Qantas Airways Limited
FY16 Results

Supplementary Presentation

24 August 2016

ASX: QAN

US OTC: QABSY

Group Performance

Key Metrics

	FY16	FY15	VLY%[6]
Underlying PBT[1] ($M)	1,532	975	57
Statutory profit before tax ($M)	1,424	789	80
Statutory earnings per share (c)	49.4	25.4	94
ROIC (%)	22.7	16.2	6.5pts
Revenue ($M)	16,200	15,816	2.4
Transformation benefits realised to date ($M)	1,655	1,098	51
Operating cash flow ($M)	2,819	2,048	38
Net free cash flow ($M)[2]	1,674	1,104	52
Unit revenue (RASK)[3]	8.08	8.21	(1.6)
Total unit cost[4] (c/ASK)	7.05	7.54	(6.5)
Ex-fuel unit cost[5] (c/ASK)	4.81	4.97	(3.2)
Available Seat Kilometres (ASK) (M)	148,691	142,287	4.5
Revenue Seat Kilometres (RPK) (M)	119,054	112,543	5.8

1. Underlying Profit Before Tax (PBT) is a non-statutory measure and is the primary reporting measure used by the Qantas Group's 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 Group. The objective of measuring and reporting Underlying PBT is to provide a meaningful and consistent representation of the underlying performance of each operating segment and Qantas Group. All line items in the FY16 Supplementary Results Presentation are reported on an Underlying basis. Refer to Supplementary Slide 6 for a reconciliation of Underlying to Statutory PBT. 2. Net free cash flow is operating cash flows less investing cash flows (excluding aircraft operating leases refinancing). 3. Unit revenue is calculated as ticketed passenger revenue per ASK. 4. Underlying PBT less ticketed passenger revenue per ASK. 5. Ex-fuel unit cost is calculated as Underlying PBT less ticketed passenger revenue and fuel, adjusted for changes in: employee provision discount rate and other assumptions, foreign exchange rates, share of net profit/(loss) of investments accounted for under the equity method and block codeshare flying agreements per ASK. The adjustment for foreign exchange rates is made to the comparative year to enable comparability. Refer to Supplementary Slide 13 for further detail. 6. Variance to last year. Favourable variances are reported in green.

Underlying Income Statement Summary

$M	FY16	FY15	VLY %	
Net passenger revenue	13,961	13,604	2.6	Increased revenue with Transformation initiatives and additional flying activity offsetting decline in unit revenue
Net freight revenue	850	936	(9.2)	Weaker yields with international air freight demand below capacity
Other revenue	1,389	1,276	8.9	Qantas Loyalty revenue growth including strong contribution from adjacent businesses and Qantas Frequent Flyer store
Revenue	**16,200**	**15,816**	**2.4**	
Operating expenses (excluding fuel)	9,529	9,093	4.8	Increased flying activity, unfavourable FX impact and CPI, partially offset by Qantas Transformation benefits
Fuel	3,235	3,899	(17)	Reduction in AUD fuel price[1] of 19% and fuel Transformation benefits partially offset by increased activity
Depreciation and amortisation	1,224	1,096	12	Refinancing of aircraft leases to owned aircraft, delivery of additional aircraft and investment in A330 and B737 reconfigurations
Non-cancellable aircraft operating lease rentals	461	495	(6.9)	Reduction in leased aircraft partially offset by FX impact on USD denominated lease payments
Underlying EBIT	**1,751**	**1,233**	**42**	
Net finance costs	(219)	(258)	(15)	Lower interest rates, reduction in net debt
Underlying PBT	**1,532**	**975**	**57**	

1. Net price movement after hedging.

Items Not Included in Underlying PBT[1]

$M	FY16	FY15	
Total ineffectiveness of and non-designated derivatives relating to other reporting periods	15	39	
Net gain on sale of property, plant and equipment	(201)	-	Gain on sale of Sydney Airport Terminal 3, announced in August 2015
Transformation costs	183	91	Redundancy, restructuring and other costs as part of the Qantas Transformation Program
Wage freeze employee bonus	91	-	Wage freeze, five percent bonus to employees who have agreed to 18-month pay freeze
Net gain on sale controlled entity and related assets	-	(11)	
Other	20	67	
Total items not included in Underlying PBT[1]	**108**	**186**	

1. Items which are identified by Management and reported to the chief operating decision-making bodies as not representing the underlying performance of the business are not included in Underlying PBT. The determination of these items is made after consideration of their nature and materiality and is applied consistently from period to period. Items not included in Underlying PBT primarily result from revenues and expenses relating to business activities in other reporting periods, major Transformational/restructuring initiatives, transactions involving investments and impairments of assets and other transactions outside the ordinary course of business.

