Qantas Airways Limited
1H19 Results

21 February 2019

ASX:QAN
US OTC:QABSY

QANTAS GROUP

1H19 Highlights

Revenue strength substantially offset fuel cost increases

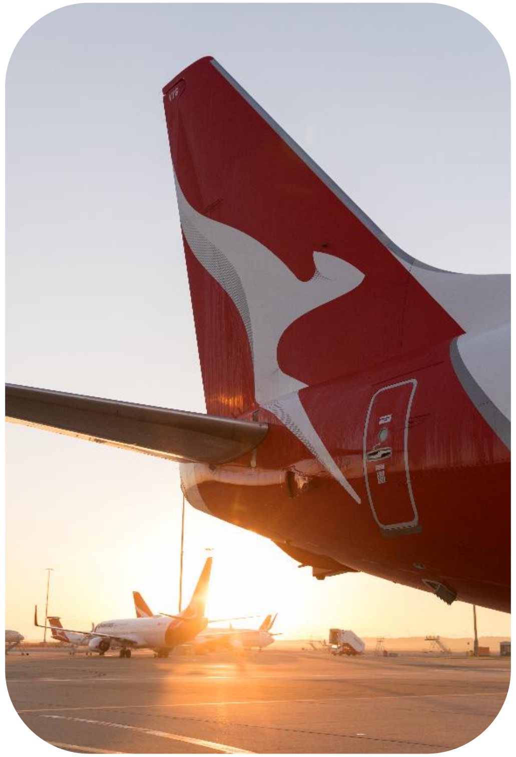
- First half Underlying Profit Before Tax (PBT)[1] $780m, Statutory PBT $735m, Statutory EPS 30.0 cps
- Continued strong Group Return on Invested Capital (ROIC) of 19.3%[2], All segments delivering ROIC > WACC[3]
- Record Qantas Domestic, Jetstar Domestic and Qantas Loyalty earnings[4], resilient performance from international airlines
- On track to deliver >$400m gross transformation benefits in FY19

Investing for our customers and people

- Three additional 787-9 Dreamliners entered into service
- Fleet introduction provided significant promotion opportunities

Financial framework continues to support shareholder returns

- Net Debt[5] of $5.2b, at the bottom of the target range
- 12 cents per share interim dividend, fully franked, additional on-market share buy-back of up to $305m



TRANSFORMED BUSINESS DELIVERS RESILIENT PERFORMANCE

1. Underlying PBT is a non-statutory measure and is the primary reporting measure used by the 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 Qantas Group. All items in the 1H19 Results Presentation are reported on an Underlying basis, unless otherwise stated. For a reconciliation to Underlying PBT, please see slide 6 in the Supplementary presentation. All items restated for changes associated with the first time adoption of AASB 15. 2. Calculated as ROIC EBIT for the 12 months ended 31 December 2018, divided by the 12 months Average Invested Capital. 3. Weighted Average Cost of Capital calculated on a pre-tax basis. 4. Underlying EBIT for periods reported on a post AASB 15 basis. 5. Net Debt under the Group's Financial Framework includes net on balance sheet debt and off balance sheet aircraft operating lease liabilities. For a detailed calculation of the Net Debt target range, please see slide 12 in the Supplementary presentation.

Integrated Portfolio Provides a Stable Earnings Base

Dual Brand Domestic strategy at the core of the Group's portfolio strength. Two largest[1] outbound airlines in Australia

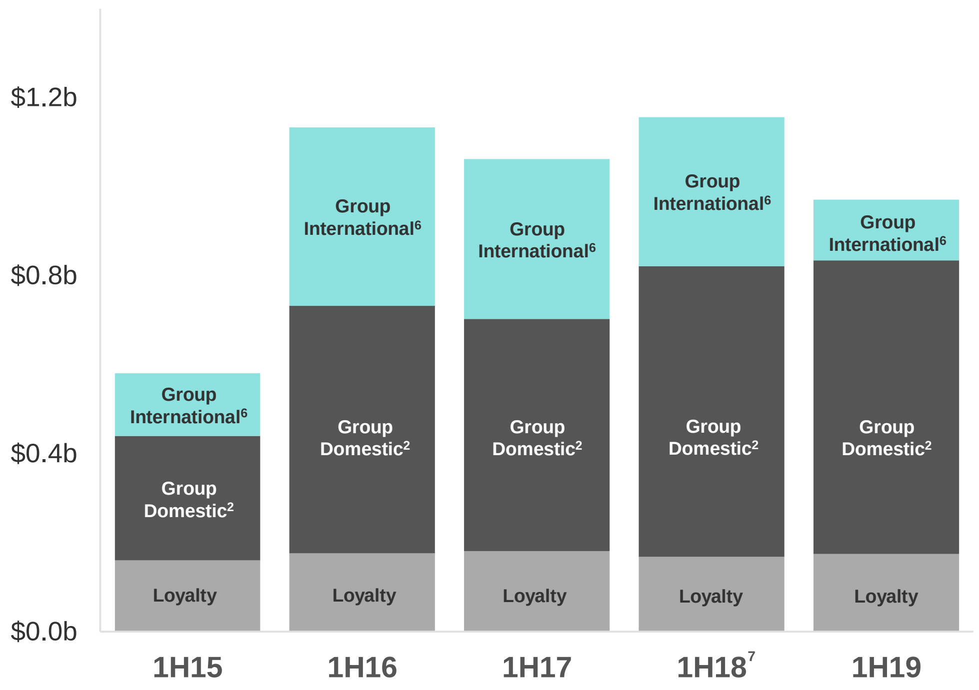
Record Group Domestic[2] Underlying EBIT[3] of $659m supported by proactive capacity management in rising fuel cost environment

Record Qantas Loyalty Underlying EBIT[3] providing growing and diversified earnings stream

Qantas International earnings[4] reduced by $219m fuel cost increase[5]. Fleet and network transition building resilience

Highly trusted brand that supports diversification into new businesses

Operating Segment EBIT[4]



INTEGRATED PORTFOLIO PROVIDES A STABLE EARNINGS BASE

1. Measured on Passengers. Source: BITRE Aviation International airline activity statistical report published data, November 2018. 2. Group Domestic includes Qantas Domestic and Jetstar Domestic. 3. Measured on Underlying EBIT for periods reported on a post AASB 15 basis. 4. Measured on Underlying EBIT. 5. Compared to 1H18. 6. Group International includes Qantas International, Jetstar International Australian operations, Jetstar New Zealand (including Jetstar Regionals), Jetstar Asia (Singapore) and the contributions from Jetstar Japan and Jetstar Pacific. 7. 1H18 restated for changes associated with the first time adoption of AASB 15.

