Qantas Airways Limited

FY13 Results

29 August 2013

Australia's Leading Airlines and Loyalty Business

- Delivering on strategic priorities
  - Strengthening Group domestic position
  - Qantas International recovery; Emirates partnership
  - Broadening Qantas Loyalty
  - Building Jetstar in Asia
  - Record customer advocacy
- Securing the future with financial discipline
  - Positive net free cash flow $372m; $1b debt reduction[1]
  - Significant unit cost improvement 5%[2]
  - Prudent capital expenditure; further $500m reduction[3]

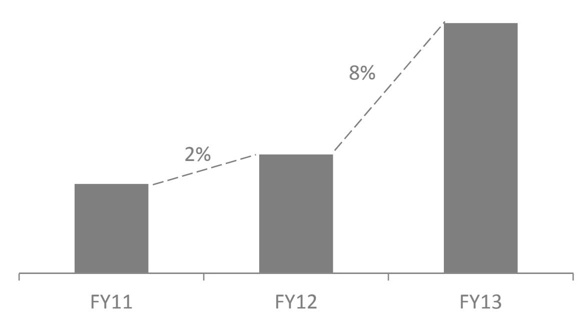
EXECUTING ON STRATEGY TO DELIVER SUSTAINABLE RETURNS TO SHAREHOLDERS

1. Net financing cash flows excluding payments for shares bought back. 2. Comparable Unit Cost is defined as Net Underlying Unit Cost (Underlying PBT less passenger revenue and fuel per ASK) adjusted for the impact of industrial action (FY12), Boeing settlement, change in accounting estimate for passenger revenue and carbon tax (FY13), and movements in average sector length. Refer to Supplementary Slide 10 for further detail. 3. In FY13 and FY14. Excludes proceeds/payments relating to asset disposals/acquisitions, includes payments for investments in associates.

Challenging Market Conditions

- Tough operating environment
  - Excess domestic market capacity
  - High AUD fuel costs; carbon tax
  - Competitor response to EK partnership
  - Mixed economic conditions
- Continued focus on
  - Cost reduction and productivity
  - Capital expenditure discipline
  - Network and fleet optimisation
  - Customer experience and employee engagement

DOMESTIC MARKET CAPACITY GROWTH[1] (ASKs)



1. Source: BITRE July 2010 - June 2013.

FY13 Financial Results

- FY13 Underlying PBT[1] $192m; Statutory Profit After Tax $6m
- Resilient domestic earnings despite yield pressure
- Steady improvement in Qantas International
- Qantas Loyalty another record result[2], up 13%

KEY GROUP FINANCIAL METRICS	FY13	FY12	VLY[3]
Revenue ($M)	15,902	15,724	↑1%
Yield excluding FX (c/RPK)	10.33	10.58	↓2%
Comparable Unit Cost[4] (c/ASK)	4.97	5.23	↓5%
Net free cash flow[5] ($M)	372	(472)	↑>100%

- Cash balance $2.8b, total liquidity position $3.4b[6]
- Gearing improvement of 3 percentage points
- Continuing share buy-back; No final dividend declared

1. Underlying Profit Before Tax (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. All line items in the FY13 Results Presentation are reported on an Underlying basis . Refer to slide 11 for a reconciliation of Underlying to Statutory PBT. 2. Qantas Loyalty 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. 3. Variance to last year. Favourable variances are reported in green. 4. Comparable Unit Cost is defined as Net Underlying Unit Cost (Underlying PBT less passenger revenue and fuel per ASK) adjusted for the impact of industrial action (FY12), Boeing settlement , change in accounting estimate for passenger revenue and carbon tax (FY13), and movements in average sector length. Refer to Supplementary Slide 10 for further detail. 5. Net free cash flow is operating cash flows less investing cash flows. Free cash flow is a measure of the amount of operating cash flows that are available (i.e. after investing activities) to fund reductions in net debt or payments to shareholders. 6. Includes cash and cash equivalents and $630m undrawn revolver facility at 30 June 2013.

Clear Strategic Direction

STRATEGIC PRIORITIES	
GROUP DOMESTIC Dual-brand (Qantas, Jetstar)	• Best for business, premium leisure and price-sensitive customers • Most extensive network; profit maximising 65% market share • Maintain margin advantage
QANTAS INTERNATIONAL Clear path to return to profit	• Significant cost base transformation; improved fleet economics • Strengthening alliances; network optimisation • World-class customer offering
QANTAS LOYALTY Leading loyalty business	• Deepen customer and partner engagement • Driving strong growth with minimal capital • Continued innovation; new revenue streams
JETSTAR IN ASIA Well positioned in growing market	• Strategic local partners • Highly recognised brand • Leveraging low-cost model to realise potential
STRONG FINANCIAL DISCIPLINE	• Positive FY net free cash flow; debt reduction • Unit cost improvement • Prudent capital expenditure • Investment grade credit rating

LONG-TERM TARGETS

Qantas Brands[1]
ROIC > WACC
+
Jetstar Group
ROIC > WACC
=
Qantas Group
ROIC > WACC

SUSTAINABLE RETURNS TO SHAREHOLDERS

1. Qantas Domestic, Qantas International, Qantas Loyalty and Qantas Freight operating segments are collectively referred to as Qantas Brands.

