

Qantas Airways Limited

FY14 Results

Supplementary Slides
28 August 2014



Group Performance



Group Highlights – Underlying Income Statement¹

| \$M | FY14 | FY13 ² | VLY | VLY % |
|--|----------------|-------------------|----------------|------------------|
| Net passenger revenue | 13,242 | 13,673 | (431) | (3.2) |
| Net freight revenue | 955 | 935 | 20 | 2.1 |
| Other revenue | 1,155 | 1,294 | (139) | (10.7) |
| Revenue | 15,352 | 15,902 | (550) | (3.5) |
| Operating expenses (excluding fuel) | 9,354 | 9,318 | (36) | (0.4) |
| Fuel | 4,496 | 4,243 | (253) | (6.0) |
| Depreciation and amortisation | 1,422 | 1,450 | 28 | 1.9 |
| Non-cancellable aircraft operating lease rentals | 520 | 525 | 5 | 1.0 |
| Expenses | 15,792 | 15,536 | (256) | (1.6) |
| Underlying EBIT | (440) | 366 | (806) | >(100) |
| Net finance costs | (206) | (180) | (26) | (14.4) |
| Underlying PBT¹ | (646) | 186 | (832) | >(100) |
| AASB 139 mark-to-market movements relating to other reporting periods ¹ | 72 | 32 | 40 | >100 |
| Other items not included in Underlying PBT ¹ | (3,402) | (207) | (3,195) | >(100) |
| Statutory PBT | (3,976) | 11 | (3,987) | >(100) |

1. Underlying PBT is a non-statutory measure and 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. Underlying PBT is derived by adjusting Statutory PBT for the impact of AASB 139: Financial Instruments: Recognition and Measurement (AASB 139) which relate to other reporting periods and identifying certain other items which are not included in Underlying PBT. Refer to Supplementary Slide 4. 2. FY13 has been restated for the impact of the mandatory application of the revised Accounting Standard AASB 119: Employee Benefits. 3

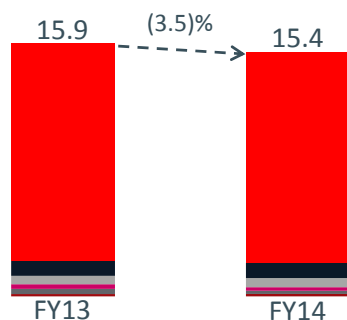
Reconciliation to Statutory PBT

| \$M | FY14 | | | | FY13 ² | | | |
|---|-------------------------|---|--|----------------|-------------------------|---|--|---------------|
| | Underlying ¹ | Ineffectiveness relating to other reporting periods | Other items not included in Underlying PBT | Statutory | Underlying ¹ | Ineffectiveness relating to other reporting periods | Other items not included in Underlying PBT | Statutory |
| Net passenger revenue | 13,242 | - | - | 13,242 | 13,673 | - | - | 13,673 |
| Net freight revenue | 955 | - | - | 955 | 935 | - | - | 935 |
| Other revenue | 1,155 | - | - | 1,155 | 1,294 | - | - | 1,294 |
| Revenue | 15,352 | - | - | 15,352 | 15,902 | - | - | 15,902 |
| Operating expenses (excl fuel) | 9,354 | (35) | 842 | 10,161 | 9,318 | 50 | 207 | 9,575 |
| Fuel | 4,496 | (35) | - | 4,461 | 4,243 | (89) | - | 4,154 |
| Depreciation and amortisation | 1,422 | - | - | 1,422 | 1,450 | - | - | 1,450 |
| Non-cancellable aircraft operating lease rentals | 520 | - | - | 520 | 525 | - | - | 525 |
| Impairment of Qantas International CGU ³ | - | - | 2,560 | 2,560 | - | - | - | - |
| Expenses | 15,792 | (70) | 3,402 | 19,124 | 15,536 | (39) | 207 | 15,704 |
| EBIT | (440) | 70 | (3,402) | (3,772) | 366 | 39 | (207) | 198 |
| Net finance costs | (206) | 2 | - | (204) | (180) | (7) | - | (187) |
| PBT | (646) | 72 | (3,402) | (3,976) | 186 | 32 | (207) | 11 |

1. Underlying PBT is a non-statutory measure and 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. Underlying PBT is derived by adjusting Statutory PBT for the impact of AASB 139: Financial Instruments: Recognition and Measurement (AASB 139) which relate to other reporting periods and identifying certain other items which are not included in Underlying PBT. Refer FY14 Results presentation slide 6. 2. FY13 has been restated for the impact of the mandatory application of the revised Accounting Standard AASB 119: Employee Benefits. 3. Cash Generating Unit. 4

Revenue

REVENUE (\$B)



| | | | |
|----------|---------|--------|---------|
| RPKs (m) | 110,905 | (1.1)% | 109,659 |
| ASKs (m) | 139,909 | 1.3% | 141,715 |

NET PASSENGER REVENUE DOWN 3%

- Group yield (excluding FX) down 2.6% and loads down 1.9pts, offset by 1.3% capacity growth
- Increased revenue from partner airlines, including Emirates
- FY13 unavailed revenue adjustment \$134m

NET FREIGHT REVENUE UP 2%

- Full-year of AaE¹ revenue contribution, consolidated from November 2012

FREQUENT FLYER REDEMPTION, MARKETING, STORE AND OTHER REVENUE UP 10%

- 11% increase in awards redeemed driven by new partners
- 8% membership growth

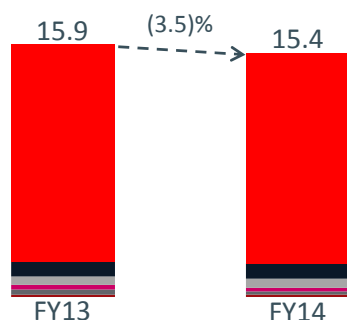
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Note: All revenue movements include foreign exchange (FX) unless otherwise indicated. 1. Australian air Express.

