



Qantas Airways Limited

FY15 Results

Supplementary Slides

20 August 2015

Group Performance



Underlying Income Statement Summary



\$M	FY15	FY14	VLY ² %	
Net passenger revenue	13,667	13,242	3.2	Improved yields and loads driven by network optimisation and capacity moderation in domestic and international markets
Net freight revenue	936	955	(2.0)	Reduced freighter capacity following the removal of one B747 freighter aircraft in January 2014
Other revenue	1,213	1,155	5.0	Increased code share commissions and Frequent Flyer billings
Revenue	15,816	15,352	3.0	
Operating expenses (excluding fuel)	9,093	9,354	2.8	Cost base inflation more than offset by benefits delivered through Qantas Transformation
Fuel	3,899	4,496	13	Effective AUD fuel price drop ³ of 12% and \$136m benefit from fuel Qantas Transformation initiatives ⁴
Depreciation and amortisation	1,096	1,422	23	Accelerated retirement of aircraft including B767 and B734 and benefit from Qantas International Fleet write-down (\$195m)
Non-cancellable aircraft operating lease rentals	495	520	4.8	Reduction in leased aircraft offset by impact of weakening AUD on USD lease expense
Underlying EBIT	1,233	(440)	>100	
Net finance costs	(258)	(206)	(25)	Extension of debt maturity profile , downgrade to Ba2/BB+ and less capitalised interest
Underlying PBT¹	975	(646)	>100	
Return on Invested Capital (%)	16	(1.5)	>100	

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. All line items in the FY15 Results Supplementary Presentation are reported on an Underlying basis. Refer to Supplementary Slide 5 for a reconciliation of Underlying to Statutory PBT. 2. Variance to last year. 3. Net price movements after hedging. 4. Includes reduction in consumption from fuel efficiency and reduction in into-plane costs following transformation initiatives.

Other Items Not Included in Underlying PBT¹



\$M	FY15	FY14	
AASB 9 mark-to-market movements relating to other reporting periods	39	(72)	
Redundancies, restructuring and other transformation costs	80	428	Reduction in redundancy and restructuring costs relating to workforce changes as part of the Qantas Transformation program
Impairment of Qantas International CGU ²	-	2,560	
Fleet restructuring costs	4	394	
Net gain on sale of investments	(11)	(62)	Gain on sale of Tour East in December 2014
Net impairment of investments	19	50	Impairment of investment in Helloworld Limited
Write-off of Jetstar Hong Kong Business	21	-	
B787-8 introduction costs	-	14	
Other	34	18	
Total items not included in Underlying PBT	186	3,330	

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 major transformational/restructuring initiatives, transactions involving investments and impairments of assets outside the ordinary course of business. 2. Cash Generating Unit.

Reconciliation to Statutory PBT



\$M	FY15				FY14			
	Underlying ¹	Ineffectiveness relating to other reporting periods	Other items not included in Underlying PBT	Statutory	Underlying ¹	Ineffectiveness relating to other reporting periods	Other items not included in Underlying PBT	Statutory
Net passenger revenue	13,667	-	-	13,667	13,242	-	-	13,242
Net freight revenue	936	-	-	936	955	-	-	955
Other revenue	1,213	-	-	1,213	1,155	-	-	1,155
Revenue	15,816	-	-	15,816	15,352	-	-	15,352
Operating expenses (excl fuel)	9,093	-	147	9,240	9,354	(35)	842	10,161
Fuel	3,899	38	-	3,937	4,496	(35)	-	4,461
Depreciation and amortisation	1,096	-	-	1,096	1,422	-	-	1,422
Non-cancellable aircraft operating lease rentals	495	-	-	495	520	-	-	520
Impairment of Qantas International CGU	-	-	-	-	-	-	2,560	2,560
Expenses	14,583	38	147	14,768	15,792	(70)	3,402	19,124
EBIT	1,233	(38)	(147)	1,048	(440)	70	(3,402)	(3,772)
Net finance costs	(258)	(1)	-	(259)	(206)	2	-	(204)
PBT	975	(39)	(147)	789	(646)	72	(3,402)	(3,976)

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.



■ Net passenger revenue up 3%

- Group yield (excluding FX) up 1% and load improvement of 1.7 pts driven by network optimisation and moderation in market capacity