Reconciliation to Underlying PBT[1]

$M	FY16				FY15			
	Statutory	Other items not included in Underlying PBT	Ineffectiveness relating to other reporting periods	Underlying[1]	Statutory	Other items not included in Underlying PBT	Ineffectiveness relating to other reporting periods	Underlying[1]
Net passenger revenue	13,961	-	-	13,961	13,604	-	-	13,604
Net freight revenue	850	-	-	850	936	-	-	936
Other revenue	1,389	-	-	1,389	1,276	-	-	1,276
Revenue	**16,200**	**-**	**-**	**16,200**	**15,816**	**-**	**-**	**15,816**
Operating expenses (excl fuel)	9,622	(93)	-	9,529	9,240	(147)	-	9,093
Fuel	3,250	-	(15)	3,235	3,937	-	(38)	3,899
Depreciation and amortisation	1,224	-	-	1,224	1,096	-	-	1,096
Non–cancellable aircraft operating lease rentals	461	-	-	461	495	-	-	495
Expenses	**14,557**	**(93)**	**(15)**	**14,449**	**14,768**	**(147)**	**(38)**	**14,583**
EBIT	**1,643**	**93**	**15**	**1,751**	**1,048**	**147**	**38**	**1,233**
Net finance costs	(219)	-	-	(219)	(259)	-	1	(258)
PBT	**1,424**	**93**	**15**	**1,532**	**789**	**147**	**39**	**975**

1. Underlying PBT is a non-statutory measure and is the primary reporting measure used by the Qantas Group's 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 Group. Underlying PBT is derived by adjusting Statutory PBT for the impact of ineffectiveness and non-designated derivatives relating to other reporting periods and certain other items which are not included in Underlying PBT.

Revenue Detail

Net passenger revenue up 3%

- Additional capacity of 5% driven by utilisation
- Group unit revenue decreased by 2%
- Favourable impact of FX

Net freight revenue down 9%

- Conclusion of favourable Australian air Express legacy agreements
- Fuel surcharge reductions
- Decline in international air freight demand

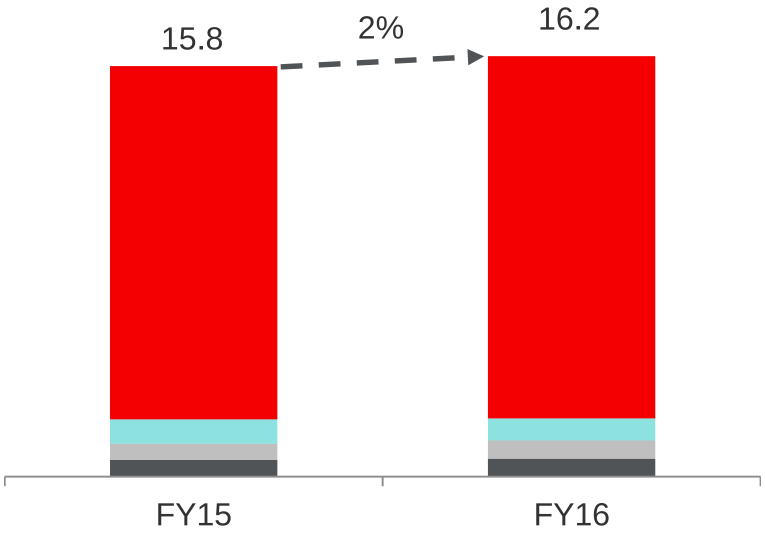
Frequent flyer redemption, marketing, store and other revenue up 9%

- Growth in redemption revenue
- Increase in external points billing

Revenue from other sources up 8%

- Increased Qantas Club revenue
- Growth in revenue from Loyalty adjacent businesses

Revenue ($B)



RPKs (m)	112,543	6% →	119,054
ASKs (m)	142,287	5% →	148,691

Expenditure Detail

Fuel costs down 17%

- 5% increase in flying activity
- 19% reduction in effective AUD fuel price[1]
- Improvement in fuel efficiency from Qantas Transformation fuel initiatives

Manpower and staff-related up 7%

- Operational head count increase with 5% increase in flying activity
- Growth of Qantas Loyalty business headcount
- Benefits from workplace agreements with 18-month wages freeze, offset by increases for employee groups who have completed wages freeze

Aircraft operating variable costs up 5%

- 5% increase in flying activity
- Impact of FX on foreign-denominated expenses
- Offset by Qantas Transformation initiatives