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Revenue

REVENUE (\$B)



| | | | |
|----------|---------|--------|---------|
| RPKs (m) | 110,905 | (1.1)% | 109,659 |
| ASKs (m) | 139,909 | 1.3% | 141,715 |

CONTRACT WORK REVENUE DOWN 23%

- Sale of Cairns & Riverside catering centres in October 2012
- Sale of Qantas Defence Services in February 2014

REVENUE FROM OTHER SOURCES DOWN 39%

- FY13 Boeing settlement \$125 million

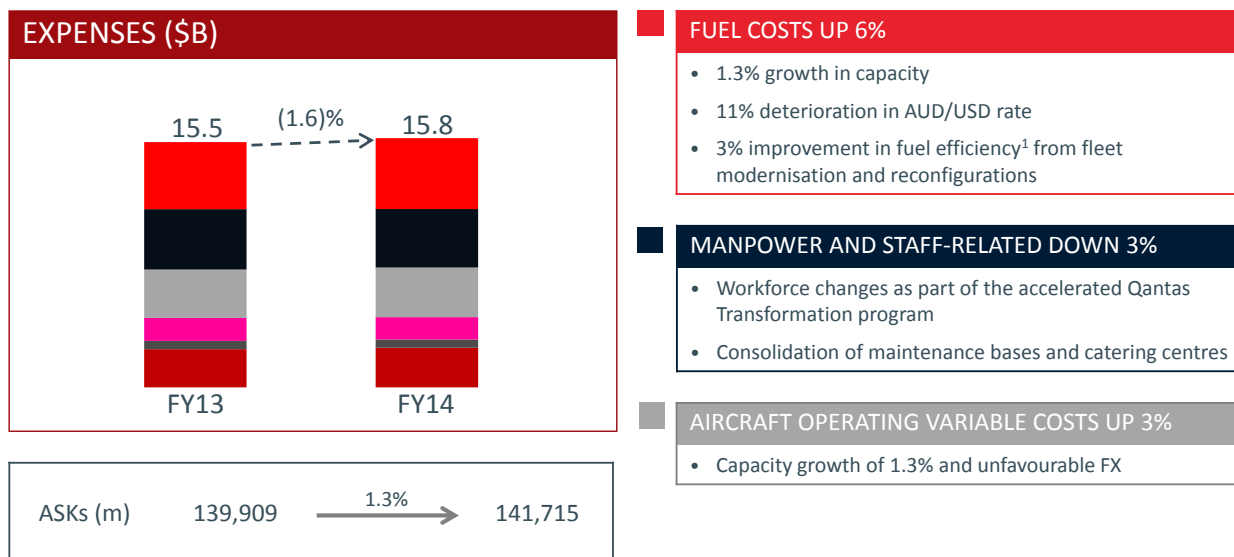
RETAIL, ADVERTISING AND OTHER PROPERTY REVENUE UP 5%

- Terminal fee revenue following AaE acquisition in November 2012

Note: All revenue movements include foreign exchange (FX) unless otherwise indicated.

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Expenditure

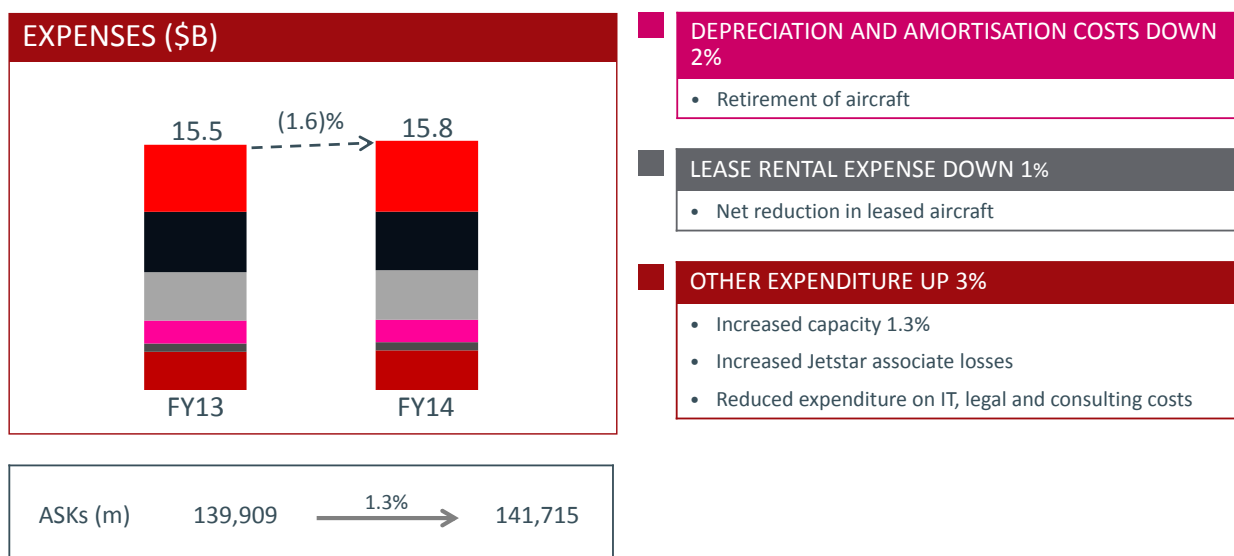


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Note: All expenditure is presented on an Underlying basis which excludes hedge ineffectiveness relative to other reporting periods and other items not included in Underlying PBT. All expenditure movements include FX. 1. Fuel efficiency measured as litres per ASK adjusted for movements in average sector length.

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Expenditure



Note: All expenditure is presented on an Underlying basis which excludes hedge ineffectiveness relative to other reporting periods and other items not included in Underlying PBT. All expenditure movements include FX.