■ Net freight revenue down 2%

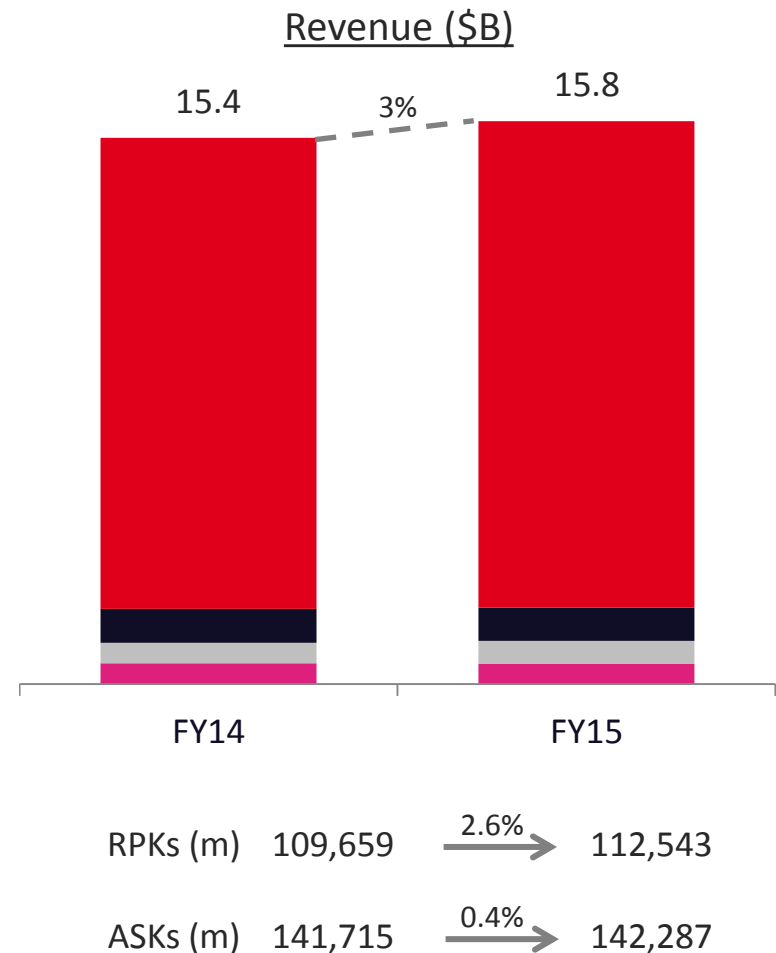
- Reduction in freighter aircraft

■ Frequent flyer redemption, marketing, store and other revenue up 10%

- Increased revenue from Qantas Cash
- 5% growth in billings and 2% increase in awards redeemed
- 7% membership growth

■ Revenue from other sources flat

- Sale of Qantas Defence Services (QDS) in February 2014
- Reduced third party catering and ground handling
- Offset by increased code share commissions revenue





Fuel costs down 13%

- 12% reduction in effective AUD fuel price¹
- Improvement in fuel efficiency from Qantas Transformation fuel initiatives

Manpower and staff-related down 4%

- 4,000 FTE reduction (since January 2014) as part of the accelerated Qantas Transformation program
- Early benefits from workplace agreements with 18-month wages freeze in place

Aircraft operating variable costs down 3%

- Qantas Transformation initiatives
- Carbon tax repeal \$116m
- Increase in activity

Depreciation and amortisation costs down 23%

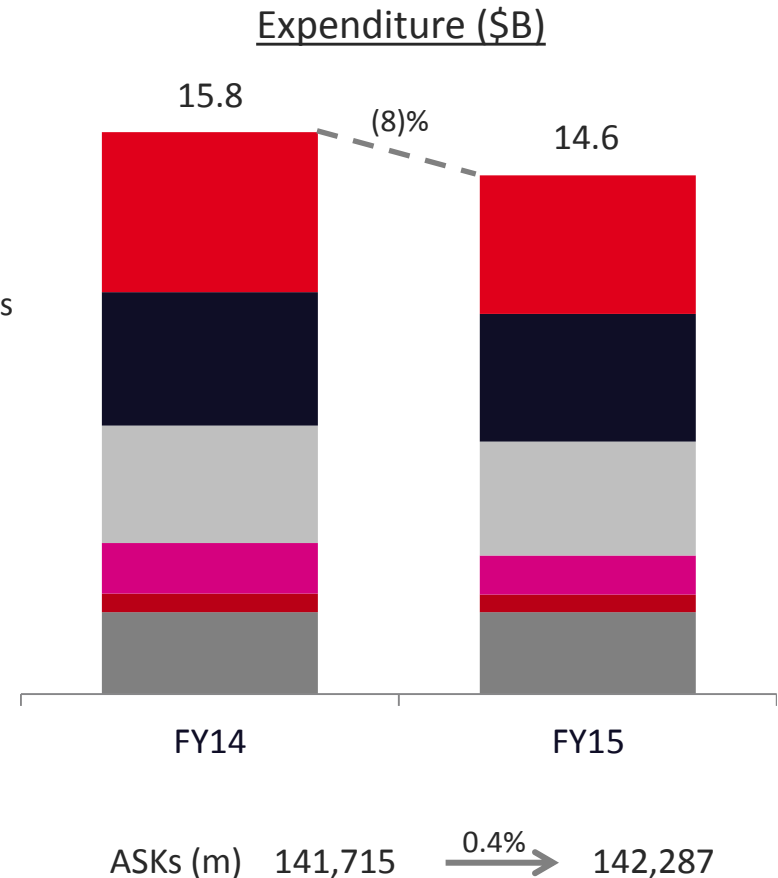
- FY14 Qantas International non-cash fleet impairment
- February 2014 fleet restructure and other fleet retirements

Lease rental expense down 5%

- Reduction in leased aircraft
- Favourable lease extensions offset by unfavourable FX impact

Other expenditure flat

- Qantas Transformation initiatives
- Improvement in Jetstar branded airline performance



Cash Flow and Debt Position



\$M	FY15	FY14	VLY %
Underlying EBITDA ¹	2,329	982	>100
Non-cash items and working capital movements	163	450	(64)
Cash generated from operations	2,492	1,432	74
Other operating cash flows ²	(444)	(363)	(22)
Investing cash flows	(944)	(1,069)	12
Net free cash flow (Net operating and investing)	1,104	-	>100
Financing cash flows	(1,218)	173	>(100)
Net change in cash held	(114)	173	>(100)
Effects of FX on cash	21	(1)	>100
Cash at end of period	2,908	3,001	(3.1)

- \$1,060m increase in cash generated from operations
- Net cash capital expenditure \$944m vs \$0.9b guidance
- \$1,104m net free cash flow
- \$1b net debt³ reduction in FY15, \$1.1b cumulative reduction since FY13
- Achieved target >\$1b debt reduction by FY15

