation of the comparatives have been changed to reflect the current structure.
2. B767 and B738 aircraft may fly on Qantas Domestic and Qantas International network.
3. Full-time equivalent (FTE) employees for Qantas Domestic and Qantas International as at 30 June.

Qantas International provides international airline transportation under the Qantas brand to destinations from Australia to New Zealand, Asia, North and South America, Africa, the Middle East and Europe. Qantas International has an extensive network offering through its Emirates partnership, strong bilateral alliances and its founding membership in the **oneworld** alliance.

Qantas International offers First, Business, Premium Economy and Economy products on certain international services.

The Qantas International fleet includes reconfigured A380 and B747 aircraft, A330 aircraft (to be reconfigured to include lie-flat Business beds and new IFE), refreshed B767 aircraft and B738 aircraft.

The target to return Qantas International to profit in 2014/15 was announced in August 2011. Significant progress was made in 2012/13 with the launch of the Emirates partnership and the shift of long-haul European operations from Singapore to Dubai, the exit from Frankfurt, an expanded Asian offering and continuous improvement in product and service whilst delivering transformation and unit cost improvements.

The Emirates partnership commenced on 31 March 2013. It opened up new gateways to over 65 destinations in Europe, North Africa and the Middle East from Australia through Dubai's 24 hour hub. The Qantas International customer experience has been enhanced with the introduction of Chauffeur Drive for eligible First and Business customers and the Dubai Connect service of complimentary accommodation, transfers and meals for eligible customers with extended connection times in Dubai.

A number of initiatives have also been implemented to better serve and grow with Asia. Stronger links were established with the key gateway hubs of Singapore

and Hong Kong increasing dedicated capacity by 40% and 14% respectively. Services have been re-timed to better suit point to point traffic as well as increase intra-Asia connectivity with partner airlines. The Emirates partnership offers double daily services to Singapore from Sydney/Melbourne/Brisbane plus services to Bangkok and Kuala Lumpur. The expansion of the China Eastern codeshare agreement from May 2013 provides increased access and connectivity to major Chinese hubs and China Eastern's domestic network.

To ensure a strong viable business, Qantas International continues to deliver on transformation initiatives. To date, initiatives implemented include the consolidation of engineering and catering facilities, exit of loss making routes including Singapore to Frankfurt, improved fleet economics from the reconfiguration of A380 and B747 aircraft and ongoing cost management.

Qantas International recorded its highest customer satisfaction results on record during 2012/13. A range of customer initiatives were implemented to drive continuous improvement and consistent customer experience and enhanced end-to-end product. The Qantas Singapore Lounge was unveiled in April 2013 and delivers a fresh new design. The Hong Kong and Los Angeles lounge refurbishments are scheduled to open in 2013/14. The rollout of Select on Q-Eat, business class menu redesign and the sleep service for Business customers was also implemented.

Continued focus on customer service training ensures Cabin Crew deliver an exceptional service experience and the rollout of iPads to all international on-board managers enables the delivery of personal service. The QFF Program also provides QFF members the opportunity to earn and redeem QFF points across the global network.

JETSTAR

for the year ended 30 June

Financial Summary \$M

	2013	2012	2011
External segment revenue	3,129	2,915	2,446
Intersegment revenue	159	161	167
Total Jetstar revenues	3,288	3,076	2,613
Share of net loss of associates and jointly controlled entities	(50)	(19)	(6)
Jetstar Underlying EBITDAR	543	574	508
Depreciation and amortisation	(116)	(88)	(71)
Non-cancellable operating lease rentals	(289)	(283)	(268)
Jetstar Underlying EBIT	138	203	169

Operational Data

	Unit	2013	2012	2011
Destinations	#	64	58	56
Daily departures	#	440	376	352
Number of passengers	'000	20,395	18,691	16,549
RPK	M	34,570	32,353	27,812
ASK	M	43,730	40,830	35,758
Load factor	%	79.1	79.2	77.8
Number of aircraft ¹	#	86	80	71
Jetstar domestic arrivals < 15 minutes	%	76.1	77.6	77.3
Number of FTE	#	5,201	4,813	4,188

1. Excludes Jetstar Pacific and Jetstar Japan.

Jetstar is the Qantas Group's low cost airline brand. Jetstar is a wholly-owned subsidiary of the Qantas Group and operates under separate management to Qantas. Based in Melbourne, Jetstar commenced operations on 25 May 2004 and is now the largest low cost carrier brand in Asia Pacific (based on gross revenue)¹. In 2012/13, Jetstar Airways was named Best Low Cost Airline in Australia Pacific for the third consecutive year and number two low cost carrier in the world in the 2013 Skytrax World Airline Awards.