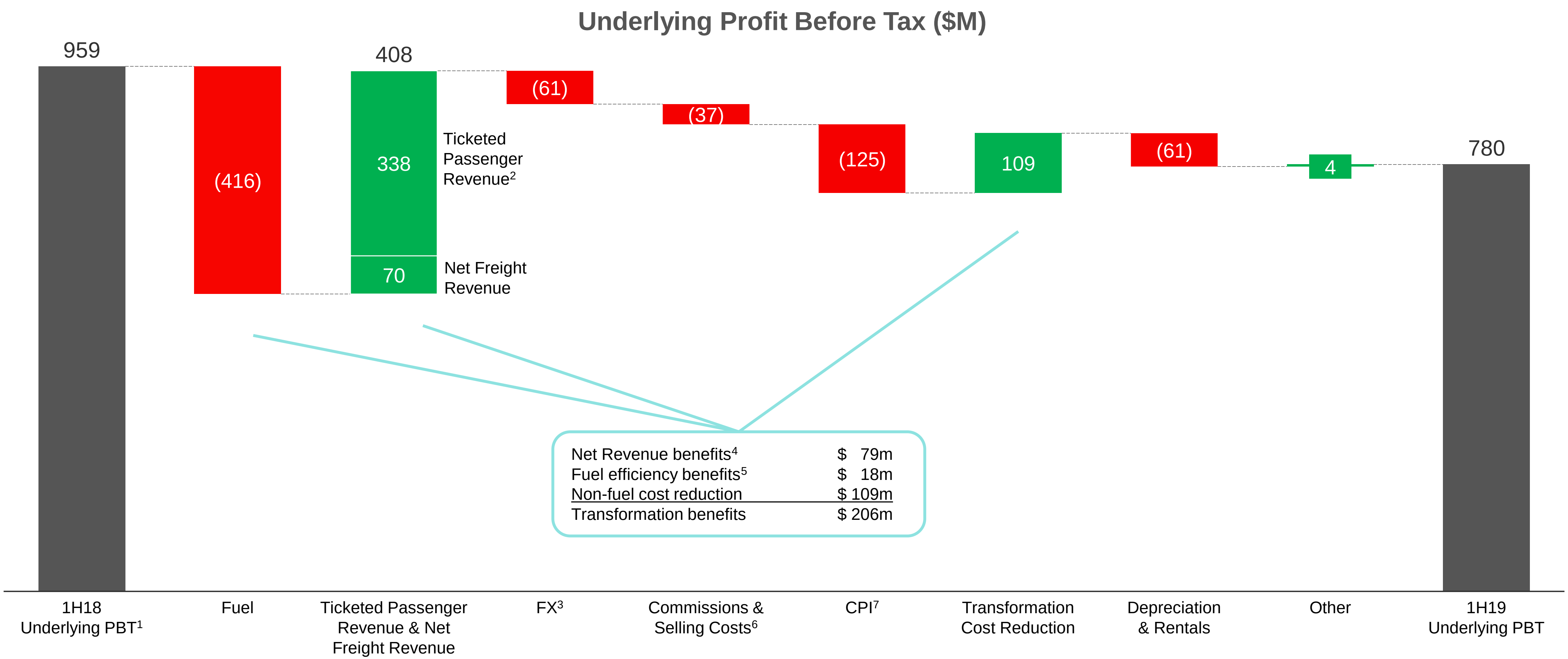
1H19 Key Group Financial Metrics

Underlying PBT[1]	Underlying EPS[3]	12 Month ROIC%	Cash Flow
$780m Down $179m[2] (fuel costs up $416m[2]) Statutory PBT $735m	31.8c Down 16%[2] Statutory EPS 30.0c Down 10%[2]	19.3% > WACC	$1,254m Operating cash flow, Down $480m[2] $218m Net free cash flow[4], Down $554m[2]

Unit Revenue[5]	Total Unit Cost[6]	Operating Margin[7]	Traffic/Capacity Growth
+5.7%	+9.8% +1.3% ex-fuel	9.5% Versus 12.0% in 1H18[8]	ASKs[9] -0.5% RPKs[10] +0.7%

1. Underlying PBT is a non-statutory measure and is the primary reporting measure used by the 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 Qantas Group. All items in the 1H19 Results Presentation are reported on an Underlying basis unless otherwise stated. Refer to Supplementary slide 6 for a reconciliation of Underlying to Statutory PBT. 2. Compared to 1H18 restated for changes associated with the first time adoption of AASB 15, where applicable. 3. Underlying Earnings Per Share is calculated as Underlying PBT less tax expense (based on the Group's effective tax rate of 32.2%) divided by the weighted average number of shares during the year (consistent with the Statutory Earnings per share calculation). 4. Net cash from operating activities less net cash used in investing activities (excluding aircraft operating lease refinancing). 5. Ticketed passenger revenue divided by Available Seat Kilometres (ASK). Compared to 1H18 restated for changes associated with the first time adoption of AASB 15. 6. Underlying PBT less ticketed passenger revenue per Available Seat Kilometre (ASK). Compared to 1H18 restated for changes associated with the first time adoption of AASB 15. Ex-fuel refers to unit cost excluding fuel, FX on net non-fuel expenditure, impact of discount rates and actuarial assumptions, and share in investments accounted for under the equity method. 7. Group Underlying EBIT divided by Group Total Revenue. 8. 1H18 restated for changes associated with the first time adoption of AASB 15. 9. Available Seat Kilometres. Total number of seats available for passengers, multiplied by the number of kilometres flown. Compared to 1H18. 10. Revenue passenger kilometres. Total number of passengers carried, multiplied by the number of kilometres flown. Compared to 1H18 restated for changes associated with the first time adoption of AASB 15.

