**Dual brand strategy**

**Aiming to be:**
- World’s best premium airline - Qantas
- World’s best low fares airline - Jetstar

**Unique diversification**
- Premium and low fares
- International and domestic
- Business and leisure
- Short and long haul
Dual brand flexibility

- Growth adjustable based on returns - improved competitive position
  - Qantas and Jetstar, international and domestic
  - Fleet - A330 and B787 transferable between brands

- Operational efficiency
  - Jetstar - true LCC approach
  - Qantas - QFuture driving efficiency
  - Qantas - Market leading on-time performance (OTP)

- Enhancing the Group’s market position
  - Successfully working together on 26 routes
  - Maintaining domestic market strength and a yield premium
Qantas - Consistently better OTP

- 19 out of the last 24 months for departures
- 21 out of the last 24 months for arrivals
- Lowest level of cancellations 19 out of the last 24 months
- FY10 - Our best domestic OTP in 15 years, best international OTP in 9 years
Qantas - Better for business

- Most extensive domestic network and highest frequency
  - Almost double the network reach of competitors
  - Over 4,300 flights per week including dedicated Cityflyer offering
  - Largest wide body network with 10 x A330s

- Wide-ranging regional network
  - Underpinned by Q400 expansion
  - Charter operations growth continues
  - Additional flights to mining regions

- 900 destinations worldwide with 25 bilateral codeshare agreements
Qantas - World class lounges

- Award winning Australian design
- Best for business
  - Business centres / meeting rooms
  - Refresh - showers and spas
- Exclusive Chairman's club
  - Invitation only, restricted to 7,000 members
- Signature dish menu
Technology and innovation - Setting a higher standard

- Next generation check in
  - First airline to introduce world-leading technology
  - Q Bag Tag – automatically links customer luggage to flight details

- Seamless transfer facility launched in Sydney
Leading loyalty program

- Over 7.4 million members, target of 8 million by 30 June
  - 40% growth since FY08

- Members can earn points with over 490 coalition partners
  - Qantas Group and 27 airlines
  - Cards at all major Australian banks
  - Largest retailer - Woolworths

- Rewards
  - Non replicable classic awards
  - Award Store 1700+ products
  - Any Seat to 100+ destinations
  - 3.4 million seats redeemed FY10

- Record levels of member engagement
## Evolution of the Jetstar business model

<table>
<thead>
<tr>
<th>February 04</th>
<th>Commercial Launch (Largest global airline launch with 100,000 fares sold in a single day)</th>
</tr>
</thead>
<tbody>
<tr>
<td>December 04</td>
<td>First short haul international flight to Christchurch</td>
</tr>
<tr>
<td>May 06</td>
<td>Last B717 departs Jetstar</td>
</tr>
<tr>
<td>March 07</td>
<td>First international flight to Japan</td>
</tr>
<tr>
<td>July 07</td>
<td>Won first SKYTRAX Award (Worlds Best Low Cost Airline, Best Low Coast Airline Asia-Pacific, Best Cabin Staff Asia Pacific)</td>
</tr>
<tr>
<td>November 08</td>
<td>First Interline Agreement</td>
</tr>
<tr>
<td>October 09</td>
<td>Jetstar MasterCard launched</td>
</tr>
<tr>
<td>August 10</td>
<td>Restructure of Jetstar Group</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>May 04</th>
<th>Operational Launch</th>
</tr>
</thead>
<tbody>
<tr>
<td>July 04</td>
<td>Introduced first A320</td>
</tr>
<tr>
<td>July 05</td>
<td>Valuair merger with Jetstar Asia</td>
</tr>
<tr>
<td>November 06</td>
<td>Introduced first A330 First Long Haul international flight to Bangkok</td>
</tr>
<tr>
<td>November 06</td>
<td>Introduced “StarClass” offer</td>
</tr>
<tr>
<td>May 08</td>
<td>Pacific Airlines rebranded to Jetstar</td>
</tr>
<tr>
<td>June 09</td>
<td>First domestic New Zealand flights</td>
</tr>
</tbody>
</table>
Jetstar is the leading Asia Pacific LCC

- Strong competitive position as low fares leader in Asia
- 17 countries, 52 destinations, over 350 flights per day
- Continuously profitable since 2004 start up
- 6\textsuperscript{th} successive year of double digit growth
- More than 7000 total employees
- Combined operating fleet of 72 aircraft\textsuperscript{1}
- Continual investment and innovation

The next wave of opportunity for Jetstar is Asia

\textsuperscript{1} Including Jetstar Pacific and Jetstar Asia aircraft
Asia experiencing rapid growth with low LCC penetration.

**Commercial Jet Market Size & Growth by Region**

- **2009**
  - Africa: 18,890
  - Middle East: 3,600
  - Latin America: 3,600
  - CIS: 3,600
  - North America: 1,600
  - Asia Pacific: 5,600

- **2029**
  - Africa: 36,300
  - Middle East: 36,300
  - Latin America: 36,300
  - CIS: 36,300
  - North America: 36,300
  - Asia Pacific: 5,600

**CAGR (09-29)**

- Africa: 3.0%
- Middle East: 4.8%
- Latin America: 4.6%
- CIS: 0.6%
- Asia Pacific: 5.6%
- North America: 1.6%

**Low Cost Carrier Share of Total Capacity by Region/Country**

- **Asia Pacific**
- **Europe**
- **North America**
- **CIS**
- **Latin America**
- **Middle East**
- **Africa**

**CAGR**

- **Asia Pacific**
- **Europe**
- **North America**
- **CIS**
- **Latin America**
- **Middle East**
- **Africa**

**Note:** 2002-2004 Australian data interpolated.

Source: 2010 Boeing Market Outlook, PhocusWright Online Travel Overview, Euromonitor; CAPA, Annual reports.
Jetstar well positioned for Asia Pacific growth

- Largest low cost carrier in Asia Pacific by revenue
- Largest carrier between Australia and Japan
- Jetstar has announced significant expansion
  - Singapore – Melbourne
  - Singapore – Auckland
  - Singapore – Guilin (China)
  - Singapore – Taipei – Osaka
  - Singapore – Taipei – Tokyo
- Future growth focused on:
  - Intra Asia Long Haul and Short Haul services
  - New Jetstar affiliates
Questions?