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Continuing Unit Cost Improvement

- Comparable unit cost³ improvement of 3%
 - Accelerating improvement; 2% in 1H14, 4% in 2H14

| C/ASK | FY14 | FY13 | VLY % |
|---|--------|--------|-------|
| Unit Cost ¹ | 8.35 | 8.02 | |
| Excluding: | | | |
| • Fuel | (3.17) | (3.03) | |
| Net Underlying Unit Cost ² | 5.18 | 4.99 | ↑ 3.8 |
| • Boeing settlement | | 0.09 | |
| • Change in accounting estimate for passenger revenue | | 0.10 | |
| • Group Associate losses | (0.05) | (0.03) | |
| • Change in FX rates | (0.11) | | |
| • Sector length adjustment | (0.02) | | |
| Comparable Unit Cost ³ | 5.00 | 5.15 | ↓ 2.9 |

1. Based on Underlying PBT less ticketed passenger revenue per ASK. 2. Net Underlying Unit Cost is defined as Underlying PBT less net passenger revenue and fuel per ASK. 3. Comparable Unit Cost is calculated as Underlying PBT less passenger revenue and fuel per ASK, adjusted for the impact of the Boeing settlement (FY13), change in accounting estimate for passenger revenue received in advance (FY13), share of net loss of investments accounted for using the equity method, change in FX rates and movements in average sector length. 9

Group Operational Information



Fleet at 30 June 2014

| Aircraft Type | FY14 | FY13 | Change |
|---|------------|------------|----------------|
| A380-800 | 12 | 12 | |
| B747-400 | 7 | 10 | (3) |
| B747-400ER | 6 | 6 | |
| A330-200 | 13 | 10 | 3 |
| A330-300 | 10 | 10 | |
| B767-300ER | 13 | 20 | (7) |
| B737-400 | 0 | 6 | (6) |
| B737-800NG | 70 | 66 | 4 |
| Total Qantas | 131 | 140 | (9) |
| A320-200 | 73 | 70 | 3 ⁵ |
| A321-200 | 6 | 6 | |
| A330-200 | 7 | 10 | (3) |
| B787-8 | 4 | 0 | 4 |
| Total Jetstar² | 90 | 86 | 4 |
| B717-200 | 18 | 13 | 5 |
| Q200/Q300 | 19 | 21 | (2) |
| Q400 | 30 | 28 | 2 |
| Total QantasLink | 67 | 62 | 5 |
| EMB120 | 3 | 7 | (4) |
| F100 | 12 | 12 | |
| Total Network Aviation³ | 15 | 19 | (4) |
| B737-300SF | 4 | 4 | |
| B767-300SF | 1 | 1 | |
| Total Freight⁴ | 5 | 5 | (4) |
| Total Group | 308 | 312 | (4) |

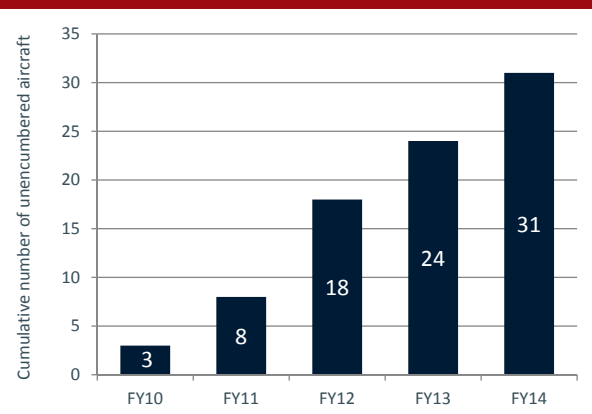
- Net reduction of four aircraft during FY14
 - 23 aircraft deliveries¹: 8xA320-200, 4xB737-800, 5xB717-200, 4xB787-8, 2xQ400
 - 19 aircraft retired: 3xB747-400, 7xB767-300, 6xB737-400, 2xQ200, 1xEMB120
 - 8 aircraft lease returns: 3xEMB120, 5xA320-200 (JQ)
- Net reduction of 10 aircraft expected during FY15
 - 10 aircraft deliveries¹: 5xB737-800, 4xB787-8, 1xQ400
 - 18 aircraft retired: 2xB747-400, 13xB767-300, 3xEMB120
 - 2 aircraft lease returns: 2xA320-200 (JQ)

1. Aircraft deliveries includes purchased and leased aircraft. 2. Includes Jetstar Asia fleet (18xA320), excludes Jetstar Pacific, Jetstar Japan and Jetstar Hong Kong. 3. Excludes two aircraft used for spares. 4. Qantas Group wet leases 2xB747-400 freighter aircraft and 3xB747-400 freighter aircraft (not included in the table). 5. 1xA320 was transferred from Jetstar Hong Kong to Jetstar Australia/New Zealand. **11**

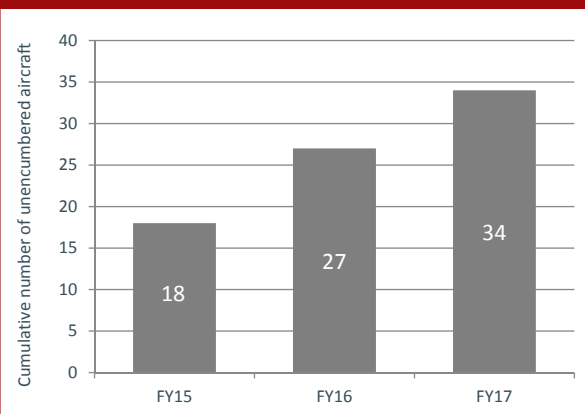
Unencumbered Fleet

- ~35% of total passenger fleet debt free
- Significant pool of young, unencumbered narrowbody aircraft
- Maximum flexibility retained for future financing and fleet planning

CUMULATIVE UNENCUMBERED AIRCRAFT ADDED FY10-FY14



CUMULATIVE MID-LIFE AIRCRAFT TO BECOME DEBT FREE FY15-FY17



On-Time Performance (OTP)

- Qantas¹ remains the domestic on-time leader²
 - Unprecedented 18 month leadership in on-time performance
 - Best on-time departures and arrivals for 12 out of 12 months in FY14
 - Record OTP in Feb-14: Best Qantas performance in more than a decade
 - Lowest number of cancellations in FY14
 - FY14 is the 5th consecutive year that Qantas (mainline) has had superior departure and arrival performance over Virgin Australia⁴

| ON-TIME DEPARTURES ³ (%) | FY14 | RANK |
|-------------------------------------|------|------|
| Qantas ¹ | 87.5 | 1 |
| Virgin ¹ | 83.8 | 2 |
| Jetstar | 78.8 | 3 |

| ON-TIME ARRIVALS ³ (%) | FY14 | RANK |
|-----------------------------------|------|------|
| Qantas ¹ | 86.4 | 1 |
| Virgin ¹ | 81.7 | 2 |
| Jetstar | 79.2 | 3 |

| CANCELLATIONS ³ (%) | FY14 | RANK |
|--------------------------------|------|------|
| Qantas ¹ | 1.3 | 1 |
| Virgin ¹ | 1.5 | 2 |
| Jetstar | 1.9 | 3 |