Depreciation and amortisation costs up 12%

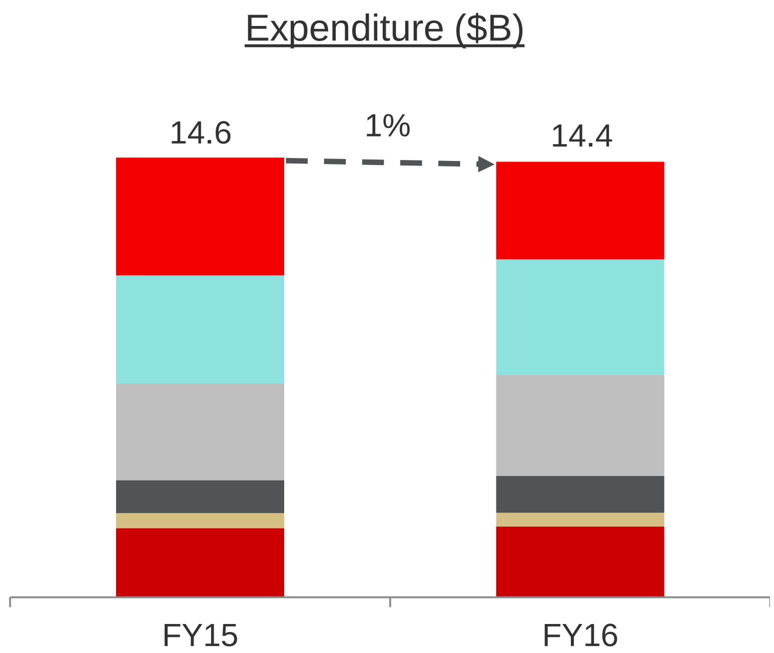
- Delivery of additional aircraft
- Refinancing of 29 aircraft out of operating leases to unencumbered owned aircraft
- Reconfiguration of A330 and B738 aircraft

Lease rental expense down 7%

- Reduction in aircraft operating leases through refinancing
- Offset by impact of FX on USD-denominated leases

Other expenditure up 2%

- Commission and selling costs, marketing and advertising activity
- Increased Loyalty redemption costs and growth of adjacent businesses
- Non-cash impact of change in discount rate



ASKs (m) 142,287 → 5% → 148,691

Note: All expenditure is presented on an Underlying basis which excludes hedge effectiveness relative to other reporting periods and other items not included in Underlying PBT. 1. Net price movements after hedging.

Cash Flow

$M	FY16	FY15	VLY %
Operating cash flows	2,819	2,048	38
Investing cash flows (excluding aircraft operating lease refinancing)	(1,145)	(944)	21
Net free cash flow[1]	**1,674**	**1,104**	**52**
Aircraft operating lease refinancing	(778)	-	>100
Financing cash flows	(1,825)	(1,218)	50
Cash at beginning of period	2,908	3,001	(3.1)
Effects of FX on cash	1	21	(95)
Cash at end of period	**1,980**	**2,908**	**(32)**

- Strong operating cash flows of $2.8 billion
  - Includes $185m future income deferred on balance sheet from the sale of Sydney Airport Terminal 3
- Investing cash flows (excluding refinancing of aircraft operating leases) of $1.1b[2]
  - Includes $350m proceeds from the sale of Sydney Airport Terminal 3
- $1.7b net free cash flow[1]
- $778m related to refinancing of 29 aircraft out of operating leases[3]
- $505m return of capital to shareholders, $500m share buy-back, and $807m repayment of borrowings

1. Net free cash flow is operating cash flows less investing cash flows (excluding aircraft operating leases refinancing). 2. When adjusted for the notional value of operating lease aircraft disposals/acquisitions ($113m), net capital expenditure is $1,032m. 3. Transfer of title for one aircraft to be completed in 1H17.

Invested Capital Calculation

$M	FY16	FY15
Receivables (current and non-current)	929	1,093
Inventories	336	322
Other assets (current and non-current)	353	424
Investments accounted for using the equity method	197	134
Property, plant and equipment	11,670	10,715
Intangible assets	909	803
Assets classified as held for sale	17	136
Payables	(1,986)	(1,881)
Provisions (current and non-current)	(1,287)	(1,213)
Revenue received in advance (current and non-current)	(5,046)	(4,943)
Capitalised operating leased assets[1]	2,288	3,100
Invested Capital	**8,380**	**8,690**
Average Invested Capital[2]	**8,857**	**9,091**

- Refinanced 29 operating leased aircraft to unencumbered owned aircraft[3]
  - Decrease in capitalised operating lease assets
  - Increase in property, plant and equipment
- Immaterial impact on total Invested Capital

1. Capitalised operating leased assets are initially measured at fair value at lease commencement date (translated to AUD) and subsequently depreciated in accordance with the Group's accounting policies for owned aircraft. The calculated depreciation is reported as 'Notional Depreciation' in the determination of ROIC EBIT. 2. Equal to the twelve month average of monthly Invested Capital. 3. Transfer of title for one aircraft to be completed in 1H17.

