



2008/09 Half-Year Results
Supplementary Information

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Brands with Spirit

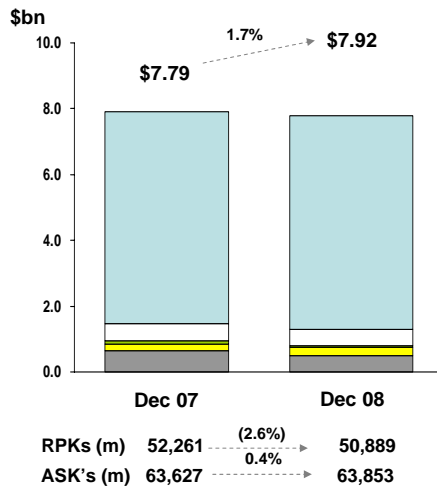
Group Highlights



		Half-Year Ended 31 Dec 08 \$m	Half-Year Ended 31 Dec 07 \$m	Variance Fav/(Unfav) \$m	Variance Fav/(Unfav) %
Revenue	\$m	7,919	7,785	134	1.7
Operating Expenditure	\$m	6,771	5,969	802	13.4
EBIT	\$m	275	883	(608)	(68.9)
Profit before tax	\$m	288	905	(617)	(68.2)
NPAT	\$m	216	618	(402)	(65.0)
Passenger Revenue per RPK (Yield)	(¢)	12.08	11.94	0.14	1.2
Net Expenditure per ASK (Unit Cost)	(¢)	5.62	5.57	0.05	0.9
PBT Margin	%	3.6	11.6	(8.0)	N/A
Earnings Per Share	(¢)	10.9	31.6	(20.7)	(65.5)
Dividend per Share	(¢)	6.0	18.0	(12.0)	(66.7)
Return on Equity	%	3.8	10.8	(7.0)	N/A

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Total Revenue increased by 1.7%



- Net passenger revenue down 0.7%
- Net freight revenue up 6.7%
- Tours and travel revenue up 47.2%
- Contract work revenue down 8.8%
- Revenue from other sources up 25.9%

Note: All revenue movements include exchange



Revenue



Total revenue up 1.7%

- **Net passenger revenue down 0.7%**
 - Group RPKs down 2.6%
 - Group yield per RPK up 1.2% including foreign exchange
- **Contract work revenue down 8.8%**
 - Loss of third party contracts in Q Catering
 - Reduced third party work for line and component maintenance



Revenue



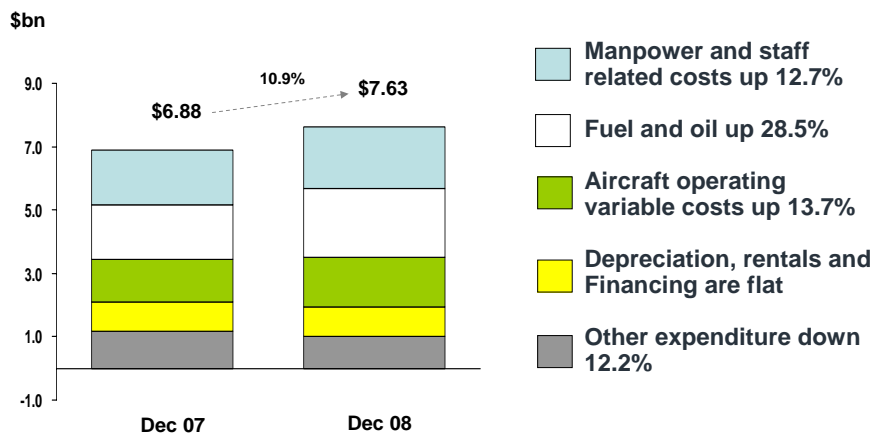
- **Net freight revenue up 6.7%**
 - Air Cargo revenue up \$22 million due to higher yields \$35 million, offset by lower activity \$59 million and favourable FX movements of \$46 million

- **Tours and travel revenue up 47.2%**
 - Includes Jetset Travelworld result not in prior half-year

- **Other income up 25.9%**
 - \$86 million profit on sale of Qantas Holidays and Qantas Business Travel
 - Other Frequent Flyer revenue up \$68 million
 - Liquidated damages of \$26 million received in prior half-year