Performance Against Financial Framework



\$M	FY15	FY14
1. Optimal Capital Structure		
FFO ¹ /net debt (S&P) ²	46%	17%
Debt/Adjusted EBITDA (Moody's) ³	2.9	5.1
2. ROIC performance		
ROIC EBIT	\$1,476m	\$(193)m
ROIC	16%	(1.5)%
3. Disciplined capital investment		
Invested Capital	\$8.7b	\$9.4b

Profit turnaround; EBITDA up \$1.3b
FFO¹ up \$1.4b
\$1b debt reduction completed in FY15

Transformation benefits of \$894m
Improved yields and loads
Benefit from lower AUD fuel prices

FY14 Qantas International fleet impairment and disciplined capital expenditure to achieve optimal capital structure

	FY15	FY14
Total shareholder returns ⁴	151%	(6.7)%
Earnings per share	25.4c	(128.5)c

Best performing stock in ASX100 and best performing global airline⁵ in FY15

Invested Capital Calculation



Invested Capital (\$M)	FY15	FY14
Receivables (current and non-current)	1,093	1,354
Inventories	322	317
Other assets (current and non-current)	424	374
Investments accounted for using the equity method	134	143
Property, plant and equipment	10,715	10,500
Intangible assets	803	741
Assets classified as held for sale	136	134
Payables	(1,881)	(1,851)
Provisions (current and non-current)	(1,213)	(1,281)
Revenue received in advance (current and non-current)	(4,943)	(4,589)
Capitalised operating leased assets ¹	3,100	3,553
Invested Capital as at 30 June	8,690	9,395
Average Invested Capital for the year ended 30 June²	9,091	13,004

Capitalised leased assets measured at the fair value at lease commencement (translated into AUD) with residual value and useful economic lives equivalent to owned aircraft

1. Capitalised operating lease aircraft are initially recognised at fair value. Subsequently remeasured as per a finance lease. 2. Equal to the 12 month average of monthly Invested Capital.

Net Debt Reconciliation



Net Debt Calculation- Previous Methodology (\$M)	FY15	FY14	FY13 ¹
Interest bearing liabilities	5,562	6,483	6,080
Cash and cash equivalents	(2,908)	(3,001)	(2,829)
Aircraft security deposits	(36)	(34)	(21)
Fair value of hedges relating to debt	(60)	7	(4)
Net on balance sheet debt	2,558	3,455	3,226
Present value of operating lease obligations	1,184	1,296	1,621
Total net debt	3,742	4,751	4,847

Net Debt Calculation- New Methodology (\$M)	FY15	FY14	FY13 ¹
Interest bearing liabilities	5,562	6,483	6,080
Cash and cash equivalents	(2,908)	(3,001)	(2,829)
Aircraft security deposits	(36)	(34)	(21)
Fair value of hedges relating to debt	(60)	7	(4)
Net on balance sheet debt	2,558	3,455	3,226
Capitalised operating lease liability	3,748	3,888	4,058
Total net debt	6,306	7,343	7,284

Lease debt for purpose of calculating optimal capital structure. Capitalised operating lease liability is measured akin to a finance lease.