Reconciliation of Sources and Uses

$M	FY16	FY15
Cash flows from operating activities	2,819	2,048
Principal portion of aircraft operating lease rentals	273	298
Funds from Operations	**3,092**	**2,346**

$M	FY16	FY15
Cash flows from investing activities	(1,923)	(944)
Exclude aircraft operating lease refinancing	778	-
Return of operating leased aircraft	113	139
Net Capex	**(1,032)**	**(805)**

$M	FY16	FY15
Cash flows from financing activities	(1,825)	(1,218)
Exclude shareholder distributions and payments for treasury shares	1.080	-
Return of operating lease aircraft	(113)	(139)
Principal portion of aircraft operating lease rentals	(273)	(298)
Debt reduction (excluding aircraft operating lease refinancing)	**(1,131)**	**(1,655)**
Aircraft operating lease refinancing	(778)	-
Debt reduction	**(1,909)**	**(1,655)**

- Our Financial framework considers aircraft operating leases as part of net debt
  - Principal portions are debt reduction
  - Purchase of operating leases are refinancing
  - Returning (or commencing) aircraft operating leases are disposals/repayments (or acquisitions/borrowings)
- In FY16:
  - Non-cancellable aircraft operating leases of $461m included $273m of principal repayments under the financial framework
  - $778m of existing operating lease aircraft were refinanced
  - 2 x A330-200 operating lease aircraft were returned to their lessor, the disposal value of these aircraft under the financial framework was $113m

Net Debt

$M	FY16	FY15	VLY
Current interest bearing liabilities on balance sheet	441	771	(330)
Non-current interest bearing liabilities on balance sheet	4,421	4,791	(370)
Fair value of hedges related to debt	(2)	(60)	58
Cash at end of period	(1,980)	(2,908)	928
Net on Balance Sheet Debt[1]	**2,880**	**2,594**	**286**
Capitalised aircraft operating lease liabilities[2]	2,766	3,806	(1,040)
Net Debt[3]	**5,646**	**6,400**	**(754)**

- Net debt reduced by $754m
- Net debt reduction impacted by FX and mark-to-market movements

1. Net on balance sheet debt includes interest-bearing liabilities and the fair value of hedges related to debt reduced by cash and cash equivalents. 2. Capitalised aircraft operating lease liabilities are measured at fair value at the lease commencement date and remeasured over the 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. 3. Net debt includes on balance sheet debt and capitalised aircraft operating lease liabilities under the Group's Financial Framework.

Improvement in Total and Ex-Fuel Unit Cost

- Ex-fuel unit cost[1] improvement of 3% from Qantas Transformation benefits
  - Total unit cost additionally benefited from a reduction in fuel expense

C/ASK	FY16	FY15	VLY %
Total Unit Cost[2]	**7.05**	**7.54**	**↓ 6**
Excluding:			
• Fuel	(2.18)	(2.74)	
• Change in FX rates	-	0.16	
• Impact of changes in the discount rate and other assumptions on employee provisions	(0.06)	0.01	
• Change in block codeshare flying agreements	-	0.02	
• Share of net profit/(loss) of investments accounted for under the equity method	-	(0.02)	
Ex-Fuel Unit Cost[1]	**4.81**	**4.97**	**↓ 3**

1. Ex-fuel unit cost is calculated as Underlying PBT less ticketed passenger revenue and fuel, adjusted for changes in: employee provision discount rate and other assumptions, foreign exchange rates, share of net profit/(loss) of investments accounted for under the equity method and block codeshare flying agreements per ASK. The adjustment for foreign exchange rates is made to the comparative year to enable comparability. 2. Based on Underlying PBT less ticketed passenger revenue per ASK.