Total Expenditure increased by 10.9%



Note: All expenditure movements include exchange



Expenditure



- **Total expenditure up 10.9%**
- **Manpower and staff related costs up 12.7%**
 - Salary increases from EBA negotiations.
 - Increased restructuring costs to achieve targeted headcount reductions.
 - Increased employee leave provisions due to lower discount rates expense and superannuation expense offset by reduced bonus costs.
 - Costs associated with disruption and training for new aircraft types.
 - Activity related costs above capacity growth due to planned increase in capacity
- **Variable aircraft operating costs up 13.7%**
 - Unfavourable FX movement on engineering material costs.
 - Increased heavy maintenance costs to improve on-time performance.
 - One off impacts from embedded maintenance and disposal of LTQ Engineering Pty Limited (formerly Jet Turbine Services Pty Limited) in the prior half-year.

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Expenditure



- **Fuel costs up 28.5%**
 - Underlying into-plane fuel price increased by 40 per cent.
 - Hedging benefits up \$179 million.
 - Unfavourable FX increased fuel costs by \$151 million.
 - Consumption increased by \$27 million due to activity.
 - Fuel conservation initiatives delivered benefits of \$38 million.
- **Other costs down 12.2%**
 - Increased Sales & Marketing costs due to Beijing Olympics, A380 and relaunch of QFF Program.
 - Increase in FF redemption costs in line with increased activity.
 - Increase in provisions for leased aircraft.
 - Reallocation of costs from Tours and Travel COGS
 - Offset by net Group FX hedging gains

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Yield



- Total yield (Qantas, QantasLink and Jetstar) excluding exchange for the current period increased by 1.3% when compared with the same period last year.
- Total domestic yield (Qantas, QantasLink and Jetstar) excluding exchange decreased by 2.0%.
- Total international yield (Qantas and Jetstar) excluding exchange increased by 3.4%.

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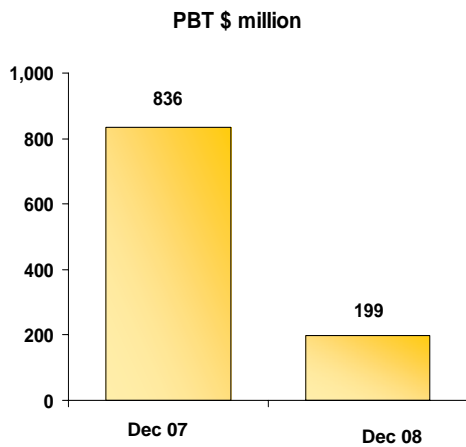
Segment Profit Before Tax



Half-Year Ended 31 December	PBT			
	2008	2007	Increase/ (Decrease)	Increase/ (Decrease)
	\$m	\$m	\$m	%
Qantas	199	836	(637)	(76.2)
Jetstar	72	139	(67)	(48.2)
Qantas Frequent Flyer	119	114	5	4.4
Qantas Freight	41	46	(5)	(10.9)
Jetset Travelworld Group	22	22	0	0.0
Corporate Overheads	(186)	(259)	73	(28.2)
Eliminations	21	7	14	200.0
Group	288	905	(617)	(68.2)

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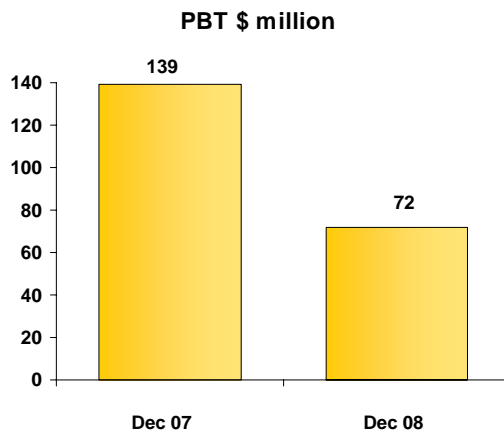
Qantas Airlines



