

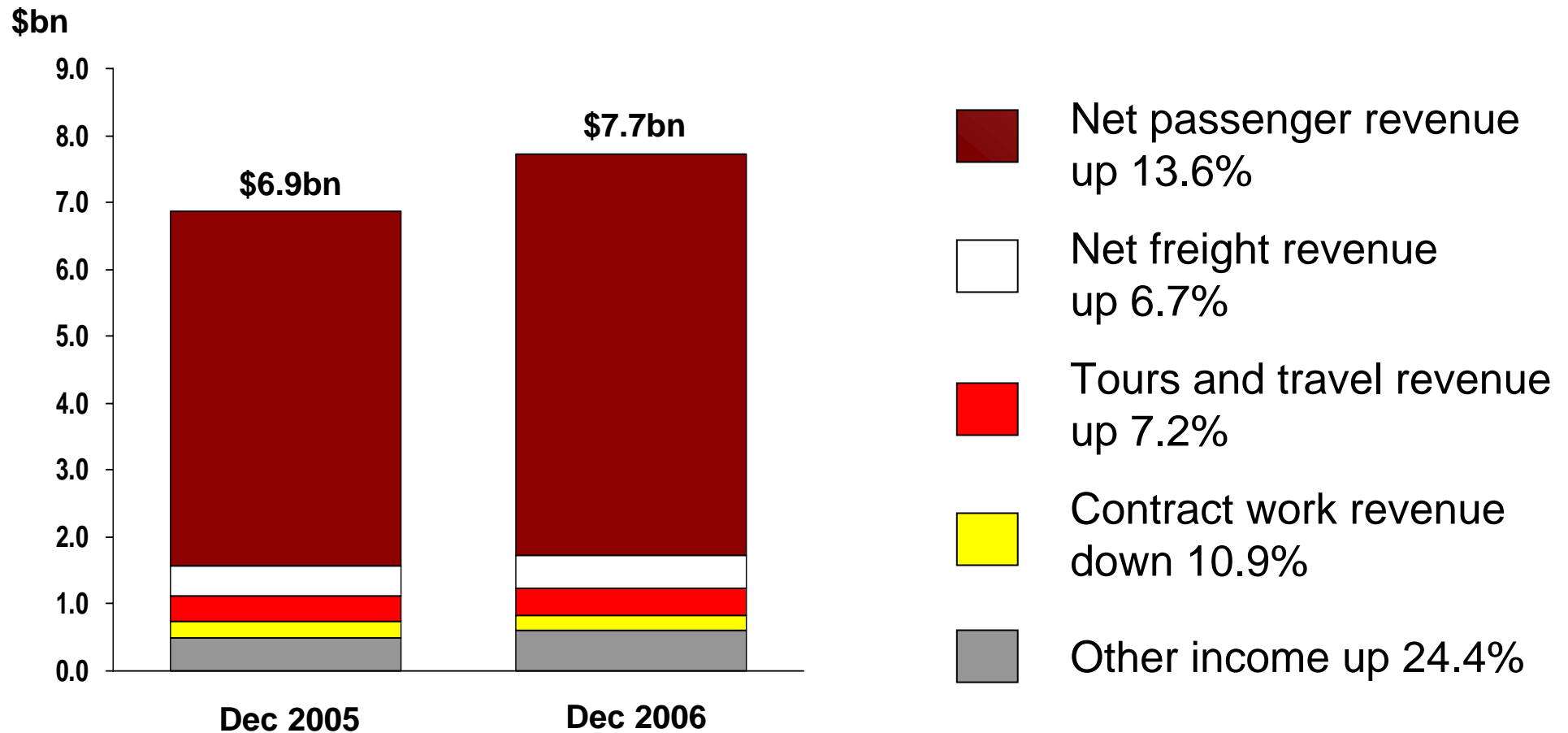
**2006/07 Interim Results
Supplementary Information**

Highlights

		Six months to December 2006	Six months to December 2005	Increase/ (decrease) %
Sales and other income	\$m	7,727	6,857	12.7
Expenditure	\$m	(7,179)	(6,346)	13.1
EBIT	\$m	548	511	7.1
Net finance costs	\$m	(25)	(27)	(12.4)
Profit before tax	\$m	523	484	8.3
Net profit after tax	\$m	359	353	1.7
Earnings per share	¢	18.2	18.4	(1.2)
Total dividend per share	¢	15.0[*]	11.0	36.4

