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ASX Market Announcements Office
Australian Securities Exchange Limited

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Qantas Group HY26 Appendix 4D and Interim Financial Report

Qantas Airways Limited attaches the following documents relating to its results for the half-year ended 31 December 2025:

- Appendix 4D; and
- Interim Financial Report.

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Authorised for release by the Qantas Board of Directors.



**QANTAS AIRWAYS LIMITED
AND ITS CONTROLLED ENTITIES**

APPENDIX 4D AND
CONSOLIDATED INTERIM FINANCIAL REPORT
FOR THE HALF-YEAR ENDED
31 DECEMBER 2025

ABN: 16 009 661 901

ASX CODE: QAN



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Results for Announcement to the Market

Qantas Airways Limited (Qantas) and its controlled entities (the Qantas Group or the Group) Results for Announcement to the Market are detailed below.

	December 2025 \$M	December 2024 \$M	Change \$M	Change %
Revenue and other income	12,896	12,129	767	6.3%
Statutory profit before tax	1,307	1,320	(13)	(1.0%)
Statutory profit after tax	925	923	2	0.2%
Statutory profit after tax attributable to members of Qantas	925	923	2	0.2%
Underlying profit before tax ¹	1,456	1,385	71	5.1%

DIVIDENDS AND OTHER SHAREHOLDER DISTRIBUTIONS

(A) Dividends paid and announced

During the half-year ended 31 December 2025, the Group paid a base dividend of \$250 million, distributed as a fully franked final dividend of 16.5 cents per share, and an additional distribution of \$150 million, distributed as a fully franked special dividend of 9.9 cents per share. The dividends were paid on 15 October 2025.

In February 2026, the Board has resolved to announce a base dividend of \$300 million, distributed as a fully franked interim dividend of 19.8 cents per share. The record date for determining entitlements to the dividend is 11 March 2026. The dividend will be paid on 15 April 2026.

(B) Share buy-backs

During the half-year ended 31 December 2025, there were no on-market share buy-backs completed by the Group.

In February 2026, the Board has resolved to announce an on-market share buy-back of up to \$150 million.

EXPLANATION OF RESULTS

Please refer to the Review of Operations for an explanation of the results.

This information should be read in conjunction with the Consolidated Annual Financial report of the Qantas Group for the year ended 30 June 2025. This report should also be read in conjunction with any public announcements made by Qantas in accordance with the continuous disclosure requirements arising under the *Corporations Act 2001* (Cth) and ASX Listing Rules.

The information provided in this report contains all the information required by ASX Listing Rule 4.2A.

Other Information

		December 2025	June 2025
Net assets per ordinary share	\$	0.89	0.52
Net tangible assets per ordinary share ²	\$	0.51	0.12

		December 2025	December 2024
Statutory Earnings Per Share ³	cents	61.3	59.9
Diluted Earnings Per Share ⁴	cents	60.8	59.2

¹ Underlying Profit Before Tax (Underlying PBT) is a non-statutory measure and is the primary reporting measure used by the Qantas Group's Chief Operating Decision-Making (CODM) bodies, being the Chief Executive Officer, Group Leadership Team and the Board of Directors, for the purpose of assessing the performance of the Group. Refer to Note 2(B).

² Net tangible assets is calculated as net assets reduced to exclude intangible assets.

³ Statutory Earnings Per Share is measured using the weighted average number of shares outstanding during the period, excluding unallocated treasury shares.

⁴ Diluted Earnings Per Share is measured using the weighted average number of shares outstanding during the period, excluding unallocated treasury shares, and is adjusted for the effects of all dilutive potential ordinary shares.

Other Information continued

ENTITIES OVER WHICH CONTROL, JOINT CONTROL OR SIGNIFICANT INFLUENCE WAS GAINED OR LOST DURING THE PERIOD

The Qantas Group incorporated the following entities during the period:

- 100 per cent of QantasLink Pty Ltd on 11 December 2025

The Qantas Group disposed of the following entities during the period:

- 41 per cent interest in Capacity Optimisation Group Pty Ltd on 8 August 2025

OWNERSHIP INTEREST IN INVESTMENTS ACCOUNTED FOR UNDER THE EQUITY METHOD	December 2025	June 2025
	%	%
Capacity Optimisation Group Pty Ltd (formerly Airport Co-Ordination Australia Pty Ltd)	-	41
Fiji Resorts Pte Limited	21	21
Hallmark Aviation Services L.P.	49	49
HT&T Travel Philippines, Inc.	28	28
Holiday Tours and Travel (Thailand) Ltd.	37	37
Holiday Tours and Travel (GSA) Ltd.	37	37
Jetstar Japan Co. Ltd. ⁵	33	33
PT Holiday Tours & Travel	37	37

⁵ In February 2026, the Group announced that they had signed a non-binding Memorandum of Understanding with Japan Airlines to facilitate the divestment of the Qantas shareholding in Jetstar Japan to a new Japanese capital-led ownership structure (refer to Note 14).