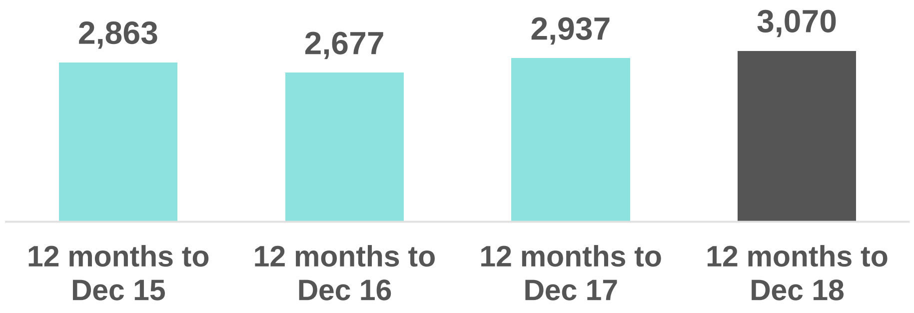
1H19 Profit Bridge



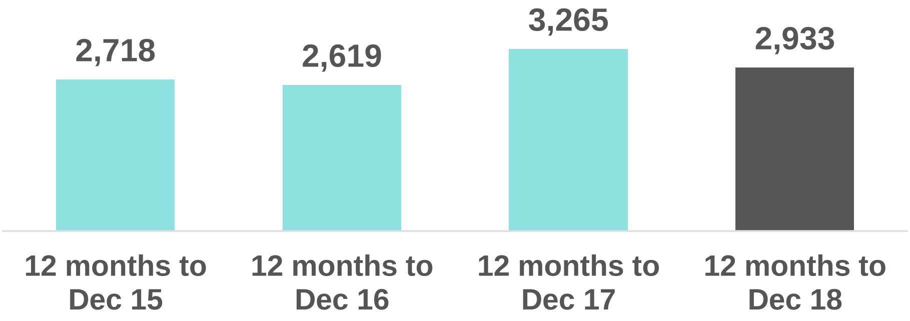
1. 1H18 Underlying PBT restated for changes associated with the first time adoption of AASB 15. 2. Represents the change in Unit Revenue and Available Seat Kilometres. 3. FX other than on ticketed passenger revenue, net freight revenue, fuel, commissions & selling costs and depreciation & non-cancellable aircraft operating lease rentals. 4. Revenue benefits less incremental costs associated with that benefit including costs of increased activity where related to a Transformation initiative. 5. Includes reduction in consumption from fuel efficiency and reduction in into-plane costs following Transformation initiatives. 6. Movement in selling, commissions and block codeshare costs, excluding Transformation benefits. 7. Company estimate, including wage and other inflation.

Operating Cash Flow Trend

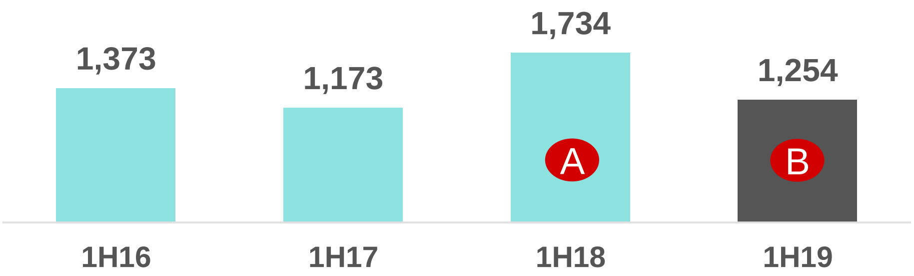
Rolling 12 Months Statutory EBITDA ($M)[1]



Rolling 12 Months Operating Cash Flow ($M)



First Half Operating Cash Flow ($M)



- Stable Statutory EBITDA[1]; Quality of earnings remains strong
- Fluctuation in operating cash flows impacted by the following timing differences:

A **1H18**
- – Benefit of option premium relating to 1H18 paid in FY17
- – Temporary working capital benefits

B **1H19**
- – Higher option premium relating to FY20 paid in 1H19
- – Reversal of temporary working capital benefits

STRONG OPERATING CASH FLOW GENERATION

1. Earnings before income tax expense, net finance costs, depreciation and amortisation. 1H18 and 2H18 restated for changes associated with the first time adoption of AASB 15.

Maximising Leading Dual Brand Domestic Position

Dual brand strategy at the core of Group's portfolio strength

$659m — **Record Group Domestic[1] Underlying EBIT** in 1H19. Generating 80% of the Domestic market[2] profit from 62% capacity share

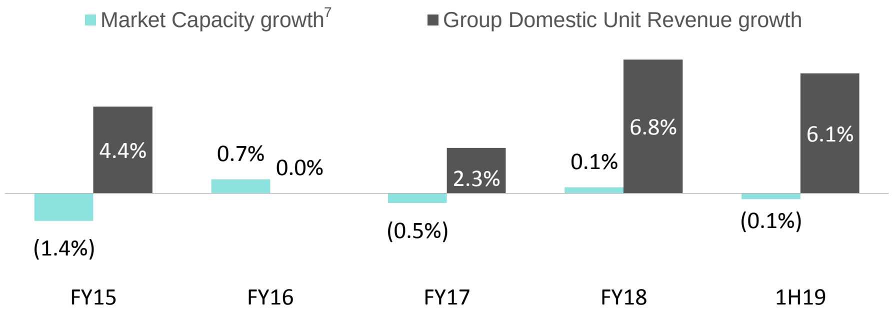
>10% — **>10% ROIC[3]** for Qantas Domestic and Jetstar Domestic business

6.1% — **Increase in Group Domestic Unit Revenue[4]** in flat market capacity environment as market demand absorbed excess capacity