Delivering Strategic Priorities
Accelerating the pace of change

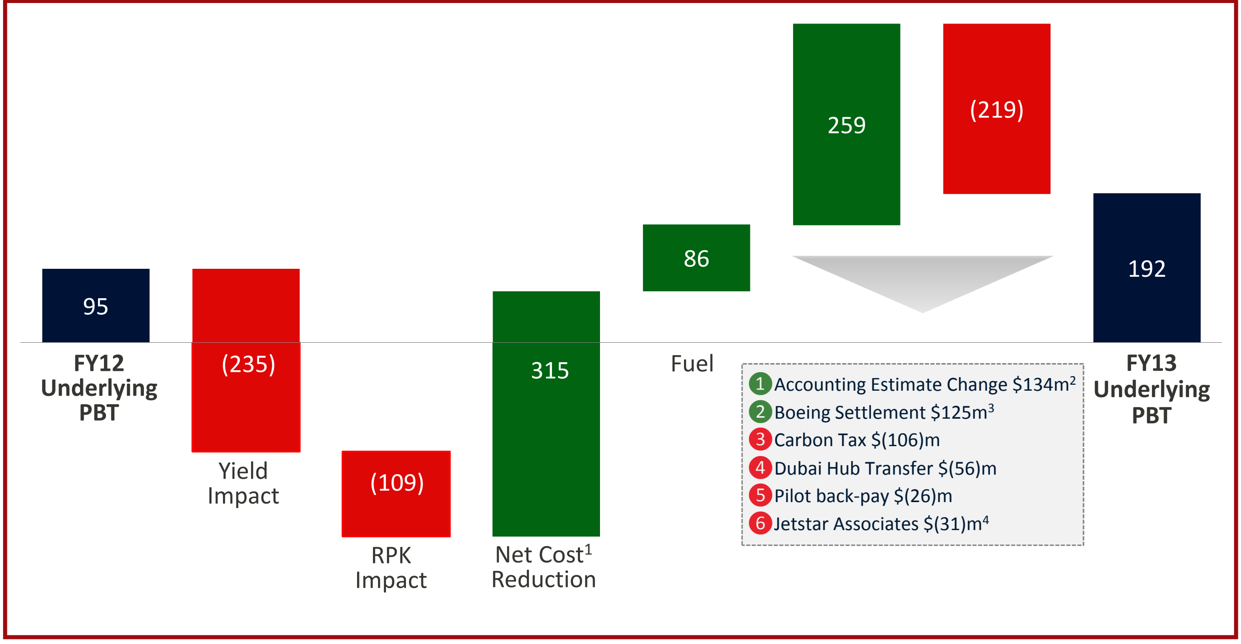
- **July** – Jetstar Japan launched
- **August** – B787 fleet restructure; heavy maintenance base consolidation
- **October** – Sale of StarTrack[1] & 2 catering centres[2]; B747 reconfigurations completed
- **November** – Announced $US450m unsecured bond early repayment
- **March** – Global partnership with Emirates launched
- **April** – Asian schedule restructure commenced
- **June** – A380 reconfigurations completed; Superior OTP for Qantas Domestic[3]
- **July** – Awarded Best Airline & Low Cost Airline in Australia-Pacific by Skytrax
- **August** – Qantas Cash launched; Sale of QDS[4]; 13 Jetstar Japan aircraft in operation

1. Sale of 50% stake in StarTrack to Australia Post and acquisition of 100% of Australian air Express (AaE) announced 2 October 2012 and completed 13 November 2012. 2. Sale of Riverside and Cairns catering centres completed on 31 October 2012. 3. Source: BITRE July 2012 - June 2013. 4. Sale of Qantas Defence Services and other related assets announced on 29 August 2013.

FY13 Result

FY13 Financial Results

UNDERLYING PROFIT BEFORE TAX ($M)



1. Net Cost Reduction includes Qantas Transformation strategic initiatives of $171m as well as other cost and efficiency improvements in Jetstar Group, Loyalty and other. 2. Change in accounting estimate for passenger revenue to align the Group's revenue recognition and liability measurement estimates more appropriately with ticket terms and conditions and historic experience. Refer to Qantas Preliminary Financial Report page 20 for detailed explanation. 3. Settlement income received following the restructure of the Group's Boeing 787 aircraft delivery schedule. 4. Movement in Jetstar Group associate losses from FY12 $(19)m to FY13 $(50)m.

Underlying Income Statement Summary

$M	FY13[1]	FY12[1]	VLY %	
Net passenger revenue[2]	13,673	13,625	-	Competitive pressures impacting yield; Accounting estimate change $134m[4]
Net freight revenue[3]	935	903	4	Consolidation of AaE[5]; reduced capacity from international network changes
Other revenue[2,3]	1,294	1,196	8	Qantas Loyalty revenue growth; Boeing settlement $125m
Revenue	**15,902**	**15,724**	**1**	
Operating expenses (excluding fuel)	9,312	9,197	(1)	0.3% increase in capacity; carbon tax $106m; cost reductions
Fuel	4,243	4,329	2	Fuel efficiency improvements from fleet modernisation and reconfigurations
Depreciation and amortisation	1,450	1,384	(5)	Fleet movements between FY13 and FY12 including purchase of 17 aircraft
Non-cancellable aircraft operating lease rentals	525	549	4	9 aircraft lease returns
Underlying EBIT	**372**	**265**	**40**	
Net finance costs	(180)	(170)	(6)	Full year impact of fleet renewal
Underlying PBT[1]	**192**	**95**	**>100**	