The Directors present their report together with the Consolidated Interim Financial Report for the half-year ended 31 December 2025 and the Independent Auditor's Review Report thereon.

Directors

The Directors of Qantas Airways Limited at any time during or since the end of the half-year were as follows:

Name	Period of Directorship
John Mullen <i>Board Chair</i>	<i>Current, appointed 22 April 2024 – commenced as Board Chair on 16 September 2024</i>
Vanessa Hudson <i>Chief Executive Officer</i>	<i>Current, appointed 5 May 2023 – commenced as Chief Executive Officer on 6 September 2023</i>
Belinda Hutchinson, AC	<i>Current, appointed 12 April 2018</i>
Doug Parker	<i>Current, appointed 23 May 2023</i>
Dr Nora Scheinkestel	<i>Current, appointed 1 March 2024</i>
Dr Heather Smith, PSM	<i>Current, appointed 24 August 2023</i>
Antony Tyler	<i>Current, appointed 26 October 2018</i>
Dion Weisler	<i>Current, appointed 31 March 2025</i>
Todd Sampson	<i>Ceased, appointed 25 February 2015 and ceased 31 July 2025</i>

Review of Operations

For the half-year ended 31 December 2025

RESULTS HIGHLIGHTS

Underlying Profit/(Loss) Before Tax	Statutory Profit/(Loss) After Tax	Statutory Earnings/(Loss) Per Share																														
1,456 \$M	925 \$M	61.3 cents																														
<table border="1"> <tr><td>1,456</td><td>1H26 1,456</td></tr> <tr><td>1,385</td><td>1H25 1,385</td></tr> <tr><td>1,245</td><td>1H24 1,245</td></tr> <tr><td>1,428</td><td>1H23 1,428</td></tr> <tr><td>(1,277)</td><td>1H22 (1,277)</td></tr> </table>	1,456	1H26 1,456	1,385	1H25 1,385	1,245	1H24 1,245	1,428	1H23 1,428	(1,277)	1H22 (1,277)	<table border="1"> <tr><td>925</td><td>1H26 925</td></tr> <tr><td>923</td><td>1H25 923</td></tr> <tr><td>869</td><td>1H24 869</td></tr> <tr><td>1,001</td><td>1H23 1,001</td></tr> <tr><td>(456)</td><td>1H22 (456)</td></tr> </table>	925	1H26 925	923	1H25 923	869	1H24 869	1,001	1H23 1,001	(456)	1H22 (456)	<table border="1"> <tr><td>61.3</td><td>1H26 61.3</td></tr> <tr><td>59.9</td><td>1H25 59.9</td></tr> <tr><td>51.8</td><td>1H24 51.8</td></tr> <tr><td>53.9</td><td>1H23 53.9</td></tr> <tr><td>(24.2)</td><td>1H22 (24.2)</td></tr> </table>	61.3	1H26 61.3	59.9	1H25 59.9	51.8	1H24 51.8	53.9	1H23 53.9	(24.2)	1H22 (24.2)
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Group Results

The Qantas Group (referred to as the Qantas Group or the Group) reported Underlying Profit Before Tax¹ (Underlying PBT) of \$1,456 million for first half 2025/26, a \$71 million increase compared to first half 2024/25. The Group's Statutory Profit Before Tax was \$1,307 million, a decrease of \$13 million compared to first half 2024/25, and Statutory Profit After Tax was \$925 million. Statutory profit includes costs attributed to: Jetstar Asia's closure, FY25 Employee Ownership Plan awards, management of the cyber incident, organisational restructuring, and legal provisions and related costs not otherwise included in Underlying PBT.

Other key financial metrics compared to first half 2024/25:

- Statutory Earnings Per Share of 61 cents per share, up 1 cent
- Group Operating Margin² of 12 per cent, flat compared to first half 2024/25
- Operating cash flow of \$1,752 million, down 15 per cent primarily due to increased tax outflows
- Net capital expenditure³ of \$1,809 million, up 27 per cent

The Group's integrated portfolio continued to drive value beyond the individual businesses. The result included 4 per cent higher Group ASKs⁴ when compared to first half 2024/25, driven by Jetstar deploying new fleet internationally, the return of the last A380-800 to service for Qantas International, and Qantas Domestic's fleet renewal.

Ongoing strong travel demand supported performance with Group Domestic Underlying EBIT of \$1,048 million and Group International Underlying EBIT of \$420 million. Within Group International, Qantas Freight (Freight) performance improved in first half 2025/26, driven by freighter fleet simplification, transformation activity and operations optimisation. Qantas Loyalty maintained its positive business momentum, achieving \$286 million Underlying EBIT, reflecting program enhancements and increased engagement across the Group.