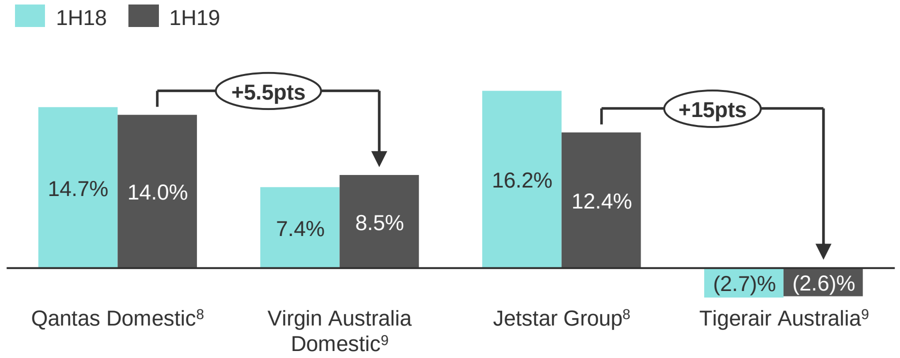
>5pts — **5.5pts margin advantage at Qantas Domestic** compared to competitor[5]

15pts — **15pts margin advantage at Jetstar Group** compared to competitor[5]

Group Domestic Unit Revenue Growth[6]



Domestic Margins



THE DUAL BRAND STRATEGY CONTINUES TO DELIVER SUPERIOR MARGINS

1. Includes Qantas Domestic and Jetstar Domestic business. 2. Domestic market includes Qantas Domestic, Jetstar Domestic business, Virgin Australia Domestic and Tiger Australia. 3. Calculated as ROIC EBIT for the 12 months ended 31 December 2018, divided by the 12-months Average Invested Capital. 4. Compared to 1H18 restated for changes associated with the first time adoption of AASB 15. 5. Competitor refers to Virgin Australia Domestic for Qantas Domestic and Tiger Australia for Jetstar Group. 6. Compared to prior corresponding period. 7. Compared to prior corresponding period. Market capacity growth source: BITRE capacity data and published schedules. 8. Calculated as Underlying segment EBIT divided by total segment revenue. 1H18 restated for changes associated with the first time adoption of AASB 15. 9. Competitor operating margins calculated using published data. Calculated as Underlying segment EBIT divided by total segment revenue.

Building a Resilient Qantas International

$90m — **Qantas International Underlying EBIT in 1H19 reduced by a $219m fuel cost increase[1]. Fleet and network transition building resilience**

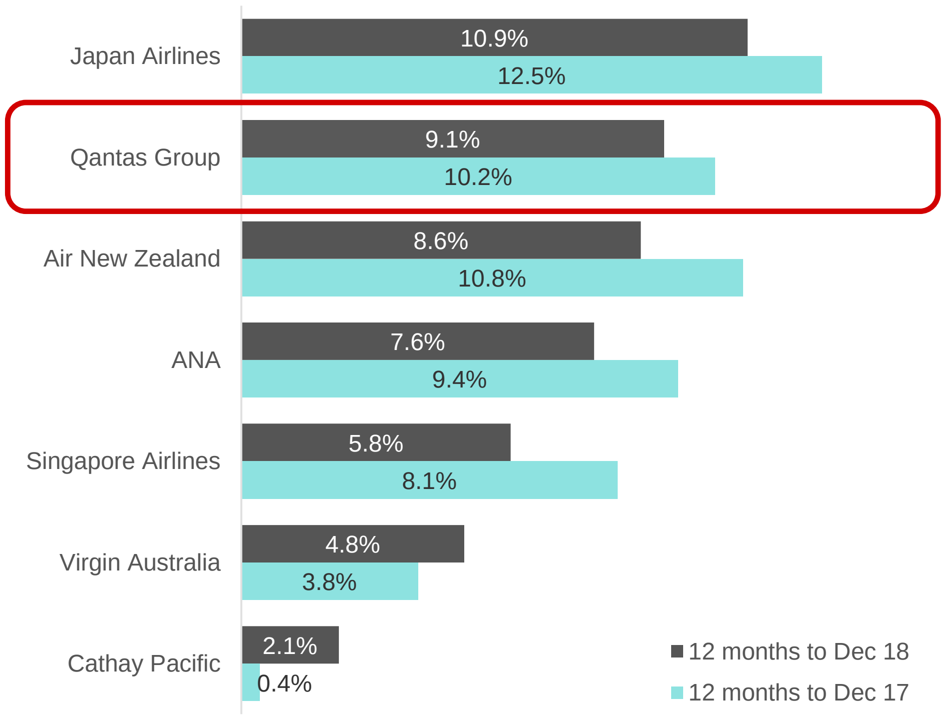
5% — **Increase in Qantas International Unit Revenue compared to 1H18[2]**

8 — **787-9 Dreamliner fleet expanded from 5 to 8, fleet to grow to 14 by the end of calendar year 2020**

30% — **Premium seat mix on 787-9 Dreamliner, contributing to Qantas International Unit Revenue growth**

92% — **Seat factor on Perth – London route, achieving highest NPS in the Qantas network**

Rolling 12 Months Airline Group Operating Margin[3]



STRONG GROUP MARGIN RELATIVE TO REGIONAL PEERS

1. Compared to 1H18. 2. 1H18 restated for changes associated with the first time adoption of AASB 15. 3. Calculated as EBIT (or equivalent) divided by Total Revenue. Regional peer margins calculated using published Group level data. Air New Zealand and Cathay Pacific based on Bloomberg estimates as at February 2019. For all airlines, the rolling 12 months Airline Group Operating Margin represents the period 1 January to 31 December for the corresponding year. These figures have been restated for AASB 15 where available.