1. Restatement for the impact of revised AASB 119 relating to defined benefit superannuation plans.

Continuing Unit Cost Improvement

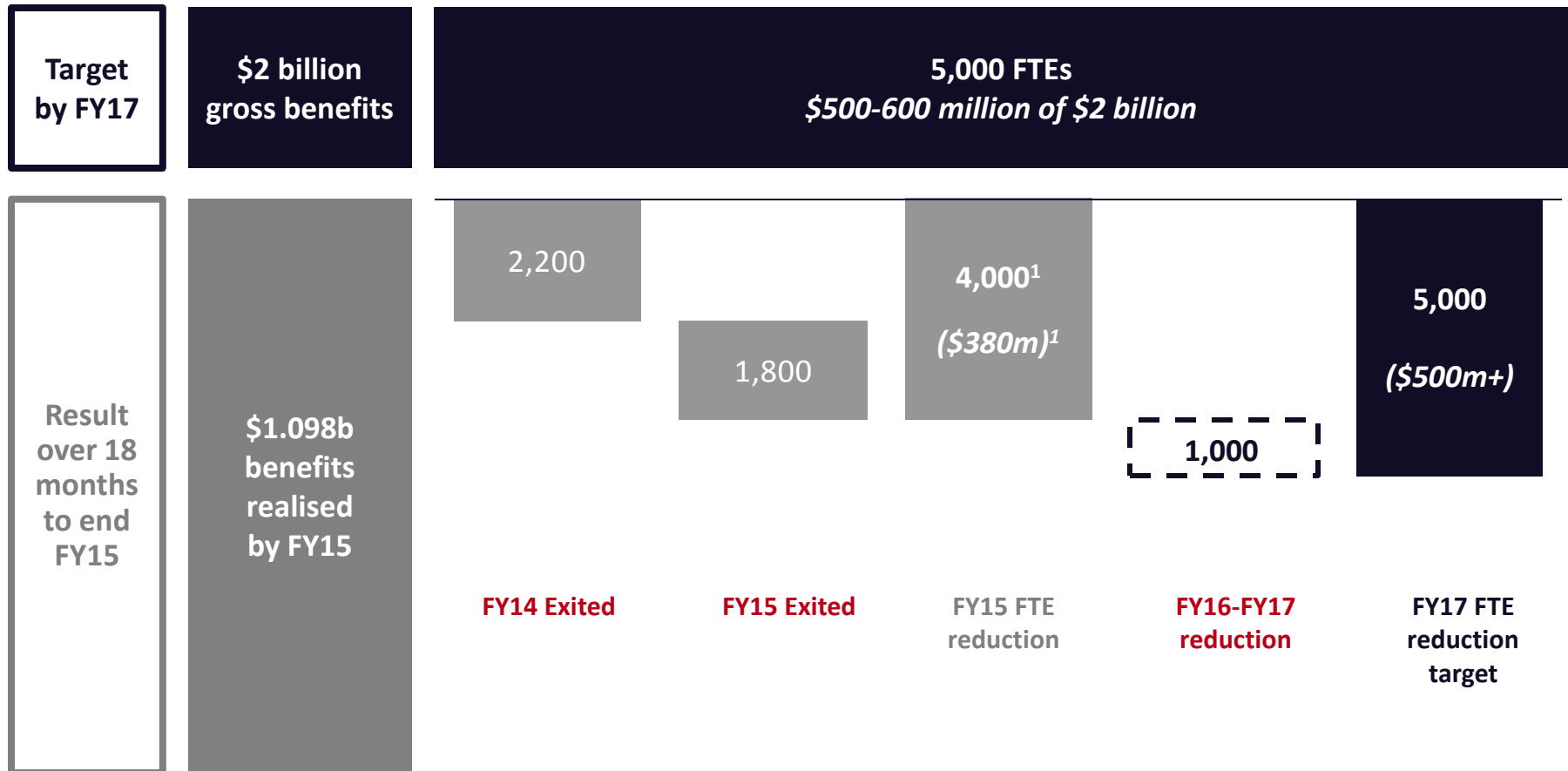


- Comparable unit cost¹ improvement of 5.1%

C/ASK	FY15	FY14	VLY %
Unit Cost²	7.54	8.35	↓ 9.7
Excluding:			
• Fuel	(2.74)	(3.17)	
Net Underlying Unit Cost³	4.80	5.18	↓ 7.3
• Qantas International fleet write-down		(0.14)	
• Impact of changes in the discount rate	0.01	(0.02)	
• Change in FX rates		0.08	
• Share of net loss of investments accounted for under the equity method	(0.02)	(0.05)	
Comparable Unit Cost¹	4.79	5.05	↓ 5.1

1. If adjusted for the impact of movements in average sector length, comparable unit cost improvement is 4.2%. If further adjusted for the impact of the carbon tax repeal, comparable unit cost improvement is 2.6%. The 5.1% improvement in comparable unit cost is calculated as Underlying PBT less passenger revenue and fuel, adjusted for the impact of the Qantas International fleet write-down, changes in discount rates, changes in foreign exchange rates and share of net loss of investments accounted for under the equity method per ASK. 2. Based on Underlying PBT less ticketed passenger revenue per ASK. 3. Net Underlying unit cost is calculated as underlying PBT less ticketed passenger revenue and fuel per ASK.

Continued Delivery of Business Transformation



1. Achieved by June 2015 (further benefits from the 4,000 will track into FY16).

Group Operational Information



Fleet at 30 June 2015



Aircraft Type	FY15	FY14	Change
A380-800	12	12	-
B747-400	6	7	(1)
B747-400ER	6	6	-
A330-200	17 ¹	13	4
A330-300	10	10	-
B767-300ER	-	13	(13)
B737-800NG	75	70	5
Total Qantas	126	131	(5)
A320-200	71	73	(2) ²
A321-200	6	6	-
A330-200	3	7	(4)
B787-8	8	4	4
Total Jetstar³	88	90	(2)
B717-200	18	18	-
Q200/Q300	18	19	(1)
Q400	31	30	1
Total QantasLink	67	67	-
EMB120	-	3	(3)
F100	13	12	1
Total Network Aviation	13	15	(2)
B737-300SF	4	4	-
B767-300SF	1	1	-
Total Freight⁴	5	5	-
Total Group	299	308	(9)

- Net reduction of 9 aircraft during FY15
 - 12 aircraft deliveries⁵:
5 x B737-800, 4 x B787-8, 1 x Q400, 1 x A320-200², 1 x F100
 - 18 aircraft retired:
13 x B767-300, 3 x EMB120, 1 x B747-400, 1 x Q300⁶
 - 3 lease returns:
3 x A320-200 (Jetstar)
 - 4 x A332s transferred from Jetstar to Qantas Domestic
- Net addition of at least 3 aircraft during FY16
 - 6 aircraft deliveries:
2 x B717-200, 3 x B787-8, 1 x F100
 - Reduction of up to 3 aircraft:
1 x B747-400, 2 x A330-200¹
 - Last 3 x A332s transfer from Jetstar to Qantas Domestic

1. 1 x A330-200 out of service in May 2015, due for return to Lessor July 2015. 2. 1 x A320 was subleased from Jetstar Japan to Jetstar. 3. Includes Jetstar Asia fleet (18 x A320), excludes Jetstar Pacific, Jetstar Japan and Jetstar Hong Kong. 4. Qantas Group wet leases 2 x B747-400 freighter aircraft and 3 x BAe146 freighter aircraft (not included in the table). 5. Includes purchased and leased aircraft. 6. 1 x Q300 was held for sale.