Jetstar is comprised of Jetstar Domestic, Jetstar International (including New Zealand based operations), a 49 per cent holding in Singapore based Jetstar Asia (consolidated business²), an investment in Vietnam based Jetstar Pacific (30 per cent equity holding), an investment in Jetstar Japan (33 per cent equity holding) and an investment in Jetstar Hong Kong³ (33.3 per cent equity holding⁴), subject to regulatory approval. All four investments operate under brand and business service agreements with Jetstar.

Fleet

As at 30 June 2013, Jetstar brands comprised 94 single class A320/A321 aircraft flying both domestic and short-haul international services across the various Jetstar businesses. During 2012/13, Jetstar entered seven incremental A320 aircraft into service, growing its Australian, New Zealand and Singapore operations, Vietnam and Japan operations added three and ten incremental A320 aircraft respectively.

Jetstar's fleet also includes ten A330-200 aircraft operating long-haul international services from Australia, New Zealand and Singapore to Asia and Honolulu.

Domestic operations

Jetstar started Australian domestic operations in May 2004. In 2012/13, Jetstar deployed five additional Airbus A320 aircraft to the domestic market and during 2012/13, Jetstar operated around 750 domestic return services per week.

During 2012/13, Jetstar added three additional services between Melbourne and Sydney and is now the largest low cost carrier on the route. Additional frequencies were also launched in North Queensland, where Jetstar is the largest low cost carrier and Tasmania, where Jetstar offers more seats than any other airline. In June 2013, Jetstar inaugurated four times weekly service to Ayers Rock, its 19th city in Australia.

New Zealand based operations

Jetstar's New Zealand market has grown substantially since it commenced flying on the trans-Tasman market from Christchurch in December 2005 and expanded to include domestic flying in June 2009. During 2012/13, Jetstar continued its expansion with the allocation of a ninth New Zealand based A320 aircraft.

The additional aircraft was allocated primarily to trunk domestic flying including the Auckland to Christchurch, Auckland to Wellington, and Christchurch to Wellington routes. Jetstar also added an additional weekly service to its popular Queenstown to Melbourne and Sydney routes. During 2012/13, Jetstar operated over 165 weekly domestic and international return services in New Zealand per week and has a domestic New Zealand market capacity share of 22.4%⁵.

¹ Based on gross revenues of Jetstar consolidated entities for the 12 months to March 2013.

² In accordance with the Air Navigation Act (Singapore 2009), Newstar Investment Holdings Pte Ltd and its Singapore based airline subsidiaries (Jetstar Asia and Valuair) are substantially owned and effectively controlled by Singapore nationals. Notwithstanding this, the Qantas Group is required to consolidate Newstar Investment Holdings Pte Ltd and its controlled entities in the Qantas Group Financial Statements.

³ Airline operations remain subject to regulatory approval.

⁴ 33% equity holding from June 2013.

⁵ Diio LLC - New Zealand domestic market share for the 12 months to June 2013.

Pan-Asian Strategy

Jetstar continues to strengthen its presence as a pan-Asian carrier. Within Asia, there are now Jetstar branded airlines in Singapore, Vietnam and Japan, with Hong Kong to be added, subject to regulatory approval.

Jetstar Asia commenced in December 2004 and continues to grow, adding an additional A320 aircraft in 2012/13 to bring its fleet to 17 A320 aircraft. This new capacity is focussed on increasing Jetstar's competitive relevance on core leisure markets including Bangkok, Phuket, Yangon, Kuala Lumpur and Perth.

Jetstar Pacific is a partnership with Vietnam Airlines and is Vietnam's first value based carrier. Jetstar Pacific's fleet now consists of five A320 aircraft, with the last of its aged B737 retiring in December 2012. Flights operate from seven domestic ports including Ha Noi, Hai Phong, Vinh, Da Nang, Nha Trang, Buon Me Thuot and Ho Chi Minh City and international operations are planned to commence later in 2013, subject to regulatory approval.

Jetstar Japan is a joint venture between Jetstar, Japan Airlines, Mitsubishi Corporation and Century Tokyo Leasing Corporation. Jetstar Japan launched operations in July 2012 and currently flies to nine domestic destinations – Tokyo (Narita), Osaka, Fukuoka, Okinawa, Kagoshima, Sapporo, Matsuyama, Nagoya and Oita.

