25 February 2021

ASX Market Announcements Office
Australian Securities Exchange Limited

Lodged electronically via ASX Online

Qantas Group HY21 Investor Presentations

Qantas Airways Limited attaches the following documents:

- Qantas Group HY21 Investor Presentation; and
- Qantas Group HY21 Investor Presentation – Supplementary.

Yours faithfully,

Andrew Finch
Group General Counsel and Company Secretary

Authorised for release by Qantas' Board of Directors.

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Qantas Airways Limited

1H21 Results

25 February 2021

ASX: QAN

US OTC: QABSY

1H21 overview

Protecting the Balance Sheet and positioning for the recovery

- 1H21 Underlying EBITDA[1] of $86m, Underlying Loss Before Tax (ULBT)[2] of ($1.0)b, Statutory Loss Before Tax of ($1.5)b, despite losing ~$7b[3] of Total Revenue
- Domestic airlines generated positive underlying cash flow[4] despite flying only ~30% of Pre-COVID levels[5]; international airlines largely grounded
- Record Freight profit[6] and cash flow performance supported by surging e-commerce trends and restricted belly space capacity
- Resilient Qantas Loyalty generated significant positive cash flow contribution

Financial resilience

- Maintained conservative liquidity settings for the restart and ramp up phase; increased committed undrawn facilities to $1.6b
- Net debt[7] of $6.05b, above the target range of $4.5-5.6b; prioritising debt reduction as recovery progresses
- Majority of outflows for deferred payables and refunds completed
- Disciplined capital expenditure skewed to first half ($514m of ~$750m for FY21)

Recovery plan on track

- On track to deliver $0.6b in structural cost benefits in FY21, $0.8b by FY22 and at least $1.0b in annual cost improvements from FY23 onwards
- Enhanced competitive position with ~70% domestic capacity share, leading premium service and low cost carriers, leading Loyalty program and significant structural changes to the cost base

Maintained strong liquidity despite challenging operating environment

1. Earnings before interest, tax, depreciation and amortisation. 2. Underlying LBT is a non-statutory measure and is the primary reporting measure used by the 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 Qantas Group. All items in the 1H21 Results Presentation are reported on an Underlying basis, unless otherwise stated. For a reconciliation to Underlying LBT, please see slide 5 of the Supplementary Presentation. 3. Compared to 1H19 as a proxy for Pre-COVID performance. 4. Underlying operating cash flow calculated by excluding one-off cash outflows for restructuring, redundancies, refunds and deferred payables. 5. 1H19 Available seat kilometres. 6. Underlying EBITDA. 7. Net debt under the Group's Financial Framework includes net on Balance Sheet debt and capitalised aircraft lease liabilities. For a detailed calculation of the net debt target range, please see slide 11 in the Supplementary Presentation.

Recovery Plan launched, Balance Sheet repair to begin

Preserving liquidity - 2H20

- Acted swiftly to safely hibernate the business, cut costs and preserve liquidity
  - Boosted liquidity; maintained no financial covenants on debt and investment grade credit rating (Baa2)
  - Disciplined capital allocation[1]; deferred aircraft deliveries
  - Renegotiated supplier contracts, grounded the majority of the fleet, stood down ~25,000 employees
  - Improved travel credit conditions for customers; introduced 'Fly Well'
- Cut cash costs by ~75% in response to 82% fall in Group Total Revenue in 4Q20
- Changed Loyalty program to drive member engagement, including tier extension

Restructuring and Domestic restart - 1H21

- On track to deliver $0.6b of cost benefits in FY21, $0.8b by FY22 and at least $1.0b ongoing savings by FY23. Assessing further opportunities
- Maintained cash and cost discipline while retaining flexibility to respond to border changes
- Boosted liquidity; increased committed undrawn facilities to $1.6b, maintained investment grade credit rating
- Outflows for deferred payables and refunds substantially completed
- Restart of domestic operations to meet sharp increase in intakes as borders opened
- Expanded Loyalty program on-the-ground redemption options
- Conducted international repatriation flights and maintained vital freight routes

Domestic ramp up and International restart - 2021

- Well positioned to manage through bumpy domestic recovery
  - Strong liquidity; focus on reduction and variabilising of costs
  - Giving customers confidence to book through 'Fly Well' and 'Fly Flexible'
- Maintaining flexibility to respond to rapidly changing domestic border restrictions
  - Range of fleet types and gauges; flexible network and workforce planning
- Balance Sheet repair expected to begin in 4Q21
  - Qantas Loyalty returning to growth
  - Completion of Recovery Plan activities to deliver targeted savings
  - Highly leveraged to recovery in travel demand as vaccine roll out progresses
  - Planning for disciplined international passenger operations restart

1. Cancelled up to $150m off-market share buy back and interim dividend totalling $201m. Reduced capital expenditure by ~$400m.

Agile management of domestic network

Pre-COVID schedule development process

- **Structured** twice yearly **process** with periodic optimisation
- **Predictable** demand seasonality
- **353 days to sell** most flights
- **~20% capacity variation** between highest and lowest weeks across year[1]

Schedule development process during COVID-19

- **Demand unpredictable** and **unprecedented**
- **Traditional booking windows** and **lead times** have **evaporated**
- Border announcements result in **immediate spikes** in **demand** and/or **cancellations**
- Capacity variation between lowest and highest weeks[2] **is a factor of 18 times**

1 Transformed scheduling process

- **Pre-approved business cases** and **scenario plans accelerate decision making** once announcements made
- **Transformed commercial to operational execution**
- **Rigorous daily capacity optimisation** between **Network** and **Revenue Management** across Qantas and Jetstar brands
- **Decision making pushed down throughout organisation**

2 Maximising cash generation

- **Flights published** and **selling within two hours** of border announcements **maximise revenue** and **share capture**
- **Negligible number of cash negative flights, despite sudden border closures, due to superior cost** and **risk management**
- **23 new domestic routes launched since July**[3], compared to an **annual average of seven**[4]

Network planning and workforce rostering provides flexibility to adjust to changing borders with minimum stranded costs

1. CY2019 highest vs lowest weeks for Qantas Group domestic scheduled ASKs. 2. Highest vs lowest Qantas Group domestic scheduled ASK weeks between April 2020-January 2021 (COVID-19 affected period). 3. 21 new routes for Qantas Domestic and 2 new routes for Jetstar Domestic. Includes 8 routes to commence operations in 2021. Excludes charter routes. 4. Average number of Jetstar (JQ) and Qantas (QF) domestic route commencements 2016-2020.

Recovery Plan on track

On track to deliver $0.6b[1] of restructure cost benefits in FY21, $0.8b by FY22 and at least $1.0b by FY23

Restructure - Ways of Working ~60%[2]

Improved workforce flexibility and productivity

- Efficiencies through corporate office restructure including consolidating teams
- Operational efficiencies across the Qantas Group, including cabin crew, engineering, pilots and ground handling
- ~5,300 exits as at 31 December 2020; target increased to at least 8,500 in FY21

Restructure - Digitalisation/Supplier ~40%[2]

Efficiencies across the business

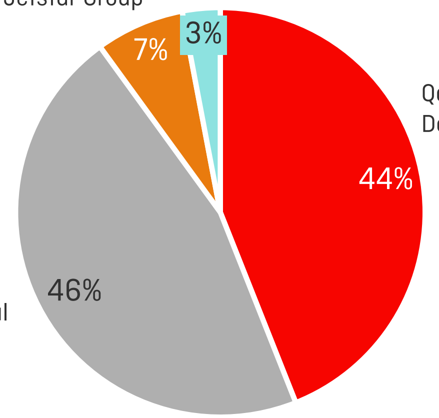
- Savings from Technology
  - Demand management for Corporate and IT supplies and expenses
- Consolidation of property leases
- Reduction in cost of sales
- Various supply agreements across operations, lounges and overheads

FY21 ~90% progress[3]

$206m realised 1H21

~60% exits complete[4]

$1.0b pa. by FY23 on track



On track to reach $0.6b of restructuring benefits in FY21

1. FY21 $0.6b Target based on 30% Group capacity. 2. Percentage of $0.6b FY21 restructure cost benefits target. 3. Represents program progress to deliver on FY21 target in terms of decisions made to deliver the benefits. 4. Exits towards the FY21 target of 8,500 as at 31 December 2020.

Recovery Plan scorecard

ACHIEVING OUR TARGETS

KEY AREA OF FOCUS	TARGET: METRICS	TARGET: TIMEFRAME	AS AT 31 DECEMBER 2020
Cost savings	Restructuring cost benefits of $0.6b in FY21, $0.8b by FY22, $1.0b by FY23	FY23	On track, reviewing opportunities for revenue and margin benefits
	Increased target to at least 8,500 exits	FY21	~5,300 exits completed
	Group Unit Cost (ex-fuel and depreciation) 10% less than FY20	FY23	Restructuring in progress
Deleverage the Balance Sheet	Gross debt reduction[1] of $1.75b	FY23	Capital allocation is prioritising debt reduction
	Net debt[2] / EBITDA <2.5 times	FY22	Balance Sheet repair to commence in 4Q21
Cash flow	Sustainable positive net free cash flow	FY22 onwards	Significant outflows for refunds and deferred payables largely complete
	Flying activity is contribution positive (RASK-Variable cost/ASK >0)	From FY21	99% of Domestic flights cash flow positive
	Capex[3] for FY21 ~$0.75b	FY21	On track, 1H21 spend $514m
Fleet management	Defer deliveries of A321neos and 787-9 aircraft	June 2020	Complete ✓
	Retire 6 x 747s; 12 x A380s in long term storage	December 2020	Complete ✓
Customer and Brand	Maintain Customer Advocacy (NPS) premium to domestic competitor	Ongoing	On track, NPS at historical highs across Qantas, Jetstar and Loyalty
	Maintain brand and reputation	Ongoing	On track, Qantas remains most trusted airline in region
Qantas Loyalty	Return to double digit growth[4]	FY22	Accelerated earnings when flying returns
Employee engagement	Employee sentiment	Ongoing	Employee engagement impacted by stand downs/restructuring but strengthening on signs of recovery

1. Compared to Gross Debt level as at 30 June 2020. 2. Net debt includes on Balance Sheet debt and capitalised aircraft lease liabilities under the Group's Financial Framework. Capitalised aircraft lease liabilities are measured at fair value at the lease commencement date and remeasured over 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. Capital expenditure, net of asset sales. 4. Measured as the percentage growth of Underlying EBIT from FY21 to FY22.

Qantas is committed to acting responsibly, respecting our social licence to operate

Acting responsibly

- Despite the financial and operational impacts of COVID-19 the Group remains focused on its role in reducing our emissions as we return to flying
  - One of the first airlines to commit to net zero emissions by 2050 and as a member of the oneworld alliance, the only airline alliance to also commit to net zero emissions by 2050
  - Aligning to the Climate Action 100+ sustainability principles
- Committed to investing $50 million over the next 10 years to support the development of a Sustainable Aviation Fuel industry in Australia
  - Strategic partnership with BP Australia announced in January 2021 to identify opportunities to reduce carbon emissions in the aviation sector and explore projects in areas including advanced sustainable fuels, advocacy for further decarbonisation in the aviation sector, renewable power solutions and generation, carbon management and emerging technology
- Committed to reducing waste to landfill year on year in line with the Federal Government's national waste strategies[1]
- Maintained commitment to Australian Supplier Payment Code, prioritising payments to small suppliers
- Proud to be a member of the Elevate RAP community, supporting indigenous businesses

Net zero emissions by
2050

Investing
$50m
in Sustainable Aviation Fuels

1. *National Waste Policy Action Plan 2019* published by the Department of Agriculture, Water and Environment.