Group Unit Revenue⁵ increased by 3 per cent, driven by strong performance from the Jetstar Group, including the impact from the closure of Jetstar Asia in July 2025. Total Unit Cost excluding fuel⁶ increased 3 per cent in first half 2025/26, which included the impact of industry costs, net CPI⁷, non-fuel foreign exchange, and growth in Qantas Loyalty activity. Total Unit Cost⁸ increased by 2 per cent due to the beneficial impact of fuel price and efficiency, net of carbon costs.

Group Fleet and Investments

The Group's fleet renewal program continued with the delivery of two new A321LRs, one new A320neo, four new A220-300s, and two new A321XLRs. In addition, the Group took delivery of one mid-life A319-100, two A330-300s through a dry lease arrangement with Finnair, three mid-life Q400s, and three mid-life 737-800s. With three A321XLRs, 11 A220-300s, 22 A321LRs, and five A320neos now in the fleet, the Group is seeing significant incremental fuel and scale efficiencies, and improved customer and employee sentiment from this technology.

¹ Underlying Profit Before Tax (Underlying PBT) is the primary reporting measure used by the Qantas Group's Chief Operating Decision-Making (CODM) bodies, being the Chief Executive Officer, Group Leadership Team and the Board of Directors, for the purpose of assessing the performance of the Group. The primary reporting measure of the Qantas Domestic, Qantas International, Jetstar Group and Qantas Loyalty operating segments is Underlying Earnings Before Net Finance Costs and Income Tax Expense (Underlying EBIT). The primary reporting measure of the Corporate segment is Underlying PBT as net finance costs are managed centrally. Refer to the reconciliation of Underlying PBT to Statutory Profit Before Tax on page 15.

² Group Operating Margin is Group Underlying EBIT divided by Group Total Revenue.

³ Net capital expenditure is equal to net investing cash flows in the Consolidated Cash Flow Statement and the impact to Invested Capital from the disposals/acquisitions of leased aircraft. This does not include capital expenditure for two dry leased A330-300 Finnair aircraft delivered in first half 2025/26. Capital recognition for the two existing wet leased A330-300 Finnair aircraft was recognised in financial year 2023/24. The wet leased aircraft are due to exit in second half 2025/26.

⁴ Available Seat Kilometres (ASKs) is calculated as the total number of seats available for passengers, multiplied by the number of kilometres flown.

⁵ Unit Revenue (RASK) is calculated as ticketed passenger revenue divided by ASKs.

⁶ Total Unit Cost excluding fuel is calculated as Underlying PBT less Total Revenue, share of net profit/(losses) of investments accounted under the equity method, and fuel divided by ASKs.

⁷ Consumer Price Index.

⁸ Total Unit Cost is calculated as Underlying PBT less Total Revenue and share of net profit/(losses) of investments accounted under the equity method divided by ASKs.

Review of Operations continued

For the half-year ended 31 December 2025

RESULTS HIGHLIGHTS (CONTINUED)

Alongside investment in new fleet, the Group continued to enhance the customer experience on the ground and in the air. This included the opening of the Auckland International Lounge, redesigned premium dining, service and amenities on Qantas flights, personalised real-time travel updates, as well as upgrades to the Jetstar app. The Group continued with planned refreshes to international business lounges in Los Angeles and Sydney and also announced the introduction of Economy Plus on the A321XLR, 737-800, and A220-300 fleet, featuring extra legroom and priority boarding.

Group Domestic

For Group Domestic operations, the dual brand strategy continued to support the Group's strategic proposition, with leading offerings maintained across all key segments of the market. The Group Domestic Underlying EBIT margin⁹ for first half 2025/26 was 18 per cent.

Qantas Domestic delivered an Underlying EBIT of \$676 million, achieving an Underlying EBIT margin of 16 per cent. Performance was driven by strong premium leisure, SME and resource demand, offset by cost escalation from industry costs (airport and security charges) and EIS¹⁰ and fleet transition costs. Investment in fleet health and continued investments in customer and operations drove significantly improved on-time performance and NPS¹¹. Jetstar's domestic network delivered an Underlying EBIT of \$372 million and an Underlying EBIT margin of 22 per cent. Performance was supported by strong price-sensitive and event demand, and capacity growth supported by new fleet.

Group International

Group International airline operations performed well with growth in premium and point-to-point markets in a strong demand environment. Qantas International (including Freight) reported an Underlying EBIT of \$300 million. The network continued to expand with the commencement of three new routes during the year along with the expansion of Perth-Rome services, underpinned by the continued strength of ultra long-haul point-to-point services. Jetstar's international network¹² reported an Underlying EBIT of \$120 million driven by ongoing leisure demand strength and the launch of four new routes, offset by losses in Jetstar Asia and Jetstar Japan. Unit Revenue in Group International increased by 3 per cent driven by growth in premium cabins in first half 2025/26. The Group International (including Freight) operating margin for first half 2025/26 was 7 per cent.