Qantas Transformation Scorecard

ACHIEVING OUR TARGETS		Target		Progress to Date
		Metric	Timeframe	
	Accelerated Transformation Benefits	$2.1b gross benefits >10% Group ex-fuel expenditure reduction[1]	FY17	$1.66b benefits realised Ex-fuel expenditure reduced by 9%[2]
		5,000 FTE reduction	FY17	4,605 FTE reduction[3]
	Deleverage Balance Sheet	>$1b debt reduction[4]	FY15	Delivered on schedule
		Debt / EBITDA[5] < 3.5x FFO / net debt[6] > 45%	FY17	Delivered ahead of schedule
	Cash Flow	Sustainable positive free cash flow[7]	FY15 onwards	Delivered on schedule
	Fleet Simplification	11 fleet types to 7	FY16	8 fleet types Retaining 2 x non-reconfigured B747
	Customer And Brand	Customer Advocacy (NPS)	Ongoing	NPS record achieved at Qantas Domestic, Qantas International and Qantas Loyalty[8]
		Maintain premium on-time performance at Qantas Domestic	Ongoing	Premium on-time performance maintained with increase to 89.7%[9]

1. Target assumes steady FX rates and capacity. 2. Includes Underlying operating expenses (excluding fuel), depreciation and amortisation (excluding depreciation reduction from Qantas International non-cash fleet impairment) and non-cancellable aircraft operating lease rentals, adjusted for movements in FX rates and capacity. FY16 vs annualised 1H14. 3. Actioned Full Time Equivalent employee reduction as at 30 June 2016. ~30 FTEs still to exit as at 30 June 2016. 4. Reduction in net debt including capitalised operating lease liabilities. 5. Metric calculated based on Moody's methodology. 6. Metric based on Standard and Poor's methodology. 7. Net free cash flow is operating cash flows less investing cash flows (excluding aircraft operating lease refinancing). 8. Measured as average FY16 Net Promoter Score. 9. Qantas mainline operations (excluding QantasLink) for FY16 compared to FY15. Source: BITRE.

Group Operational Information

Fleet at 30 June 2016

Aircraft Type	FY16	FY15	Change
A380-800	12	12	-
B747-400	5	6	(1)
B747-400ER	6	6	-
A330-200	18	17	1
A330-300	10	10	-
B737-800NG	75	75	-
Total Qantas	**126**	**126**	**-**
B717-200	20	18	2
Q200/Q300[1]	14	18	(4)
Q400	31	31	-
Total QantasLink	**65**	**67**	**(2)**
F100	14	13	1
Total Network Aviation	**14**	**13**	**1**
Q300	5	-	5
A320-200[2]	71	71	-
A321-200	6	6	-
A330-200	-	3	(3)
B787-8	11	8	3
Total Jetstar	**93**	**88**	**5**
B737-300SF	4	4	-
B767-300SF	1	1	-
Total Freight[3]	**5**	**5**	**-**
Total Group	**303**	**299**	**4**

Net addition of 4 aircraft in FY16:

- 7 aircraft deliveries[4]:
  - 3 x B787-8
  - 2 x B717
  - 1 x F100
  - 1 x Q300[1]
- 1 x B747-400 aircraft retired
- 2 x A330-200 aircraft lease returns
- 8 aircraft transferred in FY16
  - 3 x A330-200 (Jetstar to Qantas Domestic)
  - 5 x Q300 (QantasLink to Jetstar)

Net addition of 6 aircraft expected in FY17

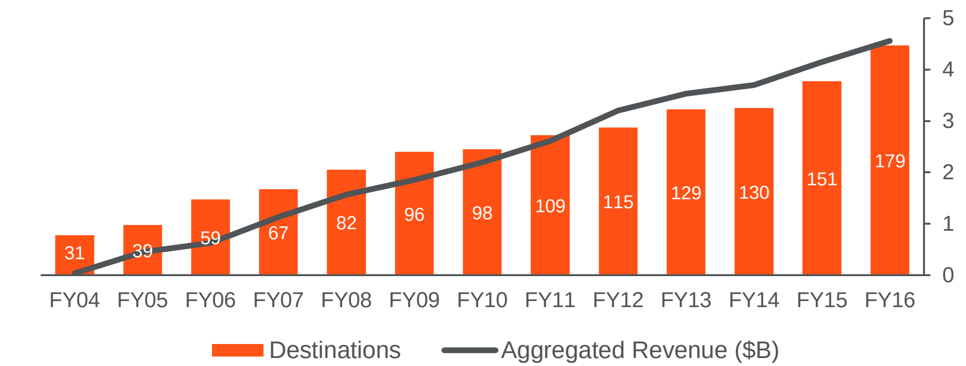
- 3 x F100 deliveries to Network Aviation
- 2 x A321 deliveries (operating leases) to Jetstar Domestic
- 1 x B734F delivery to Freight

1. Includes aircraft previously classified as “Held for Sale” but have been re-classified as an asset in 2H16 for QantasLink. 2. Includes Jetstar Asia fleet (18 x A320), excludes Jetstar Pacific, and Jetstar Japan. 3. Qantas Group wet leases 2 x B747-400 freighter aircraft and 3 x BAe146 freighter aircraft (not included in the table). 4. Aircraft deliveries include purchased and leased aircraft.