Financial Performance

1H21 key Group financial metrics

Profit metrics

$86m
Underlying EBITDA

($888)m
Underlying EBIT loss

($1,034)m
Underlying loss before tax[1]

($1,467)m
Statutory loss before tax

Balance Sheet metrics

($861)m
Statutory operating cash flow

$514m
Net capital expenditure[2]

$2,606m
Cash and cash equivalents

$4.2b
Total liquidity[3]

$6.05b
Net debt

$7,186m/$6,358m
Rolling 12 month average Invested Capital/Invested Capital as at 31 December 2020[4]

Other statistics (v 1H19)

(89%)
ASKs[5]

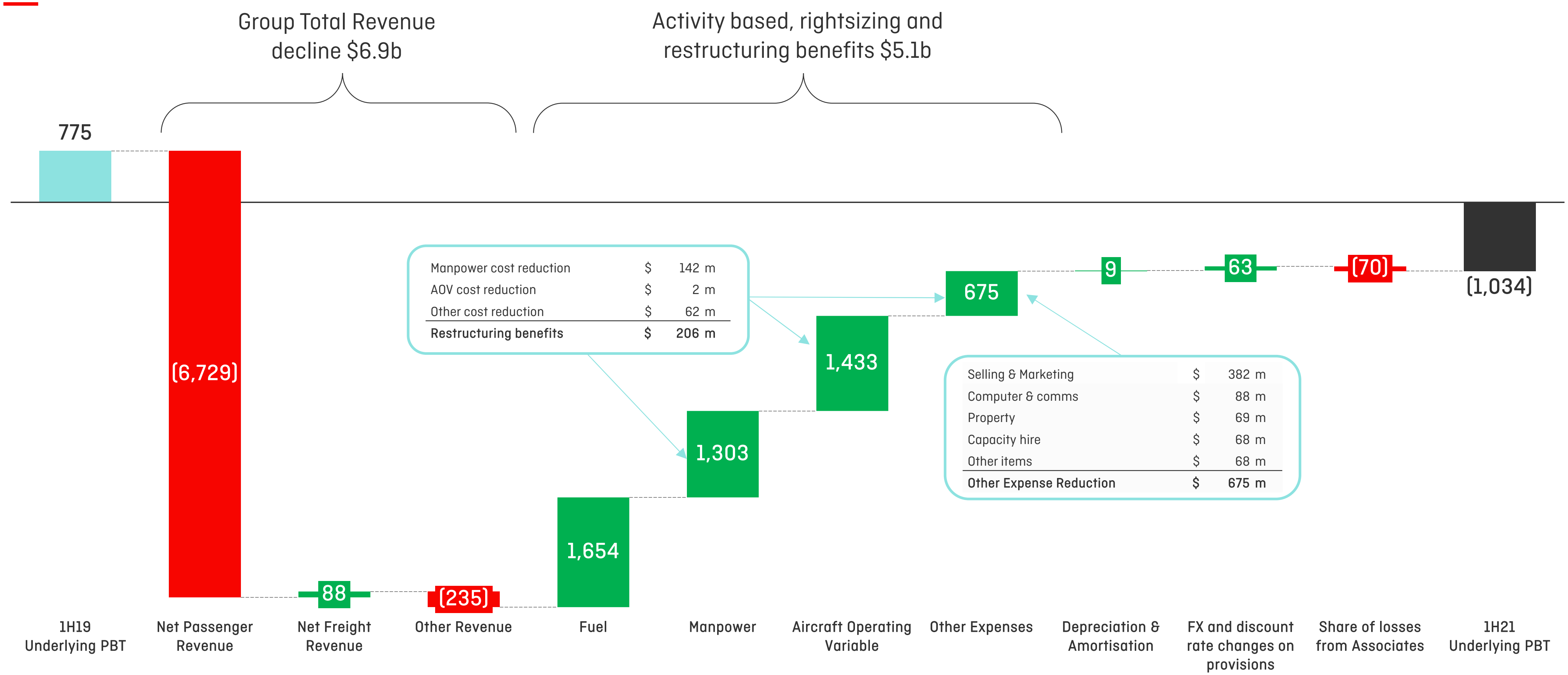
(91%)
RPKs[6]

(75%)
Group Total Revenue[7]

(75%)
Net operating expenses[8]

1. Underlying LBT is a non-statutory measure and is the primary reporting measure used by the 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 Qantas Group. All items in the 1H21 Results Presentation are reported on an Underlying basis unless otherwise stated. Refer to slide 5 of the Supplementary Presentation for a reconciliation of Underlying to Statutory LBT. 2. Equal to net investing cash flows included in the Consolidated Cash Flow Statement and the impact to Invested Capital from the disposals/acquisitions of leased aircraft. 3. Includes cash and cash equivalents and $1.6b of committed undrawn facilities. 4. Refer to slide 9 of the Supplementary Presentation for the invested capital calculations. 5. Available Seat Kilometres. Total number of seats available for passengers, multiplied by the number of kilometres flown. Compared to 1H19 as a proxy for Pre-COVID performance. 6. Revenue Passenger Kilometres. Total number of passengers carried, multiplied by the number of kilometres flown. Compared to 1H19 as a proxy for Pre-COVID performance. 7. Group Total Revenue compared to 1H19 used as a proxy for Pre-COVID performance. 8. Group gross expenditure excluding depreciation and amortisation and one-offs, net of other revenue compared to 1H19 as a proxy for Pre-COVID performance.

1H21 Profit Bridge

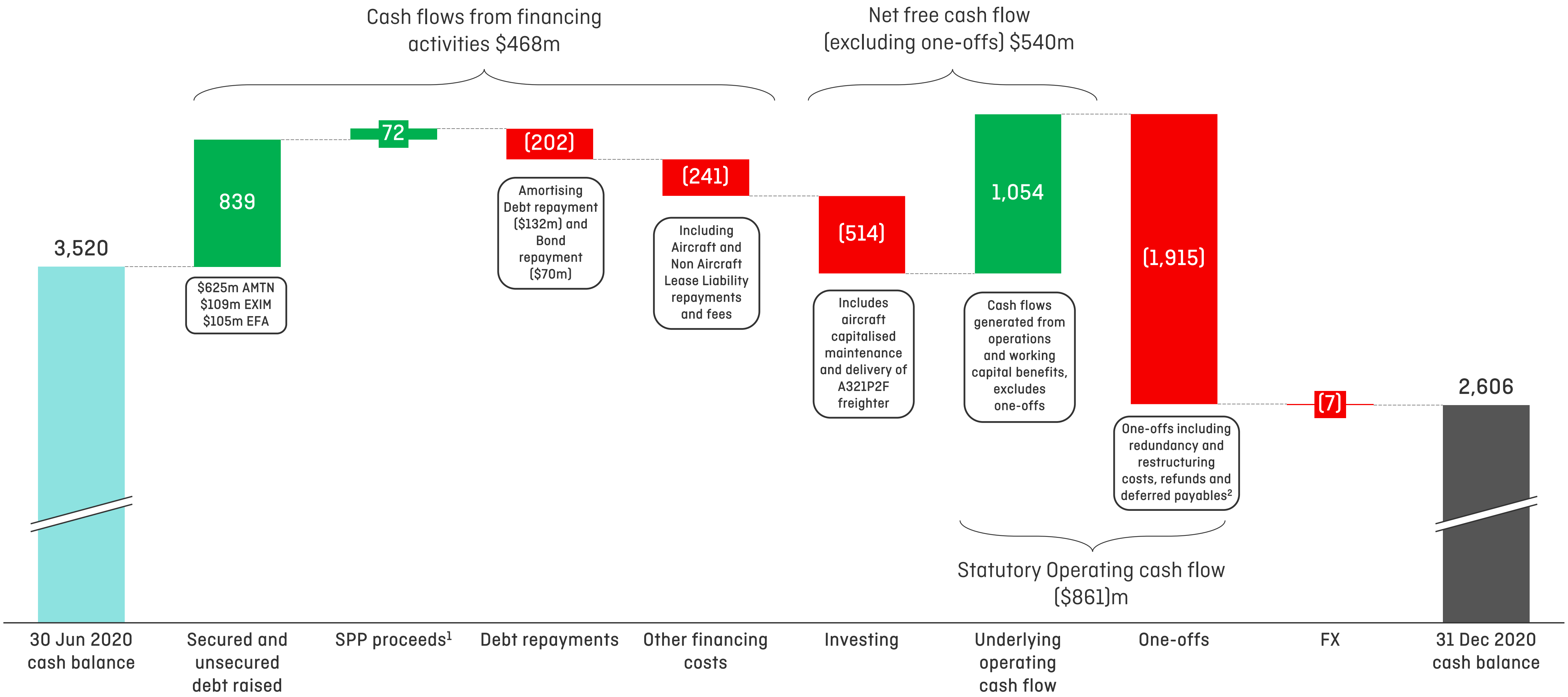


Items not included in Underlying LBT

$M	1H21	Comments
Recovery plan restructuring costs	284	Redundancies incurred as part of the Recovery plan not previously provided for in 2H20
Impairment of assets and related costs	167	Includes adjustment to the A380 AUD market value, Jetstar Asia fleet impairment
Net gain on disposal of an asset	(15)	Gain on sale of share of JUHI[2] assets
Net de-designation of fuel and foreign exchange hedges	(3)	
Total items not included in Underlying LBT[1]	**433**	

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 LBT. 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 LBT primarily result from revenues and expenses relating to business activities in other reporting periods, transformational/restructuring initiatives, transactions involving investments and impairments of assets and other transactions outside the ordinary course of business. 2. Joint User Hydrant Installation.

1H21 movement in cash position



1. Retail Share Purchase Plan completed on 10 August 2020 to supplement the Institutional Placement completed on 26 June 2020. 2. Management identified deferred payables at 30 June 2020 through the Group's cash management program. $688m has been paid during 1H21.

Net debt and liquidity position

$M	As at 31 Dec 20	As at 30 Jun 20
Current interest-bearing liabilities on Balance Sheet	922	868
Non-current interest-bearing liabilities on Balance Sheet	6,343	5,825
Cash at end of period	(2,606)	(3,520)
Net on Balance Sheet debt[1]	**4,659**	**3,173**
Capitalised aircraft lease liabilities[2]	1,393	1,561
Net debt[3]	**6,052**	**4,734**

- 1H21 new borrowings of $0.8b debt made up of $0.6b unsecured and $0.2b secured borrowings
- Repayment of $132m secured amortising debt
- Partial repayment of $70m bond maturing June 2021
- Repayment of $119m capitalised lease liabilities

$M	As at 31 Dec 20	As at 30 Jun 20
Cash and cash equivalents at end of period	2,606	3,520
Committed undrawn facilities	1,600	1,000
Total liquidity	**4,206**	**4,520**

- Increased committed undrawn facilities of $1.6b
- Maintained strong liquidity position
- The Group also maintains an unencumbered asset base of >$2.5b including aircraft, land, spare engines and other assets

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 lease liabilities are measured at fair value at the lease commencement date and remeasured over lease term on a principal and interest basis akin to a finance lease. Residual value of capitalised aircraft lease liability denominated in foreign currency is translated at the long-term exchange rate. 3. Net debt under the Group's Financial Framework includes net on Balance Sheet debt and capitalised aircraft lease liabilities.

Segment Results

Qantas Domestic

- Generated positive underlying operating cash flow despite ~70% decline in revenue
  - Minimised cash costs by flexibly adjusting network and redeploying multi-gauge fleet in response to changing flying patterns due to border closures; 99% of all flights were cash flow positive
- Expanded domestic services launching 21 new routes[1] and 14 charter routes
- Maintained vital transport links to regional Australia and capital cities through Government sponsored RANS[2] and DANS[3]
- Well positioned to capture evolving demand pools
  - Leisure led demand recovery
  - Resilient resource market; deploying additional A320 capacity to Western Australia to support resources sector growth
  - Acquisition of 29 new Corporate and large SME[4] customers in 2020
- Giving customers confidence to book and fly
  - Extended 'Fly Well' program, including mandatory mask wearing for customer facing employees
  - Flexible booking terms and conditions; extended validity, flexibility and ease of use of travel credits

		1H21	1H20	Pre-COVID 1H19
Revenue	$M	1,003	3,218	3,230
Underlying EBITDA	$M	28	821	857
Underlying EBIT	$M	(337)	465	478
Operating Margin[5]	%	<0	14.4	14.8
ASKs	M	5,220	17,437	17,314
Seat Factor	%	58.1	79.9	79.6

Extending our leading position in the recovering domestic market

1. Includes 7 routes to commence operations in 2021. 2. Regional Airline Network Support. 3. Domestic Aviation Network Support. 4. Small to Medium Enterprise. 5. Operating Margin calculated as Underlying segment EBIT divided by total segment revenue.

Qantas International (including Freight)

- Record Freight profit[1] supported by constrained international belly space and surging domestic e-commerce trends; a natural hedge to passenger business
  - Replaced lost international belly space with redeployed A330 passenger aircraft
  - Continued support of International Freight Assistance Mechanism (IFAM)
  - Maintained leadership in the domestic freight market, gaining key new customers
  - Received first A321 converted freighter for domestic operations
- Largely grounded international passenger business impacted by aircraft and property holding costs and non-cash employee provisions
  - Conducted international rescue and repatriation flights to return thousands of stranded Australians from India, South Africa, United Kingdom, France and Germany
  - Limited flights to New Zealand under one-way travel bubble arrangement
- Well positioned for restart of international operations; IFAM and charter repatriation flights represent ~8% of Pre-COVID Block hours[2]
  - Current operations are maintaining the majority of fleet in operational readiness; A380s expected to be grounded until after FY23
  - Ensuring base level of technical and cabin crew recency

		1H21	1H20	Pre-COVID 1H19
Revenue	$M	722	3,843	3,693
Underlying EBITDA	$M	55	518	477
Underlying EBIT	$M	(291)	122	119
Operating Margin	%	<0	3.2	3.2
ASKs	M	31	34,613	35,151
Seat Factor	%	N/A	86.5	85.5

Well positioned for efficient restart of international operations

1. Underlying EBITDA. 2. Current Qantas international repatriation and freight operations based on December 2020 Block hours. Pre-COVID network based on December 2018 Qantas International Block hours.