Jetstar Asia ceased operations on 31 July 2025, following the announcement on 11 June 2025, recording an Underlying EBIT loss of \$33 million with an additional \$47 million of restructuring costs recognised outside of Underlying PBT in first half 2025/26. The closure of Jetstar Asia supports the Qantas Group's strategy of recycling capital to improve long-term returns, support fleet renewal and strengthen core markets.

Qantas has also signed a non-binding Memorandum of Understanding to facilitate the transfer of Jetstar Japan to a new Japanese capital-led ownership structure. This allows the Qantas Group to focus its ongoing capital investment into domestic and international operations in Australia.

Qantas Loyalty

Qantas Loyalty continued its strong performance, delivering an Underlying EBIT of \$286 million with 120 billion points earned and 102 billion points redeemed. The result demonstrates the segment's growing importance in the Group's integrated portfolio, with the strength of the Loyalty segment reflected in a 7 per cent growth in active members, 10 per cent increase in points earned, and 17 per cent increase in points redeemed during first half 2025/26. Drivers included program enhancements with new partners like David Jones and increased engagement across the Group including Qantas Frequent Flyer Extra for Club Jetstar members to generate integrated value and support the Qantas Loyalty earn and burn Flywheel¹³.

Net Debt and Distributions

The Group's Financial Framework remains core to the Group's strategy, driving sustainable financial strength to support both ongoing investment and shareholder returns while maintaining flexibility to deal with changes in external factors. As at 31 December 2025, Net Debt¹⁴ under the Financial Framework was \$5.6 billion, at the lower end of the Group's target range of \$5.6 billion to \$7.0 billion for financial year 2025/26.

The Board has resolved to announce a base dividend of \$300 million, up \$50 million from first half 2024/25, to be distributed as a fully franked interim dividend of 19.8 cents per share¹⁵, in line with sustainable earnings uplift from investments in new fleet. The Board has also resolved to announce an additional distribution of up to \$150 million, via an on-market share buy-back.

⁹ Underlying EBIT margin, also referred to as operating margin, is calculated as the Underlying EBIT divided by Total Revenue.

¹⁰ Entry into service.

¹¹ Net Promoter Score (NPS), Customer advocacy measure.

¹² Includes Jetstar Australia international long-haul, short-haul, trans-Tasman, NZ Domestic, Jetstar Asia and share of profits/(losses) from Jetstar Japan.

¹³ Qantas Loyalty performance is a function of points volume earned and redeemed, and member growth.

¹⁴ Under the Group's Financial Framework, includes net on balance sheet debt and capitalised aircraft lease liabilities.

¹⁵ Calculated using number of shares on issue as at 31 December 2025.

Review of Operations continued

For the half-year ended 31 December 2025

FINANCIAL FRAMEWORK ALIGNED WITH SHAREHOLDER OBJECTIVES

The Group's Financial Framework aligns business objectives with those of shareholders with the aim of achieving top quartile shareholder returns by targeting maintainable Earnings Per Share (EPS) growth over the cycle. The Financial Framework is built on three clear priorities and associated long-term targets:

<p>1. Maintain optimal capital structure</p> <p>Minimise cost of capital by targeting a Net Debt range of 2.0x - 2.5x EBITDA where ROIC¹⁶ is 10 per cent</p> <p>Deliver against climate targets</p>	<p>2. ROIC > WACC¹⁷ through the cycle</p> <p>Deliver ROIC > 10 per cent¹⁸</p> <p>ESG included in business decisions</p>	<p>3. Disciplined allocation of capital</p> <p>Base Dividend, grow Invested Capital with disciplined investment, return surplus capital to shareholders</p> <p>Prioritise projects that exceed both ESG and ROIC targets</p>
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MAINTAINABLE EPS GROWTH OVER THE CYCLE



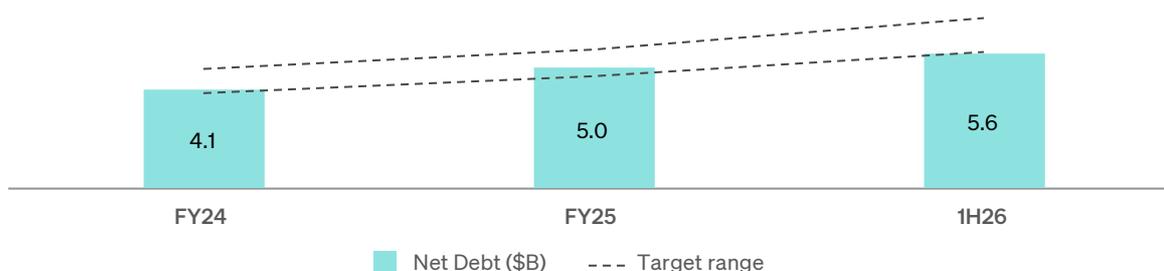
TOTAL SHAREHOLDER RETURNS IN THE TOP QUARTILE