Supplementary Segment Information

Jetstar Group

Jetstar Group – Network of Routes[1] & Aggregate Revenue ($B)[2]



BUSINESS	OWNERSHIP[3]	LAUNCH	AIRCRAFT
1 Jetstar Australia	100%	2004	50 x A320s/A321s
2 Jetstar International	100%	2006	11 x B787s
3 Jetstar New Zealand[4]	100%	2009	9 x A320s 5 x Q300s
4 Jetstar Asia (Singapore)	49%	2004	18 x A320s
5 Jetstar Japan	33%	2012	20 x A320s
6 Jetstar Pacific (Vietnam)[5]	30%	2008	14 x A320s/A321s

1. Including Jetstar Asia, Jetstar Pacific and Jetstar Japan. 2. Includes total revenue for the Jetstar Group including consolidated revenue, Jetstar Japan and Jetstar Vietnam revenue translated into AUD. 3. Based on voting rights. 4. Includes Jetstar Trans-Tasman services commenced in 2005, Jetstar New Zealand (Domestic) services commenced in 2009, Jetstar New Zealand (Regional) services commenced in December 2015. 5. Jetstar Pacific rebranded in 2008.

Jetstar Domestic

- Earnings[1] up 62% to $242m, underpinned by brand strength and network scale
  - Unit revenue + 4%[2] led by strong first half performance
  - ‘Smart Retailing’ driving +3% growth in ancillary revenue[3]
- Continuing to leverage fleet size, network and frequency advantage over LCC[4] competitor
  - 2 x A321 leased aircraft entering service in 2H17
- Dual brand co-ordination with Qantas Domestic matching low fares demand with the Jetstar brand and product
- Innovative service and sales investment underway
  - New digital platform on Jetstar.com
  - Full self-service Melbourne Terminal Four opened in November 2015; automated bag drop
  - Roll out of customer service training program

Jetstar Domestic		FY16	FY15	VLY %
ASKs	M	18,660	18,215	2.4
RPKs	M	15,565	15,042	3.5
Passengers	‘000	13,267	12,859	3.2
Seat factor	%	83.4	82.6	0.8pts
Destinations	No.	19	19	-

INVESTING IN FREQUENCY GROWTH, CUSTOMER AND TECHNOLOGY TO EXTEND LEADING LOW FARES POSITION

1. Based on Underlying EBIT. 2. Ticketed passenger revenue per available seat kilometre compared to FY15. 3. Ancillary revenue per passenger compared to FY15. 4. Low Cost Carrier.

Jetstar International (Australia outbound and New Zealand)

- Strong improvement in earnings[1] with unit cost reduction and strategic growth into core markets
  - Complete B787-8 widebody fleet with 7% increase in seats
  - Ultra-efficient fleet contributing to 10% ex-fuel unit cost improvement[2]
- Long-haul business focused on Asia Pacific markets where Jetstar is strategically advantaged
  - Outbound leisure markets where Jetstar is lowest cost operator
  - Brand strength in large price-sensitive inbound markets
  - Linking Australia with Jetstar bases in Asia to leverage and further strengthen the brand across region
- New Zealand regional operations commenced in December 2015, early performance exceeding business case expectations

Jetstar International (excl. Jetstar Asia & Jetstar New Zealand)		FY16	FY15	VLY %
ASKs	M	20,104	18,317	9.8
RPKs	M	16,105	14,322	12
Passengers	‘000	3,640	3,274	11
Seat factor	%	80.1	78.2	1.9pts
Destinations	No.	23	20	3