1. All line items presented on an Underlying basis. Refer to slide 11 for a reconciliation of Underlying PBT to Statutory PBT. 2. Net passenger revenue has been adjusted in FY13 to include associated ancillary passenger revenue, passenger service fees, charter revenue and lease revenue on codeshare previously reported in Other revenue. FY12 Net passenger revenue and Other revenue have been restated accordingly. These items remain excluded from the calculation of yield. 3. Net freight revenue has been adjusted in FY13 to include freight lease revenue previously reported in Other revenue. FY12 Net freight revenue and Other revenue have been restated accordingly. 4. Change in accounting estimate for passenger revenue to align the Group's revenue recognition and liability measurement estimates more appropriately with ticket terms and conditions and historic experience. Refer to Qantas Preliminary Financial Report page 20 for detailed explanation. 5. AaE consolidated from November 2012.

Segment Underlying EBIT Contribution

$M	FY13	FY12	VLY %	
Qantas Domestic	365	463	(21)	Competitive pressure impacting yield; impact of carbon tax
Qantas International	(246)	(484)	49	Turnaround strategy driving operational efficiencies, partly offset by impact of competitive pressure and Dubai hub transfer
Jetstar	138	203	(32)	Competitive pressure impacting yield; Jetstar associates in start-up phase; impact of carbon tax
Qantas Loyalty	260	231	13	Record EBIT[3]; 10% increase in redemptions and 9% member growth
Qantas Freight	36	45	(20)	Sale of StarTrack[4]; reduced capacity from international network changes
Corporate/Unallocated	(185)	(191)	3	
Eliminations[1]	4	(2)	>100	
Underlying EBIT[2]	**372**	**265**	**40**	

1. Includes Qantas Brands Eliminations of $3m (FY13) and $(6)m (FY12). 2. Underlying EBIT is the primary reporting measure for all segments except Corporate/Unallocated. 3. Qantas Loyalty 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. 4. Sale of 50% stake in StarTrack to Australia Post and acquisition of 100% of AaE announced 2 October 2012 and completed 13 November 2012.

Reconciliation to Statutory PBT

$M	FY13				FY12			
	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[2]	13,673	-	-	13,673	13,625	-	-	13,625
Net freight revenue[3]	935	-	-	935	903	-	-	903
Other revenue[2,3]	1,294	-	-	1,294	1,196	-	-	1,196
Revenue	**15,902**	**-**	**-**	**15,902**	**15,724**	**-**	**-**	**15,724**
Operating expenses (excl fuel)	9,312	50	207	9,569	9,197	149	398	9,744
Fuel	4,243	(89)	-	4,154	4,329	(109)	-	4,220
Depreciation and amortisation	1,450	-	-	1,450	1,384	-	-	1,384
Non–cancellable aircraft operating lease rentals	525	-	-	525	549	-	-	549
Expenses	**15,530**	**(39)**	**207**	**15,698**	**15,459**	**40**	**398**	**15,897**
EBIT	**372**	**39**	**(207)**	**204**	**265**	**(40)**	**(398)**	**(173)**
Net finance costs	(180)	(7)	-	(187)	(170)	(6)	-	(176)
PBT	**192**	**32**	**(207)**	**17**	**95**	**(46)**	**(398)**	**(349)**

1. Underlying Profit Before Tax (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 slide 12). 2. Net passenger revenue has been adjusted in FY13 to include associated ancillary passenger revenue, passenger service fees, charter revenue and lease revenue on codeshare previously reported in Other revenue. FY12 Net passenger revenue and Other revenue have been restated accordingly. These items remain excluded from the calculation of yield. 3. Net freight revenue has been adjusted in FY13 to include freight lease revenue previously reported in Other revenue. FY12 Net freight revenue and Other revenue have been restated accordingly.

Other Items Not Included in Underlying PBT[1]

$M	FY13	FY12	
Net impairment of property, plant and equipment	(86)	(147)	Transformation initiatives including early retirement of B744s and B763s
Redundancies and restructuring	(118)	(203)	Transformation initiatives including engineering and catering consolidation
Impairment of goodwill and other intangibles	(24)	(18)	Impairment of IT assets
Net profit on disposal of investment in jointly controlled entity	30	-	Gain on sale of StarTrack
Net impairment of investments	2	(19)	Net impairment of investment in jointly controlled entities
Write down of inventory	(4)	(13)	Inventory/spares associated with retiring fleet
Other	(7)	2	
Total Items not included in Underlying PBT	**(207)**	**(398)**	

1. Items which are identified by Management and reported to the Qantas Group's 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 and 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.

Cash Flow and Debt Position

SUMMARISED CASH FLOW				
$M	FY13	FY12	VLY %	
Operating	1,417	1,810	(22)	Reduction in yield and international capacity; Boeing settlement
Investing	(1,045)	(2,282)	54	Reduction in capital expenditure; proceeds from sale of StarTrack
Free cash flow (Net Operating & Investing)	*372*	*(472)*	*>100*	*Disciplined financial management driving positive net free cash flow*
Financing	(953)	370	>100	Reduction in debt
Net change in cash held	(581)	(102)	<(100)	Cash applied to balance sheet deleveraging
Effects of FX on cash	12	4	>100	Favourable FX
Cash at end of period	**2,829**	**3,398**	**(17)**	Strong liquidity position