- Comprises Qantas Airlines, Qantaslink (Regionals), Qantas Engineering, and Qantas Services (Airports, Catering and Flight Training)
- PBT down \$637m or 76.2%
- Passenger Revenue down \$186m or 3.4%
- RPKs down 5.2%
- ASKs down 2.0%
- Seat factor down 2.7% points to 80.1%
- Yield increased by 1.9% (2.1% excluding fx)
- Unit cost improved by 3.5%

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Jetstar Brands



- PBT down \$67m
- Passenger Revenue up \$111m or 15.5%
- ASKs up 13.4% (Int 13.4%, Dom 13.4%)
- RPKs up 12.5%
- Seat factor down 0.6% points to 77.9%
- Yield increased by 2.7%
- Pax volumes up by 13.7% to 5.1 million
- Net unit cost per ASK down 0.2%

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Qantas Freight Enterprises



- QFE achieved a PBT of \$41 million for the half-year which represents a reduction of \$5 million or 10.9 per cent over the prior half-year.
- Air Freight and International Express delivered a PBT of \$37 million, an increase of \$4 million or 13 per cent.
- Revenue of \$628 million was \$41 million or 7 per cent higher than the prior half-year. Favourable FX movements has contributed to this.
- Equity accounted profits from Domestic Express Joint Ventures have largely offset the favourable result.



Qantas Frequent Flyer



- Achieved a PBT of \$119 million, an increase of \$5 million or 4.4 per cent on prior half-year.
- Favourable result is due to the successful launch of the new Any Seat and Retail rewards program from 1 July 2008, and the direct earn financial card strategy.
- Due to the re-launch of the program, expenditure increased by \$15 million or 22 per cent.



Jetset Travelworld Group



- Jetset Travelworld Group merged on 25 July 2008 to provide an integrated leisure and corporate travel business.
- Merge consisted of Jetset Travelworld, Qantas Holidays and Qantas Business Travel.
- PBT for the half year was \$22 million. Prior year data is not comparable.

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Equity Accounted Investments



	Contribution to Net Profit		
	Half-Year Ended 31 December 2008	Half-Year Ended 31 December 2007	Movement Inc/(Dec)
	\$m	\$m	\$m
Air Pacific Limited	4.1	4.5	(0.4)
Fiji Resorts	1.3	0.5	0.8
Travel Software Solutions	0.3	(2.4)	2.7
Australian Air Express	(1.8)	6.7	(8.5)
Hallmark	0.7	0.7	0.0
Jetstar Pacific	(5.3)	0.0	(5.3)
Star Track Express	6.1	6.8	(0.7)
Jet Turbine Services	(0.7)	0.0	(0.7)
Other	0.6	0.1	0.5
	5.3	16.9	(11.6)

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Balance Sheet and Cash Flow



	As at 31 December 2008 \$m	As at 30 June 2008 \$m	Variance Increase / (Decrease) \$m	Variance Increase / (Decrease) %
Total Equity	5,648	5,735	(87)	(2)
Net Debt *	6,475	4,679	1,796	38
Book Net Debt to Equity ratio **	52:48	47:53	5 points	N/A
Net Operating Cashflow	378	1,223	(845)	(69.1)
Capital Expenditure	(1,380)	(818)	(562)	68.7
Net Investing Cashflow	(991)	(747)	(244)	32.7
Net Financing Cashflow	845	(929)	1,774	(191.0)
Net Increase/(Decrease) in cash held	232	(453)	685	N/A
Cash at End of the Year	2,831	2,910	(79)	(22.7)

* Includes off Balance Sheet Debt

** Includes Off Balance Sheet Debt and excluding hedge reserve

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Aircraft In Service



Aircraft Type	As at 30 Jun 2008	In	(Out)	As at 31 Dec 2008
Qantas				
B747-300	4		(1)	3
B747-400	24			24
B747-400ER	6			6
B767-300ER	29			29
B737-300	5			5
B737-400	21			21
B737-800NG	35	3		38
A380-800	-	2		2
A330-200	4	2		6
A330-300	10			10
Total Mainline Fleet	138	7	(1)	144
Jetstar				
A320-200	28	2		30
A321	2			2
A330-200	6			6
QantasLink				
Boeing 717-200	14		(3)	11
Turbo Props	36	3	(6)	33
Total Group Fleet*	224	12	(10)	226

* Aircraft movements are reflected as and when they enter into service

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