* Special dividend

Revenue



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

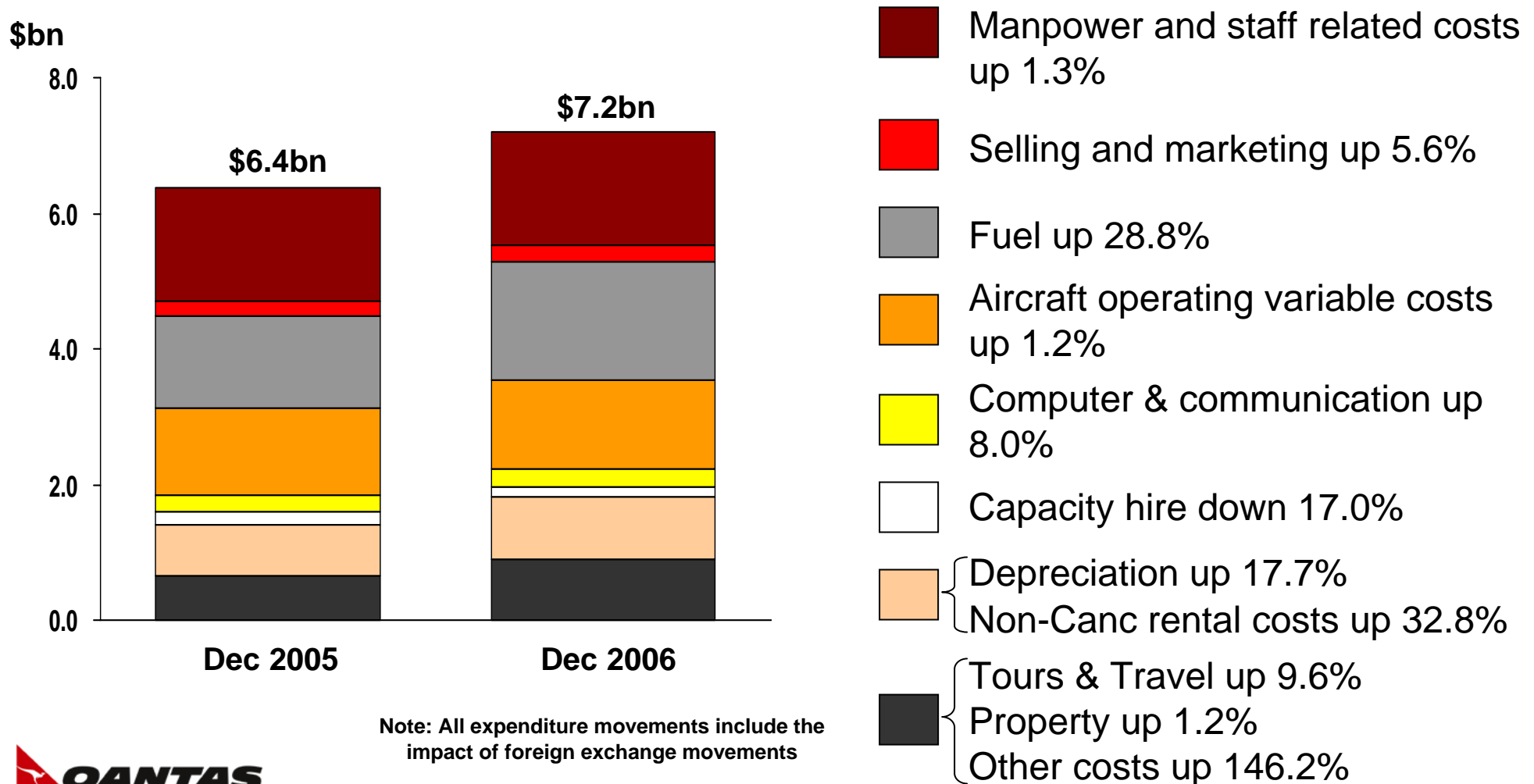
Revenue

- **Sales and operating revenue up 12.7% (up 12.5% excluding exchange)**
 - Net passenger revenue up 13.6% (up 13.4% excluding exchange)
 - Group RPKs up 7.4%
 - Group yield per RPK up 7.0% excluding exchange
 - Net freight revenue up 6.7% (up 5.9% excluding exchange)
 - Additional revenue from operation of wet-lease freighters
 - Freight yield per RFTK up 3.7% excluding exchange

