The Qantas Group - Our Operations

- Qantas Group is the eleventh largest airline in the world based on passenger numbers and distance flown
- The Group’s network comprises 208 destinations in 46 countries
- The Group operates a passenger fleet of 278 aircraft
- Qantas Frequent Flyer is one of the world’s leading coalition loyalty program with over 8 million members
- The Group employs almost 36,000 people

1. As at 30 June 2011

Qantas Group Strategy

Deliver Sustainable Returns to Shareholders

Safety is always our first priority

Building on our strong domestic business
- Profitably building on 65% market share through dual brands
- Deepening FFP member and partner engagement
- Growing our portfolio of related businesses
- Transforming Qantas International
- Growing Jetstar in Asia

Building customer loyalty through great experiences and multiple brands
- Engaging and developing our people

1. FFP = Qantas Frequent Flyer Program
Delivering Robust Results in a Challenging Environment

- Underlying PBT\(^1\) in FY11 of $552m, up 46%
  - Included $224m impact of significant weather events and natural disasters
  - Qantas and Jetstar - two most profitable domestic airlines
  - Record result for Jetstar and Qantas Frequent Flyer
  - Qantas profit\(^2\) up 240%, despite significant losses in Qantas International

- QFuture transformation program delivered benefits of $470m in FY11, $1bn over last 2 years

- Operating cash flow of $1.8bn in FY11, up 32%

- Investment grade credit rating

- Significant cash reserves ($3.5bn at 30 June 2011)

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Disciplined Investment in Growth Markets

**Fleet Profile - Existing\(^1\) & Growth**

<table>
<thead>
<tr>
<th>No. of Aircraft</th>
<th>Building on our strong domestic business</th>
<th>Transforming Qantas International</th>
<th>Grow Jetstar in Asia</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>EXISTING QANTAS</strong></td>
<td><img src="image.png" alt="" /> 150(^2)</td>
<td><img src="image.png" alt="" /> 57</td>
<td>—</td>
</tr>
<tr>
<td><strong>EXISTING JETSTAR</strong></td>
<td><img src="image.png" alt="" /> 38</td>
<td><img src="image.png" alt="" /> 21</td>
<td>—</td>
</tr>
<tr>
<td><strong>NEW VENTURES</strong></td>
<td><img src="image.png" alt="" /> New Premium Carrier Up to 11</td>
<td></td>
<td></td>
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<tr>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

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\(^1\) Underlying PBT is the primary reporting measure used by Management and the Board to assess the financial performance of the Group.

\(^2\) Qantas result includes the financial impact of the grounding of the A380 fleet and the settlement agreed with Rolls-Royce which offsets the direct financial losses incurred.

**Fleet Profile**

- Existing Passenger Fleet as at 30 June 2011 (excludes 5 x Freighter aircraft)
- Includes 9 x Network Aviation aircraft

**New Premium Carrier**

- Up to 11
- Jetstar Japan
- Off balance sheet

**Off balance sheet**

- 24
- Jetstar Pacific
- 7
Flexible Investment Profile

- Planned net capital expenditure of $2.5bn in FY12 and $2.8bn in FY13
- Fleet flexibility demonstrated to date
  - Deferred delivery of 6 x A380 aircraft
  - Early retirement of B744, B767 and B734 aircraft
  - Deferred delivery of B738 aircraft
  - Non renewal of B738 and A320 leases
- Future fleet plan includes flexibility to scale up or down to meet market demand
  - Contractual cancellation rights
  - Up to 95 narrow-body aircraft and 25 wide-body aircraft lease renewals over next 10 years with 43 over the next 3 years
  - Aircraft delivery reschedule rights
  - Up to 50 aircraft retirements over the next 5 years
  - Purchase options and purchase rights

### Aircraft deliveries (indicative timing)

<table>
<thead>
<tr>
<th>Aircraft Type</th>
<th>FY12</th>
<th>FY13 – FY18</th>
<th>FY19 – FY24</th>
</tr>
</thead>
<tbody>
<tr>
<td>A380-800</td>
<td>2</td>
<td>2</td>
<td>6</td>
</tr>
<tr>
<td>A330-200</td>
<td>2</td>
<td>1</td>
<td>-</td>
</tr>
<tr>
<td>B787-8</td>
<td>-</td>
<td>15</td>
<td>-</td>
</tr>
<tr>
<td>B787-9</td>
<td>-</td>
<td>35</td>
<td>-</td>
</tr>
<tr>
<td>A320 Family</td>
<td>9</td>
<td>80</td>
<td>42</td>
</tr>
<tr>
<td>B737-800</td>
<td>12</td>
<td>11</td>
<td>-</td>
</tr>
<tr>
<td>B717</td>
<td>2</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Q400</td>
<td>3</td>
<td>3</td>
<td>-</td>
</tr>
<tr>
<td>F100</td>
<td>5</td>
<td>5</td>
<td>-</td>
</tr>
<tr>
<td><strong>Total Deliveries</strong></td>
<td><strong>35</strong></td>
<td><strong>152</strong></td>
<td><strong>48</strong></td>
</tr>
</tbody>
</table>