During its first year of operation, Jetstar Japan has flown 1.6 million passengers, and its fleet has grown from three to 13 A320 aircraft. Entry into regional international routes is planned for calendar year 2014, subject to regulatory approval.

Jetstar Hong Kong is a joint venture between Jetstar, China Eastern Airlines and Shun Tak Holdings and remains subject to regulatory approval anticipated by the end of calendar year 2013. Jetstar Hong Kong plans to fly short-haul services to destinations in Greater China, Japan, South Korea and South East Asia, subject to regulatory approval, and plans to grow to a fleet of 18 A320 aircraft by 2015.

Long-haul International

Jetstar continued to invest in its Australia outbound leisure franchise in 2012/13. During 2012/13, Jetstar re-introduced up to three weekly Melbourne to Honolulu services. Jetstar also continues to operate up to a daily Honolulu service from Sydney. Jetstar operates over five daily services to Bali and Phuket, and collectively operates more seats than any other airline to the key Australia leisure oriented markets.

Jetstar will be the first low cost carrier in Asia Pacific to fly the Boeing Dreamliner¹. Jetstar is due to receive its first Boeing 787-8 Dreamliner in October 2013.

JETSTAR ROUTE MAP

As at 30 June 2013



¹ Subject to regulatory approval.

QANTAS FREIGHT

for the year ended 30 June

Financial Summary \$M

	2013	2012	2011
External segment revenue	1,048	1,004	1,048
Intersegment revenue	8	9	6
Total Qantas Freight revenues	1,056	1,013	1,054
Share of net profit of jointly controlled entities	2	16	18
Qantas Freight Underlying EBITDAR	66	67	80
Depreciation and amortisation	(25)	(18)	(16)
Non-cancellable operating lease rentals	(5)	(4)	(2)
Qantas Freight Underlying EBIT	36	45	62

Operational and Key Data

	Unit	2013	2012	2011
AFTK, international ¹	M	3,701	4,137	4,191
Terminal tonnes, international and domestic operations ²	'000	770	538	548
Tonne kilometres (TKMs), domestic operations ²	'000	68	-	-
Freight aircraft, international	#	4	4	4
Freight aircraft, domestic ³	#	8	4	4
Number of FTE	#	1,456	927	880

1. 2011 restated.

2. 2013 includes Australian air Express from 13 November 2012.

3. 2013 includes Australian air Express.

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, Qantas Freight is Australia's largest independent air freight services business focussed on providing excellence in air freight services.

Internationally, Qantas Freight markets the freight capacity of all Qantas, Jetstar Asia and Jetstar International aircraft and operates a fleet of three wet-leased B747-400F freighters and one dry leased B767-300F freighter. The network is complemented by commercial agreements with Emirates, oneworld and other carriers, and through the use of road feeder services in Australia, Europe and North America. It offers services to 50 international destinations, in addition to access to 65 Emirates destinations in Europe, Middle East, North Africa and Asia.