Segments





- Qantas Domestic has the flexibility to adapt to changing market conditions, resources slow down
- Spread of gauges to increase and decrease capacity across routes as demand changes
 - 3 x turboprops (Q200/Q300/Q400)
 - 2 x regional Jets (B717/F100)
 - 1 x narrowbody (B737), 1 x widebody (A330)
- Operational excellence gives flexibility to operate in RPT¹ or charter environment
- Flexibility allowed capacity to match demand in FY15
 - Down-gauge from B737 to B717 on HBA and CBR²
 - Down-gauge from B717 to F100 on Intra-WA³
 - Up-gauge from Q300 to Q400 on Intra-QLD⁴
 - 5 new routes introduced in FY15 (SYD-HTI, MEL-HTI, BNE-HTI, ADL-WYA, SYD-WTB⁵)

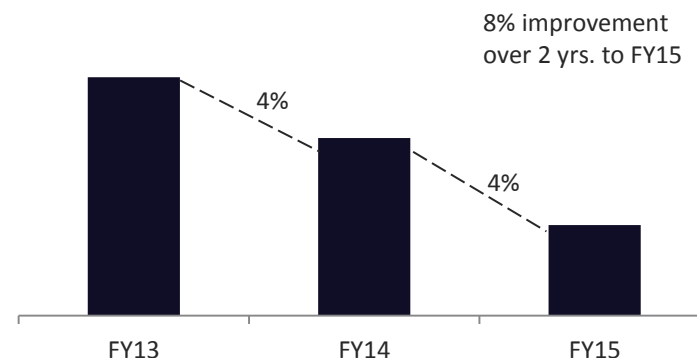
		FY15	FY14	VLY %
ASKs	M	36,638	37,824	(3.1)
RPKs	M	27,180	27,715	(1.9)
Passengers	'000	21,493	21,818	(1.5)
Seat factor	%	74.2	73.3	0.9pts
OTP ⁶	%	88.3	87.6	0.7pts



- RASK¹ recovery as market adjusts after five years of above-trend market capacity growth
 - Dynamic scheduling initiatives to actively match capacity with demand, more seasonal flying
 - Fare family revisions to increase yield
- Transformation benefits from implemented initiatives
 - Re-time of London A380, improving European connectivity and releasing aircraft for SYD-DFW² up-gauge
 - 4% overall improvement in fleet utilisation³
- Further extensions to partnership network – total QF code destinations increasing to 214⁴ from 204 at 1H15
 - Expanded partnerships with American Airlines⁵, WestJet, Bangkok Airways and China Airlines
- Continued investment in service and product delivered 39% improvement in NPS⁶ since FY12

		FY15	FY14	VLV %
ASKs	M	59,263	59,173	0.2
RPKs	M	48,299	47,112	2.5
Passengers	'000	5,843	5,837	0.1
Seat factor	%	81.5	79.6	1.9pts

Comparable Unit Costs⁷



1. Calculated as passenger revenue per ASK inclusive of transformation benefits and foreign exchange movements. 2. Sydney-Dallas Fort Worth. 3. Aircraft utilisation calculated as average block hours per aircraft compared to FY14. 4. Based on destinations available as at 30 June 2015. 5. Subject to regulatory approval. 6. Net Promoter Score, based on Qantas Internal Reporting. 7. Comparable unit cost is calculated as Underlying EBIT less passenger revenue and fuel, adjusted for the impact of the Qantas International fleet write-down (FY15), changes in discount rates (FY15), changes in foreign exchange rates, changes in block codeshare agreements (FY15), Boeing settlement (FY14), the change in accounting estimate for passenger revenue received in advance (FY14) and movements in average sector length per ASK.



AMERICAN AIRLINES

- Significant expansion of alliance with American Airlines (AA) announced on 10 June 2015¹
- Revenue sharing agreement
- Reintroduction of Qantas services to SFO² from December 2015, the top onward destination for corporate customers flying to the US³
- AA to commence LAX-SYD⁴ services with three-class B777-300ER
- Deeper alliance provides platform for further growth, closer commercial ties, more seamless customer experience on routes between North America and Australia/New Zealand

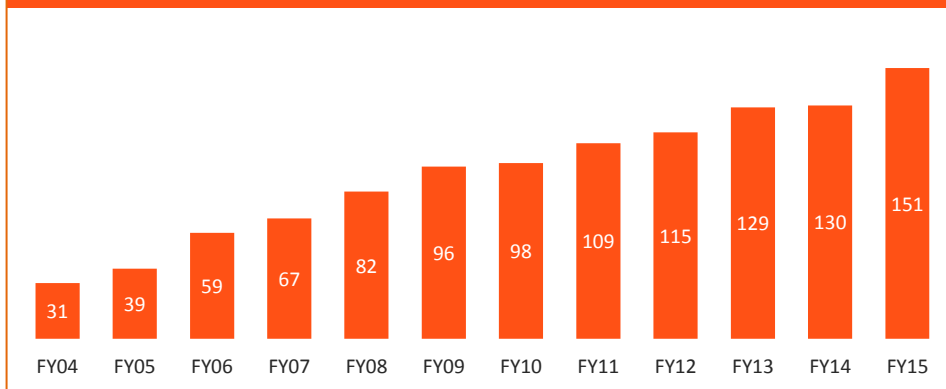
EMIRATES

- Premier one-stop customer proposition to Europe, Middle East and Northern Africa:
 - 91 weekly Qantas and Emirates flights from Australia
 - Offering more than 70 Qantas codeshare destinations
- Delivering Group-wide financial benefits:
 - RASK improvement as partnership matures⁵
 - Redeployment of capital from continental Europe to stronger markets
 - Qantas Frequent Flyer's benefit from joint network
 - Code share with Jetstar airlines in Asia