Jetstar Group

- Profits[1] from the ramp up of the Australian domestic business partially offset losses from the international operations[2]
  - AUS domestic business delivered $43m EBITDA through its highly variable cost base and leading position in the price sensitive leisure market. First half capacity averaged 30% of Pre-COVID levels[3], peaking at ~70% in late December
  - $74m EBITDA loss from AUS international, NZ and Jetstar Asia due to maintenance on stored aircraft, overheads and employee provisions
  - $67m loss attributable to share of Jetstar Japan after tax losses due to higher fixed costs in Japan and a fully leased fleet
- Well positioned for leisure led recovery in domestic and international markets
  - 'Return for Free Sale' drove more than 250,000 bookings; three times the passenger volume over a similar booking period[4]
  - NZ domestic market demand quickly recovered to near Pre-COVID levels
- Continuing to adjust Asian operations in line with the region's slower recovery
  - Flexibility of A320 fleet enables redeployment to high demand resource and leisure markets in Australia
  - Qantas Group shares in Pacific Airlines (formerly Jetstar Pacific) to transfer to Vietnam Airlines, awaiting regulatory approval

		1H21	1H20	Pre-COVID 1H19
Revenue[5]	$M	384	2,120	2,048
Underlying EBITDA excluding Share of Associates (losses)/profits	$M	(31)	442	476
Underlying EBIT	$M	(328)	220	253
Operating Margin	%	<0	10.4	12.4
ASKs[5]	M	3,586	24,830	24,389
Seat Factor[5]	%	70.5	86.9	86.6

Uniquely positioned to capture and scale up for leisure led recovery

1. Underlying EBITDA. 2. Includes Jetstar International Australian operations, Jetstar New Zealand, Jetstar Asia (Singapore) and the contribution from Jetstar Japan. Excludes Pacific Airlines (formerly Jetstar Pacific) which no longer forms part of the Group's financials. 3. 1H19 used as a proxy for Pre-COVID performance. Includes domestic tag flights. 4. 'Return for Free' Sale fares across 51 JQ domestic routes available to book from 1500 AEDT 17 November 2020 and until 2359 AEDT 19 November 2020. 5. For Jetstar Consolidated Group, does not include Jetstar Japan and Pacific Airlines.

Qantas Loyalty

- Group cash contribution ~$450m of gross receipts[1] in 1H21
- Diversified earnings strategy driving positive EBIT contribution
  - Maintained total share of credit card spend despite 10% decline in spend on Qantas Points Earning Credit Cards[2]; signed multi-year renewals with three of the major banks, including a significant expansion with Commonwealth Bank[3]
  - Revenue[4] from Qantas Store and Qantas Wine at peak levels; continued growth in Qantas Insurance policies[5]
  - Travel related products remain sensitive to border announcements; strong rebound in activity during 2Q21 with ~2.5x increase in flight redemptions[6]

		1H21	1H20	Pre-COVID 1H19
Revenue[8]	$M	438	872	809
Cash contribution[9]	$M	454	599	524
Underlying EBIT[10]	$M	125	196	175
Operating Margin	%	28.5	22.5	21.6
QFF Members[11]	M	13.5	13.2	12.6

- Member engagement continues at record levels with ongoing program generosity
  - Status extensions; new ways to earn status credits; increased Classic Reward availability across popular Australian destinations[7]
  - Expansion of Classic redemption to rail travel and relaunch of Qantas Holidays
  - Further diversifying program ecosystem and growing coalition with the launch of Qantas Home Insurance and Accor partnership announcement
  - First time status accelerator offer for Gold members of other Loyalty programs
- Expectation of accelerated earnings upon the resumption of consistent and ongoing travel activity
- Continued investment in leading digital experiences and new businesses

Committed to achieving target of $500-600M Underlying EBIT by FY24

1. Sales to all external parties during 1H21. 2. Qantas Points earning credit cards includes co-branded credit cards and Qantas Premier cards. Based on RBA credit and charge card statistics at December 2020 and Qantas internal analysis. 3. Commonwealth Bank expansion to be rolled out during 2021 calendar year. 4. Revenue from Qantas Store and Qantas Wine includes both cash sales and points redemption activity. 5. Includes Health / Life / Motor / Home polices as at 31 December 2020. 6. Total Qantas Points redeemed on flights between QLD/NSW; NSW/VIC; and VIC/QLD within the 7 days following domestic travel restrictions easing during November 2020. 7. As announced 14 July 2020. 8. Includes revenue from points sales to external partners, commissions received, revenue generated through Qantas Wine, Qantas Store, Qantas Shopping and points issued and redeemed on Qantas Group and partner airlines. 9. Sales to all external parties. 10. During 1H21, Qantas Loyalty reviewed the criteria applied in assessing the capitalisation of intangible assets. Due to the mix of projects undertaken during 1H21, an increased proportion of spend has been expensed. This policy will apply for future periods and has not impacted the Net Free Cash Flow result of Qantas Loyalty. 11. Members at 31 December 2020.

Financial Framework

Financial Framework will continue to guide our capital decisions

1

Maintaining an optimal capital structure

Minimise cost of capital by targeting a net debt range of $4.5b to $5.6b[1]

Maintained strong liquidity and minimal refinancing risk.
Recovery plan to optimise Net debt

2

ROIC[2] > WACC[3] through the cycle

Deliver ROIC > 10%[4]

Investing to create competitive advantages and drive value

3

Disciplined allocation of capital

Grow invested capital with disciplined investment, return surplus capital

Prioritising debt reduction, minimising capex and no shareholder distributions

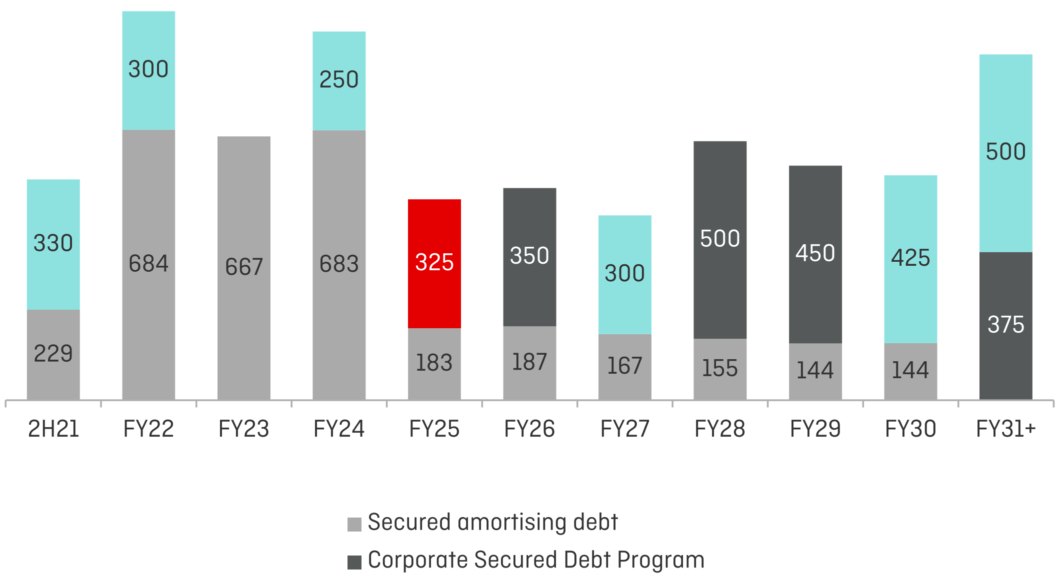
Maintainable EPS[5] growth over the cycle

Total shareholder returns in the top quartile[6]

1. Refer to slide 11 of the Supplementary Presentation for calculation of target net debt range. 2. Refer to slide 10 of the Supplementary Presentation for the calculation of ROIC. 3. Weighted Average Cost of Capital, calculated on a Pre-tax basis. 4. Target of 10% ROIC allows ROIC to be greater than Pre-tax WACC. 5. Earnings Per Share. 6. Target Total Shareholder Returns within the top quartile of the ASX100 and global listed airline peer group as stated in the 2020 Annual Report, with reference to the 2020-2022 LTIP.

Maintaining an optimal capital structure

Debt maturity profile as at 31 December 2020 ($M)[1]



Capital structure as at 31 December 2020

- Net debt[2] at $6.05b, prioritising debt reduction
- Total liquidity of $4.2b including $2.6b cash[3] and increased committed undrawn facilities of $1.6b
- Unencumbered asset base >$2.5b[4], including 41% of the Group fleet[5], land, spare engines and other assets

Debt structure

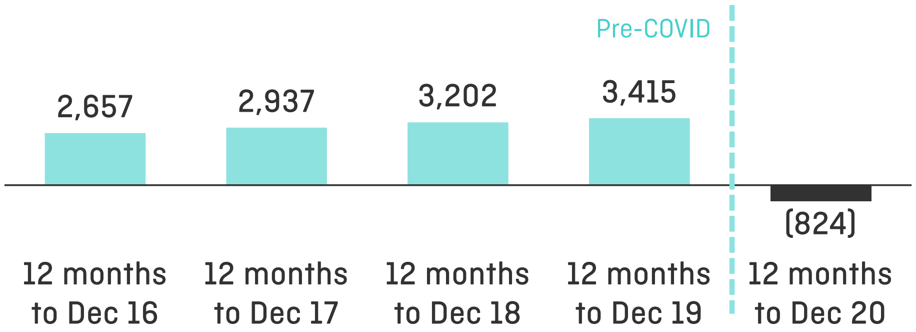
- Proactive refinancing and boosting of liquidity
  - $0.9b new debt and equity since 30 June 2020
  - Undrawn Revolving Credit Facilities; additional $550m maturing FY23; existing $1.0b maturing FY23 and FY24
  - FY21 debt refinancing completed including for the bond repayment due June 2021
- No financial covenants
- Maintained Investment Grade credit rating from Moody's (Baa2)

Maintained strong liquidity and minimal refinancing risk; Recovery Plan prioritising debt reduction

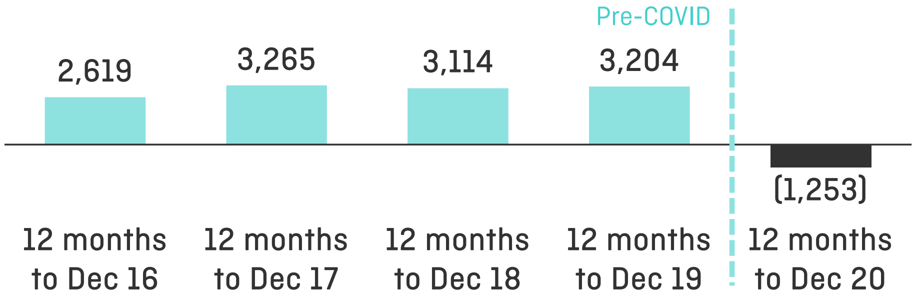
1. Cash debt maturity profile excluding leases. 2. Net debt includes on Balance Sheet debt and capitalised aircraft lease liabilities under the Group's Financial Framework. Capitalised aircraft lease liabilities are measured at fair value at the lease commencement date and remeasured over lease term 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. Includes cash and cash equivalents as at 31 December 2020. 4. Aircraft valuations based on the average of Aircraft Value Analysis Company Limited (AVAC) and AVITAS market values as at 31 December 2020. 5. Based on number of aircraft as at 31 December 2020. The Group Fleet totalled 314.