DEBT POSITION AND GEARING				
	FY13	FY12	VLY%	
Net on balance sheet debt[1] ($M)	3,226	3,507	8	
Gearing ratio[2]	46:54	49:51	3pts	Continued focus on debt reduction

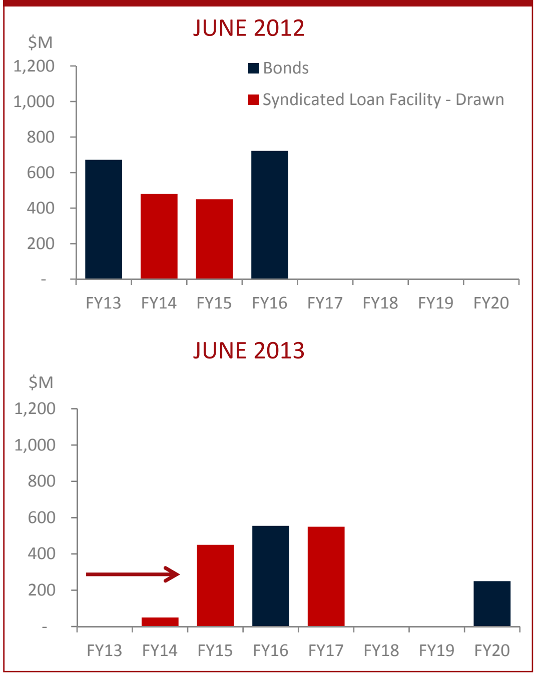
1. Net on balance sheet debt includes interest bearing liabilities and the fair value of hedges related to debt less cash and cash equivalents and aircraft security deposits. 2. Gearing ratio is net debt including operating lease liability to net debt including operating lease liability and equity (excluding hedge reserve, 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.

Capital Management and Treasury
Strengthening financial position

- Cash $2.8b; $630m undrawn facilities
- $1b debt reduction in FY13[1]
- Extended debt maturity profile
- Continuing share buy-back
- 24 new unencumbered aircraft added in 4 years
  - Up to 7 x A320s to be added in FY14
- 20 mid-life aircraft become debt free in FY14
- Investment grade credit rating
- Majority of hedging effective at current rates[2]

1H14 EXPOSURE[2]	% HEDGED
Fuel costs	87
Operating foreign exchange	87

EXTENDED UNSECURED DEBT MATURITY PROFILE

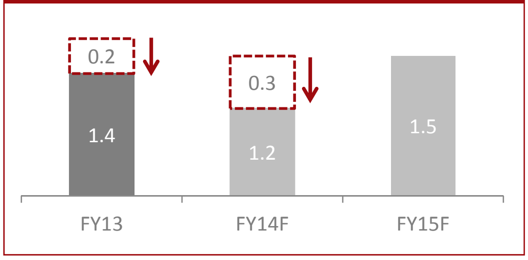


1. Net financing cash flows excluding payments for shares bought back. 2. As at 28 August 2013.

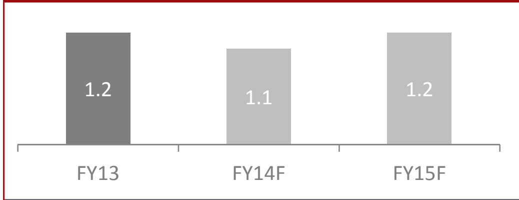
Capital Expenditure & Lease Liabilities
Flexibility to reduce financial leverage

- Prudent management of capex and leases
  - Improved position for future debt repayment
- Maintaining fleet flexibility
  - 41 lease expiries over next 3 years; ability to extend or replace with existing orders
- Young average fleet age 7.9 years[1]
  - 116 new aircraft over last 4 years
  - Retiring older aircraft – B734, B767, B747

NET CAPEX[2] ($B)

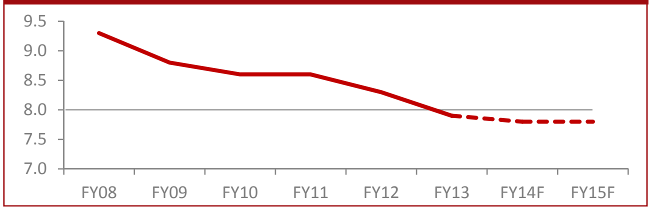


NET CAPEX[2] & LEASE INVESTMENT[3] ($B)



($B)	FY13	FY14F	FY15F
Net Capex[2]	1.4	1.2	1.5
Movement in lease liabilities[3]	(0.2)	(0.1)	(0.3)
Net Capex & Lease Investment	**1.2**	**1.1**	**1.2**

FLEET AGE[1] (YRS)

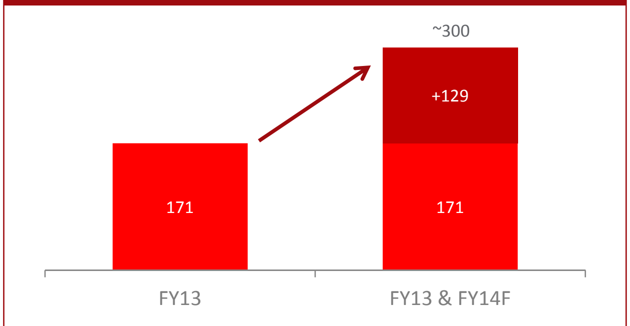


1. Average fleet age of the Group's scheduled passenger fleet based on manufacturing date. 2. Excludes proceeds/payments relating to asset disposals/acquisitions, includes payments for investments in associates. 3. Movement in on and off balance sheet lease debt including the movement in operating lease liabilities (calculated 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) and the movement in aircraft-related Japanese operating leases (with call options) accounted for in financing cash flows.