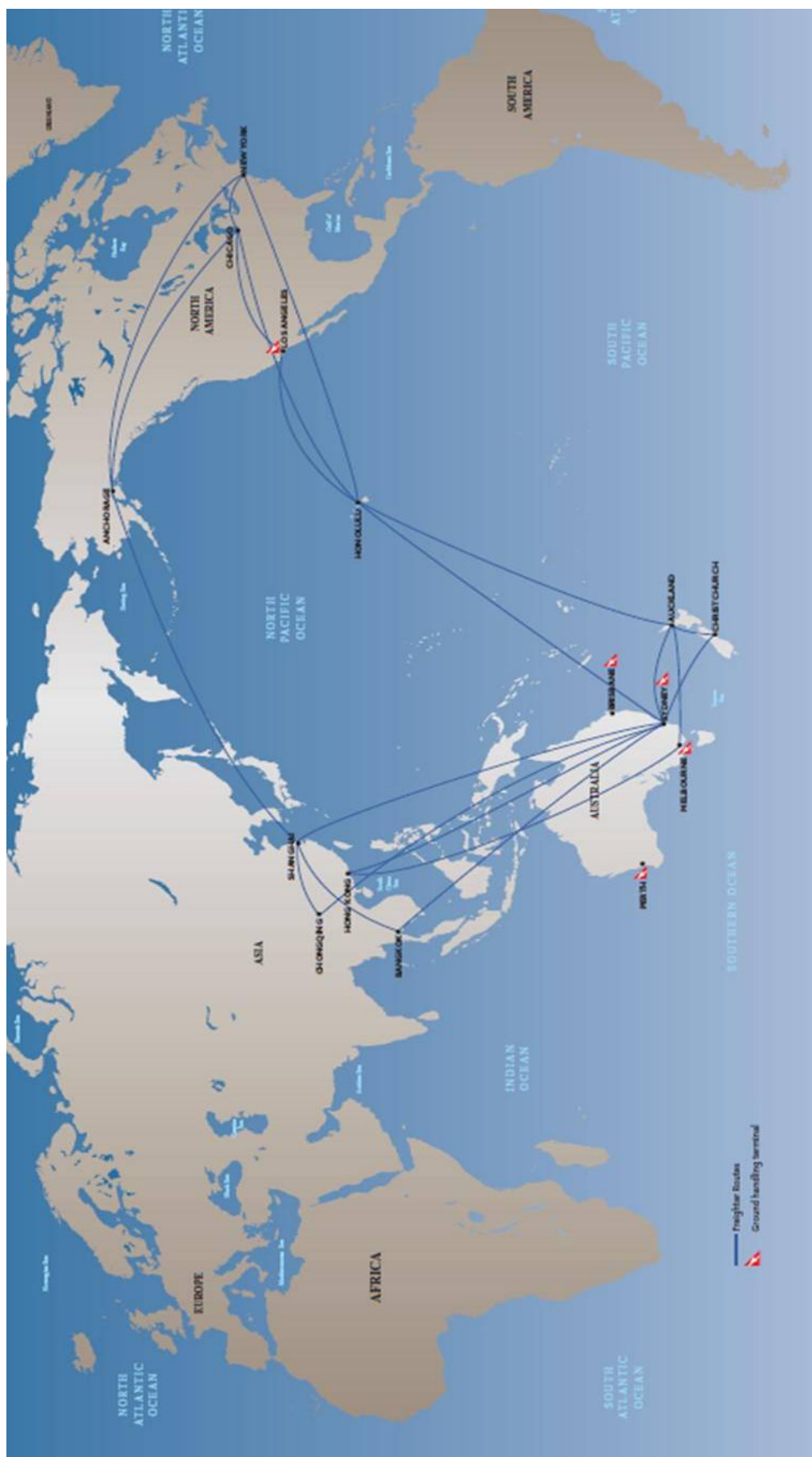
On 13 November 2012, Qantas Group increased its ownership of air freight company Australian Air Express (AaE) from 50% to 100% and sold its 50% stake in road freight company StarTrack to Australia Post. Integration of AaE's operations into Qantas Freight is well progressed and is expected to be complete during the first half of 2013/14.

In the domestic market, Qantas Freight operates four B737-300SF freighters and leases three BAe146 aircraft and one SAAB aircraft. Qantas Freight also markets the belly space on all domestic Qantas and Jetstar narrow body aircraft, and some wide body aircraft. Qantas Freight now offers services to 80 domestic locations.

Qantas Freight operates 22 state-of-the-art cargo terminals in 15 cities across Australia (including Sydney, Melbourne, Brisbane and Perth) and Los Angeles. It is Australia's largest handler of international air cargo, servicing both Qantas and third party clients.

Qantas Freight has two wholly owned subsidiaries: Jets Transport Express and Qantas Courier. Jets Transport Express specialises in the provision of interstate trucking for domestic legs of international air cargo. Qantas Courier offers courier, air freight forwarding and unaccompanied baggage services across Australia and the world.

As at 30 June 2013



QANTAS LOYALTY

for the year ended 30 June

Financial Summary \$M	2013	2012	2011
Total QFF revenue and other income	1,205	1,157	1,148
Share of net profit of associates and jointly controlled entities		-	-
Qantas Loyalty Underlying EBITDAR	263	234	345
Depreciation and amortisation	(3)	(3)	(3)
Non-cancellable operating lease rentals	-	-	-
Qantas Loyalty Underlying EBIT	260	231	342
Normalisation Adjustment \$M			
Normalised EBIT ¹	260	231	202
Normalisation adjustment	-	-	140
Underlying EBIT	260	231	342

Key Operating Measures	Unit	2013	2012	2011
Underlying billings	\$M	1,209	1,187	1,042
Number of FTE ²	#	263	194	92
Members	#M	9.4	8.6	7.9
Awards redeemed	#M	5.6	5.1	4.4
Classic airline partners	#	26	24	25
Products available in store	#	3,750	3,300	2,000

1. Normalised EBIT is a non-statutory measure which creates a comparable basis for the presentation of results. It adjusts Qantas Loyalty Underlying EBIT for the effect of change in accounting estimates of the fair value of points and breakage expectations effective 1 January 2009.