Segment Results

QANTAS GROUP

Qantas Domestic

- Record[1] first half Underlying EBIT, Unit Revenue up 7.5%
  - Recovered increased fuel costs
  - Disciplined capacity management; includes impact of increased pilot training
  - Continued leadership in corporate market share; growing SME[2] share
  - Resource market revenue growth[3] continues; a ~$28m increase in 1H19
- Investment in customer experience
  - Almost two-thirds of 737-800 and half of A330 fleets Wi-Fi equipped
  - >15pts customer advocacy advantage to competitor[4]
  - Achieved highest on time performance in domestic market 5 out of 6 months during the first half[5]
  - Resident fares expanded to selected regional markets
  - Melbourne Domestic Lounges upgrade and Tamworth Lounge refresh completed

		1H18 (Reported)	1H18 (Restated)	1H19	VLY %[8]
Revenue	$M	3,070	3,057	3,230	5.7
Underlying EBIT	$M	447	449	453	0.9
Operating Margin[6]	%	14.6	14.7	14.0	(0.7)pts
ASKs	M	17,681	17,681	17,314	(2.1)
Seat factor[7]	%	78.7	78.7	79.6	0.9pts

MAINTAINING OUR LEADING POSITION IN THE DOMESTIC MARKET

1. For Qantas Domestic segment, reported as an operating segment since FY13. 2. Small to Medium Enterprise. 3. Resource market ticketed passenger revenue compared to 1H18. Based on Qantas internal reporting. 4. Customer advocacy measured as Net Promoter Score (NPS). Competitor refers to Virgin Australia. Based on Qantas internal reporting. 5. On time performance (OTP) of Qantas Domestic operations, measured as departures within 15 minutes of scheduled departure time. Source: BITRE. 6. Operating Margin calculated as Underlying segment EBIT divided by total segment revenue. 7. RPKs divided by ASKs. Record first half seat factor of 83% achieved in 1H10. 8. Variance to 1H18 restated for changes associated with the first time adoption of AASB 15.

Qantas International

- Strong Unit Revenue growth of 5.0% offset by a $219m increase in fuel cost and increase in other costs including:
  - FX on non-fuel costs, cost of increased activity, commissions and selling costs
  - Continued operation of 747 fleet; 1 aircraft retired during 1H19
- Strong competition on the USA market, London performing well
- New network structure and 787-9 Dreamliner fleet building resilience
  - 787-9 Dreamliner fleet expanded from 5 to 8 aircraft; benefits to flow in 2H19
  - Perth – London service achieving highest NPS in the Qantas network
- Competitor capacity growth moderated to 3.8%[1] in 1H19
- Strengthening core airline partnerships, including Emirates and China Eastern; Additional codeshare partners, including KLM and Cathay Pacific
- Continuing investment in customer experience
  - New Singapore First lounge set to open towards the end of 2019
  - A380 cabin upgrade to commence mid 2019

		1H18 (Reported)	1H18 (Restated)	1H19	VLY %[2]
Revenue	$M	3,439	3,460	3,693	6.7
Underlying EBIT	$M	222	224	90	(60)
Operating Margin	%	6.5	6.5	2.4	(4.0)pts
ASKs	M	34,714	34,714	35,151	1.3
Seat factor	%	84.4	84.4	85.5	1.1pts

FLEET AND NETWORK TRANSITION TO BUILD EARNINGS RESILIENCE

1. 1H19 International competitor market capacity growth compared to 1H18. 2. Variance to 1H18 restated for changes associated with the first time adoption of AASB 15.

Jetstar Group

- Jetstar Group solid earnings performance with revenue up 5.1%
  - Record Domestic result[1] with Unit Revenue up 3.7%, improved seat factor and 11% increase in Ancillary revenue per passenger offsetting higher fuel
  - International[2] achieved strong Unit Revenue growth offset by increased fuel and FX[3] impact
  - Jetstar's Asian airlines portfolio[4] profitability also impacted by higher fuel costs, FX[3] and airport charges and taxes
- Strong demand continuing for key long-haul markets, including Bali, Japan, Thailand and Vietnam
- Almost two-thirds of fares sold[5] for under $100, maintaining affordability
- Continuing investment in customer experience, digital transformation and operational improvements
  - Ancillary strength driven by successful launch of 'Plus 3kg' carry on, increased catering and bundles, and Club Jetstar growth to more than 300,000 members[6]
  - More than 80% of Cabin Enhancement Program for A320/321 retrofit complete, remaining aircraft on track for completion in 2019

		1H18 (Reported)	1H18 (Restated)	1H19	VLY %[8]
Revenue[7]	$M	1,936	1,949	2,048	5.1
Underlying EBIT	$M	318	315	253	(20)
Operating Margin	%	16.4	16.2	12.4	(3.8)pts
ASKs	M	24,845	24,845	24,389	(1.8)
Seat factor	%	85.7	85.7	86.6	0.9pts

STRONG FUNDAMENTALS DRIVE SOLID JETSTAR GROUP PERFORMANCE

1. Underlying EBIT. 2. Includes Jetstar International Australian operations and Jetstar New Zealand (including Jetstar Regionals). 3. Jetstar Group, excluding affiliates, impacted by $27m FX increase on non-fuel costs. 4. Includes Jetstar Asia (Singapore), Jetstar Japan and Jetstar Pacific (Vietnam). 5. Airfares sold within the Jetstar Group including Jetstar Asia (Singapore), Jetstar Japan and Jetstar Pacific (Vietnam) for the 12 months to December 2018. 6. Members as at January 2019. 7. Revenue consolidated by the Qantas Group, does not include Jetstar Japan and Jetstar Pacific. 8. Variance to 1H18 restated for changes associated with the first time adoption of AASB 15.

Qantas Loyalty

- Record[1] first half Underlying EBIT result up 4.2%
  - EBIT growth in Coalition and New Businesses
- Coalition Business fundamentals remain strong with positive momentum
  - Qantas Points earning credit card growth outpacing market[2], 4% growth versus 1% decline in the market
  - New earn partners launched – AustralianSuper; >90 new earn partners
  - Expanding member redemption options; total points redeemed up 12%; further program enhancements to drive member advocacy underway
  - Qantas Business Rewards membership growth of 9%[3] supporting SME strategy
- Continued strong growth in New Businesses
  - Qantas Insurance #2 in Health Insurance market for growth[4] with one of the lowest average premium increases[5]
  - Qantas Premier Titanium card launched[6]; strong take up of Qantas Premier Platinum and Everyday cards

		1H18 (Reported)	1H18 (Restated)	1H19	VLY %[7]
Revenue	$M	763	747	809	8.3
Underlying EBIT	$M	184	168	175	4.2
Operating Margin	%	24.1	22.5	21.6	(0.9)pts
QFF Members	M	12.0	12.0	12.6	4.4%[8]