Qantas Transformation continues in FY14

- Driving FY13 comparable unit cost[1] improvement
  - Qantas International 5%; Qantas Domestic 3%
- FY13 gross benefits $428m
  - $171m[2] announced strategic initiatives – ~$300m cumulative benefit target in FY14
  - $257m ongoing cost management – to offset annual inflation

STRATEGIC INITIATIVES CUMULATIVE TARGET ($M)



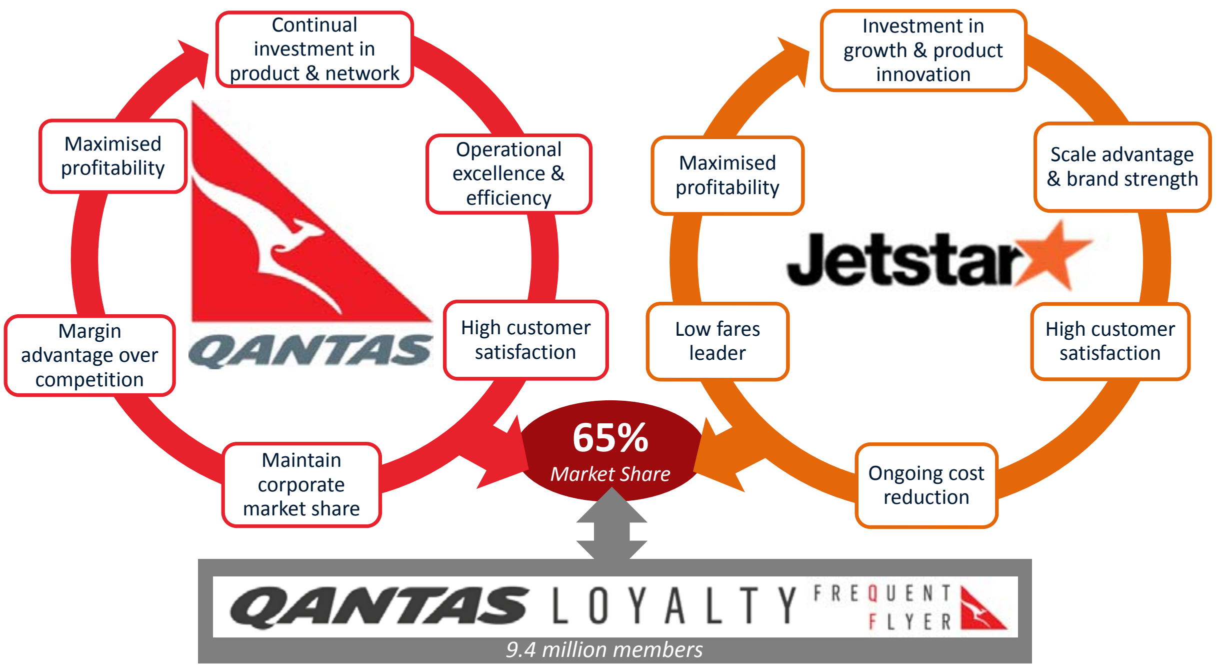
1. Comparable Unit Cost is defined as Net Underlying Unit Cost (Underlying EBIT less passenger revenue and fuel per ASK) adjusted for the impact of industrial action (FY12), Boeing settlement, change in accounting estimate for passenger revenue and carbon tax (FY13), and movements in average sector length. 2. Qantas International transformation benefits from strategic initiatives $148m, Qantas Domestic transformation benefits from strategic initiatives $23m.

FY13 Segment Results

Group Domestic Strategy

65% market share maximises value

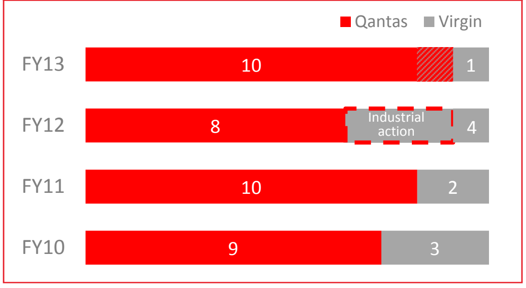
✓Dual-brand ✓Distribution ✓Scale ✓Network ✓Frequency ✓Loyalty program



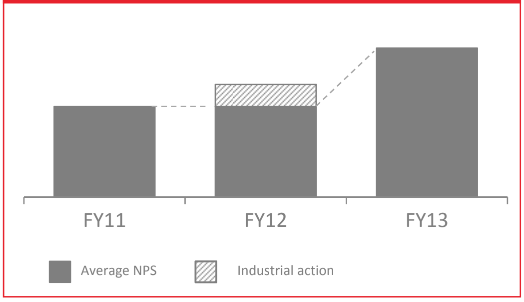
Qantas Domestic

- Clear profit leader in domestic market
  - Underlying EBIT $365m
  - Responding to competitor; 8% market growth[1]
  - $77m carbon tax cost
  - Comparable unit cost improvement 3%[2]
  - Maintained corporate market share
- Qantas 'Best Domestic Airline' 2010 - 2013[3]
- Superior on time performance[4] 4th year running
- Record levels of consistent customer satisfaction
- Growth of QantasLink, Network Aviation enhancing regional and charter offering

SUPERIOR ON TIME PERFORMANCE[4]



HIGHEST NET PROMOTER SCORE (NPS)[5]



1. Market growth source: BITRE July 2012 - June 2013. 2. Comparable Unit Cost is defined as Net Underlying Unit Cost (Underlying EBIT less passenger revenue and fuel per ASK) adjusted for the impact of industrial action (FY12), Boeing settlement, change in accounting estimate for passenger revenue and carbon tax (FY13), and movements in average sector length. 3. Australian Federation of Travel Agents National Industry Awards. 4. Source: Monthly BITRE data July 2009 - June 2013. Qantas and Virgin tied for one month of FY13. 5. Highest score since reporting commenced in August 2008.