1. Qantas excludes QantasLink operations. Virgin excludes Virgin Australia Regional Airlines operations. 2. Yearly average of monthly OTP scores for best on-time performance compared to main competitor. 3. Source: BITRE 2014. Data is in reference to domestic operations only. 4. Based on domestic operations only excluding QantasLink, Virgin Australia regional & Virgin Australia ATR / F100 operations. **13**

Segment: Qantas Domestic



Qantas Domestic – Mainline & Regional Network




- Held strong corporate position
 - Renewed 182¹ corporate accounts, 48¹ new accounts
 - Lost 10¹ accounts, won back 8¹ accounts
- Record customer satisfaction levels for FY14
 - ‘Best Economy’ and ‘Best Lounges’²
 - ‘Best Domestic Airline’ 5th consecutive year³
 - ‘Australia’s Favourite Airline’⁴
 - Continued investment in customer service training
- Enhanced network and frequency advantage
 - Expanding leisure network
 - Maintained peak frequency on core routes

| Mainline Network | | FY14 | FY13 | VLY % |
|------------------|------|--------|--------|----------|
| ASKs | M | 32,097 | 32,119 | (0.1) |
| RPKs | M | 24,158 | 24,938 | (3.1) |
| Passengers | '000 | 16,280 | 16,813 | (3.2) |
| Seat factor | % | 75.3 | 77.6 | (2.3)pts |
| OTP | % | 87.6 | 84.7 | 2.9pts |

| Regional Network | | FY14 | FY13 | VLY % |
|------------------|------|-------|-------|----------|
| ASKs | M | 5,727 | 5,235 | 9.4 |
| RPKs | M | 3,557 | 3,414 | 4.2 |
| Passengers | '000 | 5,538 | 5,303 | 4.4 |
| Seat factor | % | 62.1 | 65.2 | (3.1)pts |
| OTP | % | 82.3 | 78.8 | 3.5pts |

1. Represents large corporate accounts only. Total large corporate and SME accounts: renewed 241 accounts and signed 175 new accounts. 2. AirlineRatings.com's Airline Excellence Awards January 2014. 3. Australian Federation of Travel Agents National Travel Industry Awards. 4. TripAdvisor Travellers' Choice Awards. **15**

Qantas Domestic *Best for business and premium leisure customers*

| | | |
|--|--|---|
| SUPERIOR CUSTOMER PROPOSITION | <ul style="list-style-type: none"> • 18 consecutive months OTP leader¹ • Improved lounge experience – MEL² Chairman's Lounge, TMW, BME, DRW³ (opening Sep-14) • A330 lie-flat business suites available from Q2 FY15 • B738 cabin refresh, Q-streaming IFE • Enhanced SME⁴ proposition with launch of Aquire by Loyalty |  |
| LEADING NETWORK AND FREQUENCY | <ul style="list-style-type: none"> • East-West, intra-WA, TAS, NSW and QLD⁵ growth • Commencement of additional leisure flying routes: <ul style="list-style-type: none"> – Brisbane-Port Macquarie, Sydney-Hervey Bay, Melbourne-Coffs Harbour, Sydney-Hamilton Island • Commencement of Network Aviation RPT⁶ flying (Jun-14) |  |
| MAINTAIN MARGIN ADVANTAGE | <ul style="list-style-type: none"> • Fleet renewal improving economics <ul style="list-style-type: none"> – Ongoing replacement of B767s with A330s – Two-class B717s deployed to better match CBR and HBA⁷ markets – B738 cabin reconfiguration to increase fleet capacity by 3% – Sustained focus on improving narrowbody utilisation • Continued unit cost improvement to reduce cost gap to competitor |  |

1. Source: BITRE Jan-13 to Jun-14. 2. Melbourne. 3. Tamworth, Broome, Darwin. 4. Small-Medium enterprise. 5. Intra-Western Australia, Tasmania, New South Wales and Queensland. 6. Regular passenger transport. 7. Canberra and Hobart. **16**

Segment: Qantas International



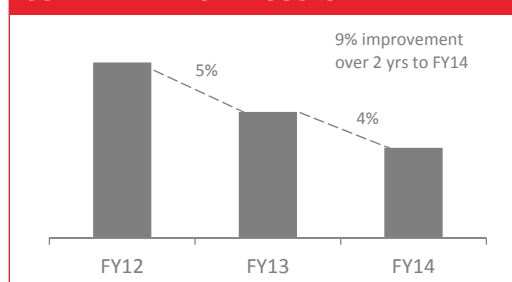
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Qantas International

- RASK¹ performance significantly impacted by aggressive competitor capacity growth in FY14
 - 3.3m additional seats in market²
 - LCC capacity growth into Australia of 22%³
 - Yield improvement in Q4 FY14 vs pcp⁴
- Transformation continues to drive improvement in cost base & asset utilisation
 - B747 retirement program, A330 & A380 utilisation, A330 reconfiguration
 - Reduced heavy maintenance footprint
- Strengthening network proposition
 - China Eastern and China Southern codeshares
 - Expanded LAN codeshare
 - Additional frequencies to US, Santiago

| | | FY14 | FY13 | VLY % |
|---------------------------|------|--------|--------|----------|
| ASKs | M | 59,173 | 58,825 | 0.6% |
| RPKs | M | 47,112 | 47,983 | (1.8%) |
| Passengers | '000 | 5,837 | 5,765 | 1.2% |
| Seat factor | % | 79.6 | 81.6 | (2.0)pts |
| Market share ⁵ | % | 16.2 | 17.2 | (0.6)pts |
| OTP ⁶ | % | 78.1 | 78.6 | (0.5)pts |

COMPARABLE UNIT COSTS⁷



1. Revenue per ASK. 2. Source:BITRE Jun12-May13 vs Jun13-May14. 3. Source: BITRE Jul13-May14, June-14 is based on internal estimates. 4. Versus prior comparative period and excludes FX variances. 5. Source BITRE for 12 months ending May 2014. 6. Source: Qantas internal reporting. 7. Comparable Unit Cost is calculated as Underlying EBIT less passenger revenue and fuel per ASK, adjusted for the impact of the Boeing settlement (FY13), change in accounting estimate for passenger revenue received in advance (FY13), change in FX rates and movements in average sector length.