ON TRACK TO ACHIEVE TARGET OF $500-600M UNDERLYING EBIT BY 2022

1. For periods reported on a post AASB 15 basis. 2. Qantas Points earning credit cards includes co-branded credit cards and Qantas Premier cards. Based on RBA credit and charge card statistics at December 2018 and Qantas internal analysis. 3. Members at December 2018 compared to June 2018. 4. Based on 12 months to June 2018 growth in net persons insured compared to all Australian Private Health Insurance funds. Source: APRA Operations of Private Health Insurers Annual Reports 2016-2017 and 2017-2018. 5. Qantas Health Insurance average premium increase of 1.76%, effective 1 April 2019. One of the lowest when compared to 37 private health funds' average premium increases. Source: Australian Government Department of Health, excludes the Australian Government Rebate. 6. Qantas Premier Titanium card launched in February 2019. 7. Variance to 1H18 restated for changes associated with the first time adoption of AASB 15. 8. Adjusted to remove the impact of rounding of member numbers.

Financial Framework

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Financial Framework Aligned with Shareholder Objectives

1. Maintaining an Optimal Capital Structure	2. ROIC > WACC[2] Through the Cycle	3. Disciplined Allocation of Capital
Minimise cost of capital by targeting a Net Debt range of \$5.2b to \$6.5b[1]	**Deliver ROIC > 10%[3] through the cycle**	**Grow invested capital with disciplined investment, return surplus capital**
(See slide 16)	(See slides 17 to 18)	(See slide 19 to 20)

MAINTAINABLE EPS[4] GROWTH OVER THE CYCLE

TOTAL SHAREHOLDER RETURNS IN THE TOP QUARTILE[5]

1. Based on current Average Invested Capital of ~$8.9b. 2. Weighted Average Cost of Capital, calculated on a pre-tax basis. 3. Target of 10% ROIC allows ROIC to be greater than pre-tax WACC through the cycle. 4. Earnings per Share. 5. Target Total Shareholder Returns within the top quartile of the ASX100 and global listed airline peer group as stated in the 2018 Annual Report, with reference to the 2018-2020 LTIP.

Maintaining an Optimal Capital Structure

Leverage and liquidity

Optimal capital structure

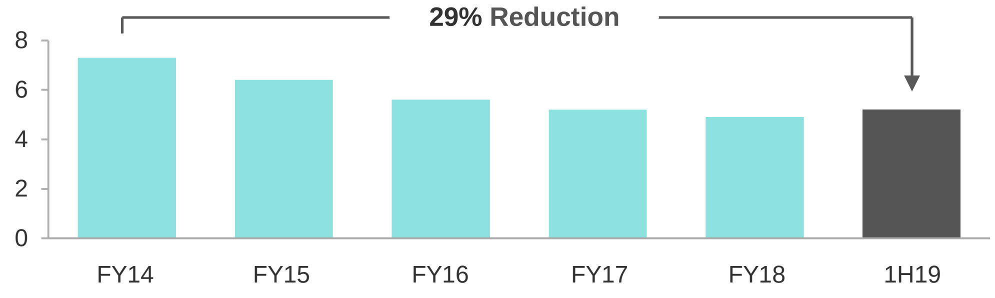
- Net Debt[1] at $5.2b, at the bottom of the target range
- Extended innovative A$ Corporate Debt Program; refinancing FY19 maturities
  - Second issuance – 10 year tenor; $450m
  - Debt secured by portfolio of 24 mid-life aircraft
- Unencumbered aircraft valued at ~US$3.7b[2]
  - 55% of Group fleet[3]
  - 3 new 787-9s added to the unencumbered pool in 1H19
- Investment Grade credit rating with no financial covenants

Strong short term liquidity

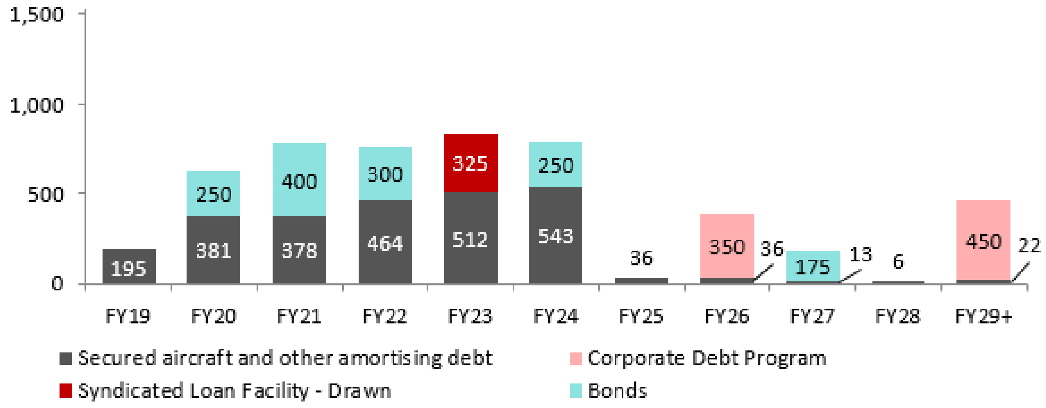
- Cash $1.5b[4]; Undrawn facilities $1b

Lowers cost of debt

Net Debt Profile FY14 to 1H19 ($B)



Debt Maturity Profile as at 31 December 2018 ($M)[5]



