



ASX and Media Release

BONUS PAYMENT TO QANTAS GROUP EMPLOYEES

SYDNEY, 3 July 2015: Qantas Airways Limited today announced a one-off bonus payment will be made to all employees covered by an 18-month wage freeze policy as part of their collective agreement.

All Qantas, Jetstar, and other Group employees covered by finalised Agreements that include the wage freeze will receive a one-off payment worth five per cent of their base annual salary. The payment to eligible employees will be made shortly after release of the Group's full year results on 20 August 2015.

Bonus payments for employee groups not currently covered by the wage freeze policy will be made once Agreements including the wage freeze are finalised. This bonus does not extend to employees who are part of management bonus schemes, which will be determined separately.

The bonus payment will be made to up to 28,000 Qantas Group employees, costing an estimated \$90 million on full implementation. It is anticipated that the non-recurring cost of up to \$90 million will be recognised in the Group's 2016 financial year, outside of underlying earnings.

Qantas Group CEO Alan Joyce said the bonus was recognition of the contribution made by all employees to strengthening the Group's long-term competitive position through the wage freeze and the delivery of all Qantas Transformation targets on or ahead of schedule.

"The rapid turnaround of the Qantas Group has only been made possible through the dedication and hard work of all our people," said Mr Joyce.

"Our ability to make these bonus payments reflects a bright future for the Qantas Group, provided we stay focussed on fully delivering the transformation program that has brought us this far."

Qantas expects to have realised at least \$875 million of the targeted \$2 billion of benefits in the Qantas Transformation program as of the end of financial year 2015.

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Investor Enquiries: SHRINVREL@qantas.com.au

Media Enquiries: +61 418 210 005, qantasmedia@qantas.com.au