1. Includes recently announced A320 aircraft order, does not include 24 aircraft for Jetstar Japan and 10 aircraft for Jetstar Pacific

The Qantas Group

Qantas Group’s strength comes from its multi-brand businesses

![Qantas Group's multi-brand businesses](image)
Multi-Brand Model is Designed to Give Customers the Experience they Desire…

…with Each Brand Playing a Very Specific Role

World’s best experience for business and premium leisure customers

Best loyalty program in the market driving unrivalled member engagement

Hassle free, low cost travel experience for price-driven and “make it easy” leisure segments

All brands focussed on:
- Leading the competition in clearly defined market segments
- Customer advocacy leadership
- Growing target customer share of wallet
Jetstar Group

Bruce Buchanan
Group Chief Executive Officer Jetstar

Jetstar Well-Established in Asia

- Jetstar is one of the fastest growing airlines in the Asia Pacific region
  - Operations based across two continents and four countries
  - Servicing 17 countries, 57 destinations
  - Combined operating fleet of 86 aircraft\(^1\)
  - 3,000 flights per week and growing
- Jetstar brand embedded in Asia
  - Significant growth into China – servicing 10 ports, with further growth opportunities
  - Launch of long-haul A330 base in Singapore
- Jetstar Asia strong profits and growing
  - Normalised PBT\(^2\) of SGD18m with 46% capacity growth

<table>
<thead>
<tr>
<th>Business</th>
<th>Launch</th>
<th>Based Aircraft</th>
</tr>
</thead>
<tbody>
<tr>
<td>1 Jetstar Australia</td>
<td>2004</td>
<td>44- A320s</td>
</tr>
<tr>
<td>2 Jetstar Asia</td>
<td>2004</td>
<td>16- A320s &amp; 3- A330s</td>
</tr>
<tr>
<td>3 Jetstar International</td>
<td>2006</td>
<td>8- A330s</td>
</tr>
<tr>
<td>4 Jetstar Pacific</td>
<td>2007</td>
<td>5- B737s &amp; 2- A320s</td>
</tr>
<tr>
<td>5 Jetstar NZ</td>
<td>2009</td>
<td>8- A320s</td>
</tr>
<tr>
<td>6 Jetstar Japan</td>
<td>2012</td>
<td>3- A320s (at launch)</td>
</tr>
</tbody>
</table>

Note: Fleet numbers as of Q4 2011 \(^1\). Including Jetstar Pacific aircraft. \(^2\) FY11 figures adjusted for SGD10m of long-haul start-up costs but including other start-up costs from organic growth of narrow body operations.

Jetstar – Fast Growing Network of Routes

\(+28\% \text{ CAGR}\)

<table>
<thead>
<tr>
<th>FY04</th>
<th>FY05</th>
<th>FY06</th>
<th>FY07</th>
<th>FY08</th>
<th>FY09</th>
<th>FY10</th>
<th>FY11</th>
</tr>
</thead>
<tbody>
<tr>
<td>20</td>
<td>39</td>
<td>59</td>
<td>75</td>
<td>82</td>
<td>95</td>
<td>97</td>
<td>112</td>
</tr>
</tbody>
</table>
Asia Pacific is the Largest and Fastest Growing Global Aviation Market

- Asia Pacific LCC sector growing at 33% CAGR, but still under penetrated
- LCC profit pool to grow to A$13bn by 2020

Jetstar’s Path to Success

The leading low cost carrier in Asia

Maintaining safety as our first priority

- Lowest cost in every market we serve
- Operational excellence and innovation
- World-leading ancillary revenue
- Strong brand with high customer engagement

Manage global and local priorities through a franchise operating model

Passionate teams, highly engaged
Jetstar is Evolving Quickly

Expanding Jetstar’s footprint: Leverage capital-efficient franchise operating model

- Linking China to Asia via international connectivity
- 10 destinations in Greater China by 2011 end
- Monitoring closely as South Asia will become an important market in the future
- Strengthening LCC competitive environment
- Set to launch Jetstar Japan in 2012
- Links to North Eastern Chinese ports
- Evolved LCC market with strong competition
- Expanding presence and profitability
- Turnaround Jetstar Pacific
- Protected and grow core markets
- Developing links to Asian network