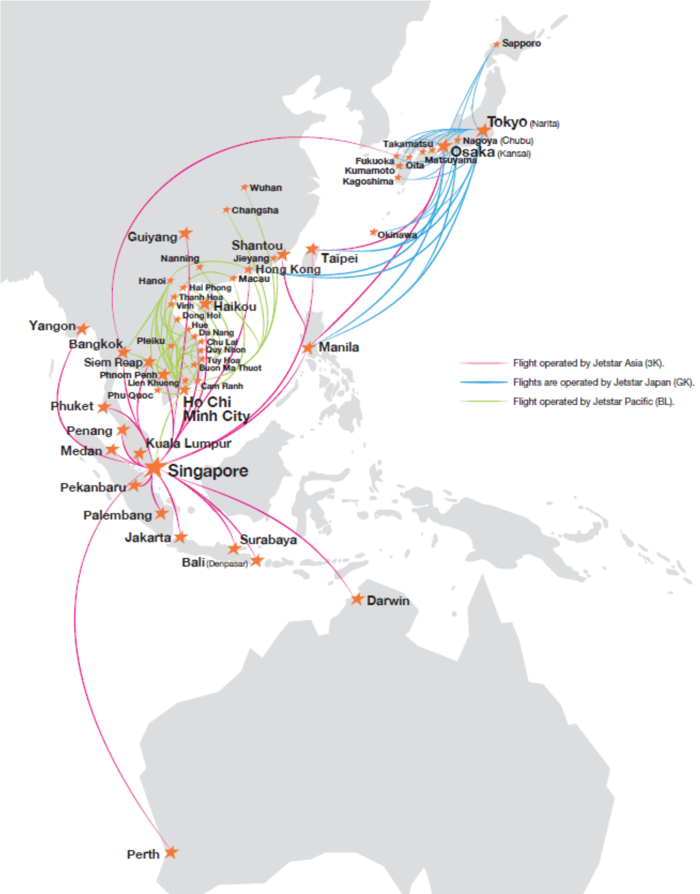
Jetstar New Zealand (incl. Domestic and Regional)		FY16	FY15	VLY %
ASKs	M	1,606	1,423	13
RPKs	M	1,312	1,139	15
Passengers	‘000	2,117	1,746	21
Seat factor	%	81.7	80.0	1.7pts
Destinations	No.	9	5	4

NEW B787-8 FLEET CONTRIBUTING TO 10% EX-FUEL UNIT COST IMPROVEMENT[2]

1. Underlying EBIT. 2.Controllable unit cost improvement on the B787-8 fleet.

Jetstar Airlines in Asia[1]

- Earnings[2] improvement of $85m underpinned by growing scale
- First full-year profit[2] for Jetstar Japan, largest Japanese LCC in market[3]
  - International expansion, benefits of scale from maturing business
- Increased profit[2] for Jetstar Asia (Singapore)
  - Launched four new destinations including charters into China
  - Total unit cost reduction offsetting competitive revenue environment
- Jetstar Pacific earnings[2] lower with high market capacity growth in Vietnam
- Strong customer advocacy across the portfolio[4]
- Successfully leveraging dual brand, focusing on key customer segments
  - Increase in codeshare partners to eight
  - Partnerships with full service airlines including Emirates, Japan Airlines



WELL POSITIONED FOR SUCCESS IN THE FASTEST GROWING PASSENGER MARKET IN THE WORLD[5]

1. Jetstar Airlines in Asia includes Jetstar Asia (Singapore), Jetstar Japan and Jetstar Pacific. 2. Underlying EBIT. 3. Based on RPKs of low cost carries including Jetstar Japan, Peach, Vanilla and Spring. Source: JCAB data April 2015 - March 2016.
4. Net Promoter Score for Jetstar Asia (Singapore) and Jetstar Japan. 5. Source: International Air Transport Association (IATA) 26 November 2016.

Overview of Qantas Loyalty Value Chain

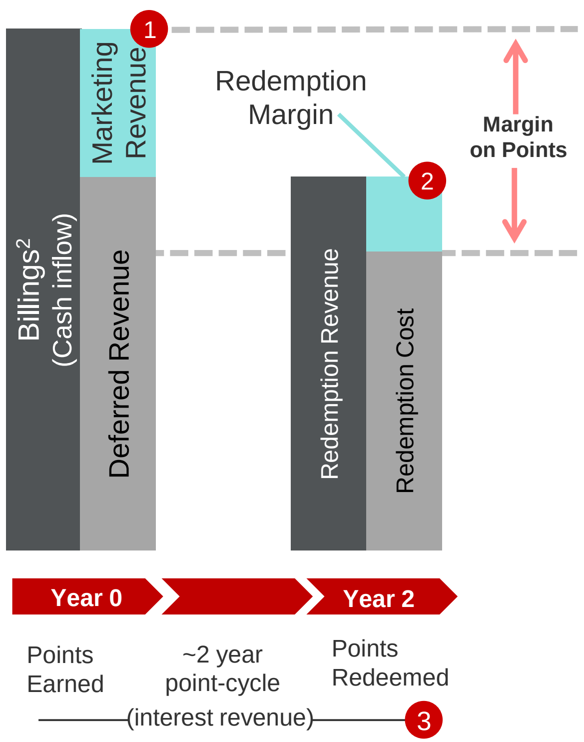
Business Model

Coalition Loyalty

Core earnings stream
(QFF[1] + Aquire)

Adjacent Businesses

Leveraging core to diversify & grow



4

Diversification	Qantas Assure
	Red Planet
Core Innovations	Taylor Fry
	Qantas Cash
	Qantas Golf
	Qantas epiQure
	Accumulate

Sources of Value

1. **Marketing Revenue:** percentage of price per point recognised upfront for the service Loyalty provides its Earn Partners. An allowance for breakage[3] is factored into the percentage.