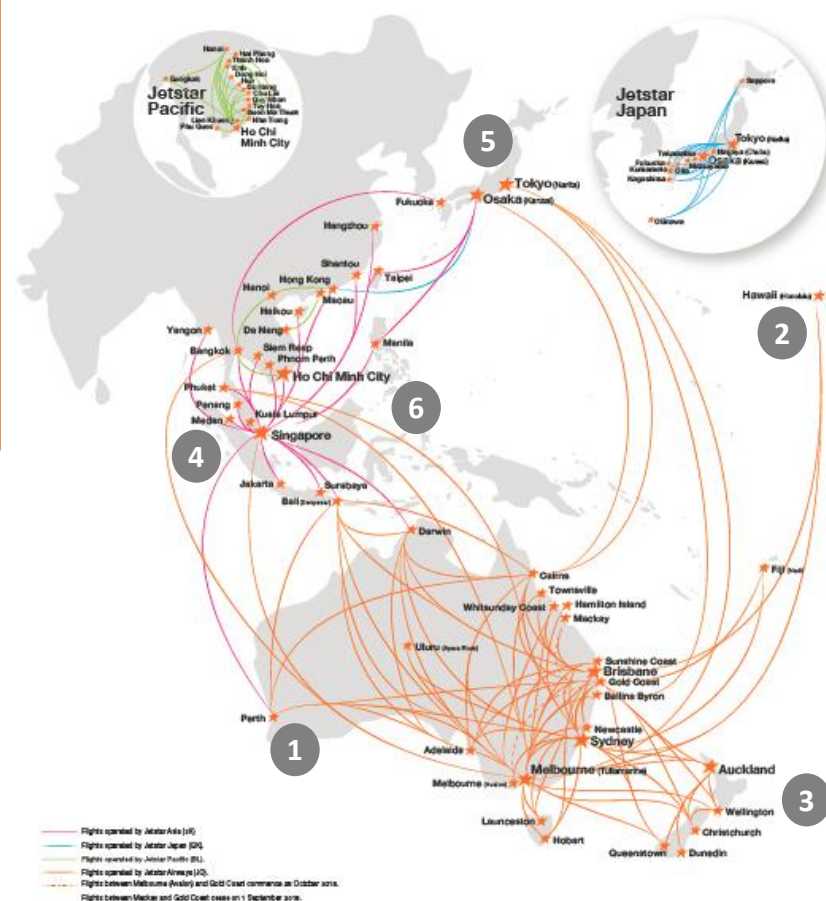
Growing Jetstar Footprint



JETSTAR GROUP – GROWING NETWORK OF ROUTES¹



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



Jetstar
Route Map as at 30 June 2015

1. Including Jetstar Asia, Jetstar Pacific and Jetstar Japan. 2. As at 30 June 2015, based on voting rights. 3. 11 x B787-8s by end of September 2015. 4. Jetstar Trans Tasman services commenced in 2005, Jetstar New Zealand (Domestic) services commenced in 2009. 5. Jetstar Pacific rebranded in 2008.



- Continued cost transformation and yield recovery
 - 6% RASK¹ increase, maintained premium to Tigerair
 - Unit cost advantage maintained
 - Asset utilisation increased 3%²
- Leveraging network and frequency advantage
 - 4 x larger fleet than LCC competitor³
 - Frequency advantage in every domestic port
- Enhanced dual brand co-ordination unlocking significant value for Qantas Group
- Continued innovation to enhance customer experience and lower operating costs
 - Automated bag drop
 - Move to new Melbourne Terminal 4 from November 2015
 - Next-gen online retailing and boarding technology to be completed 2H16
 - Next-gen mobile platform launched, further enhancements in FY16
- Awarded best LCC in Australia/Pacific, top 5 LCC worldwide⁴

Jetstar Domestic		FY15	FY14	VLV %
ASKs	M	18,215	17,885	1.8
RPKs	M	15,042	14,584	3.1
Passengers	'000	12,859	12,296	4.6
Seat factor	%	82.6	81.5	1.1pts
OTP ⁵	%	82.0	78.8	3.2pts



- Record earnings performance in FY15¹
 - Transition from A330 to B787-8 driving cost reduction and enhanced customer experience, complete September 2015
 - Network restructure has built scale around major leisure destinations in Asia-Pacific (Bali, Japan and Hawaii)
 - Continued focus on aligning network to customer demand
- Domestic New Zealand profitable¹, positive results across key metrics
 - Continued RASK² improvement
 - Record New Zealand NPS result³
 - Strong brand recognition following multi-year campaign
- Announced New Zealand regional operations, launch 1H16⁴

Jetstar International (excl. Jetstar Asia & New Zealand Domestic)		FY15	FY14	VLV %
ASKs	M	18,317	17,514	4.6
RPKs	M	14,322	12,930	11
Passengers	'000	3,274	3,126	4.7
Seat factor	%	78.2	73.8	4.4pts

New Zealand Domestic		FY15	FY14	VLV %
ASKs	M	1,423	1,424	(0.1)
RPKs	M	1,139	1,130	0.8
Passengers	'000	1,746	1,724	1.3
Seat factor	%	80.0	79.3	0.7pts