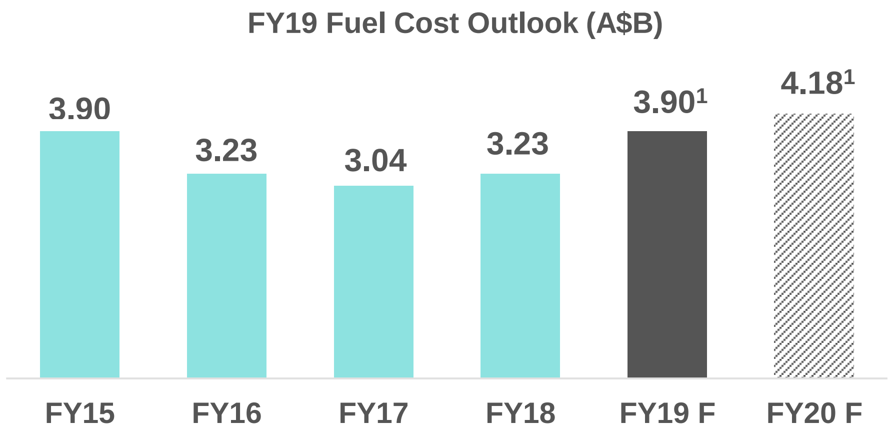
DE-RISKING SHORT AND MEDIUM TERM REFINANCING AND MAXIMISING TENOR

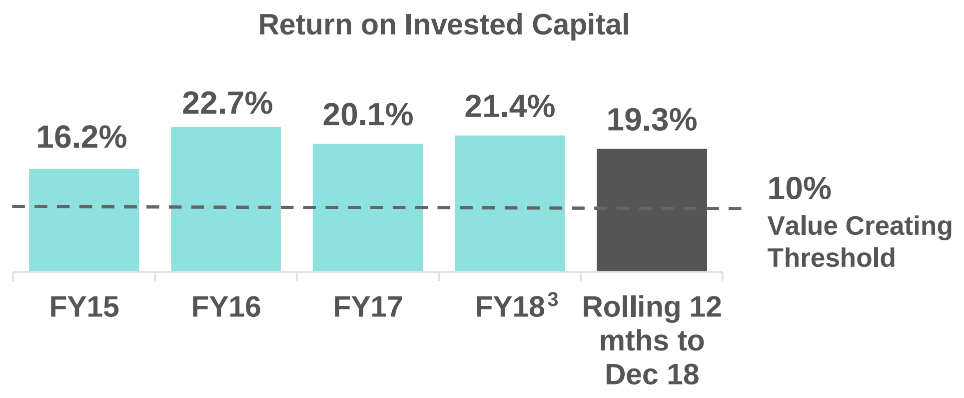
1. Net Debt includes on balance sheet debt and aircraft operating lease liabilities under the Group's Financial Framework. Capitalised aircraft operating lease liabilities are measured at fair value at the lease commencement date and remeasured over lease term on a principal and interest basis akin to a finance lease. Residual value of capitalised aircraft operating lease liability denominated in foreign currency is translated at the long-term exchange rate. 2. Based on Aircraft Value Analysis Company Limited (AVAC) market values. 3. Based on number of aircraft as at 31 December 2018. The Group fleet totalled 315 aircraft. 24 Aircraft entered the Corporate Debt Program, 3 new 787-9s added to the unencumbered pool and 2 leased aircraft were refinanced to unencumbered aircraft in 1H19. 4. Includes cash and cash equivalents as at 31 December 2018. 5. Cash debt maturity profile excluding operating leases.

Delivering ROIC >10% Through the Cycle

Protecting ROIC through the disciplined hedging program

- At current pricing FY19 fuel cost is expected to be ~A$3.90b[1]
  - Expected fuel cost is 90% hedged for the remainder of FY19
  - An average of ~73% participation[2] to declines in USD Brent prices for the remainder of the financial year
- Opportunistically extended FY20 hedge profile
- FY20 expected fuel cost of ~A$4.18b[1] is fully hedged with protection in place against adverse movements
  - 73% participation[2] to favourable price movements
- Operational flexibility to mitigate rising fuel costs over the medium to longer term





MAINTAINED STRONG ROIC IN RISING FUEL ENVIRONMENT

1. As at 18 February 2019. FY19 assumes forward market rates of Jet Fuel USD 81.70/bbl and AUDUSD 0.7135. FY20 assumes forward market rates of Jet Fuel USD 82.90/bbl and AUDUSD 0.7135. Actual fuel costs in FY19 and FY20 could also be impacted by changes in refiner margins. 2. Participation from current market Brent prices down USD 10/bbl for remainder of FY19 and FY20. 3. FY18 restated for the first time adoption of AASB 15.

Delivering ROIC >10% Through the Cycle

Transformation status

Achieved $206m Transformation benefits in 1H19[1]

- **Continuous improvement resulting in cost benefits of $109m**
  - Group wide efficiencies, including warehousing, supply chain, procurement and IT
  - IT demand management
  - Supplier reviews – e.g. warranties, unclaimed benefits
- **Fuel efficiency benefits[2] of $18m**
  - New Flight Planning System
  - Increased access to lower fuel burn options – e.g. single engine taxi
- **Net revenue benefits[3] of $79m**
  - Additional 787-9 Dreamliners, retirement of 747s, Jetstar A320 cabin enhancement
  - Network restructures including Perth and London hub restructure
  - Products to customers - Qantas Business Rewards; Personalisation

57% of FY19 pipeline completed[4]

Additional initiatives for the remainder of FY19

- Telemetry technology on ground equipment to improve tracking and efficiency
- Flight pulse pilot application (fuel usage)
- Third party management – e.g. analytics, sourcing, disruption hotel bookings, billing & reconciliations
- Expansion of digital channels for servicing and disruption providing more choice for our customers

Five years of Transformation

- Embedded throughout the business processes
- Constant prioritisation of ideas and opportunities
- Continuous improvement mentality

ON TRACK TO DELIVER BENEFITS OF AT LEAST $400M IN FY19

1. See Supplementary slide 5 for details of Transformation costs treated as items not included in Underlying PBT for 1H19. 2. Includes reduction in consumption from fuel efficiency and reduction in into-plane costs following Transformation initiatives. 3. Revenue benefits less incremental costs associated with that benefit including costs of increased activity where related to a Transformation initiative. 4. Initiative milestones completed to unlock benefits towards the annual target.