2. Full-time equivalent (FTE) employees from 2012 onwards includes Wishlist employees.

Qantas Loyalty is Australia's premier coalition loyalty program, with 9.4 million members.

Since establishing as a separate segment in 2007, Qantas Loyalty has built a scalable business with a deep understanding of members and their behaviour. Qantas Loyalty is responsible for administering and growing the Qantas Frequent Flyer program (QFF).

Qantas Loyalty also added 13 new partners in Australia and internationally during 2012/13, including Emirates, Malaysia Airlines, Jumeirah Hotel Group, Atlantis The Palm Dubai, Dimmi, Pan Pacific Hotels Group, Investec, Isuzu, Shangri-la Construction, Q1 Resort & Spa, David Jones American Express and store cards, Macquarie Visa Platinum and Westpac Earth Black.

During 2012/13, Qantas Loyalty made several enhancements to the QFF Program including:

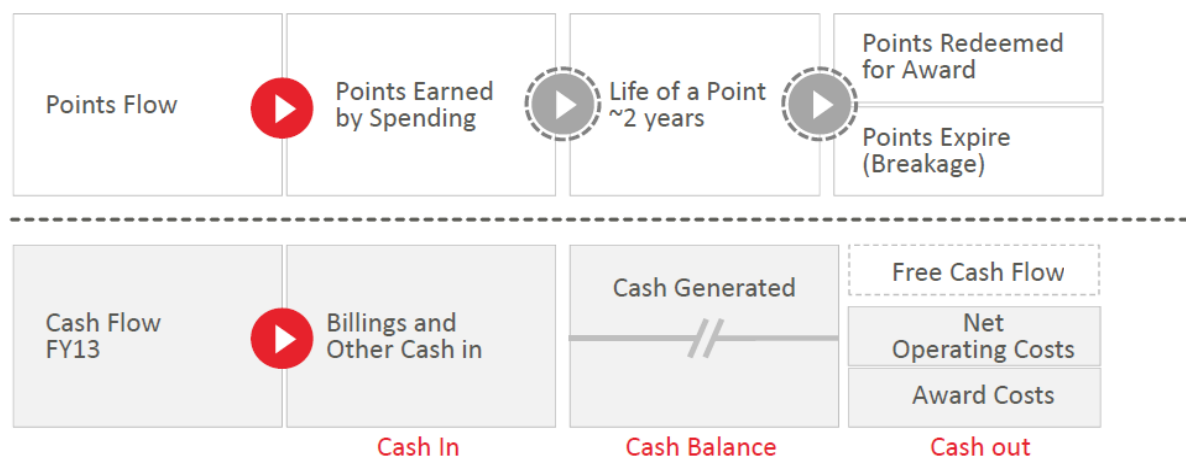
- Launched earn and redemption partnerships with Emirates and Malaysian Airlines
- Extended earn and redemptions options to over 20 new Jetstar destinations throughout Asia
- Reduced Jetstar Classic Award flight points price by 20%

- Introduced new QFF Store redemption options including UNICEF charitable redemptions, digital e-vouchers for iTunes, Myer, JB Hi-Fi as well as David Jones gift cards and exclusive 'money can't buy' experiences
- Introduced a new Search toolbar providing members a new way to earn points when searching the internet
- Rolled out of the Curiosity brand campaign "For every journey", featuring the NASA Mars Rover, showcasing the breadth of QFF Program
- Launched new flight reward booking engine and enhanced qantas.com to allow easier bookings for Anyseat redemptions

Qantas Loyalty continues to make significant developments in expanding and diversifying its revenue stream. Qantas Cash, launched in August 2013, is a multi-currency prepaid travel card providing QFF members with a new way to earn points. Members can hold up to nine different currencies on the travel card and can spend preloaded funds anywhere MasterCard is accepted. The Q-chip functionality on the prepaid travel card can also be used for check-in, boarding and lounge access.

Qantas Loyalty continues to investigate further expansion opportunities through its data analytics capabilities and by leveraging management expertise to operate or assist with third party loyalty programs.