Qantas International

Investment in customer experience leadership

| | | | |
|----------------------------|-----------------|--|--|
| Strategic Focus | Product | | Investment in product enhancements to key business travel markets / gateways to retain competitive market position |
| | Service | | Investment in our people to provide service excellence across all touch points of the customer journey |
| | Advocacy | | Investment in what our customers value most - a seamless customer experience |
| Maintain Market Leadership | Food & Beverage | | Improving operational processes and efficiencies to continue delivering our award winning food & beverage offering |
| | Lounges | | Building on existing market leadership with our award winning gateway lounges; Singapore, Hong Kong and Los Angeles |

Creating a seamless customer experience, complementing our premium brand position

Qantas International

Right-sizing Initiative: Qantas International Fleet and Network optimisation

QANTAS INTERNATIONAL FLEET AND NETWORK OPTIMISATION

| 1. EXIT OF LOSS ROUTES | 2. FLEET OPTIMISATION | 3. FLEET UTILISATION | 4. SEASONAL FLYING |
|---|---|--|---|
| <ul style="list-style-type: none"> - Exit PER/SIN² (May-14) | <ul style="list-style-type: none"> - BNE/SIN² down-gauge to A330 (May-14) - SYD/SIN³ down-gauge to A330 (Sep-14) - SYD/HNL⁴ upgraded to A330 (Sep-14) | <ul style="list-style-type: none"> - A380 on SYD/DFW⁵ (Sep-14) from QF9/10 retime - Launch +1pw BNE/LAX⁶ B747 (Dec-13) - Launch +3pw MEL/LAX⁷ B747 (Jan-15) - Launch +1pw SYD/SCL⁸ B747 (Feb-15) | <ul style="list-style-type: none"> - MEL/LAX⁹ (Dec-Jan15) - SYD/SCL¹⁰ (Nov-Feb15) - PER/AKL¹¹ (Dec-Mar15) - SYD/NRT¹² to supplement ski season demand - SYD/HKG¹³ during Chinese New Year |

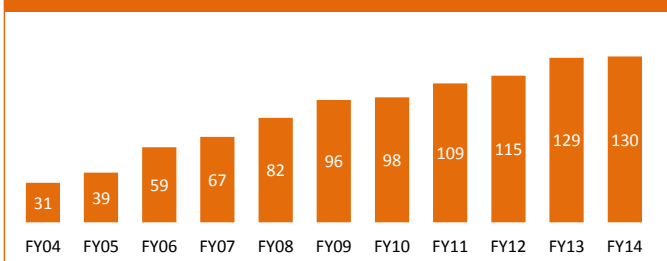
1. Perth-Singapore. 2. Brisbane-Singapore. 3. Sydney-Singapore. 4. Sydney-Honolulu. 5. Sydney-Dallas Fort Worth. 6. Brisbane-Los Angeles. 7. Melbourne-Los Angeles. 8. Sydney-Santiago. 9. Melbourne-Los Angeles. 10. Sydney-Santiago. 11. Perth-Auckland. 12. Sydney-Narita. 13. Sydney-Hong Kong.

Segment: Jetstar



Jetstar Footprint in Asia-Pacific

JETSTAR GROUP – GROWING NETWORK OF ROUTES¹



| BUSINESS | OWNERSHIP ² | LAUNCH | BASED AIRCRAFT ³ |
|--|------------------------|--------|-----------------------------|
| 1 Jetstar Australia | 100% | 2004 | 52xA320s/A321s |
| 2 Jetstar International | 100% | 2006 | 11xA330s/787s |
| 3 Jetstar NZ ⁴ | 100% | 2009 | 9xA320s |
| 4 Jetstar Asia (Singapore) | 49% | 2004 | 18xA320s |
| 5 Jetstar Japan | 33% | 2012 | 18xA320s |
| 6 Jetstar Hong Kong ⁵ | 24.5% | – | – |
| 7 Jetstar Pacific (Vietnam) ⁶ | 30% | 2008 | 7xA320s |



Jetstar Route Map as at 30 June 2014

1. Includes Jetstar Asia, Jetstar Pacific and Jetstar Japan. 2. As at 30 June 2014. 3. Operational aircraft as at 30 June 2014. 4. Jetstar Trans Tasman services commenced in 2005, Jetstar NZ (Domestic) services commenced in 2009. 5. Subject to regulatory approval. 6. Jetstar Pacific rebranded in 2008.

Jetstar Domestic Network

- Profitable every year since 2004 launch despite challenging competitive environment
 - Weak consumer demand and oversupply of market capacity driving yields down in FY14
 - Load factors remain high, above 80%
- Continued improvement of relative market positioning (brand, network, unit costs)
- Enhanced customer experience, lifting advocacy
 - Improved OTP
 - Refreshed and enhanced Jetstar.com
 - Improved on-board food and beverage offering
- Expanded interline and codeshare partnerships, including Emirates

| Jetstar Domestic | | FY14 | FY13 | VLY % |
|------------------|------|--------|--------|----------|
| ASKs | M | 17,885 | 17,055 | 4.9 |
| RPKs | M | 14,584 | 13,958 | 4.5 |
| Passengers | '000 | 12,296 | 11,610 | 5.9 |
| Seat factor | % | 81.5 | 81.8 | (0.3)pts |
| OTP ¹ | % | 78.8 | 75.6 | 3.2pts |
| Destinations | No. | 19 | 19 | - |

1. Source: BITRE July 2013-June 2014

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Jetstar International Network