Qantas Domestic

Best for business and premium leisure customers

SUPERIOR CUSTOMER PROPOSITION

- B767 refresh and Q-streaming iPads
- A330 lie-flat beds on East-West announced
- Improved lounge experience – PER, TMW, OOL[1]
- QantasLink relocation to Sydney T3 premium terminal
- Continued investment in front-line team training

LEADING NETWORK AND FREQUENCY

- East-West, intra-WA, TAS and CBR growth[2]
- Launch of Sydney-Gold Coast services
- QantasLink and Network Aviation supporting regional and charter market – growth from 2 to 12 F100[3] aircraft
- Renewed 111[4] corporate accounts, 84[4] new accounts
  - Lost 7[4] accounts; won back 8[4] accounts

MAINTAIN MARGIN ADVANTAGE

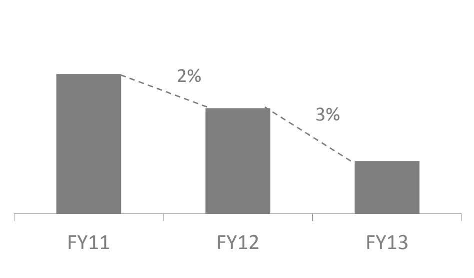
- Fleet renewal improving economics
  - B738s to fully replace B734s by Feb 2014
  - Ongoing replacement of B767s with A330s
- Unit cost improvement through transformation initiatives
- 1.5% fuel burn efficiency with B738 engine refresh[5]

1. Perth, Tamworth, Coolangatta 2. Intra-Western Australia, Tasmania, Canberra. 3. Growth from FY11 to FY13. 4. Represents large market accounts only. Total large market and SME accounts: renewed 147 accounts and signed 130 new accounts. 5. Engine replacement program. Fuel burn efficiency based on Qantas internal assessment.

Jetstar Group

- Strong position in attractive growth markets
  - Underlying EBIT $138m
  - Continued strong domestic profitability
  - Comparable unit cost improvement of 3%[1]
  - Ancillary unit revenue up 5%[2]
  - $29m carbon tax cost
  - Associates in start-up phase[3]
- Jetstar Group 7% capacity, 9% passenger growth
- Strong customer advocacy in each Jetstar Airline
- Jetstar Airways named Best Low Cost Airline[4]
- B787 to commence scheduled services 1H14[5]

COMPARABLE UNIT COST[1]



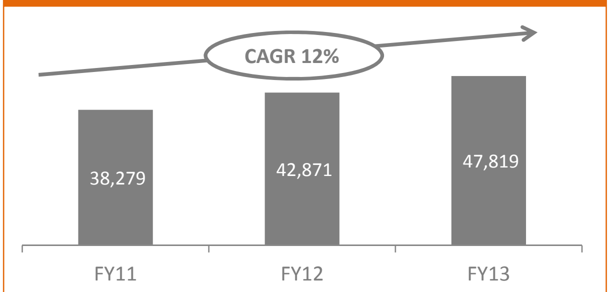
1. Comparable unit cost for Jetstar Australia Domestic and International and Jetstar New Zealand businesses calculated as total expenses excluding fuel and carbon tax per ASK. 2. Ancillary revenue per passenger includes all bag fees sold separately or as bundles in Starter & Business fares and excludes management and branding fee revenue for JANZ (Jetstar Australia Domestic and International and Jetstar New Zealand). 3. Jetstar associate losses $50m in FY13. 4. Best Low Cost Airline in Australia-Pacific, 2013 Skytrax World Airline Awards. 5. Subject to regulatory approval.

Jetstar Group

Building a strong brand across Asia Pacific

- Jetstar ANZ[1] – profitable every year since 2004; LCC margin advantage
- Jetstar Asia – 2 years of profitability[2] in competitive market
- Jetstar Japan – largest LCC with strong domestic market share and market leading OTP[3]
- Jetstar Hong Kong – ATLA application gazetted[4]; anticipate regulatory approval by end 2013
- Jetstar Pacific – fleet renewal delivering unit cost improvement
- ACCC final approval for coordination between Jetstar airlines 2H13

JETSTAR GROUP ASKs[5] (M)



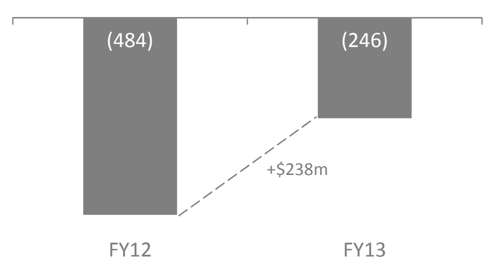
BUSINESS	OWNERSHIP	LAUNCH	BASED AIRCRAFT[6]
Jetstar Australia	100%	2004	50xA320s/A321s
Jetstar International	100%	2006	10xA330s
Jetstar NZ[7]	100%	2009	9xA320s
Jetstar Asia (Singapore)	49%	2004	17xA320s
Jetstar Japan	33%	2012	13xA320s
Jetstar Hong Kong[8]	33%	–	–
Jetstar Pacific (Vietnam)[9]	30%	2008	5xA320s