Historical operating cash flow trend

Rolling 12 months Statutory EBITDA (excl impairments) ($M)[1]



Rolling 12 months Operating cash flow ($M)

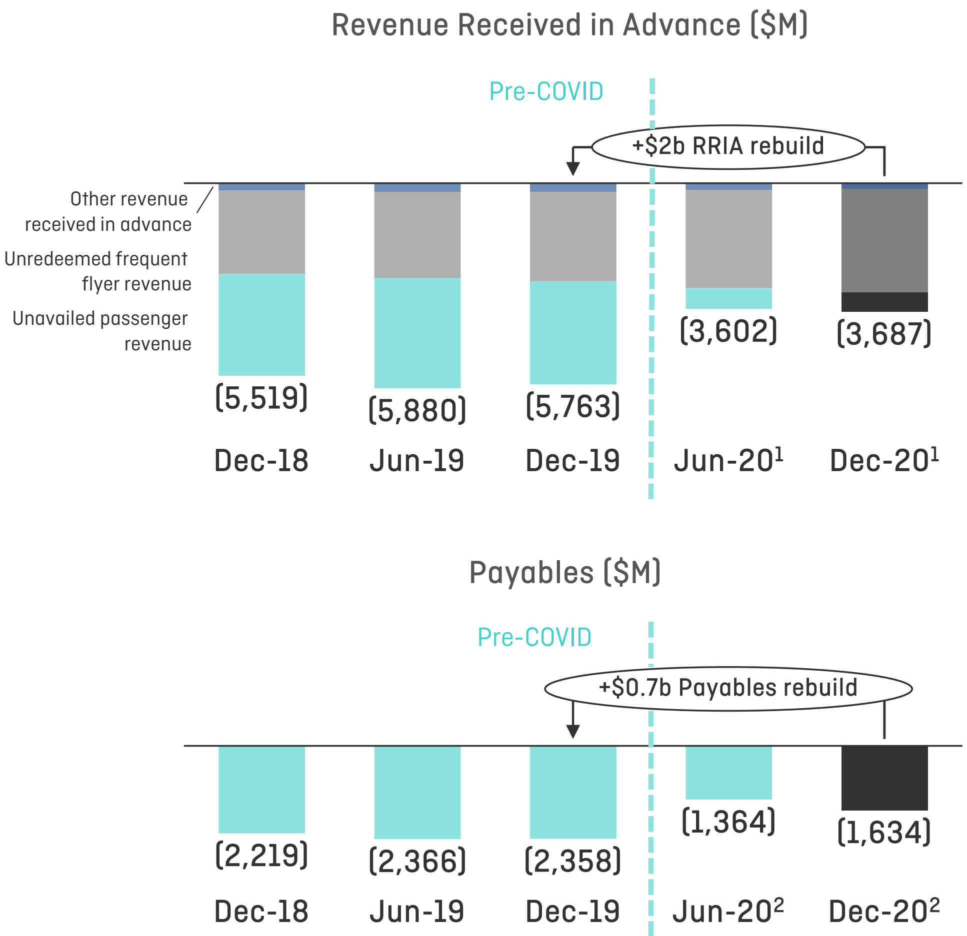


- Significant one-off cash outflows mostly complete
  - Statutory EBITDA of ($0.8)b (excluding impairments) for the 12 months to Dec 2020
  - Includes impact of $0.8b redundancies and $0.6b de-designation of hedging
- Recovery to at least Pre-COVID strong operating cash flow generation to be enabled by
  - Growth of Domestic operations
  - Restart of International flying contributing to significant Revenue received in advance (RRIA) rebuild
  - Recovery Plan cost saving benefits
  - Cash flow benefits due to tax losses

Recovery to historically strong operating cash flow generation enabling accelerated Balance Sheet repair

1. Earnings before income tax expense, net finance costs, depreciation and amortisation, excluding impairments.

Working Capital rebuild of approximately $2-2.5b through RRIA and Payables



- $3.7b 1H21 Revenue received in advance (RRIA) excluding travel credits
  - $2b gap to 1H20 Pre-COVID Revenue received in advance
- $1.6b 1H21 Payables excluding outstanding deferred payables and refunds
  - $0.7b gap to 1H20 Pre-COVID Payables
  - Partially offset by rebuild in Receivables
- Working capital rebuild of approximately $2-2.5b through RRIA and Payables upon recovery to Pre-COVID capacity

1. Revenue received in advance excluding travel credit balances held at 30 June 2020 and 31 December 2020. 2. Payables excluding outstanding deferred payables payments and refunds as at 30 June 2020 and 31 December 2020.

Robust fuel and FX risk management

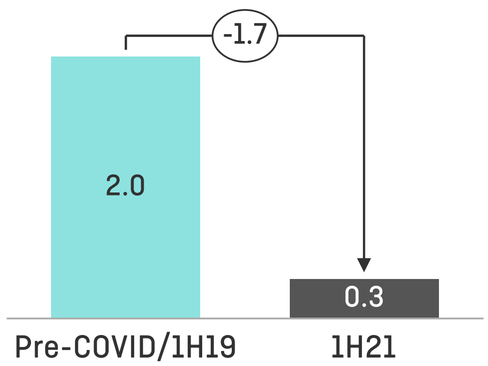
1H21 actual fuel cost

- 1H21 fuel cost of $0.3b, down $1.7b through 82% reduction in consumption and lower AUD fuel costs

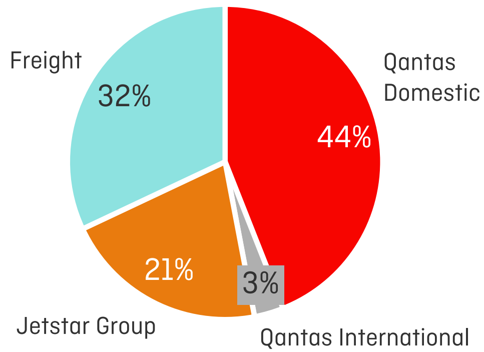
Looking ahead

- FY21 fuel cost is expected to be materially lower than FY20
  - 2H21 fuel cost fully hedged in collars and outright options
  - Outright options in place to cover fuel price risk arising from additional flying under an accelerated recovery scenario
  - Fuel and FX hedging actively managed to reflect changes in capacity due to border closures
- FY22 fuel and FX hedging in line with forecast flying and is consistent with long term approach to risk management
  - Preference for options allows for high level of participation to lower fuel prices

Fuel cost ($B)



Indicative fuel consumption 1H21

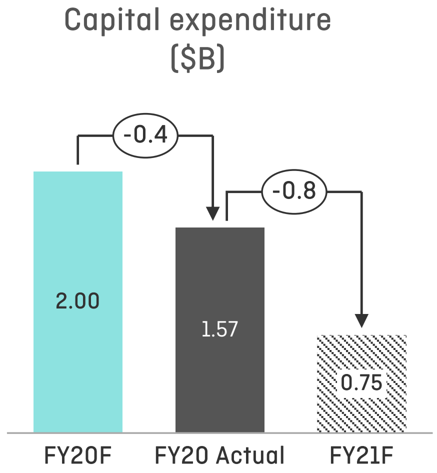


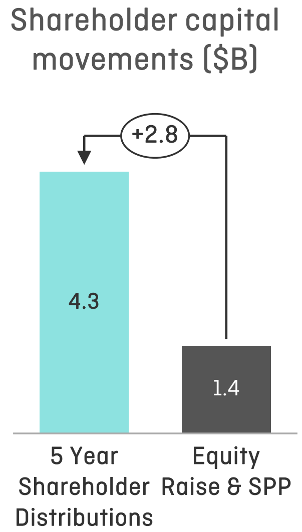
Hedging activity remains consistent with long term approach to risk management

Disciplined capital allocation

Disciplined capital expenditure

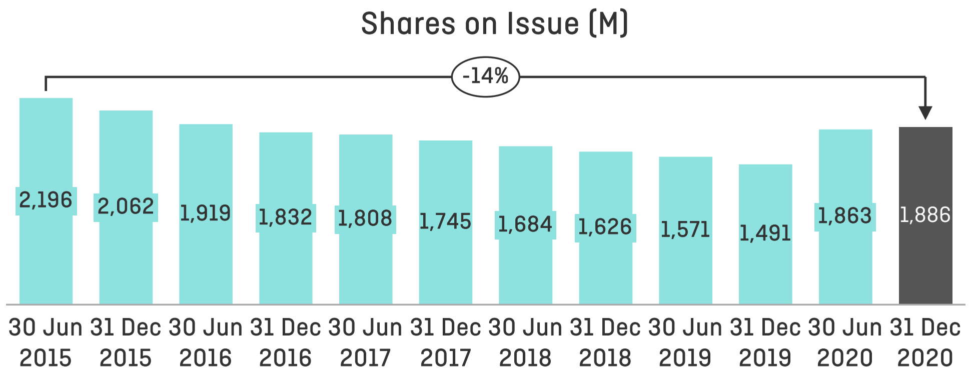
- Net capital expenditure[1] of $0.5b in 1H21, including capitalised maintenance on operational fleet and delivery of the first of three A321-200P2F freighters
- FY21 net capital expenditure forecast of ~$0.75b





Shareholder capital movements

- Additional $72m equity[2] raised through retail Shareholder Purchase Plan adding 22.6m new ordinary shares to supplement institutional placement completed in FY20



Conservative capital allocation as focus turns to Balance Sheet repair

1. Equal to net investing cash flows included in the Consolidated Cash Flow Statement and the impact to Invested Capital from the disposals/acquisitions of leased aircraft. 2. Retail Share Purchase Plan completed on 10 August 2020.

Fleet strategic priorities

Qantas Group fleet strategy

Right aircraft

Right route

Maintain flexibility

Maintain competitiveness

Current priorities

Recovery phase

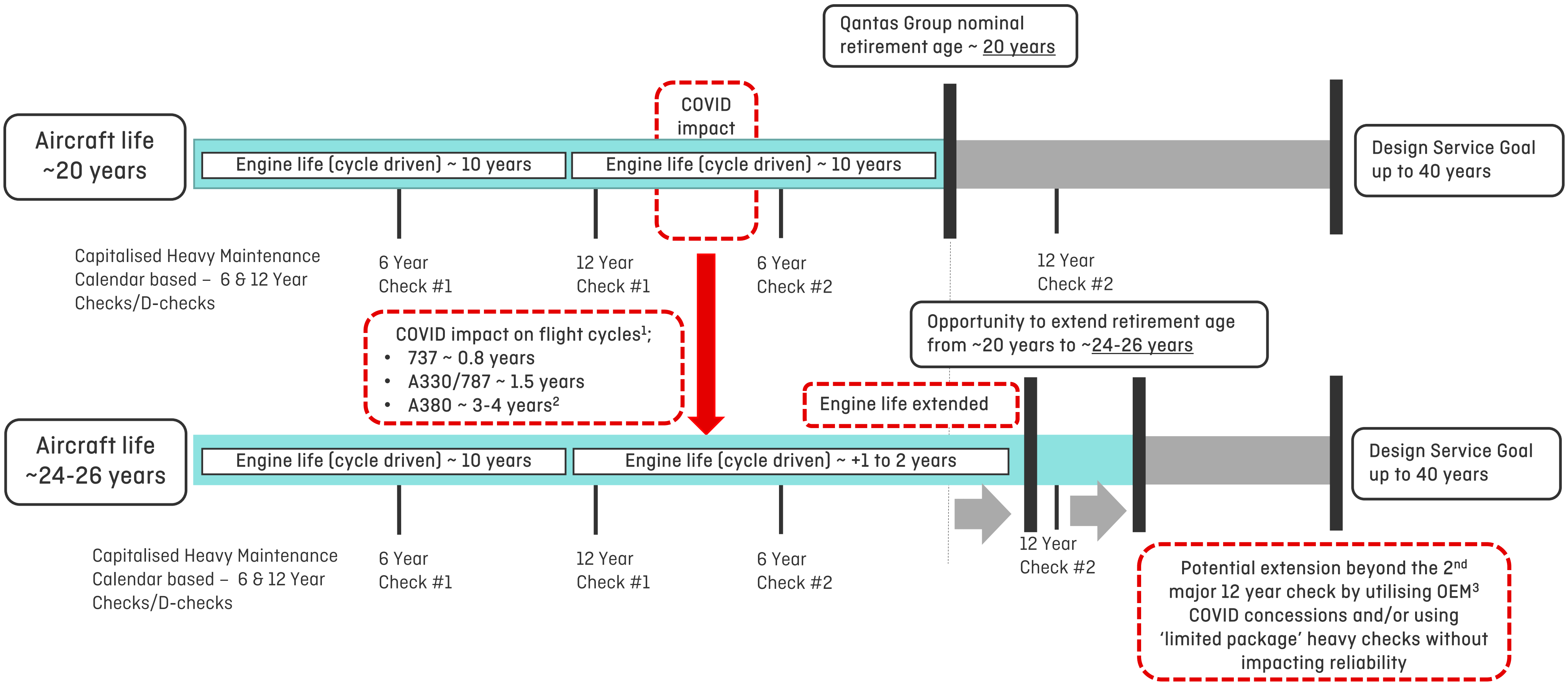
- Continuing to defer delivery of 787-9s and A321NEOs
- 747s retired from fleet
- 12 x A380s in long term storage, refurbishment program deferred
- Building QantasLink fleet to service intra WA resources market with addition of four A320s
- A330s redeployed as freighters supporting IFAM services
- Took delivery of first A321 converted freighter
- Aircraft re-introduction from active storage as capacity grows
- Return of up to 16 higher cost leased aircraft and looking to replace with lower cost aircraft
- Flexibility to redeploy six Jetstar Japan aircraft in Australia to grow domestic capacity
- Up to 14 E190s on capacity hire arrangement with Alliance Aviation
- Rebuild unencumbered aircraft pool through debt reduction

Fleet replacement strategy

- Low fleet utilisation through COVID has deferred timing of fleet replacement requirements
- Selected A350-1000 as preferred aircraft for Project Sunrise, deferred decision to order

Maintaining flexibility of operational fleet to optimise capitalised maintenance expenditure

Investment consistent with Financial Framework will support a sustainable fleet replacement program



Reduced flying due to COVID-19 enables deferral of the fleet replacement program

1. Life extension based on reduced cycles in equivalent years and actual (FY20-21) and forecast flying projections (FY22+). 2. Dependent on Return to Service date. 3. Original Equipment Manufacturer.