Revenue

- Tours and travel revenue up 7.2% (up 6.6% excluding exchange)
- Contract work revenue down 10.9% (down 10.9% excluding exchange)
 - Decline in third-party ground handling and catering revenue
- Other income up 24.4% (up 24.5% excluding exchange)
 - Recognition of \$97.5 million of compensation for the late delivery of aircraft

Expenditure



Expenditure

- **Expenditure excluding net finance costs up 13.1% (up 12.8% excluding exchange)**
 - Manpower and staff related costs up 1.3% (up 1.4% excluding exchange)
 - Includes increased restructuring costs of \$61 million under the Sustainable Future Program (SFP)
 - Group ASKs up 3.7%
 - Increase in wages of 3% under current EBAs
 - Partially offset by SFP benefits
 - Average FTEs down 4.1%
 - Manpower cost per ASK (excluding SFP costs) down 5.8%

Expenditure

- Fuel costs up 28.8% (up 29.4% excluding exchange)
 - Increase of \$379 million due to fuel price rises after hedging
 - Average US\$ into-plane jet fuel prices increased by 27.1% after hedging
 - Consumption increase of \$17 million due to activity growth
- Variable aircraft operating costs up 1.2% (up 1.4% excluding exchange)
 - Reflects activity and price related increases, particularly domestic airport charges
 - Offset by cost saving initiatives and capitalised maintenance costs as required under A-IFRS

Expenditure

- Depreciation and amortisation costs up 17.7%
 - New aircraft in 1H06 (2 x A330-300) and 1H07 (3 x Q400)
 - Aircraft retired between July 2005 and June 2006 (1 x B747-300, 2 x B737-300, 2 x Dash 8)
 - \$12 million from a change in accounting policy on aircraft modifications
 - \$41 million in depreciation on capitalised maintenance costs as required under A-IFRS

Expenditure

- Tours and travel cost of sales up 9.6% (up 9.3% excluding exchange)
 - Driven by increased activity
- Selling and marketing costs up 5.6% (up 6.3% excluding exchange)
 - Includes Jetstar International start-up costs of \$26 million

Expenditure

- Capacity hire costs down 17.0% (down 16.6% excluding exchange)
 - Due to a move to a free sale codeshare agreement with Air Pacific and Air Vanuatu
- Non-cancellable operating lease rentals up 32.8%
 - Reflecting the impact of 15 Jetstar A320-200 leases acquired in 2005/06
 - Partially offset by the return of nine wet-leased BAe 146 aircraft

Expenditure

- Property costs up 1.2% (up 1.3% excluding exchange)
 - Inflationary rental increases and additional security costs

- Computer and communications up 8.0% (up 8.1% excluding exchange)
 - Increase in reservation fees reflecting the higher passenger revenue
 - Increase in IT project costs principally related to the eQ program
 - Additional infrastructure costs following the closure of the CBD Data Centre