Current major Jetstar brand presence

First Mover Advantage Critical for Success

Source: United States Department of Transport, Annual Reports and UK Civil Aviation Authority
Track Record of Achieving Profitable Growth

- Jetstar continuously profitable since 2004 start-up

- Record result in FY11
  - Underlying EBIT of $169m, up 29%
  - Unit cost\(^1\) down 2%, 3% adjusted for increased sector length and natural disasters
  - Capacity up 19%
  - 14% passenger growth
  - World class ancillary revenue\(^2\) ~$28 per PAX

- Growing market share in all key markets

- Customer satisfaction and advocacy scores at record levels – SkyTrax award for best LCC Australia/Pacific

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Fleet Investment Supports Growth and Lowest Cost Operation

- 78 Airbus A320 NEOs to start entering service in 2015 (indicative timing)
  - Will reduce operating costs by up approx 8%

- Taking A330 fleet to 11 by FY12 to consolidate international growth
  - FY11 deliveries
    - 11 x A320\(^1\)
    - 2 x A330
  - FY12 deliveries
    - 10 x A320\(^1\)
    - 2 x A330

- B787 deliveries from 2013
  - Jetstar receiving the Group’s first 15 B787s to support international growth

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1. Gross unit cost excluding fuel
Franchise Model Underpins Scalable Growth

Utilise Best of Local Talent and Group Expertise

Australia & New Zealand (Domestic)
International
Asia (Singapore)
Pacific (Vietnam)
Japan
New Opportunities

Relentless Focus on Cost Reduction

- 4.4% CAGR

Cost perASK
Leveraging our Culture of Innovation

- SMS Boarding Pass
- Call centre chat, Skype integration
- New payment methods
- Jetstar
- MasterCard
- Improved QFF proposition
- New Products e.g. iPad

Market Leadership in Ancillary Revenues

<table>
<thead>
<tr>
<th>AirAsia</th>
<th>RyanAir</th>
<th>Tiger</th>
<th>EasyJet</th>
<th>Jetstar</th>
</tr>
</thead>
<tbody>
<tr>
<td>13</td>
<td>15</td>
<td>16</td>
<td>19</td>
<td>28</td>
</tr>
</tbody>
</table>

Source: Jetstar: Oct 11 YTD $/pax includes bag fees sold as bundle in JetSaver and JetFlex fares until May 2011; Bag fees all sold separately after May 2011; EasyJet full year results – year ended 30 Sep 2011; Tiger full year results - year ended 31 Mar 2011; AirAsia Malaysia Q3FY11 results; Ryanair half year results – ended 30 Sep 2011.
Jetstar’s Brand Strength and Customer Perception

- Jetstar brand well positioned in all markets
- Increasing customer loyalty and advocacy
- Revenue premium over competitors
- Leveraging Jetstar brand into new products and markets
- Jetstar leads on both price and quality
- Focus on “Low Fares, Good Times”

Jetstar Japan
Growing Jetstar in Japan

- **Japanese domestic market**
  - World’s 10th largest population: 127 million people
  - Four of the world’s top ten routes by seats
  - Large market with low LCC penetration
  - Dominated by ANA (54%) & JAL Group (34%)
  - Significant opportunity to stimulate demand with low fares

- **Jetstar Japan**
  - Jetstar Japan to launch in 2012
  - JAL & Mitsubishi strong local partners
  - First true LCC covering entire Japanese market
  - Leverages strong Jetstar brand position
  - Grow to 24 aircraft\(^1\) in first few years
  - Focus on domestic and international leisure destinations

Reinforcing Jetstar as the largest LCC in Asia Pacific\(^2\)

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1. Off balance sheet for Qantas Group
2. Based on gross revenues

Critical Success Factors in Place for Japan

- **True cost leadership**
  - Proven experience operating LCCs in high labour cost markets
  - Leveraging Jetstar Group supply and service contracts

- **Dual-brand strategy with Japan Airlines**
  - Anti-trust immunity granted by Japanese Fair Trade Authority
  - Only LCC with experience of partnering with a premium carrier
  - Access to constrained infrastructure and coordination of capacity with JAL

- **Brand awareness and distribution networks in Japan**
  - Well established brand
    - Highest LCC recognition
    - Top 100 brand
  - Value of connectivity and network reach of Jetstar, Jetstar Asia, Qantas and JAL
  - Only LCC with the experience of interlining and codesharing with Full Service Carrier
Qantas Group Well Positioned to Succeed

- Strong domestic franchise underpin’s Group success

- Unrivalled loyalty program driving deeper levels of loyalty and engagement

- Successfully leveraging growth opportunities in Asia

- Significant transformation agenda underway for Qantas International

- Robust balance sheet and flexible investment profile to withstand economic volatility