Outlook

Australian Domestic market

Group Domestic operating environment

- Recent domestic border closures since December 2020 disrupted positive momentum; recovery delayed by ~3 months (assuming no further border closures)
  - Planned 3Q21 capacity decreased from ~80% to ~60%; Growing to ~80% of Pre-COVID levels[1] in 4Q21
  - Impact reduces 2H21 EBITDA by ~$350-$450m given timing aligned with peak leisure travel period
- Borders are reopening and vaccine rollout has begun
  - Intakes have improved off December lows as leisure demand rebounded, especially NSW-QLD routes
- Resilient business travel demand from Resources sector and Government entities; sluggish restart for other sectors
- Maintaining flexibility to scale capacity and shift aircraft to capture changing demand patterns
- Expecting to maintain ~70% domestic capacity share
  - Clear brand positioning with leadership in both the premium and price sensitive markets in Corporate, SME and Leisure segments
  - Introduction of 23 new routes[2] and 14 charter routes[3] with potential to expand further
- ~50% of $1.0b restructuring benefits in FY23 directed to Domestic airlines
- Economy wide and industry specific Government assistance programs tapering

1. FY19 Available seat kilometres for the relevant quarter. 2. Introduction of 21 new routes for Qantas Domestic and 2 new routes for Jetstar Domestic since 1 July 2020. Includes 8 routes to commence operations in 2021. 3. Includes 6 new Western Australia charter routes for the A320 and 8 new Western Australia charter routes for the F100.

Group International and Freight

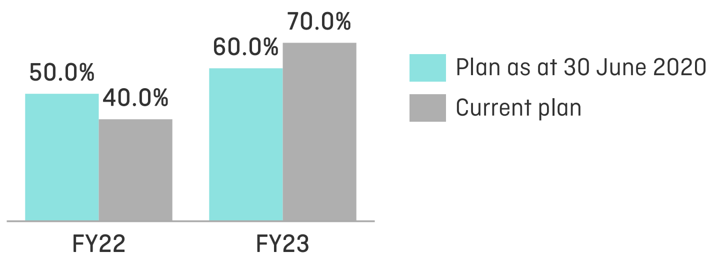
Freight operating environment

- International freight market
  - International belly space capacity expected to be negligible through 2H21
  - Strong international demand to continue, although not at the peak levels seen in the lead up to Christmas
  - Continuing to support International Freight Assistance Mechanism[1] in 2H21
- Domestic freight market
  - Domestic demand expected to remain strong due to growth in e-commerce and growing customer base
  - Additional A321 dedicated freighter in October 2021 to meet higher demand levels

International operating environment

- International border closures and quarantine restrictions remain in place
- Planning for Trans Tasman bubble from July and ROW[2] from end of October 2021
  - Limiting cash burn for holding costs until network restart to ~$5m per week[3]
- Current Qantas International repatriation and freight operations represent ~8% of Pre-COVID block hours[4]
  - Aircraft readiness and base level of technical and cabin crew recency maintained; enabling a low cost restart[5]
- Significant proportion of $1.0b restructuring benefits in FY23 directed to Qantas International addressing high fixed cost base
- Economy wide and industry specific Government assistance tapering

Group International forecast ASKs (% of Pre-COVID/FY19)



1. Refer to Slide 14 in the Supplementary Presentation for details. 2. Rest of World. 3. Forecast cash holding costs for Qantas and Jetstar's international passenger businesses offset by cash flow benefit from Qantas Freight. 4. Current Qantas international repatriation and freight operations based on December 2020 Block hours. Pre-COVID network based on December 2018 Qantas International Block hours. 5. Assumes IFAM and repatriation flights continue until international borders are opened. Consistent with the view as at 25 June 2020 where markets would progressively open as conditions allowed.

Qantas Loyalty

Loyalty prospects

- Expected to continue to deliver strong cash flow contribution to the Group
- Rebound in earnings expected as the economy and travel demand recovers
- Demand for Qantas points remains strong; plans to continue to grow member engagement
  - More opportunities to earn points on the ground
  - Easing of domestic travel restrictions is expected to drive airline redemptions
  - 50% extra classic reward seats in the Domestic market
- Extending relationships with coalition partners
  - Significant expansion with Commonwealth Bank to be rolled out later this year
  - Launching new partnership with Accor in mid-2021
  - Ongoing investment in digital, program experience and new businesses

Giving customers confidence to book

- Clear dual brand strategy in domestic market providing certainty for customers in value proposition
  - Qantas is the only full service offering reinforced with leading loyalty program; Jetstar is the leading low cost/low fares carrier
- Intention to travel remains high[1] once border restrictions are lifted
  - 94% of Qantas Frequent Flyers and 80% of Jetstar customers intend to fly domestically or internationally in the next 12 months
  - 77% of business travellers intend to travel within 6 months
- Delivering improvements to physical and digital customer experiences
  - Qantas ‘Fly Flexible’ policy now enabling unlimited free changes[2]; Jetstar ‘FareCredit’ product has strong take up enabling flexibility
  - Qantas full service offerings reintroduced including 35 lounges, fast free Wi-Fi and complimentary drinks in Economy
  - Continued investment in the Qantas App
  - Extended validity, flexibility and ease of use for travel credits[3] and vouchers

1. Based on Qantas Group research. 2. For bookings to 30 April 2021 for flights to at least end February 2022. 3. Now valid for bookings and travel until end 2023 for Qantas.

Outlook

FY21 outlook

The Group's conservative approach to securing funding and the ongoing strong contributions from Qantas Freight, Qantas Loyalty and cash positive flying ensures it has sufficient liquidity for a range of recovery scenarios.

Through our improved network planning processes and multi-gauge fleet, we have the agility and flexibility to scale capacity and shift aircraft to capture changing demand patterns. While our clear brand positioning, with leadership in both the premium and price sensitive markets and growing share in Corporate, SME and Leisure markets, will ensure we capitalise on domestic demand.

We are on the path to recovery and the latest data on vaccine effectiveness and the increased pace of rollout globally gives cause for optimism, and our progress towards restructuring gives confidence that the overall recovery plan remains on track.

- Key assumptions for 2H21 are:
  - Domestic border closures (since December 2020) impact on 2H21 EBITDA estimated at \$350-\$450m[1] given timing aligned with peak leisure travel period
  - Underlying depreciation and amortisation expected to be ~\$100m lower than FY20
  - Continuing to manage the business to a positive net free cash flow (excluding one-offs)
  - Net capital expenditure expected to be ~\$750m; one-off outflows for redundancies, refunds, and deferred payables expected to be substantially completed by 30 June 2021
  - Net debt expected to peak in 2H21; Balance Sheet repair to begin in 4Q21
  - Recovery Plan expected to deliver \$0.6b of cost benefits in FY21

Group capacity outlook

Group Domestic capacity expected to increase to 60% of Pre-COVID levels in 3Q21 and 80% in 4Q21; Group International capacity expected to be negligible in 2H21; continuing to monitor position and will adjust as required

1. Revenue impact estimated to be approximately twice the EBITDA impact.

Well positioned for recovery

Group Domestic[1] airlines are well positioned to benefit from the recovery in domestic travel and changing competitive environment; capacity share ~70%; significant unit cost reduction post restructuring; 1H21 Underlying EBITDA of $71m

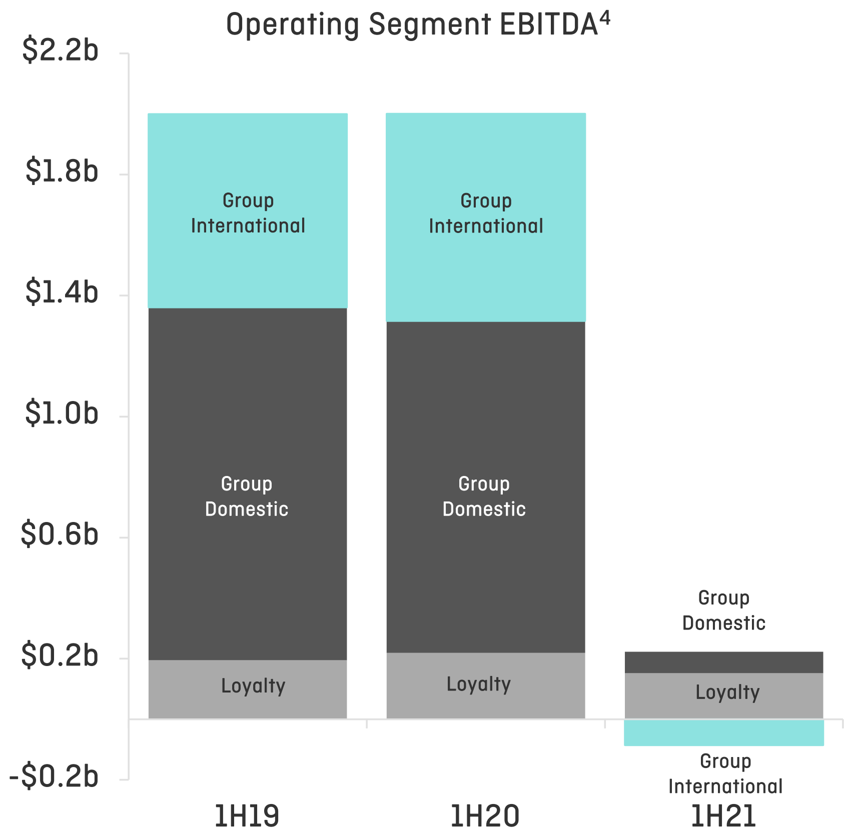
Australia's most valued Loyalty business generating strong cash contribution and has a clear pathway to sustained earnings growth[2]

Freight business benefiting from structural consumer shift to e-commerce and provides a hedge to belly space availability

Group International[3] businesses maintained operational readiness for low cost restart and gradual ramp up

Strong liquidity position and strengthening operating cash flow will allow Balance Sheet repair to begin

Three-Year Recovery Plan to improve operational cash flows and deliver $1b in ongoing annual savings from FY23. Assessing further opportunities to improve revenue and margins



The Group's integrated portfolio of mutually reinforcing businesses are well positioned for the recovery

1. Group Domestic includes Qantas Domestic and Jetstar Domestic. 2. Measured on underlying EBIT. 3. Group International includes Qantas International (including Qantas Freight), Jetstar International Australian operations, Jetstar New Zealand, Jetstar Asia (Singapore) and the contribution from Jetstar Japan. 4. Measured on underlying EBITDA.

Looking forward, we remain committed to the FY24 targets

Qantas Domestic	Jetstar Domestic	Qantas International	Jetstar International	Qantas Loyalty
Relative margin advantage	Relative margin advantage	Relative competitive advantage	Lowest cost position	Stable earnings growth
Targeting EBIT margin[1] ~18%	Targeting EBIT margin ~22%	Targeting ROIC >10%	Targeting ROIC >15%	Targeting $500-600m EBIT

People: Continued improvement in employee engagement

Customer: Maintain Net Promoter Score premium to competitor

Top quartile shareholder returns

1. Underlying segment EBIT divided by total segment revenue.

Q&A

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 25 February 2021, 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.

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

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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 Interim Financial Report for the half year ended 31 December 2020 which has been reviewed by the Group's Independent Auditor.

Qantas Airways Limited

1H21 Results Supplementary Presentation

25 February 2021

ASX: QAN

US OTC: QABSY

QANTAS

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Group Performance

1H21 key Group financial metrics

	1H21	1H20	Pre-COVID 1H19	Comments
Underlying (Loss)/Profit Before Tax[1] ($M)	**(1,034)**	771	775	EBITDA profit could not offset the impact of Depreciation and amortisation
Underlying Earnings per Share[2] (c)	**(40.5)**	34.3	31.3	
Statutory (Loss)/Profit Before Tax ($M)	**(1,467)**	648	691	Includes redundancy and impairment charges
Statutory Earnings per Share (c)	**(57.5)**	28.8	27.9	
Rolling 12 month ROIC[3] (%)	**(18.1)**	19.6	19.5	
Revenue ($M)	**2,330**	9,464	9,206	
Operating cash flow ($M)	**(861)**	1,475	1,435	One-off outflows includes redundancies, restructuring costs, refunds and deferred payables payments
Net debt[4] ($B)	**6.05**	5.3	5.2	Net debt expected to peak in 2H21
Unit Revenue[5] (RASK)	**10.33**	9.19	8.94	Increased due to Domestic/International mix change
Total unit cost[6] (c/ASK)	**22.03**	8.18	7.93	Fixed costs including depreciation and low ASKs
Ex-fuel unit cost[7] (c/ASK)	**17.54**	5.60	5.43	Fixed costs including depreciation and low ASKs
Available Seat Kilometres[8] (ASK) (M)	**8,837**	76,880	76,854	~30% pre-COVID level for Group Domestic
Revenue Passenger Kilometres[9] (RPK) (M)	**5,568**	65,437	64,958	Lower ASKs and reduced load factors

1. Underlying (LBT)/PBT is a non-statutory measure and is the primary reporting measure used by the 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 Qantas Group. All items in the 1H21 Results Presentation are reported on an Underlying basis unless otherwise stated. Refer to slide 5 of this Presentation for a reconciliation of Underlying to Statutory (LBT)/PBT. 2. Underlying Earnings per Share is calculated as Underlying (LBT)/PBT less tax expense (based on the Group's effective tax rate 26.3% (1H20: 31.3%)) divided by the weighted average number of shares during the year (consistent with the Statutory Earnings per Share calculation). 3. Return on Invested Capital (ROIC). For a detailed calculation of ROIC please see slide 10. 4. Net debt under the Group's Financial Framework includes net on balance sheet debt and capitalised aircraft lease liabilities. For a detailed calculation of net debt, please see slide 12. 5. Ticketed passenger revenue divided by ASKs. Subject to rounding. 6. Underlying (LBT)/PBT less ticketed passenger revenue per ASK. 7. Underlying (LBT)/PBT less ticketed passenger revenue, fuel and share of profit/(loss) of investments accounted for under the equity method, adjusted for the impact of changes in FX rates, non-cash impact of discount rate changes on provisions per ASK. 8. Total number of seats available for passengers multiplied by the number of kilometres flown. 9. Total number of passengers carried multiplied by the number of kilometres flown.