1. Jetstar Australia Domestic and International and Jetstar New Zealand 2. Underlying EBIT contribution to the Group result. 3. Based on fleet at 30 June 2013 and domestic ASKs compared with Peach Aviation and AirAsia Japan. OTP based on MILT data for Q4CY12 and Q1CY13 compared with Peach Aviation and AirAsia Japan. 4. Application to Air Transport Licencing Authority gazetted by the Hong Kong government. 5. Total ASKs includes Jetstar Australia Domestic and International, Jetstar New Zealand, Jetstar Asia, Jetstar Pacific and Jetstar Japan. 6. As at 30 June 2013. 7. Jetstar Trans Tasman services commenced in 2005, Jetstar NZ (Domestic) services commenced in 2009. 8. Subject to regulatory approval. Previously 50% ownership. 9. Jetstar Pacific rebranded in 2008.

Qantas International

- 49% improvement in Underlying EBIT
- Successful launch of Emirates partnership
- Challenging competitive environment
  - 5% market capacity growth[1]
  - Response to Emirates partnership
- Positive contribution to Group net free cash flow; low committed capex
- 5% comparable unit cost[2] improvement on 6% ASK reduction
- $148m benefit from announced strategic initiatives
  - B747 and A380 reconfigurations complete
  - Exited loss making routes – 5 x B747s retired
- Improved connectivity in Asia; growing into network changes
- Highest customer satisfaction on record[3]

UNDERLYING EBIT ($M)



1. Source: BITRE June 2012 - May 2013. 2. Comparable Unit Cost is defined as Net Underlying Unit Cost (Underlying EBIT less passenger revenue and fuel per ASK) adjusted for the impact of industrial action (FY12), Boeing settlement and change in accounting estimate for passenger revenue (FY13), and movements in average sector length. 3. Since commenced recording in February 2003.

Qantas International
Four pillar turnaround strategy

CLEAR TARGET: On track to return to profit FY15

GATEWAYS TO THE WORLD 1
- ✓ Emirates partnership successfully launched
- ✓ North American daily flights to AA hub (DFW[1])
- ✓ South American flights to LATAM hub (SCL[2])
- WIP Deepening existing partnerships
  - Expanded China Eastern codeshare

BEST FOR GLOBAL TRAVELLERS 2
- WIP New SIN[3] premium lounge opened; LAX and HKG[4] development in progress
- ✓ Introduction of Business Sleep Service, Select on Q-Eat and Chauffeur Drive
- ✓ Continued investment in service training, technology
- ✓ Improved Frequent Flyer opportunities

GROWING WITH ASIA 3
- ✓ Rescheduled services enhancing intra-Asia proposition
- WIP Leveraging partners to key Asian & China hubs
- WIP A330 reconfiguration – lie flat beds in business class
- WIP Closer integration with Jetstar Group

A STRONG VIABLE BUSINESS 4
- ✓ A380 & B747 reconfigurations improving economics
- WIP Ongoing legacy cost base transformation
- WIP Continued network enhancements

1. Dallas Fort-Worth. 2. Santiago. 3. Singapore. 4. Los Angeles and Hong Kong.

Qantas-Emirates Partnership
Together connecting the globe

FY13 LAUNCH	FY14 – FY15 INCREASED COLLABORATION	FY15+ MATURE STATE
• ~2 times increase in codeshare bookings on EK network[1] • ~3 times increase in EK bookings on Qantas Domestic network[1] • Enhanced loyalty proposition – 50% partner redemption growth 4Q13 • Leverage network to capitalise on Freight opportunities • Early performance in line with expectations	• Progressive alignment of selling proposition • Leverage strength of combined distribution channels • Trans-Tasman network launch • Seamless customer proposition • Pursue further synergies	• Aligned selling and distribution channels (Joint Dealing) • Increased utilisation of assets and network • Realise benefits of Asian restructure

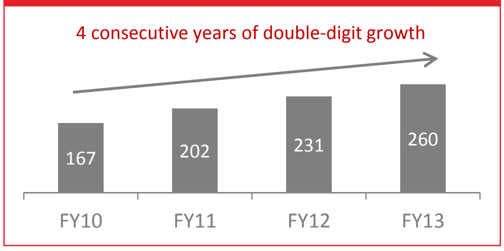
A COMPREHENSIVE AND SEAMLESS PREMIUM AIRLINE EXPERIENCE

1. Compared to previous alliances with British Airways, Iberia, Air France and Cathay Pacific for the corresponding period in FY12.