Maintaining an Optimal Capital Structure

The Group's Financial Framework targets an optimal capital structure to achieve the lowest cost of capital. The range is based on a Net Debt to EBITDA range of 2.0-2.5 times where Return on Invested Capital (ROIC) is 10 per cent. This capital structure optimises the Group's cost of capital and preserves financial strength with the objective of enhancing long-term shareholder value. The Group's optimal capital structure is consistent with investment grade credit metrics and provides flexibility while protecting the Group's investment grade Baa2 rating with Moody's Investor Services.

At 31 December 2025, Net Debt was \$5.6 billion. The Net Debt range is forward-looking and calculated on a financial year basis. At forecast average Invested Capital of \$7.4 billion¹⁹, the optimal Net Debt range is \$5.6 billion to \$7.0 billion for the financial year 2025/26. The Net Debt target range is expected to increase over time with growth in Invested Capital and cash earnings from continued investment in fleet.

Net Debt Profile FY24 to 1H26 (\$ billion)



Debt Analysis	December 2025 \$M	June 2025 \$M	Change \$M	Change %
Net on balance sheet debt ²⁰	4,799	4,165	634	15
Capitalised aircraft lease liabilities ²¹	823	864	(41)	(5)
Net Debt	5,622	5,029	593	12

¹⁶ Return on Invested Capital (ROIC %) is a non-statutory measure and is the primary financial return measure of the Group. ROIC % is calculated as Return on Invested Capital EBIT (ROIC EBIT) for the 12 months ended for the reporting period, divided by 12 months average Invested Capital. Invested Capital is net assets (excluding cash, debt, other financial assets and liabilities and tax balances) including capitalised aircraft lease assets (adjusted to exclude aircraft lease return provisions from Invested Capital).

¹⁷ Weighted Average Cost of Capital, calculated on a pre-tax basis.

¹⁸ 10 per cent ROIC allows ROIC to be greater than pre-tax WACC through the cycle.

¹⁹ Forecast Average Invested Capital as of 31 December 2025.

²⁰ Net on balance sheet debt includes cash and cash equivalents, interest-bearing liabilities and fair value hedge of debt.

²¹ Capitalised aircraft lease liabilities are measured at fair value at the lease commencement date and remeasured over the lease term on a principal and interest basis. Residual value of capitalised aircraft lease liabilities denominated in foreign currency are translated at a long-term exchange rate.

Review of Operations continued

For the half-year ended 31 December 2025

FINANCIAL FRAMEWORK ALIGNED WITH SHAREHOLDER OBJECTIVES (CONTINUED)

ROIC > WACC Through the Cycle

ROIC for the 12 months to 31 December 2025 was 43.2 per cent. This ROIC was based on an average Invested Capital of \$6.2 billion which remains significantly lower than pre-COVID levels.

Calculated on a 12-month rolling basis, ROIC has declined 11.4 percentage points from 54.6 per cent as at 31 December 2024 to 43.2 per cent as at 31 December 2025. Invested Capital was materially impacted by COVID as assets continued to depreciate or were impaired, while capital expenditure was reduced to preserve cash during the pandemic. As a result, the Group's current level of Invested Capital is unusually low and the reported ROIC unsustainably high. Group ROIC is expected to moderate in the near term and revert to more sustainable levels as Invested Capital rebuilds with continued investment in fleet.

Disciplined Allocation of Capital

The Qantas Group takes a disciplined approach to allocating capital, aiming to grow Invested Capital and return surplus capital to shareholders. Net Capital Expenditure totalled \$1,809 million during first half 2025/26.

Upon considering the forward outlook for the business under its Financial Framework, the Board has resolved to announce a base dividend of \$300 million, distributed as a fully franked interim dividend of 19.8 cents per share and an additional distribution of up to \$150 million in an on-market share buy-back. The record date for determining entitlements to the dividend is 11 March 2026. The dividend will be paid on 15 April 2026.

Maintainable EPS Growth Over the Cycle

Statutory Earnings Per Share was 61 cents per share for first half 2025/26. The increase from first half 2024/25 was driven by an increase in Statutory Profit After Tax.

GROUP PERFORMANCE

The Qantas Group reported an Underlying Profit Before Tax of \$1,456 million for first half 2025/26, an increase of \$71 million from the Underlying Profit Before Tax of \$1,385 million reported in first half 2024/25.

Net passenger revenue increased by 6 per cent, driven by strength in Group International premium markets, and strong demand for Group Domestic leisure travel. Net freight revenue increased from growth in belly space and continued strong domestic e-commerce demand. Other revenue increased with the ongoing business momentum of Qantas Loyalty and the acceleration of the Loyalty Flywheel.