- Return to profit¹ despite challenging market conditions
 - 2% RASK² improvement, maintained premium to Tigerair
 - 6% controllable unit cost improvement³
- Increased network connectivity, leveraging scale of brand
 - Growth of interline partnerships from 21 to 25
 - SriLankan added as codeshare partner in FY15; two partners planned FY16
- New destinations announced for FY16: Palembang, Pekanbaru and Da Nang
- Market capacity starting to increase with lower fuel prices, uncertain RASK outlook
- Continue to strengthen brand and customer experience innovation
 - Mobile boarding pass, check-in kiosks, automated bag-drop
 - Straight to Gate now at eight overseas airports
 - Top LCC in 2014 Customer Satisfaction Index of Singapore⁴
 - AsiaOne People's Choice Award for best LCC third year running⁵

Jetstar Asia		FY15	FY14	VLY %
ASKs	M	8,431	7,894	6.8
RPKs	M	6,562	6,188	6.0
Passengers	'000	3,966	3,975	(0.2)
Seat factor	%	77.8	78.4	(0.6)pts





- Significantly improved financial performance amid weaker JPY and aggressive competitor activity
 - RASK¹ up 5% on 38% capacity growth
 - Ancillary revenue up 14%²
 - Controllable unit cost³ improvement
- Largest⁴ Japanese LCC with 20 aircraft, 60% market share
 - 10 million passengers⁵ after three years of operation
 - Further international expansion planned in FY16
 - Innovative brand, distribution and LCC product
 - Strong customer advocacy⁶
- Significant growth potential remains with LCC share of total market 8%⁷
- Up to JPY 5b (AUD \$55m⁸) equity injection each by Qantas Group and JAL⁹ to support expanded international operations and maintain market-leading domestic position
 - Qantas Group to remain a minority shareholder with 33% voting rights and 47.7% economic share, in line with JAL¹⁰

Jetstar Japan		FY15	FY14	VL %
ASKs	M	5,179	3,759	38
RPKs	M	3,932	2,894	36
Passengers	'000	4,517	3,308	37
Seat factor	%	75.9	77.0	(1.1)pts



1. RASK calculated as underlying passenger revenue (in local currency) per ASK. 2. Based on ancillary revenue per passenger (in local currency). Calculated as ancillary revenue excluding variable costs, management and branding fee revenue. 3. Controllable unit cost is calculated as total Underlying expenses excluding fuel, adjusted for change in foreign exchange rates movements in average sector length (in local currency) per ASK. 4. Based on ASKs of low cost carriers JJP, APJ, WAJ, SJO. Source: MLIT Report, April 2014-March 2015 period. 5. As at 31 July 2015. 6. Based on NPS. Source: Forethought Customer Advocacy Research to June 2015. 7. Based on passengers carried April 2014-March 2015. Source: Diio Mii. 8. As at 19 August 2015. 9. Japan Airlines. 10. Post equity injection.



- Business profitable¹ for 2H15 in tough market conditions
 - Continued cost discipline
 - Benefit of scale, increasing fleet from 7 to 11
 - Domestic yield pressure driven by intense market capacity growth of 20%²
- International flying introduced to Singapore, Thailand, Macau³
- Continued focus on network connectivity and dual brand coordination with Vietnam Airlines
- Challenges remain in aggressive competitive environment with oversupply of market capacity
 - Domestic yields remain under pressure

Jetstar Pacific		FY15	FY14	VLV %
ASKs	M	2,787	2,152	30
RPKs	M	2,425	1,925	26
Passengers	'000	2,939	2,185	35
Seat factor	%	87.0	89.5	(2.5)pts



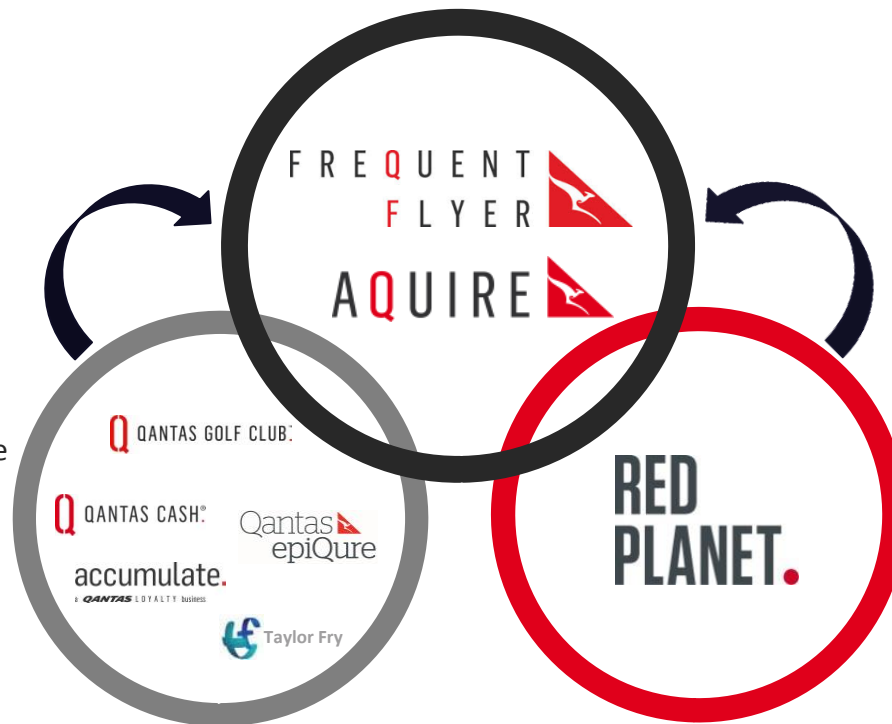


COALITION LOYALTY

- Upgrade redemptions to premium cabins on Qantas services – double digit growth
- Activity with 35+ airline partners, including Emirates and oneworld affiliates – up 6%
- Points redeemed on non-flight rewards, including the Qantas Store – up 12%
- Over 67,000 SME members in Aquire program, with 24 program partners¹

CORE INNOVATIONS

- Qantas Cash recognised for innovation – wins second Canstar 5 Star rating
- Qantas epiQure member base grew by 57%² and wine sales by 43%²
- Taylor Fry acquisition adds another pillar to analytics potential and new adjacent revenue stream



BREAK-OUT GROWTH

- Red Planet profitable in first year of operations – external revenue growth; Qantas earnings uplift; innovative research panel established



- Integrated media, analytics and research services
- Directly and individually targets customers leveraging the unique strengths of Qantas Loyalty:
 - Unparalleled reach in market
 - Rich proprietary data from 27 years
 - Sophisticated customer-led capability

RED PLANET.