2. **Redemption Margin:** the difference between redemption revenue and redemption cost.

   Redemption Revenue: recognises the deferred value of the award (price per point less marketing revenue) at time of redemption.

   Redemption Cost: recognises the cost of the award at the time of redemption.

3. **Working Capital:** interest income on the cash held.

4. **Other Revenue:** Income from adjacent businesses, breakout growth and core innovations.

1. Qantas Frequent Flyer. 2. External plus internal Billings. 3. Breakage is recognised at the time of points earn / issuance based on an estimated breakage rate. There is no further recognition of breakage at the time of points expiry. However, the actual rate of breakage is used to inform the estimated breakage rate for initial recognition.

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 24 August 2016, 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.

Not financial product advice

This Presentation is for information purposes only and is not financial product or investment advice or a recommendation to acquire Qantas shares and has been prepared without taking into account the objectives, financial situation or needs of individuals. Before making an investment decision prospective investors should consider the appropriateness of the information having regard to their own objectives, financial situation and needs and seek legal and taxation advice appropriate to their jurisdiction. Qantas is not licensed to provide financial product advice in respect of Qantas shares. Cooling off rights do not apply to the acquisition of Qantas shares.

Not tax advice

Tax implications for individual shareholders will depend on the circumstances of the particular shareholder. All shareholders should therefore seek their own professional advice in relation to their tax position. Neither Qantas nor any of its officers, employees or advisers assumes any liability or responsibility for advising shareholders about the tax consequences of the return of capital and/or share consolidation

Financial data

All dollar values are in Australian dollars (A$) and financial data is presented within the twelve months ended 30 June 2016 unless otherwise stated.

Future performance

Forward looking statements, opinions and estimates provided in this Presentation are based on assumptions and contingencies which are subject to change without notice, as are statements about market and industry trends, which are based on interpretations of current market conditions. Forward looking statements including projections, guidance on future earnings and estimates are provided as a general guide only and should not be relied upon as an indication or guarantee of future performance.

An investment in Qantas shares is subject to investment and other known and unknown risks, some of which are beyond the control of the Qantas Group, including possible delays in repayment and loss of income and principal invested. Qantas does not guarantee any particular rate of return or the performance of the Qantas Group nor does it guarantee the repayment of capital from Qantas or any particular tax treatment. Persons should have regard to the risks outlined in this Presentation.

No representation or warranty, express or implied, is made as to the fairness, accuracy, completeness or correctness of the information, opinions and conclusions contained in this Presentation. To the maximum extent permitted by law, none of Qantas, its directors, employees or agents, nor any other person accepts any liability, including, without limitation, any liability arising out of fault or negligence, for any loss arising from the use of the information contained in this Presentation. In particular, no representation or warranty, express or implied is given as to the accuracy, completeness or correctness, likelihood of achievement or reasonableness of any forecasts, prospects or returns contained in this Presentation nor is any obligation assumed to update such information. Such forecasts, prospects or returns are by their nature subject to significant uncertainties and contingencies. Before making an investment decision, you should consider, with or without the assistance of a financial adviser, whether an investment is appropriate in light of your particular investment needs, objectives and financial circumstances.

Past performance

Past performance information given in this Presentation is given for illustrative purposes only and should not be relied upon as (and is not) an indication of future performance.

Not an offer

This Presentation is not, and should not be considered, an offer or an invitation to acquire Qantas shares or any other financial products.

ASIC GUIDANCE

In December 2011 ASIC issued Regulatory Guide 230. To comply with this Guide, Qantas is required to make a clear statement about whether information disclosed in documents other than the financial report has been audited or reviewed in accordance with Australian Auditing Standards. In line with previous years, this Presentation is unaudited. Notwithstanding this, the Presentation contains disclosures which are extracted or derived from the Consolidated Financial Report for the year ended 30 June 2016 which is being audited by the Group's Independent Auditor and is expected to be made available in September 2016.