Operating expenses grew above capacity primarily due to industry costs (airport and aviation charges), non-fuel foreign exchange losses, and price increases driven by CPI. Fuel costs increased slightly less than capacity growth due to a favourable fuel price environment in first half 2025/26 compared to first half 2024/25. Share of net profit of investments was unfavourable compared to first half 2024/25, driven by the share of loss of Jetstar Japan, which was materially impacted from foreign exchange losses on lease liabilities.

	December 2025	December 2024	Change	Change
	\$M	\$M	\$M	%
Group Underlying Income Statement Summary²²				
Net passenger revenue	11,063	10,474	589	6
Net freight revenue	707	671	36	5
Other	1,126	984	142	14
Revenue	12,896	12,129	767	6
Operating expenses (excluding fuel)	(7,615)	(7,126)	(489)	(7)
Fuel	(2,614)	(2,541)	(73)	(3)
Reversal of impairment of assets and related costs	-	12	(12)	(100)
Depreciation and amortisation	(1,081)	(992)	(89)	(9)
Share of net profit of investments accounted for under the equity method	-	23	(23)	(100)
Total underlying expenditure	(11,310)	(10,624)	(686)	(6)
Underlying EBIT	1,586	1,505	81	5
Net finance costs	(130)	(120)	(10)	(8)
Underlying PBT	1,456	1,385	71	5

²² Underlying expenses differ from equivalent statutory expenses due to items excluded from Underlying PBT, such as those items identified by Management as not representing the underlying performance of the business. Refer to the reconciliation on page 15.

Review of Operations continued

For the half-year ended 31 December 2025

GROUP PERFORMANCE (CONTINUED)

Operating Statistics		December 2025	December 2024	Change	Change (%)
Available Seat Kilometres (ASK)	M	79,446	76,438	3,008	4
Revenue Passenger Kilometres (RPK) ²³	M	67,258	65,337	1,921	3
Passengers carried	'000	28,713	28,299	414	1
Seat Factor ²⁴	%	84.7	85.5	(0.8)	(0.8) pts
Operating Margin	%	12.3	12.4	(0.1)	(0.1) pts
Unit Revenue (RASK) ²⁵	c/ASK	11.67	11.31	0.36	3
Total Unit Revenue ²⁶	c/ASK	16.23	15.87	0.36	2
Total Unit Cost ²⁷	c/ASK	(14.40)	(14.09)	(0.31)	(2)
Total Unit Cost ex. Fuel ²⁸	c/ASK	(11.11)	(10.76)	(0.35)	(3)

Group capacity for the year (ASK) increased 4 per cent driven by growth across Qantas' Domestic and International operations. Revenue Passenger Kilometres increased 3 per cent and the Group's Seat Factor marginally decreased to 85 per cent. Group Unit Revenue increased 3 per cent to 11.67 c/ASK, including the impact from the closure of Jetstar Asia in July 2025.

Total Unit Cost increased 2 per cent due to the combination of industry cost (airport and aviation charges) increases, non-fuel foreign exchange movements, and CPI outpacing cost transformation activity; both cost and revenue transformation are weighted towards second half 2025/26. Cost increases were partially offset by a slightly favourable fuel price environment.

CASH GENERATION

Cash Flow Summary	December 2025 \$M	December 2024 \$M	Change \$M	Change %
Operating cash flows	1,752	2,073	(321)	(15)
Investing cash flows	(1,809)	(1,396)	(413)	(30)
Net Free Cash Flow	(57)	677	(734)	>(100)
Financing cash flows	(289)	(68)	(221)	>(100)
Cash at beginning of year	2,213	1,718	495	29
Effect of foreign exchange on cash	(11)	13	(24)	>(100)
Cash at end of the period	1,856	2,340	(484)	(21)

Operating cash inflows for first half 2025/26 were \$1,752 million. This was lower than the prior corresponding period primarily due to increased tax outflows (including a final true-up pertaining to financial year 2024/25) and also included \$90 million of non-recurring penalties relating to Ground Handling legal proceedings. The underlying level of cash generation remains strong supported by fleet investment, transformation and growth plans.

Investing cash outflows for first half 2025/26 were \$1,809 million. Net capital expenditure was \$1,809 million, which included 16 aircraft deliveries, capitalised maintenance expenditure and investments in customer experience. In addition, two dry leased A330-300 Finnair aircraft delivered in first half 2025/26 will replace two wet leased A330-300 Finnair aircraft due to exit in second half 2025/26²⁹.

Net financing cash outflows for first half 2025/26 were \$289 million. This includes \$948 million drawdown of debt, offset by \$671 million debt repayments, \$160 million in net aircraft and non-aircraft lease principal repayments, \$6 million in treasury share acquisitions, and dividends paid of \$400 million.