▷ Incremental revenue delivered over traditional marketing techniques since launch

21%

Uplift Results¹

Financial Services Case Study

▷ Digital campaign for major AU banking client delivering credit card customer **ACQUISITIONS** at a reduced cost

Cost per acquisition (CPA) \$ Goal



Over a 10 week period CPA \$

30%

better than target

Most hyper targeted segment

50%

better than target

Travel and Leisure Case Study

▷ Significantly increased **HOTEL BOOKINGS** by targeting two custom Red Planet segments

SEGMENT 1

Booking uplift

177%



SEGMENT 2

Booking uplift

47%





QANTAS ONLINE MALL



KURT GEIGER



peteralexander

LORNA JANE



L'OCCITANE



GLASSHOUSE
FRAGRANCES



AQUIRE

QANTAS FREQUENT FLYER



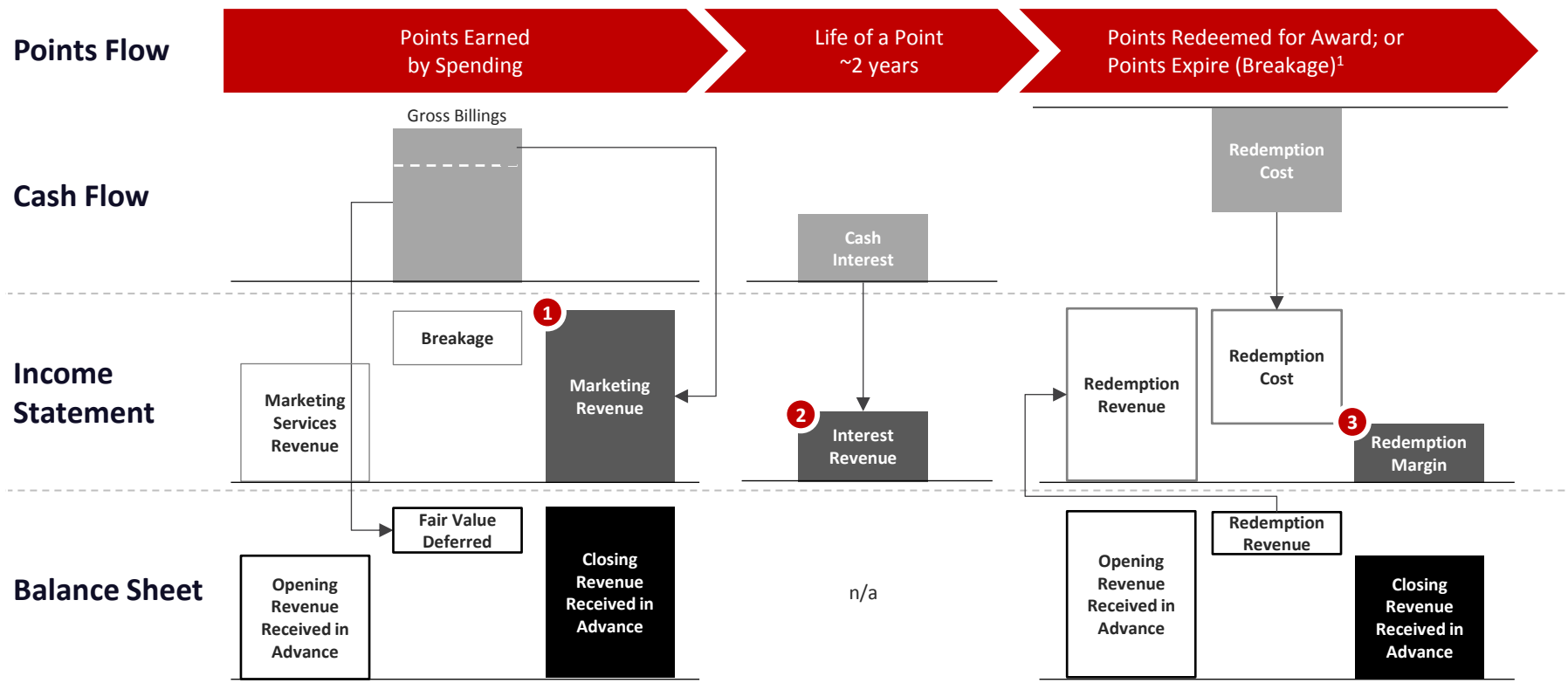
PACIFIC BRANDS



The West
Australian



Overview of Qantas Frequent Flyer Cash Flow and Accounting Treatment



Sources of Value

- 1 Marketing Revenue
- 2 Working Capital Benefit (interest income)
- 3 Redemption Margin

Note: above diagram highlights unique Qantas Frequent Flyer accounting items only. Diagram excludes other revenue (e.g. membership revenue) and operating costs below gross margin. 1. 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).

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