- Jetstar International
 - Leadership position across outbound Australia leisure markets
 - South East Asia LCC¹ growth impacting yields
 - B787 delivering unit cost efficiencies and enhanced customer experience
 - Restructured network, adding capacity to key leisure destinations (DPS, HNL, HKT, NRT)²
- New Zealand Domestic
 - Strong yield improvement on key routes
 - Significantly improved customer advocacy
 - Market leading OTP³
 - Strong and improving 2H14 performance across key metrics leading into FY15

| Jetstar International (excl. Jetstar Asia & NZ Domestic) | | FY14 | FY13 | VLY % |
|---|------|--------|--------|----------|
| ASKs | M | 17,514 | 17,716 | (1.1) |
| RPKs | M | 12,930 | 13,510 | (4.3) |
| Passengers | '000 | 3,126 | 3,278 | (4.6) |
| Seat factor | % | 73.8 | 76.3 | (2.5)pts |
| Market share ⁴ | % | 7.7 | 8.1 | (0.5)pts |
| Destinations | No. | 20 | 21 | (1) |

| New Zealand Domestic | | FY14 | FY13 | VLY % |
|---------------------------|------|-------|-------|----------|
| ASKs | M | 1,424 | 1,491 | (4.5) |
| RPKs | M | 1,130 | 1,205 | (6.2) |
| Passengers | '000 | 1,724 | 1,868 | (7.7) |
| Seat factor | % | 79.3 | 80.8 | (1.5)pts |
| Market share ⁵ | % | 20.7 | 22.4 | (1.7)pts |
| Destinations | No. | 5 | 5 | - |

1. Low Cost Carrier. 2. Bali (Denpasar), Honolulu, Phuket, Narita. 3. FY14 average compared to Air New Zealand. 4. Source: BITRE - Australian based International operations only for 12 months to May 2014. 5. Source: Diio LLC - New Zealand domestic market share for the 12 months to June 2014

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Jetstar Asia (Singapore)

- FY14 loss (\$40m) in increasingly competitive LCC market
 - LCC market capacity growth up 23%¹
 - Yields under pressure for whole market
- Market correction underway
 - Jetstar growth suspended until market stabilises
 - Major LCC competitors also rationalising capacity
- LLC business fundamentals remain strong
 - Controllable unit cost improving on FY13²
 - Ancillary revenue per passenger up 4%³
- Enhancing customer experience
 - Straight to Gate web check-in launched
 - Expanded partnerships with Non-Asian Full Service Carriers
- Best LCC Awards: Best Budget Airline⁴ and Skytrax⁵

| Jetstar Asia | | FY14 | FY13 | VLY % |
|--------------|------|-------|-------|----------|
| ASKs | M | 7,894 | 7,468 | 5.7 |
| RPKs | M | 6,188 | 5,897 | 4.9 |
| Passengers | '000 | 3,975 | 3,639 | 9.2 |
| Seat factor | % | 78.4 | 79.0 | (0.6)pts |
| Destinations | No. | 23 | 22 | 1 |



1. Diao Report published 25 June 2014. 2. Controllable Unit Cost calculated as total underlying expenses excluding fuel, change in FX rates and movements in average sector length per ASK. 3. Ancillary revenue per passenger is calculated in local currency and excludes management and branding fee revenue. 4. AsiaOne People's Choice Awards. 5. Best Low Cost Airline in Singapore, 2014 Skytrax World Airline Awards.

Jetstar Japan

- Losses during start-up, business fundamentals strong and improving
- Established and improving market position
 - Introduction of LCCs stimulating domestic market growth, first time in 6 years
 - 4th largest domestic carrier, 56%¹ LCC market share
 - Yields up 29% on FY13
 - Record customer advocacy, market leading OTP²
- Second domestic base (Osaka)³, improving unit cost performance and creating growth opportunities
 - Increased asset utilisation from 24-hour airport
- Positioned to exploit further growth opportunities
 - Domestic LCC penetration at 6%⁴ still very low
 - International flying planned in next 12 months

| Jetstar Japan | | FY14 | FY13 | VLY % |
|---------------|------|-------|-------|--------|
| ASKs | M | 3,759 | 2,103 | 78.7 |
| RPKs | M | 2,894 | 1,516 | 90.9 |
| Passengers | '000 | 3,308 | 1,633 | >100 |
| Seat factor | % | 77.0 | 72.0 | 5.0pts |
| Destinations | No. | 10 | 9 | 1 |



1. MLIT Report January-March 2014 reporting period. 2. LCC market Apr13-Mar14. 3. Osaka Kansai (KIX) base launched 12 June 2014. 4. Calculated using passenger numbers.

Jetstar Pacific (Vietnam)

- Business recapitalisation complete
 - Fleet growth underway, 10 aircraft by Dec-14
 - Launched Macau charter services¹
 - International launch announced for Oct-14
- LCC business fundamentals remain strong
 - All A320 fleet, 2% controllable unit cost improvement²
 - High aircraft utilisation
 - Strengthening ancillary revenue performance
- Challenges remain in highly competitive and fast-growing aviation market
 - Domestic yields holding while traffic up 20% on FY13
 - Competitor capacity increase >100% on FY13.

| Jetstar Pacific | | FY14 | FY13 | VLV % |
|-----------------|------|-------|-------|----------|
| ASKs | M | 2,152 | 1,986 | 8.4 |
| RPKs | M | 1,925 | 1,796 | 7.2 |
| Passengers | '000 | 2,185 | 1,901 | 14.9 |
| Seat factor | % | 89.5 | 90.5 | (1.0)pts |
| Destinations | No. | 9 | 7 | 2 |



1. Da Nong to Macau launched 27 March 2014. 2. Controllable Unit Cost calculated as total underlying expenses excluding fuel, change in FX rates and movement in average sector length per ASK.

Segment: Qantas Loyalty



Qantas Loyalty Financial results

- Record Underlying EBIT¹ \$286m
 - 5th consecutive year of double-digit growth
- Total billings² \$1.3b, 66% external billings
- 10.1 million members³
 - Over 720,000 new members since June 2013
- New 'earn' partners driving member interaction
 - products across everyday transaction accounts, mortgages, whole of bank suites, restaurants, cruises, parking, health insurance and energy
 - Qantas Golf Club coming summer 2014
- 4 new 'earn' and 'burn' airline partners
- Launch of Qantas Points website

| M\$ | FY14 | FY13 | VLV % |
|--------------------------------------|------|------|--------|
| Marketing Revenue | 388 | 358 | 8.4 |
| • Redemption Revenue | 893 | 829 | 7.7 |
| • Redemption Costs | 814 | 745 | (9.3) |
| Redemption Margin | 78 | 84 | (7.1) |
| Other Revenue | 27 | 18 | 50.0 |
| Other Costs | 9 | 4 | >(100) |
| Gross Profit | 484 | 456 | 6.1 |
| Operating Costs | 199 | 196 | (1.5) |
| Underlying EBIT | 286 | 260 | 10.0 |
| Deferred Revenue Growth ⁴ | 68 | 62 | 9.7 |

1. Record Underlying EBIT result compared to prior periods normalised for changes in accounting estimates of the fair value of points and breakage expectations effective 1 January 2009. 2. Billings represent point sales to partners. 3. As at 30 June 2014. 4. Deferred revenue growth from 1 July 2013 and 1 July 2012 respectively.