The Group continues to retain significant flexibility in its financial position, funding strategies and fleet plan to ensure that it can respond to changes in market conditions and earnings scenarios.

²³ RPK is calculated as total number of passengers carried, multiplied by the number of kilometres flown.

²⁴ Seat Factor is calculated as RPKs divided by ASKs. Also known as load factor or load.

²⁵ Unit Revenue (RASK) is calculated as ticketed passenger revenue divided by Available Seat Kilometres (ASK).

²⁶ Total Unit Revenue is calculated as Total Revenue divided by Available Seat Kilometres (ASK).

²⁷ Total Unit Cost is calculated as Underlying PBT less Total Revenue and share of net profit/(losses) of investments accounted under the equity method divided by ASKs.

²⁸ Total Unit Cost excluding fuel is calculated as Underlying PBT less Total Revenue, fuel, and share of net profit/(losses) of investments accounted under the equity method divided by ASKs.

²⁹ Capital recognition for the two wet leased A330-300 Finnair aircraft was recognised in financial year 2023/24.

Review of Operations continued

For the half-year ended 31 December 2025

FLEET

The Group's strategic priorities for fleet planning are centred on three key principles: the right aircraft for the right route, maintaining flexibility and maintaining competitiveness. The determination of the optimal fleet plan, including the availability of new technology, balances the level of capacity growth required in the market, the competitive landscape and whether the investment is earnings accretive.

Consistent with the Financial Framework, the Group retains significant order book flexibility and balance sheet strength that supports new aircraft deliveries through the cycle. Similarly, the existing fleet profile enables the Group to respond to changes in market conditions through fleet redeployment, refurbishment, lease extension or return and retirement.

Following the closure of Jetstar Asia, all 13 existing A320-200 aircraft returned to Australia in first half 2025/26. Of these, seven aircraft were redeployed to Jetstar Australia and New Zealand; six to replace leases that are exiting the business and one to meet underlying demand. Two of the 13 aircraft are classified as assets held for sale. Four aircraft from the Jetstar Group were transferred to Network Aviation to accelerate the renewal of the F100 fleet.

At 31 December 2025, the Qantas Group fleet³⁰ totalled 365 aircraft.

Fleet Summary (Number of Aircraft)	June 2025	Additions: New Deliveries	Additions: Mid-life Deliveries	Additions: Dry Leases	Transfers	Exits	December 2025
737-800	75	-	3	-	-	-	78
787-9	14	-	-	-	-	-	14
A380-800	10	-	-	-	-	-	10
A330-200	16	-	-	-	-	-	16
A330-300 ³¹	12	-	-	2	-	-	14
A321XLR	1	2	-	-	-	-	3
Total Qantas	128	2	3	2	-	-	135
A220-300	7	4	-	-	-	-	11
E190 ³²	30	-	-	-	-	-	30
Q200/Q300	14	-	-	-	-	(14)	-
Q400	38	-	3	-	-	-	41
F100	16	-	-	-	-	(2)	14
A319-100	8	-	1	-	-	-	9
A320-200	15	-	-	-	4	-	19
Total QantasLink	128	4	4	-	4	(16)	124
A320-200 ³³	56	-	-	-	(4)	-	52
A321-200	6	-	-	-	-	-	6
A321LR	20	2	-	-	-	-	22
A320neo	4	1	-	-	-	-	5
787-8	11	-	-	-	-	-	11
Total Jetstar	97	3	-	-	(4)	-	96
A321-200F	6	-	-	-	-	-	6
A330-200F	2	-	-	-	-	-	2
747-400F ³⁴	2	-	-	-	-	-	2
Total Qantas Freight	10	-	-	-	-	-	10
Total Group	363	9	7	2	-	(16)	365

³⁰ Includes Qantas Airways, Jetstar Australia and New Zealand, Qantas Freight and QantasLink and excludes aircraft operated by Jetstar Japan and capacity hire aircraft to Jetstar Australia, from Jetstar Japan.

³¹ Includes two A330-300 aircraft wet leased from Finnair.

³² 30 E190 aircraft wet leased from Alliance Airlines.

³³ Includes two A320-200 aircraft classified as Assets Held for Sale as at 31 December 2025.

³⁴ Two 747-400F aircraft wet leased from Atlas.