Qantas Loyalty

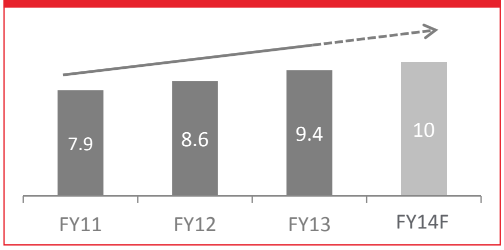
- Record Underlying EBIT[1] $260m, up 13%
- Total billings $1.2b, 65% external billings
  - Record credit card points sales
- 9.4m members
  - Over 700,000 new members since June 2012
  - 10m member target in FY14
- 5.6m awards redeemed, up 10%
  - Emirates partnership program enhancements
  - Record growth from online retail
- Net Promoter Score at all-time high[2]
- 13 new partners driving more ways to earn
- Qantas Cash launched – ~500,000 pre-registered

UNDERLYING EBIT[1] ($M)



QANTAS LOYALTY

MEMBERS (M)



1. 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. Since commenced recording in August 2010.

Qantas Loyalty
Australia's leading loyalty business

QANTAS FREQUENT FLYER

- Over 40 card products with all major retail banks
- FY14 partner growth in international retail and hotel brands, airlines, mortgages and insurance
- 20% points price reduction on Jetstar Classic Award flights
- *For every journey* campaign – lifting member engagement
- Growing communities – Platinum One, Qantas epiQure

THE NEXT WAVE OF GROWTH

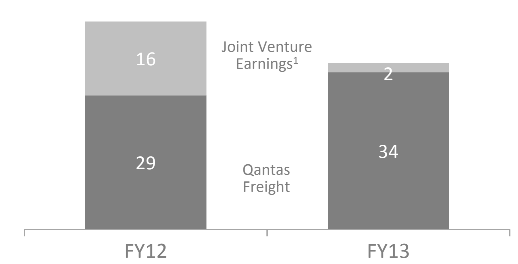
- Qantas Cash launched
  - Largest single MasterCard® product in Australia[1]
  - One of the largest card issuances in the world
- Wishlist acquisition improving redemption margins
- Engaging with external customers to develop new Loyalty revenue streams

1. Based on cards on issue.

Qantas Freight Enterprises
Building Australia's leading air freight provider

- Underlying EBIT $36m
- Sale of StarTrack and acquisition of AaE[1]
  - Integration on track for 1H14
  - Back office and operational synergies
- Revenue up 4% in weak demand environment
  - 3% international yield improvement[2]
  - 11% reduction in international capacity
  - AaE consolidation Nov 2012
- Focus on service and efficiency
  - Supply chain improvements, cost management, freighter network optimisation
- Emirates SkyCargo partnership launched
- Achieved record levels of customer satisfaction[3]

UNDERLYING EBIT ($M)



1. Sale of 50% stake in StarTrack to Australia Post and acquisition of 100% of Australian air Express (AaE) announced 2 October 2012 and completed 13 November 2012. 2. International freight revenue per international Available Freight Tonne Kilometre (AFTK), excluding FX. 3. Acuity Research Survey 2013.

Sustainability

Key FY13 Achievements

- Ongoing commitment and investment in customer experience
  - Qantas Domestic best on time performance in FY13[1]
  - Highest Qantas Domestic, International, Loyalty NPS[2] ever achieved
  - Skytrax World Airline Awards 2013
    - Qantas awarded Best Airline in Australia-Pacific
    - Jetstar awarded Best Low-Cost Airline in Australia-Pacific
- People safety improved across each of three core measures[3]
- Employee engagement improved by 8 percentage points
- 14 workplace agreements closed in last twelve months
- Continued focus on fuel optimisation and carbon reduction program

Recognition by world's leading sustainability indices

- Dow Jones Sustainability Index
  - 1 of only 2 airlines and only Australian airline in World Index
  - RobecoSAM Sustainable Asset Management Bronze Class 2013
  - Only Australian airline in Asia Pacific Index
  - Only Australian airline in Australian SAM Sustainability Index
- FTSE4Good Index – only Australian airline in Index
- Carbon Disclosure Project – highest score on Australia/NZ Index
- Named 2013 Eco-Pioneer of the Year by Air Transport World
- Banksia Environmental Award for Leading in Sustainability

1. Source: BITRE July 2012 - June 2013. Qantas most on time domestic airline compared to main competitor. 2. Net Promoter Score. 3. Core people safety measures are Total Recordable Injury Frequency Rate, Lost Work Case Frequency Rate and Duration Rate.

Outlook

- The Group's FY14 operating environment remains challenging and volatile
- Current Group operating expectations for 1H14:
  - Group capacity to increase by 1-2% in 1H14 compared to 1H13
  - Domestic capacity to increase by 1.5-2.5% in 1H14 compared to 1H13, whilst maintaining flexibility
  - Underlying fuel cost of ~$2.34b at current market rates[1], ~$160m higher than 1H13
- No group profit guidance provided at this time due to the high degree of volatility and uncertainty in the competitive environment, global economic conditions, fuel prices and FX rates.

1. As at 28 August 2013, excludes carbon tax.

Summary

- Delivering strategic objectives in challenging market conditions
  - Strengthening Group domestic position
  - Qantas International turnaround on track
  - Broadening Qantas Loyalty
  - Building Jetstar in Asia
  - Enhancing customer experience and engaging our people
  - Strengthening financial position

POSITIONING THE GROUP FOR A STRONG FUTURE
TO DELIVER SUSTAINABLE RETURNS TO SHAREHOLDERS

Disclaimer & ASIC Guidance

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, the Results Presentation is unaudited. Notwithstanding this, the Results Presentation contains disclosures which are extracted or derived from the Consolidated Financial Report for the year ended 30 June 2013 which is audited by the Group's Independent Auditor.