29

Qantas Loyalty Australia's leading loyalty business

NEW GROWTH PATHWAYS

Qantas Loyalty's portfolio of brands spans four distinct but interrelated business segments.

A multi-partner loyalty program with a common currency for consumers and businesses

Designs, builds and manages loyalty programs and provides analytical professional services for clients

QANTAS LOYALTY



30

Continuing Member Engagement

Launch of a dedicated digital channel and a new community



www.qantaspoints.com

Qantas Points website launched August 2014

- Dedicated website for members and partners showcasing breadth and depth of Qantas Loyalty
- Responsive across all devices making it easier to learn about earning and using Qantas Points
- The Online Mall and Digital Gift Vouchers launched in conjunction with the Qantas Points website
- Members can earn points when shopping online with 17¹ premium Australian and International retailers and when purchasing gift cards online from 5 retailers.



"Qantas Golf Club is an incredible value-add to the frequent flyer program" Greg Norman²

Qantas Golf Club³ coming summer 2014

- Easy access to play at participating golf courses
- The ability to earn Qantas Points when playing golf
- Qantas Golf Club events, professional coaching opportunities, and participation in tournaments
- Access to a range of golf travel packages within Australia and overseas
- With two levels of membership, premium members will be able to enjoy access to an official Golf Australia handicap

1. Including David Jones, eBay, Net-A-Porter and The Iconic. 2. Endorsed and supported by Golf Australia and Greg Norman. 3. Online program dedicated to engaging and supporting golf clubs in Australia to launch in Summer 2014. **31**

Qantas Cash

Over 300,000 accounts activated



- **Multi-award winning** proposition and design: Top 5-star Canstar rating for Outstanding value³; Winner of Best Co-brand Card⁴; Finalist as Most Innovative Card Product⁵ and winner of the 2014 Australian Business Award for Product Excellence
- **High NPS** scored 33% from recent users who used the card just for travel purposes⁶

- Simpler, faster loads and removal of fees¹
- **Over 300,000²** accounts activated and ~\$0.5bn loaded², Qantas Cash is already providing incremental EBIT to the business.
- 12 months from launch, Qantas Cash is positioned as significant player in the Travel Money sector with ongoing growth expected
- **11 loadable currencies**, UAE Dirham added April



1. Inactivity, paper communication, negative balance, over the counter and replacement card fees. 2. As at 28 August 2014. 3. Details <http://www.canstar.com.au/travel-money-cards/travel-card-awards>. 4. 2014 Smart Cards Asia Awards. 5. 2014 Asia-Pacific Banking + Finance Awards. 6. As at Jul-14. **32**

Aquire

Australia's business rewards program

INNOVATIVE NEW BUSINESS REWARDS PROGRAM

Enables businesses to earn rewards on everyday business expenses

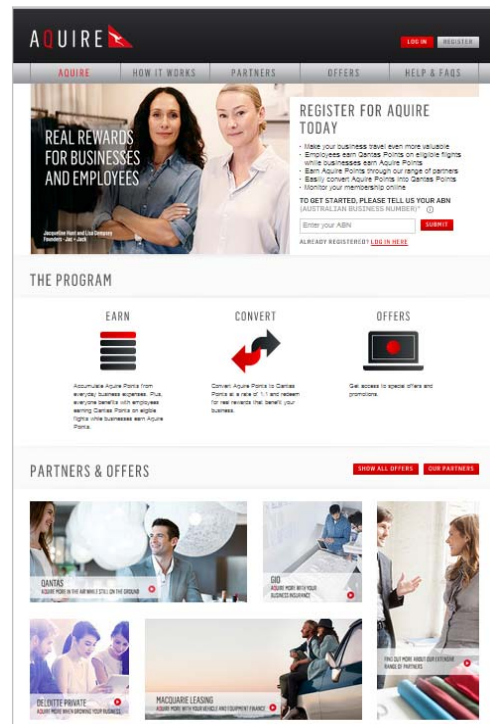
Ability to use the Points many ways, including for employee rewards, items from the Qantas Store and flight bookings and upgrades

New currency which converts to Qantas Points at a 1:1 rate

17 Partners with more to come in FY15

AQUIRE

Australia's business rewards program



Qantas Frequent Flyer

Hundreds of partners, thousands of ways to earn points

NEW WAYS TO EARN

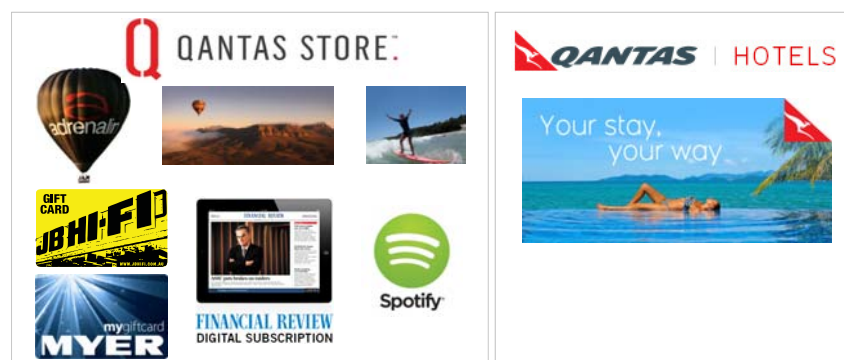
New and expanding partnerships in Australia and internationally added to Australia's leading loyalty coalition, with more to come in FY15