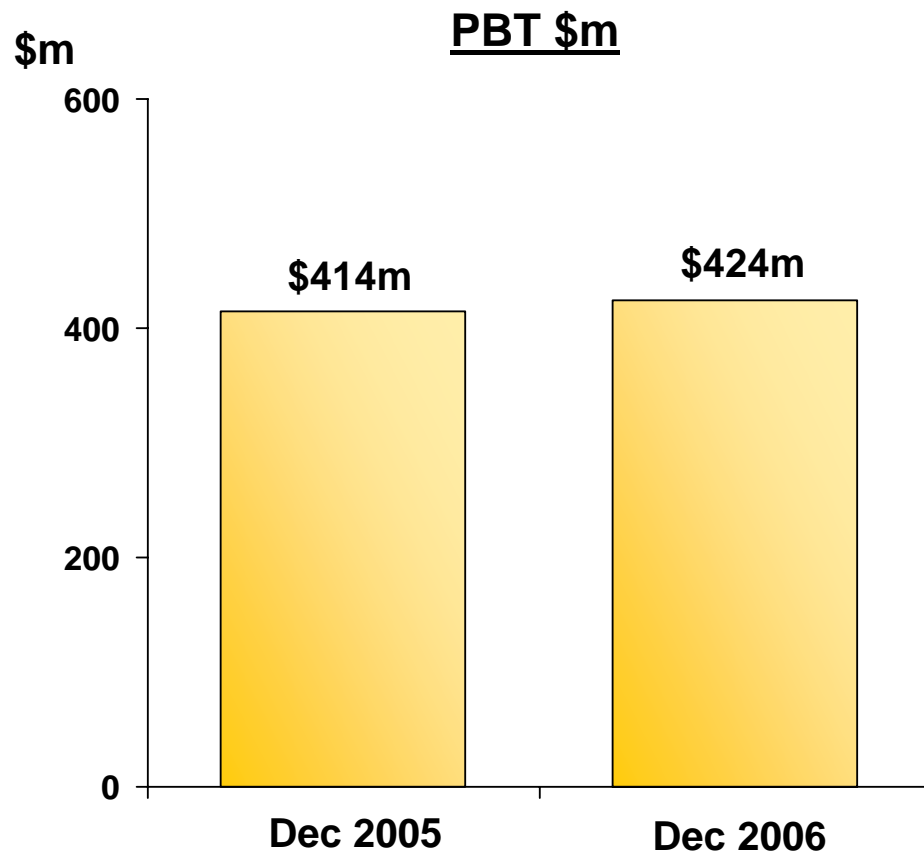
Expenditure

- Other costs up 146.2% (up 124.4% excluding exchange)
 - Includes the unfavourable impact of \$99 million from the accounting recognition of open hedging instruments (hedge ineffectiveness) as required under A-IFRS, compared to a favourable impact of \$49 million in the comparative results
- Net finance costs down 12.4% (down 16.2% excluding exchange)
 - Due to interest received from higher average cash balance

Expenditure

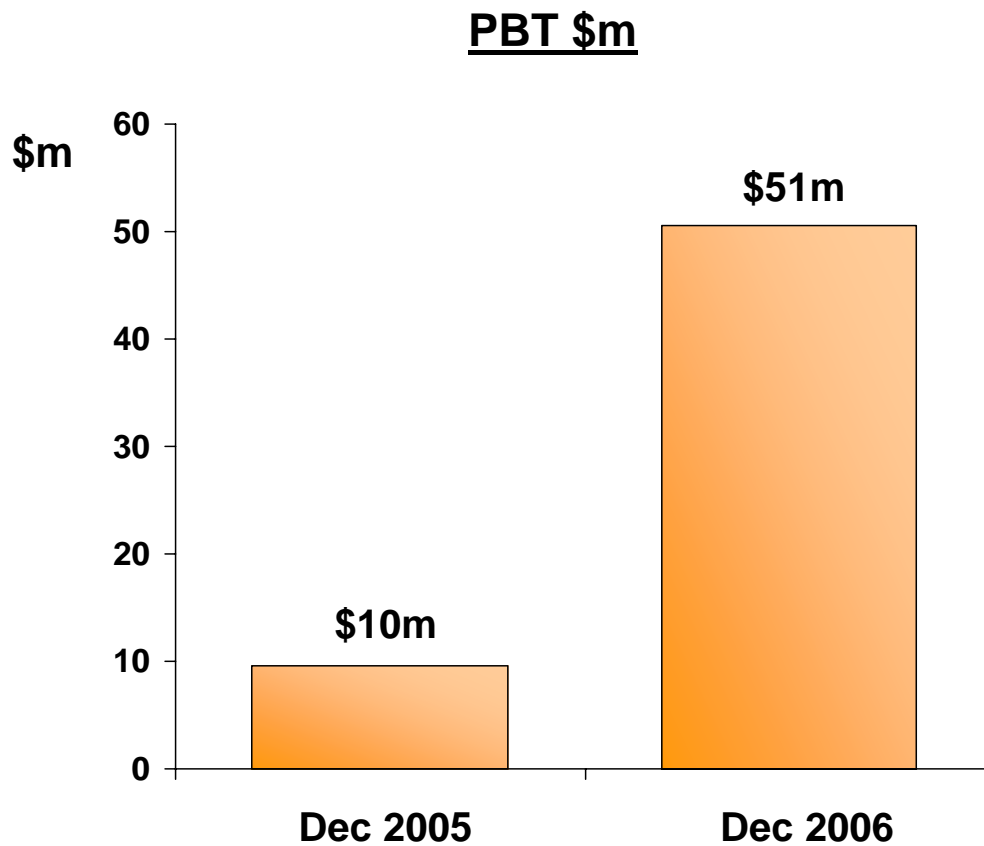
- Net expenditure per ASK increased by 11.6%
- Normalised unit costs improved by 0.9% after adjusting for fuel cost movements, restructuring expenses and ineffectiveness from open hedge positions
- Net foreign exchange movements of \$8 million adversely impacted the Qantas Group result