Underlying Income Statement summary

$M	1H21	1H20	Pre-COVID 1H19	Comments
Net passenger revenue	1,298	8,305	8,027	Reduction largely in line with decline in passengers carried
Net freight revenue	613	496	525	Driven by e-commerce trends and restricted belly space availability
Other revenue	419	663	654	Includes the impact of COVID-19 on Qantas Loyalty and Third Party revenues
Total Revenue	**2,330**	**9,464**	**9,206**	
Operating expenses excluding fuel	(1,868)	(5,593)	(5,347)	Includes the benefit of rightsizing and restructuring initiatives
Fuel	(309)	(1,975)	(1,963)	Includes the benefit of reduced consumption and lower A$ fuel prices
Depreciation and amortisation	(974)	(1,006)	(983)	Impairment of A380s offset by charges for capital invested since 1H19
Share of net (loss)/profit of investments accounted for under the equity method	(67)	10	3	Includes the impact of Jetstar Japan share of losses as a result of COVID restrictions in Japan
Total Expenditure	**(3,218)**	**(8,564)**	**(8,290)**	
Underlying EBIT[1]	**(888)**	**900**	**916**	
Net finance costs	(146)	(129)	(141)	High gross debt, largely offset by reduced cost of debt
Underlying (Loss)/Profit Before Tax	**(1,034)**	**771**	**775**	

1. Underlying Earnings Before Net Finance Cost and Income Tax Expense (Underlying EBIT).

Reconciliation to Underlying (Loss)/Profit before tax

$M	1H21			Pre-COVID 1H19		
	Statutory	Items not incl'd in Underlying	Underlying[1]	Statutory	Items not incl'd in Underlying	Underlying[1]
Net passenger revenue	1,298	–	1,298	8,027	–	8,027
Net freight revenue	613	–	613	525	–	525
Other revenue	419	–	419	654	–	654
Total Revenue	**2,330**	**–**	**2,330**	**9,206**	**–**	**9,206**
Manpower and staff related	(865)	–	(865)	(2,205)	37	(2,168)
Aircraft operating variable	(569)	12	(557)	(1,992)	2	(1,990)
Fuel	(309)	–	(309)	(1,963)	–	(1,963)
Depreciation and amortisation	(978)	4	(974)	(1,025)	42	(983)
Share of net (loss)/profit of investments accounted for under the equity method	(67)	–	(67)	3	–	3
(Impairment)/reversal of impairment of assets and related costs	(167)	167	–	43	(43)	–
De-designation of fuel and foreign exchange hedges	3	(3)	–	–	–	–
Redundancy and related costs	(268)	268	–	(9)	9	–
Other	(431)	(15)	(446)	(1,226)	37	(1,189)
Total Expenditure	**(3,651)**	**433**	**(3,218)**	**(8,374)**	**84**	**(8,290)**
EBIT	**(1,321)**	**433**	**(888)**	**832**	**84**	**916**
Net finance costs	(146)	–	(146)	(141)	–	(141)
Underlying (Loss)/Profit Before Tax	**(1,467)**	**433**	**(1,034)**	**691**	**84**	**775**

1. Underlying (LBT)/PBT is a non-statutory measure and is the primary reporting measure used by the 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 Qantas Group. All items in the 1H21 Results Presentation are reported on an Underlying basis unless otherwise stated.

Revenue detail compared to Pre-COVID/1H19

Net passenger revenue down 84%

- Group Unit Revenue increased 15.6% due to lower mix of international flying
  - Group Domestic[1] Unit Revenue decreased 16.9%
  - Group International[2] Unit Revenue decreased 20.0%
- Group capacity declined by 89% due to COVID related border restrictions and community lockdowns

Net freight revenue up 17%

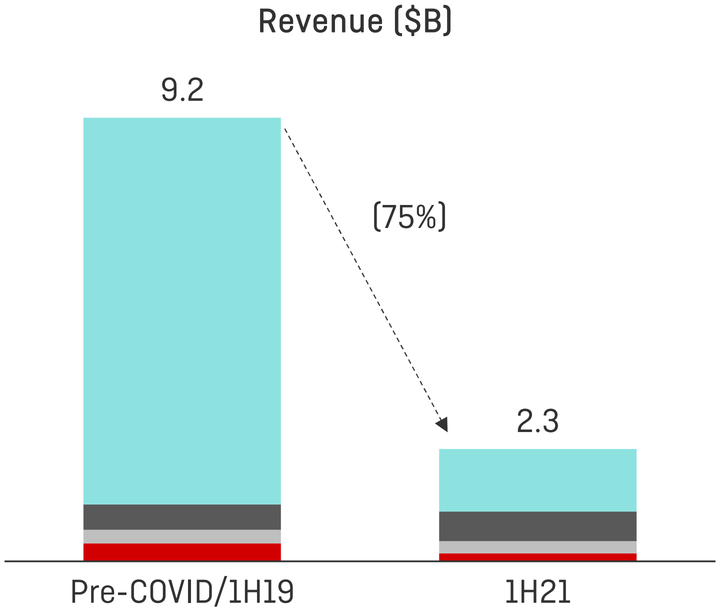
- Constrained belly space capacity shifted high yielding demand to freighters
- Supported International Freight Assistance Mechanism

Frequent flyer redemption, marketing, store and other revenue down 10%

- Decreased revenue from Financial Services, mainly due to reduction in credit card spend
- Increased Qantas Store redemptions partially offset decline in travel related redemptions
- Growth in revenue from Qantas Wine

Revenue from other sources down 56%

- Decrease in third party services and other revenue due to reduction in global air travel impacting codeshare commissions, contract work for other airlines, Qantas Club membership fees etc



	Pre-COVID/1H19		1H21
RPKs (m)	64,958	(91%)	5,568
ASKs (m)	76,854	(89%)	8,837

1. Includes Qantas Domestic and Jetstar Domestic. 2. Group International includes Qantas International, Jetstar International Australian operations, Jetstar New Zealand (including Jetstar Regionals) and Jetstar Asia (Singapore).

Expenditure detail compared to Pre-COVID/1H19

Fuel down 84%

- Reduced consumption due to COVID related travel restrictions
- Lower AUD jet fuel prices

Manpower and staff-related down 60%

- Decrease due to stand downs from significantly reduced flying and benefit of JobKeeper

Aircraft operating variable (AOV) costs down 72%

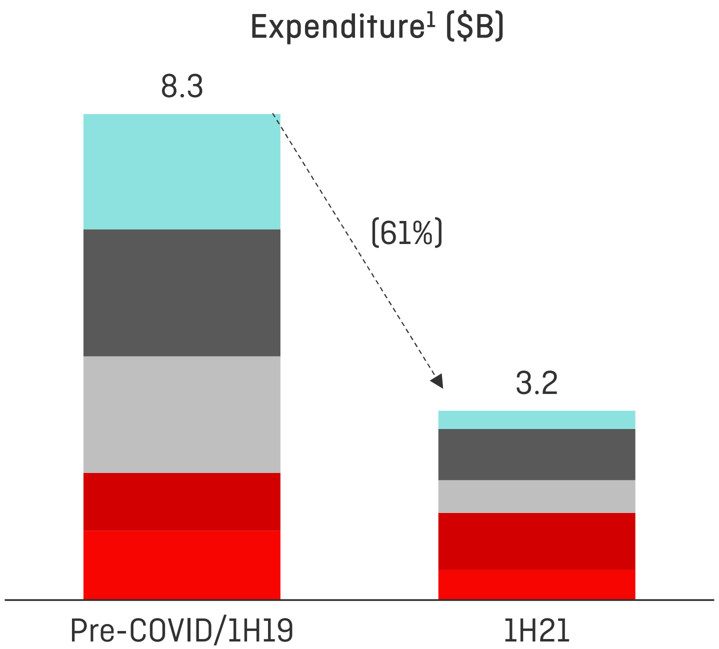
- Reduction in network and passenger charges due to decreased flying
- Decrease in airport charges and taxes due to reduced activity levels
- Receipt of Government grants and assistance to offset expenses in relation to COVID-19

Depreciation and amortisation down 1%

- Impairment of A380s offset by charges for capital invested since 1H19

Other expenditure down 57%

- Reduced commissions due to reduction in activity
- Reduction in computer and communications related spend through rate and volume reductions
- Reduction in capacity hire related to overall activity reduction and the transition of National Jet Services from capacity hire to Qantas Group ownership



	Pre-COVID/1H19		1H21
Passengers ('000)	28,500	(83%) →	4,915
ASKs (m)	76,854	(89%) →	8,837

1. All expenditure is presented on an Underlying basis which excludes other items not included in Underlying (LBT)/PBT.

Cash flow (Statutory)

$M	1H21	1H20
Operating cash flows	(861)	1,475
Investing cash flows	(514)	(1,262)
Net free cash flow[1]	(1,375)	**213**
Financing cash flows	468	(624)
Cash at beginning of year	3,520	2,157
Effects of FX on cash	(7)	(1)
Cash at end of year	2,606	**1,745**

- Significant drop in operating cash flow due to the impact of travel restrictions and border closures due to COVID-19 and one-off cash outflows for restructuring, redundancies, refunds and deferred payables
- Investing cash flows skewed to first half
- Financing cash flows include
  - $839m new debt raised since 30 June 2020
  - Proceeds from the Share Purchase Plan of $72m
  - Debt repayments $202m including $70m FY21 bond repayment
  - Lease repayments and other financing costs of $241m

1. Cash from operating activities less net cash used in investing activities.

Invested Capital calculation

$M	As at 31 Dec 2020	As at 30 Jun 2020[3]	As at 31 Dec 2019
Receivables (current and non-current)	735	621	1,084
Inventories	296	306	379
Other assets (current and non-current)	602	562	607
Investments accounted for under the equity method	65	59	222
Property, plant and equipment	11,340	11,726	13,097
Intangible assets	961	1,050	1,263
Assets classified as held for sale	41	58	16
Payables (current and non-current)	(1,890)	(2,450)	(2,358)
Provisions (current and non-current)	(2,133)	(2,190)	(1,449)
Revenue received in advance (current and non-current)	(4,907)	(5,040)	(5,763)
Capitalised aircraft leased assets[1]	1,248	1,301	1,369
Invested Capital	**6,358**	**6,003**	**8,467**
Average Invested Capital[2]	**7,186**	**8,055**	**8,387**

1. For calculating ROIC, capitalised leased aircraft are included in the Group's Invested Capital at the AUD market value (referencing AVAC) of the aircraft at the date of commencing operations at the prevailing AUD/USD rate. This value is notionally depreciated in accordance with the Group's accounting policies with the calculated depreciation expense known as notional depreciation. The carrying value (AUD market value less accumulated notional depreciation) is reported within Invested Capital as capitalised aircraft leased assets. Where leased aircraft were classified as Finance Leases under the previous accounting standard (AASB 117), the capitalised amount and notional depreciation for ROIC is consistent with the recognised accounting values. 2. Equal to the 12 months average of monthly Invested Capital. 3. Restated for removal of finance lease receivable.

ROIC calculation

$M	12 mths to Dec 20	12 mths to Dec 19
Underlying EBIT	(1,393)	1,592
Add back: Lease depreciation under AASB 16	400	370
Less: Notional depreciation[1]	(107)	(109)
Less: Cash expenses for non-aircraft leases	(202)	(206)
ROIC EBIT	**(1,302)**	**1,647**

$M	As at 31 Dec 20	As at 31 Dec 19
Net working capital[2]	(7,297)	(7,500)
Fixed assets[3]	12,407	14,598
Capitalised aircraft leased assets[1]	1,248	1,369
Invested Capital	**6,358**	**8,467**
Average Invested Capital[4]	**7,186**	**8,387**
Return on Invested Capital (%)	**(18.1)**	**19.6**

1. For calculating ROIC, capitalised leased aircraft are included in the Group's Invested Capital at the AUD market value (referencing AVAC) of the aircraft at the date of commencing operations at the prevailing AUD/USD rate. This value is notionally depreciated in accordance with the Group's accounting policies with the calculated depreciation expense known as notional depreciation. The carrying value (AUD market value less accumulated notional depreciation) is reported within Invested Capital as capitalised aircraft leased assets. Where leased aircraft were classified as Finance Leases under the previous accounting standard (AASB 117), the capitalised amount and notional depreciation for ROIC is consistent with the recognised accounting values. 2. Net working capital is the net total of the following items disclosed in the Group's Consolidated Balance Sheet: receivables, inventories and other assets reduced by payables, provisions, revenue received in advance and liabilities classified as held for sale. 3. Fixed assets is the sum of the following items disclosed in the Group's Consolidated Balance Sheet: investments accounted for under the equity method, property, plant and equipment, intangible assets, and assets classified as held for sale. 4. Equal to the 12 months average of monthly Invested Capital.