Business Model Financials



Business Model

A coalition loyalty program enables members to maximise points earned from everyday purchases with program partners across a wide range of consumer spend categories. When QFF members earn points by spending on partner products or services, Qantas Loyalty holds the points and cash until the points are redeemed for an award in the future.

Qantas Loyalty is required to defer the 'fair value' of the future reward until the member redeems an award. The billings amount received in excess of the 'fair value', known as 'marketing revenue', is recognised upfront on points issuance. On redemption, Qantas Loyalty recognises the deferred redemption revenue as well as incurring the associated cost of the award.

Earn Partners

The QFF Program has hundreds of earn partners who pay Qantas Loyalty to issue points to QFF members when they purchase partner products or services, creating loyalty to the partner and rewarding the member for that loyalty.

Members can earn points with a wide range of coalition partners including Qantas, Jetstar and 24 airline partners and their affiliates, 15 leading credit card issuers, the Woolworths Group, Optus, hotels, car rental companies, restaurants, entertainers and other retailers.

Having a wide range of everyday shopping partners in the coalition allows members to earn enough points for a reward more quickly, especially by 'double dipping', which means earning points from a partner and earning more points by paying with a QFF linked credit card.

Qantas Loyalty's business development efforts are focused on developing partnerships with leading brands in Australia and

internationally across consumer spend categories not currently represented in the program.

Marketing

Qantas Loyalty utilises advanced analytics to build a deep understanding of member behaviour. Qantas Loyalty can then 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.

Awards

Qantas Loyalty has a wide range of awards available for redemption. Classic Award flights on Qantas, Jetstar, **oneworld** and other airline partners are the traditional frequent flyer award seats, offering the best value with limited availability. Classic Awards can be in the form of one-way, return or multi-destination flights as well as flight upgrades.

Any Seat Awards were introduced in July 2008 to offer more choice and flexibility when using points to book an Award Flight. Points can be used for a Qantas and Jetstar Any Seat Award on any available seat on any Qantas or Jetstar flight with a QF or JQ flight number and for combined travel on over 40 selected airlines to over 100 additional destinations. As long as there is a seat available for sale, there is a redemption option under Qantas and Jetstar Any Seat Award. The points needed for flights include surcharges, fees and taxes, and vary depending on the flight chosen. Members can use all points or Points + Pay.

The QFF Store has an extensive range of quality merchandise, vouchers and unforgettable experiences. Members can choose from more than 3,750 products and vouchers, including for delivery in Australia and in New Zealand.

GLOSSARY

A

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

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

Australian domestic on-time arrivals – The percentage of Australian domestic on-time arrivals from 1 July to 30 June. A flight arrival is counted as on time if it arrives at the gate within 15 minutes of the scheduled arrival time for sectors flown. Neither diverted nor cancelled flights count as being on time, as per the definition by BITRE Airline On Time Performance definitions.

Australian domestic on-time departures – The percentage of Australian domestic on-time departures from 1 July to 30 June. A flight departure is counted as on time if it departs from the gate within 15 minutes of the scheduled departure time and subsequently proceeds to take off, for sectors flown. Neither diverted nor cancelled flights count as being on time, as per the BITRE Airline On Time Performance definitions.

Average fleet age – scheduled passenger fleet – The average age of the Qantas Group's scheduled passenger fleet (excluding dedicated freighters and Network Aviation fleet) based on manufacturing dates. Includes Jetstar Asia but excludes Jetstar Pacific, Jetstar Japan and Jetstar Hong Kong.

Average FTE – Average full-time equivalent for the 12 months ending 30 June.

Aviation fuel consumption – The total volume of aviation kerosene consumed by the Qantas Group's flying businesses from 1 July to 30 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).

M

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

N

Number of full-time equivalent employees – The total number of full-time equivalent (FTE) employees as at 30 June, reported in total for each segment of the Qantas Group in Australia and overseas. This is calculated using standard working hours for full-time and part-time employees and actual hours worked by the casual and temporary workforce.

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.

Percentage of part-time employees – The percentage of part-time positions in the wholly owned entities of the Qantas Group in Australia and overseas as at 30 June. Part-time positions include permanent and temporary part-time positions. Part-time employees is defined as those whose assigned working hours (as per contract) are lower than the position's standard working hours.

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.

Y

Yield (excluding FX) – Ticketed passenger revenue, excluding foreign exchange, divided by revenue passenger kilometres.