Disciplined Capital Allocation

Disciplined capital expenditure

- Net capital expenditure[1] of $1.0b in 1H19, excluding aircraft operating lease refinancing
  - 3 new 787-9 Dreamliners delivered
  - Reconfiguration and refresh programs for A321, A380 and Turboprop aircraft
  - Lounges upgraded
  - Continued investment in Transformation
- FY19 net capital expenditure[1] forecast of $1.6b, up from previous guidance of $1.0b. The movement is attributed to:
  - Exclusion of proceeds for the sale of the Perth Domestic Terminal Lease, now not expected in FY19
  - Brought forward aircraft payments; disciplined use of surplus capital for commercial advantage
  - Previous guidance excluded purchase of stake in Alliance Aviation Services

FINANCIAL FRAMEWORK GUIDES DISCIPLINED ALLOCATION OF SURPLUS CAPITAL

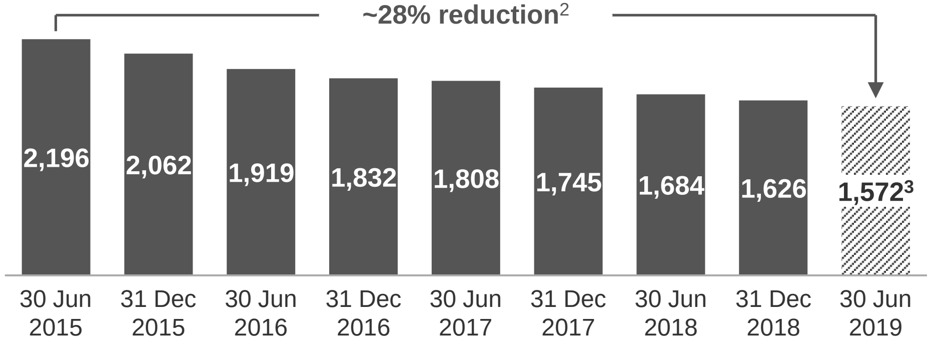
1. Equal to net investing cash flows included in the Consolidated Cash Flow Statement (excluding aircraft operating lease refinancing) and the impact to Invested Capital from the disposals/acquisitions of operating leased aircraft.

Disciplined Capital Allocation

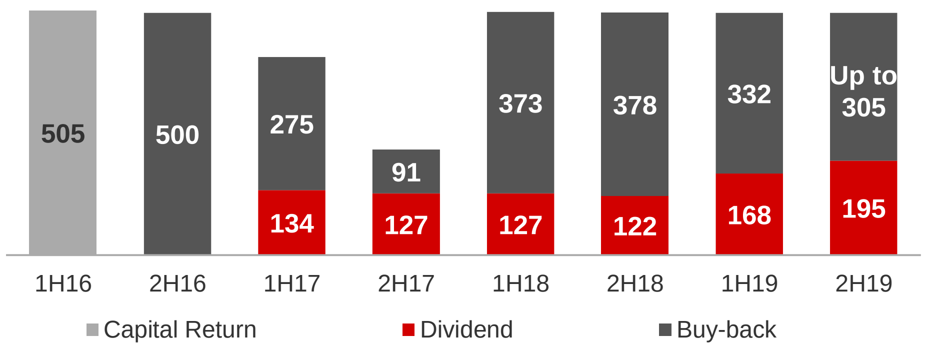
Shareholder distributions

- Completed on-market share buy-back of $332m in 1H19
  - 3.4% of issued capital purchased
  - 26%[1] reduction in shares on issue since October 2015 at an average price of $4.46
- On-market share buy-back of up to $305m announced
  - ~28%[2] reduction in shares on issue at completion of this buy-back
- Base interim dividend of 12 cents per share declared, fully franked, totalling $195m

Shares on Issue (M)



Track Record of Delivering Shareholder Returns ($M)



>$3.6B OF CAPITAL RETURNS[4] TO SHAREHOLDERS SINCE OCTOBER 2015

1. Reduction in shares calculated against balance as at 1 July 2015. 2. Reduction in shares calculated against balance as at 1 July 2015. Represents indicative reduction in shares where announced buy-back is calculated based on closing share price on 15 February of $5.73. 3. Represents indicative number of shares where announced buy-back is calculated based on closing share price on 15 February of $5.73. 4. Subject to completion of announced on-market share buy-back of up to $305m.

Outlook

Outlook

2H19 – Domestic and International Operating Environment

- We believe the Group is well positioned for a strong second half and to completely recover our increased fuel cost by the end of this financial year
  - Forward bookings, up 6.8% as at 31 December 2018[1], includes impact of Easter falling in Quarter 4, reducing RASK growth for Quarter 3
  - Quarter 4 includes more favourable alignment of Easter, school holidays and ANZAC Day, expected to more than offset the negative impact of the Federal Election
- Group capacity expected to be flat[2] for 2H19
  - Group Domestic capacity expected to be flat[2] for 2H19. Expecting continued Unit Revenue growth; albeit at a lower rate than 1H19
  - Group International capacity expected to be flat[2] for 2H19. Expecting higher Unit Revenue growth than 1H19 as competitor capacity additions moderate. Expecting competitor capacity addition of 0.3% for second half[2], including a 0.5% reduction in the Northern Summer schedules[3]
  - Expecting to generate significant net free cash flow

FY19 Group Outlook

- Current Group operating expectations:
  - FY19 fuel cost expected to be $3.90b[4]; ~$250m higher in 2H19[2]
  - FY19 net depreciation and non-cancellable aircraft operating lease rentals expected to be ~$120m higher than FY18
    - Excluding accelerated depreciation and amortisation expenses which is held in Items Outside of Underlying
  - FY19 Transformation benefits (cost, fuel efficiency and net revenue) expected to be at least $400m
  - FY19 inflation impact on expenditure forecast to be ~$250m (including wage growth)
  - Qantas retains significant flexibility to respond to market conditions

1. Compared to the balance as at 31 December 2017. 2. Compared to 2H18. 3. Compared to prior corresponding period. Northern Summer schedule represents 31 March 2019 to 27 October 2019 in 2019, and 25 March 2018 to 28 October 2018 in 2018. 4. As at 18 February 2019. FY19 assumes forward market rates of Jet Fuel USD 81.70/bbl and AUDUSD 0.7135. Expected fuel costs for the remainder of FY19 assume that the long term correlation between oil prices and the AUD/USD exchange rate holds. Actual fuel costs for FY19 could be impacted by a breakdown in this assumed correlation or by increases in refiner margins.

Questions?

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 21 February 2019, unless otherwise stated. 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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