Net debt target range

- During the recovery phase we will conservatively hold the target net debt range consistent with the position as at 30 June 2020
- Net debt target range = 2.0x – 2.5x ROIC EBITDAR where EBITDAR achieves a fixed 10% ROIC
- At Invested Capital of $6.0b as at 30 June 2020, optimal net debt range is **$4.5b to $5.6b**

	$b	
Invested Capital	6.0	Invested Capital as at 30 June 2020
10% ROIC EBIT	0.60	Invested Capital x 10%
plus rolling 12 month ROIC depreciation[1]	1.63	Includes notional depreciation on aircraft operating leases
EBITDA where ROIC = 10%	2.23	
Net debt at 2.0x EBITDA where ROIC = 10%	4.5	**Net debt target range**[2]
Net debt at 2.5x EBITDA where ROIC = 10%	5.6	

Group leverage target consistent with investment grade credit metrics

1. Equal to the ROIC depreciation for the 12 months to 30 June 2020 and includes Group underlying depreciation and amortisation (excluding lease depreciation under AASB 16), and notional depreciation on leased aircraft and expected decrease in FY21 Underlying depreciation. 2. The appropriate level of net debt reflects the Qantas Group's size, measured by Invested Capital and is premised on maintaining ROIC above 10%.

Net debt movement consistent with Financial Framework

$M	1H21	1H20
Opening Net Debt (30 June)	**(4,734)**	**(4,710)**
Net cash from operating activities	(861)	1,475
Less: Lease principal repayments	(219)	(205)
Add: Principal portion of aircraft lease rentals	119	100
Funds From Operations	**(961)**	**1,370**
Net cash from investing activities	(514)	(1,262)
Net Capex	**(514)**	**(1,262)**
Dividend paid to shareholders	–	(204)
Payments for share buy-back	–	(443)
Shareholder Distributions	–	**(647)**
Payment for treasury shares	–	(5)
Net equity raise Share Purchase Plan funds	58	–
FX revaluations and other fair value movements	99	(19)
Closing Net Debt (31 December)	**(6,052)**	**(5,273)**

- The Financial Framework considers aircraft leases as part of net debt
  - Aircraft leases are recognised in net debt at fair value
  - Principal portions of rentals are treated as debt reduction
  - Purchase of aircraft leases are treated as refinancing
  - Commencing (or returning) aircraft leases are treated as capital acquisitions/borrowings (or capital disposals/repayments)
  - AASB 16 *Leases* was adopted at 1 July 2019 and applied retrospectively. Under AASB 16, leases are recognised on the balance sheet and measured as the present value of future lease payments. This differs to the fair value at recognition approach under the Financial Framework
  - The adoption of AASB 16 does not change the Financial Framework that guides the Group's capital decisions

Unit Cost breakdown

Group Unit Cost	1H21	Comments
Total Unit Cost[1]	22.03	
Excluding:		
Fuel	(3.50)	
Change in FX rates		
Impact of changes in the discount rate and other actuarial assumptions	(0.23)	
Share of net profit/(loss) of investments accounted for under the equity method	(0.76)	
Ex-Fuel Unit Cost[2]	17.54	
Excluding:		
Depreciation and amortisation	11.02	
Normalised Ex-Fuel Unit Cost	6.52	FY23 Target = 3.97, FY20 = 4.41

1. Underlying (LBT)/PBT less ticketed passenger revenue per ASK. 2. Underlying (LBT)/PBT less ticketed passenger revenue, fuel and share of profit/(loss) of investments accounted for under the equity method, adjusted for the impact of changes in FX rates, discount rates and other actuarial assumptions per ASK.

1H21 Australian Government COVID-19 packages

The Coronavirus and government border restrictions reduced the Group's revenue for 1H21 by ~$7.0b[1]. Australian Government COVID-19 packages totalled $699m for 1H21, including $459m for JobKeeper payments benefiting employees who were stood down and subsidised wages for those working, and $66m in refunded or waived government charges.

Economy wide measures	Description	1H21
JobKeeper	Support to employees (majority passed directly through to employees, less than half is wage subsidy)	**$459m**
Industry wide measures	**Description**	**1H21**
Australian Airline Financial Relief Package (AAFRP)[2]	Refunding and ongoing waiving of a range of government charges	**$66m**

On behalf of the Australian Government, Qantas Domestic, Qantas International, Qantas Freight and Jetstar provided services for vital passenger and freight services during 1H21. This was flying activity that would not have been commercially viable and the Group would not have operated without the support of the Government. The net benefit of this flying was ~$14m.

Freight and passenger services	Description	1H21
RANS, DANS and repatriation flights[3]	International, Mainline Domestic, Regional and Freight network for essential services; Repatriation flights to/from Chennai, Delhi, Frankfurt, Johannesburg, London and Paris.	$84m
International Freight Assistance Mechanism[3]	Maintains vital international freight routes, competitively tendered	$90m
Sub-total		$174m
Net Benefit after Qantas expenses[4]		~$14m

Job Keeper Payment is intended to help keep more Australians in jobs and support businesses affected by the significant economic impact of the coronavirus. On 21 July 2020, the Government announced the extension of the JobKeeper payment to 28 March 2021 at modified rates and eligibility. Recorded in Manpower and Labour related expense.

Australian Airline Financial Relief Package includes the refunding and ongoing waiving of a range of Government charges to the industry including aviation fuel excise and domestic and regional aviation security charges. Excludes waivers on Airservices Australia charges on domestic airline operations. Applicable charges applying to flights between 1 February 2020 and 31 March 2021 are eligible for consideration in accordance with the eligibility criteria and related information set out in the grant opportunity guidelines. Recorded in Aircraft Operating Variable.

RANS, DANS and International repatriation flights underwritten by the Australian Government on a cost offset basis. International flying included flights to/from Chennai, Delhi, Frankfurt, Johannesburg, London and Paris. Within Australia it includes a baseline network of domestic passenger flights servicing the most critical metropolitan and regional routes while providing freight belly space capacity. Recorded in Other Revenue.

International Freight Assistance Mechanism emergency measure to restore critical global supply chains which have been heavily impacted by COVID-19 containment measures around the world and ensures exporters maintain connectivity to strategic markets. On 6 October 2020, the Government announced extension of the program to mid-2021. Recorded in Net Freight Revenue.

1. Compared to pre-COVID 1H19. 2. The Australian Airline Financial Relief Package also provided support to other suppliers of the Group (including government-owned corporations). As a result of this support, the providers have offered waivers to the Group of $45m. 3. Fee for services provided recognised as net income received after allowing for revenue received from ticket sales. 4. Estimated costs of ~$160m, including operational costs as well as minimum expenditure incurred by support functions during the period of no commercial flying activity, including manpower and staff related charges, aircraft operating variable, fuel, depreciation and amortisation and other expenses.

Fleet as at 31 December 2020

Aircraft Type	1H21	FY20	Change
A380-800	12	12	–
A330-200	18	18	–
A330-300	10	10	–
737-800NG	75	75	–
787-9	11	11	–
747-400ER[1]	-	4	(4)
Total Qantas	**126**	**130**	**(4)**
717-200	20	20	–
Q200/Q300	19	19	–
Q400	31	31	–
F100	17	17	–
A320-200[2]	8	4	4
Total QantasLink	**95**	**91**	**4**
A320-200[2,3]	64	68	(4)
A321-200	8	8	–
787-8	11	11	–
Total Jetstar	**83**	**87**	**(4)**
737-300SF	4	4	–
737-400SF	1	1	–
767-300SF	1	1	–
A321-200P2F	1	–	1
Total Freight[4]	**7**	**6**	**1**
Total held for sale (747-400ER)	**3**	**-**	**3**
Total Group	**314**	**314**	**-**

- Group fleet[5] of 314 aircraft as at 31 December 2020
- Movements in 1H21 include:
  - Disposal of one 747-400ER, three held for sale with settlement of transactions to occur in 2H21
  - Four A320-200 transferred from Jetstar to QantasLink
  - Addition of one A321-200P2F freighter
- One Jetstar A321-200 currently undergoing conversion to freighter with expected completion in 1H22

1. Includes disposal of one 747-400ER aircraft VH-OEH sold in October 2020, three held for sale with settlement of transactions to occur in 2H21. 2. Four A320-200 aircraft were transferred from Jetstar to QantasLink in November and December 2020. 3. Includes Jetstar Asia (Singapore) fleet (15 X A320), excludes Pacific Airlines (formerly known as Jetstar Pacific) and Jetstar Japan. 4. Qantas Group also wet leases two 747-800 freighter aircraft, seven BAe146 freighter aircraft, one 737-300 and two SAAB 340F (not included in the table) taking the total freight fleet to 19 aircraft. 5. Includes purchased and leased aircraft, but excludes wet leased aircraft.

Supplementary Segment Information

1H21 Group and Group Domestic Traffic Statistics vs Pre-COVID

	1Q21	Pre-COVID 1Q19	Change (%)	2Q21	Pre-COVID 2Q19	Change (%)	1H21	Pre-COVID 1H19	Change (%)
Qantas Group Operations									
Passengers carried ('000)	1,647	14,103	(88)	3,268	14,397	(77)	4,915	28,500	(83)
Revenue Passenger Kilometres (m)	1,816	32,372	(94)	3,752	32,586	(88)	5,568	64,958	(91)
Available Seat Kilometres (m)	2,987	38,698	(92)	5,850	38,156	(85)	8,837	76,854	(89)
Revenue Seat Factor (%)	60.8	83.7	(22.9pts)	64.1	85.4	(21.3pts)	63.0	84.5	(21.5pts)
Group Unit Revenue (c/ASK)	9.87	8.67	14	10.6	9.21	15	10.3	8.94	16
Qantas Domestic									
Passengers carried ('000)	910	5,723	(84)	1,748	5,694	(69)	2,658	11,417	(77)
Revenue Passenger Kilometres (m)	1,032	6,961	(85)	2,000	6,827	(71)	3,032	13,788	(78)
Available Seat Kilometres (m)	1,819	8,792	(79)	3,401	8,522	(60)	5,220	17,314	(70)
Revenue Seat Factor (%)	56.7	79.2	(22.5pts)	58.8	80.1	(21.3pts)	58.1	79.6	(21.5pts)
Jetstar Domestic									
Passengers carried ('000)	534	3,545	(85)	1,199	3,663	(67)	1,733	7,208	(76)
Revenue Passenger Kilometres (m)	635	4,258	(85)	1,509	4,253	(65)	2,144	8,511	(75)
Available Seat Kilometres (m)	941	4,875	(81)	2,016	4,818	(58)	2,957	9,693	(69)
Revenue Seat Factor (%)	67.5	87.3	(19.8pts)	74.9	88.3	(13.4pts)	72.5	87.8	(15.3pts)
Group Domestic									
Available Seat Kilometres (m)	2,760	13,667	(80)	5,417	13,340	(59)	8,177	27,007	(70)
Group Domestic Unit Revenue change (%)			(20)			(16)			(17)

1H21 Group International Traffic Statistics vs Pre-COVID

	1Q21	Pre-COVID 1Q19	Change (%)	2Q21	2Q19	Change (%)	1H21	Pre-COVID 1H19	Change (%)
Qantas International									
Passengers carried ('000)	0	2,184	(100)	3	2,244	(100)	3	4,428	(100)
Revenue Passenger Kilometres (m)	2	14,911	(100)	6	15,133	(100)	8	30,044	(100)
Available Seat Kilometres (m)	2	17,691	(100)	29	17,460	(100)	31	35,151	(100)
Revenue Seat Factor (%)	100	84.3	15.7pts	20.7	86.7	(66.0pts)	25.8	85.5	(59.7pts)
Jetstar International									
Passengers carried ('000)	197	1,587	(88)	306	1,651	(81)	503	3,238	(84)
Revenue Passenger Kilometres (m)	137	4,706	(97)	222	4,683	(95)	359	9,389	(96)
Available Seat Kilometres (m)	180	5,415	(97)	313	5,325	(94)	493	10,740	(95)
Revenue Seat Factor (%)	76.1	86.9	(10.8pts)	70.9	87.9	(17.0pts)	72.8	87.4	(14.6pts)
Jetstar Asia									
Passengers carried ('000)	6	1,064	(99)	12	1,145	(99)	18	2,209	(99)
Revenue Passenger Kilometres (m)	10	1,536	(99)	15	1,689	(99)	25	3,226	(99)
Available Seat Kilometres (m)	45	1,925	(98)	91	2,031	(96)	136	3,956	(97)
Revenue Seat Factor (%)	22.2	79.8	(57.6pts)	16.5	83.2	(66.7pts)	18.4	81.5	(63.1pts)
Group International									
Available Seat Kilometres (m)	227	25,031	(99)	433	24,816	(98)	660	49,847	(99)
Group International Unit Revenue change (%)			(9.3)			(26.8)			(20.0)