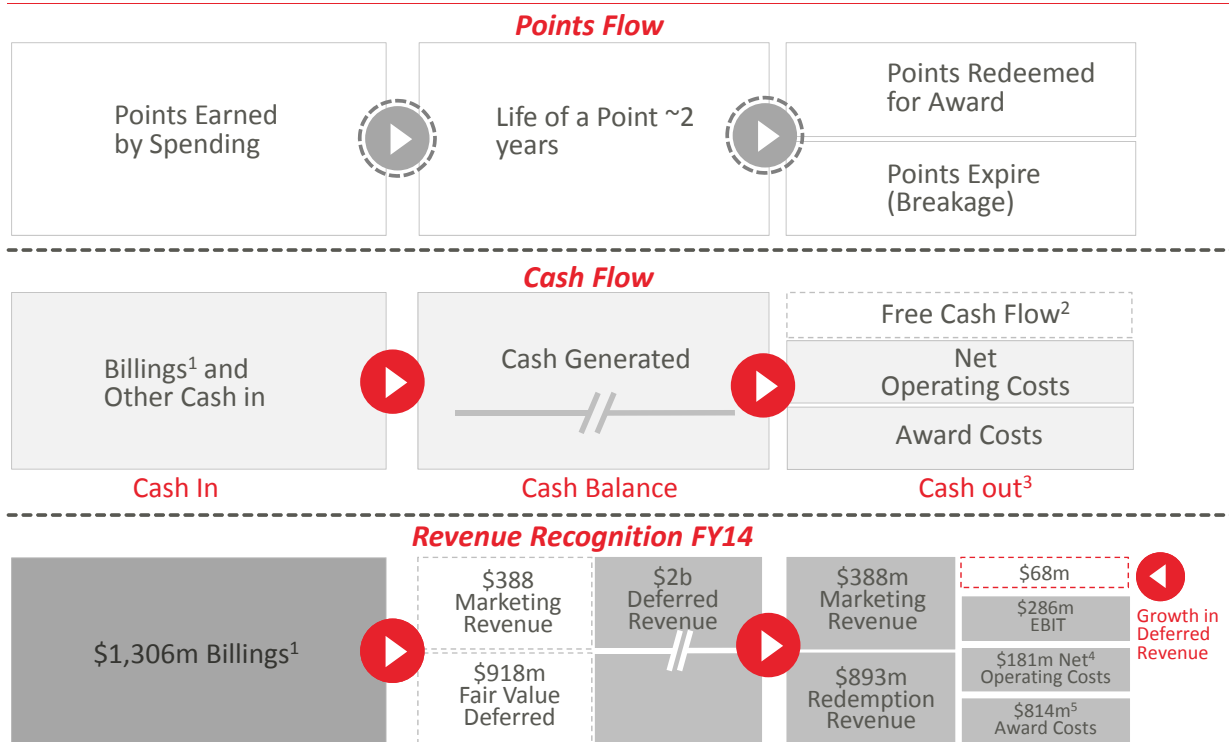


MORE REWARD OPTIONS

Qantas Store enhanced experiences and digital reward options

Over 100,000 hotels worldwide





1. Billings represent point sales to partners. 2. Free cash flow represents EBIT plus growth in deferred revenue. 3. Cash out excludes movement in working capital and cash outflow from capital expenditure. 4. Net Operating Costs include other revenue, other costs and one off project costs. 5. Total redemption costs.

Governance, Environment and Social



Sustainability

FY14 highlights

GOVERNANCE

Corporate Governance,
Oversight Framework

- New Supplier Code of Conduct; conducted supplier sustainability site audits
- New risk management training suite, supporting all employees to integrate risk management into the business

ENVIRONMENT

Fuel and emissions,
Resource Consumption

- Strong focus on fuel optimisation and carbon reduction program
- Head office campus electricity reduced by 30% due to Workplace Transformation
- 2013 Eco-Pioneer of the Year at Air Transport World 2013 Eco-Aviation Awards
- Fly Carbon Neutral program reached 1.8m tonnes offset

SOCIAL

Safety, Customer,
People, Community

- Safety is our first priority – People safety improved across all three core measures¹
- Customer
 - Qantas Domestic best on-time performance in FY14²
 - Record Qantas Loyalty NPS, record customer satisfaction levels at Qantas Domestic, Qantas International, Jetstar Domestic and International
- People
 - Continuing engagement with employees and unions through Transformation
 - Supporting employees leaving business, providing outplacement services
 - 10 workplace agreements closed in 2013/14
- Community
 - Partnership with Mission Australia’s Soft Landing & Featherweight recycled 100 tonnes of old Qantas uniforms

1. Core people safety measures are Total Recordable Injury Frequency Rate, Lost Work Case Frequency Rate and Duration Rate. 2. Source: BITRE July 2013 - June 2014. Qantas most on-time major domestic compared to main competitor. 37

Sustainability

External recognition

Recognition

MEMBER OF

Dow Jones Sustainability Indices

In Collaboration with RobecoSAM



FTSE4Good

CARBON DISCLOSURE PROJECT



Dow Jones Sustainability Index World

- Member since 2011
- 1 of only 2 airlines and the only Australian airline in the World Index

RobecoSAM Sustainable Asset Management

- Silver Class 2014

Dow Jones Sustainability Index Asia Pacific

- Member since 2009
- Only Australian airline in the Index

Australian SAM Sustainable Asset Management

- Member since 2009
- Only Australian airline in the Index

FTSE4Good Index

- Member since 2009
- Only Australian airline in the Index

Carbon Disclosure Project

- Listed on the Carbon Disclosure Leadership Index for Australia/New Zealand since 2010

Air Transport World Eco-Aviation Awards

- Named 2013 Eco-Pioneer of the Year

Maxima Awards

- Indigenous Employer of the Year

Disclaimer & ASIC Guidance

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

Summary information

This Presentation contains summary information about Qantas and its subsidiaries (Qantas Group) and their activities current as at 28 August 2014. The information in this Presentation does not purport to be complete. It should be read in conjunction with the Qantas Group's other periodic and continuous disclosure announcements lodged with the Australian Securities Exchange, which are available at www.asx.com.au.

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Financial data

All dollar values are in Australian dollars (A\$) and financial data is presented within the twelve months ended 30 June 2014 unless otherwise stated.

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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, this Presentation is unaudited. Notwithstanding this, the Presentation contains disclosures which are extracted or derived from the Consolidated Financial Report for the year ended 30 June 2014 which is being audited by the Group's Independent Auditor and is expected to be made available in September 2014.