Qantas Mainline



- PBT of \$424m, or 80.9% of Group PBT
- RPKs up 3.5%
- ASKs down 0.1%
- Seat factor up 2.8% pts to 80.4%
- Yield excluding exchange increased by 8.3%

Jetstar A320



- PBT of \$51m, or 9.7% of Group PBT
- RPKs up 57.8%
- ASKs up 50.7%
- Seat factor up 3.6% pts to 79.3%
- Yield excluding exchange decreased by 1.7%

Note: Jetstar A320 includes domestic, trans-Tasman and short-haul international operations. Excludes Jetstar International start-up costs of \$26 million.

Yield

- Total Domestic yield (Qantas, QantasLink and Jetstar) excluding exchange for the six months to December 2006 increased by 3.5% when compared with the six months to December 2005
- Total International yield (Qantas, Jetstar International and Trans-Tasman operations) excluding exchange increased by 8.3% over the same period

Portfolio Businesses

	PBT		
	Six months to December 2006 \$m	Six months to December 2005 \$m	Increase/ (decrease) \$m
Qantas Flight Catering	15	16	(1)
Qantas Holidays	26	26	-
Qantas Defence Services	11	4	7
Share of net profits of Associates and JVs	14	7	7
Other Subs & Eliminations	11	7	4
Total Portfolio Businesses	77	60	17

Equity Accounted Investments

	Contribution to Net Profit		
	Six months to December 2006	Six months to December 2005	Increase/ (decrease)
	\$m	\$m	\$m
Australian air Express	8.7	5.6	3.1
Star Track Express	9.6	9.7	(0.1)
Air Pacific	0.1	2.4	(2.3)
Jetstar Asia / Orangestar	(4.4)	(12.2)	7.8
Jet Turbine Services	(1.9)	(2.3)	0.4
Thai Air Cargo	-	0.7	(0.7)
Travel Software Solutions	0.1	2.2	(2.1)
Other	1.3	0.7	0.6
Total	13.5	6.8	6.7

Balance Sheet and Cashflow

		Six months to December 2006	Six months to December 2005	Increase/ (decrease)%
Capital Expenditure	\$m	661	820	19.4
Operating cashflow	\$m	1,050	986	6.6
		December 2006	June 2006	Increase/ (decrease) %
Net Debt	\$m	1,961	2,248	(12.8)
Total Equity	\$m	6,078	6,081	(0.0)
Leverage *	%	42:58	45:55	(3)pts

* Includes off balance sheet debt.

Aircraft Delivery

Aircraft Type	30/06/2006	1H07 In	1H07 (Out)	Transfers	31/12/2006
Qantas					
B747-300	5				5
B747-400	24				24
B747-400ER	6				6
B767-300ER	22				22
B767-336ER	7				7
B737-300	2			1	3
B737-300JC	7			(2)	5
B737-400JC	2				2
B737-400	19				19
B737-800NG	33				33
A330-200	4			(3)	1
A330-300	10				10
TOTAL MAINLINE FLEET	141	-	-	(4)	137
Jetstar					
A320-200	24				24
A330-200	-			3	3
QantasLink					
Boeing 717-200	8				8
BAe 146	2		(2)		-
Turbo Props	35	3			38
Express Freighters					
B737-300SF	-			1	1
TOTAL GROUP FLEET *	210	3	(2)	-	211

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