1H21 Group and Group Domestic Traffic Statistics vs 1H20

	1Q21	1Q20	Change (%)	2Q21	2Q20	Change (%)	1H21	1H20	Change (%)
Qantas Group Operations									
Passengers carried ('000)	1,647	14,341	(89)	3,268	14,535	(78)	4,915	28,876	(83)
Revenue Passenger Kilometres (m)	1,816	32,766	(94)	3,752	32,671	(89)	5,568	65,437	(91)
Available Seat Kilometres (m)	2,987	38,625	(92)	5,850	38,255	(85)	8,837	76,880	(89)
Revenue Seat Factor (%)	60.8	84.8	(24.0pts)	64.1	85.4	(21.3pts)	63.0	85.1	(22.1pts)
Group Unit Revenue	9.87	8.82	12	10.6	9.55	11	10.3	9.19	12
Qantas Domestic									
Passengers carried ('000)	910	5,785	(84)	1,748	5,855	(70)	2,658	11,640	(77)
Revenue Passenger Kilometres (m)	1,032	6,967	(85)	2,000	6,960	(71)	3,032	13,927	(78)
Available Seat Kilometres (m)	1,819	8,844	(79)	3,401	8,593	(60)	5,220	17,437	(70)
Revenue Seat Factor (%)	56.7	78.8	(22.1pts)	58.8	81.0	(22.2pts)	58.1	79.9	(21.8pts)
Jetstar Domestic									
Passengers carried ('000)	534	3,613	(85)	1,199	3,642	(67)	1,733	7,255	(76)
Revenue Passenger Kilometres (m)	635	4,333	(85)	1,509	4,195	(64)	2,144	8,528	(75)
Available Seat Kilometres (m)	941	4,894	(81)	2,016	4,774	(58)	2,957	9,668	(69)
Revenue Seat Factor (%)	67.5	88.5	(21.0pts)	74.9	87.9	(13.0pts)	72.5	88.2	(15.7pts)
Group Domestic									
Available Seat Kilometres (m)	2,760	13,738	(80)	5,417	13,367	(60)	8,177	27,105	(70)
Group Domestic Unit Revenue change (%)			(19)			(18)			(17)

1H21 Group International Traffic Statistics vs 1H20

	1Q21	1Q20	Change (%)	2Q21	2Q20	Change (%)	1H21	1H20	Change (%)
Qantas International									
Passengers carried ('000)	0	2,186	(100)	3	2,262	(100)	3	4,448	(100)
Revenue Passenger Kilometres (m)	2	14,899	(100)	6	15,039	(100)	8	29,938	(100)
Available Seat Kilometres (m)	2	17,253	(100)	29	17,360	(100)	31	34,613	(100)
Revenue Seat Factor (%)	100	86.4	13.6pts	20.7	86.6	(65.9pts)	25.8	86.5	(60.7pts)
Jetstar International									
Passengers carried ('000)	197	1,639	(88)	306	1,624	(81)	503	3,263	(85)
Revenue Passenger Kilometres (m)	137	4,925	(97)	222	4,749	(95)	359	9,674	(96)
Available Seat Kilometres (m)	180	5,655	(97)	313	5,506	(94)	493	11,161	(96)
Revenue Seat Factor (%)	76.1	87.1	(11.0pts)	70.9	86.3	(15.4pts)	72.8	86.7	(13.9pts)
Jetstar Asia									
Passengers carried ('000)	6	1,118	(99)	12	1,152	(99)	18	2,270	(99)
Revenue Passenger Kilometres (m)	10	1,642	(99)	15	1,728	(99)	25	3,370	(99)
Available Seat Kilometres (m)	45	1,979	(98)	91	2,022	(95)	136	4,001	(97)
Revenue Seat Factor (%)	22.2	83.0	(60.8pts)	16.5	85.5	(69.0pts)	18.4	84.2	(65.8pts)
Group International									
Available Seat Kilometres (m)	227	24,877	(99)	433	24,888	(98)	660	49,775	(99)
Group International Unit Revenue change (%)			(13)			(30)			(24)

Jetstar Group as at 31 December 2020

Jetstar Branded Airlines	Ownership[1]	Launch	Aircraft[2]
1 Jetstar Australia	100%	2004	51 x A320s/A321s
2 Jetstar International	100%	2006	11 x 787-8s
3 Jetstar New Zealand[3]	100%	2009	5 x A320s
4 Jetstar Asia (Singapore)	49%	2004	15 x A320s
5 Jetstar Japan	33%	2012	25 x A320s

Non-Branded Airlines	Ownership[1]	Launch	Aircraft[2]
6 Pacific Airlines (Vietnam)[4]	30% Intention to exit	2008	15 x A320s

1. Based on voting rights. 2. Represents operational fleet (includes aircraft subleased for Jetstar operations and aircraft that may be temporarily stored or parked due to COVID-19, excludes subleased aircraft to external parties and aircraft undergoing P2F conversion). 3. Includes Jetstar Trans-Tasman services commenced in 2005 and Jetstar New Zealand (Domestic) services commenced in 2009, Jetstar New Zealand (Regional) business exited September 2019. 4. Jetstar Pacific (Vietnam) rebranded from Pacific Airlines to Jetstar Pacific in 2008 and rebranded back to Pacific Airlines in July 2020.

Diversification and growth at Qantas Loyalty

One of the world's most diverse airline loyalty programs

FREQUENT FLYER
BUSINESS REWARDS
QANTAS MONEY
QANTAS HOTELS
QANTAS INSURANCE
QANTAS SHOPPING
QANTAS WINE

- 2% growth[1] in Qantas Frequent Flyer membership; >10% growth in QBR[2] membership with ~320,000 SME members[3]
- ~550 Partners[4]; 7 new Qantas Business Rewards partners onboarded
- BP Australia and Qantas Frequent Flyer partnership launched April 2020; >700k linked members[5]
- Financial services diversification, Home Loans and Buy Now Pay Later (~65k members earning Points since launch)[6]
- 60% increase in NPS[7] supported by continued investment in member engagement activities
- Group Cash contribution ~$450m of gross receipts[8] in 1H21

- 51% customer growth across Home and Motor Insurance[9]; re-launched domestic and international travel insurance with new cover for COVID events[10]
- ~2.5x increase in Airline redemptions during first week of border opening announcements in 1H21[11]
- 61% growth in domestic hotel commissions during Q2[12], supported by the relaunch of the Qantas Holidays brand and new product offerings
- 41% and 74% revenue growth in Qantas Rewards Store and Wine, respectively[13]

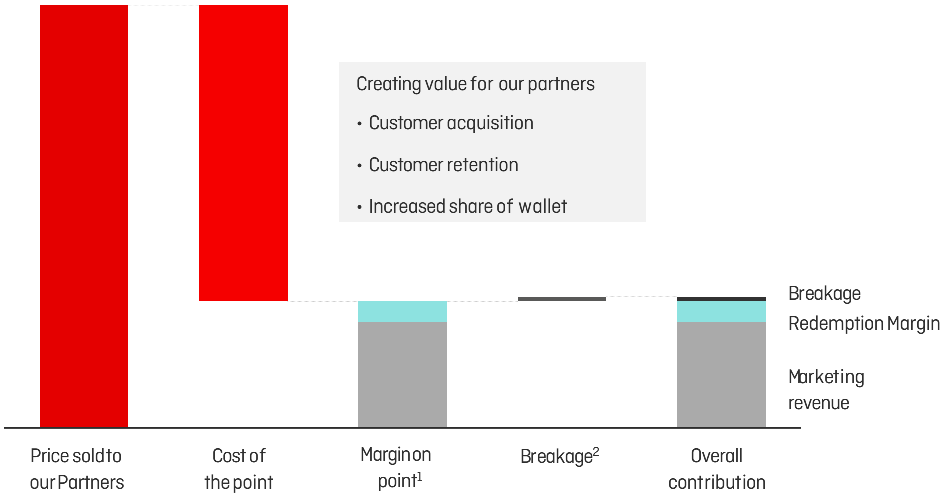
Leadership in customer advocacy in airline loyalty programs[14]

1. Compared to December 2019. 2. Qantas Business Rewards 3. As at 31 December 2020. 4. Includes Airline, Retail, Financial Services and Health and Wellness partners. 5. Qantas Internal reporting as at 10 February 2021. 6. Total members who have earned Qantas Points with Afterpay following the trial launch to 31 January 2021. 7. Qantas Loyalty NPS score as at 31 December 2020 compared to 31 December 2019. 8. Sales to all external parties during 1H21. 9. Total customers with a Home and/or Motor insurance policy as at 31 December 2020 compared to 30 June 2020. 10. Re-launched in December 2020. 11. Total Qantas Points redeemed on flights between QLD/NSW; NSW/VIC; and VIC/QLD within the 7 days following domestic travel restrictions easing during November 2020. 12. Commission Revenue received from domestic hotel bookings during 2Q21 compared to 1Q21. 13. Revenue from Qantas Store and Qantas Wine includes both cash sales and points redemption activity during 1H21 compared to 1H20. 14. Qantas internal reporting.

Margin is only generated on 'external points sales'

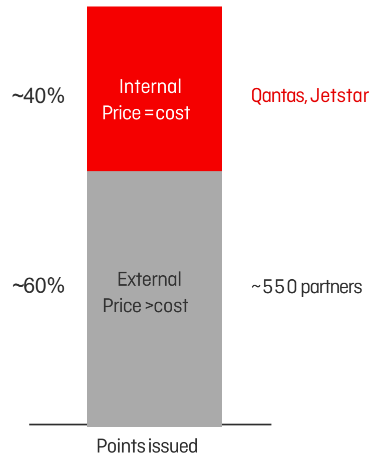
Core points sale

Core points sales – generates points margin



Margin is only generated on 'external points'

(unique compared to other airline loyalty programs)



+

Share of revenue from New Businesses

QANTAS INSURANCE

QANTAS MONEY

QANTAS HOTELS

QANTAS WINE

1. Recognition is split across time of issuance and time of redemption. 2. 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.

Glossary

Available Seat Kilometres (ASK) – Total number of seats available for passengers, multiplied by the number of kilometres flown

Block Hours – The time between the aircraft leaving the departure gate and arriving at the destination gate

Capitalised aircraft lease liabilities – Capitalised aircraft lease liabilities are measured at fair value at the lease commencement date and remeasured over 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

CPI – Consumer Price Index

EBIT – Earnings before interest and tax

EPS – Earnings per share. Statutory profit after tax divided by the weighted average number of issued shares

IFAM – International Freight Assistance Mechanism

Fixed assets - Sum of the following items disclosed in the Group's Consolidated Balance Sheet: investments accounted for under the equity method, property, plant and equipment, intangible assets, and assets classified as held for sale

FX – Foreign exchange

Invested Capital – Net assets (excluding cash, debt, other financial assets and liabilities and tax balances) including capitalised aircraft lease assets

Net Capital expenditure (Capex) – Net investing cash flows included in the Consolidated Cash Flow Statement and the impact to Invested Capital from acquiring or returning leased aircraft

Net debt – includes net on balance sheet debt and capitalised aircraft lease liabilities

Net free cash flow – Net cash from operating activities less net cash used in investing activities (excluding aircraft lease refinancing)

Net on balance sheet debt – Interest-bearing liabilities reduced by cash and cash equivalents

Net Working capital – Net total of the following items disclosed in the Group's Consolidated Balance Sheet: receivables, inventories and other assets reduced by payables, provisions, revenue received in advance and liabilities classified as held for sale

NPS – Net promoter score. Customer advocacy measure

OEM – Original Equipment Manufacturer

Operating Margin – Underlying EBIT divided by Total Revenue

LBT – Loss before tax

QBR – Qantas Business Rewards

QFF – Qantas Frequent Flyer

Return on Invested Capital (ROIC) – ROIC EBIT for the 12 months ended for the reporting period, divided by the 12 months average Invested Capital

Revenue Passenger Kilometres (RPK) – Total number of passengers carried, multiplied by the number of kilometres flown

RRIA – Revenue received in advance

Seat Factor – Revenue passenger kilometres divided by available seat kilometres

SME – Small to medium enterprise

Ticketed passenger revenue – Uplifted passenger revenue included in Net Passenger Revenue

Total Unit Cost – Underlying (LBT)/PBT less ticketed passenger revenue per available seat kilometre (ASK)

Unit Revenue – Ticketed passenger revenue per available seat kilometre (ASK)

WACC – Weighted average cost of capital calculated on a pre-tax basis

Disclaimer & ASIC Guidance

This Presentation has been prepared by Qantas Airways Limited (ABN 16 009 661 901) (Qantas).

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