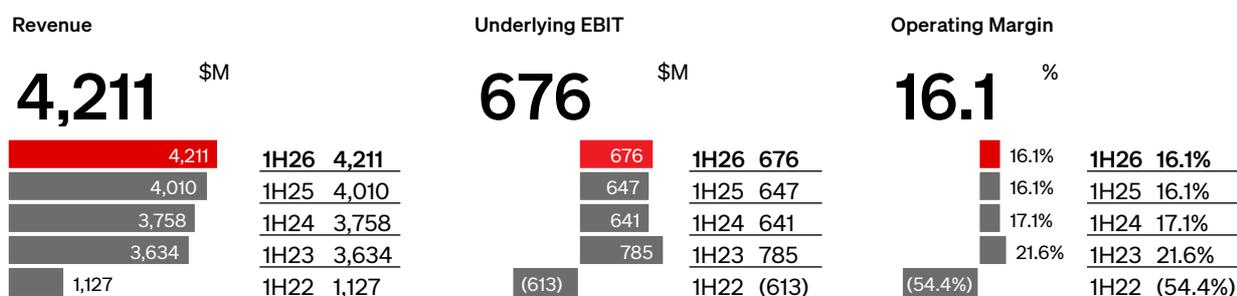
Review of Operations continued

For the half-year ended 31 December 2025

SEGMENT PERFORMANCE

	December 2025	December 2024
	\$M	\$M
Segment Performance Summary		
Qantas Domestic	676	647
Qantas International	300	327
Jetstar Group	492	439
Qantas Loyalty	286	255
Corporate	(135)	(137)
Unallocated/Eliminations	(33)	(26)
Underlying EBIT	1,586	1,505
Net Finance Costs	(130)	(120)
Underlying PBT	1,456	1,385

QANTAS DOMESTIC



Metrics		December 2025	December 2024
ASKs	M	17,238	16,572
Seat Factor	%	77.9	79.7

Qantas Domestic reported an Underlying EBIT of \$676 million, a moderate increase compared to first half 2024/25.

Revenue performance remained strong with yield growth of 4 per cent realised across all customer segments and continued capacity growth. Qantas Domestic saw a 2 percentage point reduction in Seat Factor compared to first half 2024/25, driven by improved operations (fewer cancellations) and resource capacity growth with inherently lower seat factor. The Western Australia resource market exhibited strong growth, recording a 13 per cent increase in revenue compared to first half 2024/25.

Strong revenue performance was offset by escalations across industry costs (airport and aviation charges) and EIS³⁵ and fleet transition costs, resulting in a flat operating margin relative to first half 2024/25.

The Qantas Domestic fleet transition continued with the commencement of the first A321XLR service in key trunk markets and expansion to 11 A220-300 aircraft, driving strong NPS³⁶. Qantas Domestic also completed the expansion of the A319-100 fleet and received the final aircraft in first half 2025/26.

In first half 2025/26, the Qantas Domestic fleet renewal program continued to scale up, impacting Underlying EBIT. EIS and fleet transition costs were down \$6 million compared to first half 2024/25, totalling \$60 million. This was due to a ramp down of fleet transition inefficiencies across QantasLink, and offset by an increase in costs associated with A321XLR training.

On-time performance improved by 3 percentage points in first half 2025/26, while NPS increased by 6 points. These results reflect the impact of continued investments in fleet health maintenance improving cancellation rates and improvements to customer digital experiences such as a new Qantas.com layout for mobile devices and enhanced disruption management.

³⁵ Entry into service.

³⁶ Net promoter score.

Review of Operations continued

For the half-year ended 31 December 2025

QANTAS INTERNATIONAL (INCLUDING FREIGHT)

Revenue	Underlying EBIT	Operating Margin																																													
4,845 \$M	300 \$M	6.2 %																																													
<table border="1"> <tr><td>4,845</td><td>1H26</td><td>4,845</td></tr> <tr><td>4,619</td><td>1H25</td><td>4,619</td></tr> <tr><td>4,340</td><td>1H24</td><td>4,340</td></tr> <tr><td>3,802</td><td>1H23</td><td>3,802</td></tr> <tr><td>1,317</td><td>1H22</td><td>1,317</td></tr> </table>	4,845	1H26	4,845	4,619	1H25	4,619	4,340	1H24	4,340	3,802	1H23	3,802	1,317	1H22	1,317	<table border="1"> <tr><td>300</td><td>1H26</td><td>300</td></tr> <tr><td>327</td><td>1H25</td><td>327</td></tr> <tr><td>322</td><td>1H24</td><td>322</td></tr> <tr><td>464</td><td>1H23</td><td>464</td></tr> <tr><td>(238)</td><td>1H22</td><td>(238)</td></tr> </table>	300	1H26	300	327	1H25	327	322	1H24	322	464	1H23	464	(238)	1H22	(238)	<table border="1"> <tr><td>6.2%</td><td>1H26</td><td>6.2%</td></tr> <tr><td>7.1%</td><td>1H25</td><td>7.1%</td></tr> <tr><td>7.4%</td><td>1H24</td><td>7.4%</td></tr> <tr><td>12.2%</td><td>1H23</td><td>12.2%</td></tr> <tr><td>(18.1)%</td><td>1H22</td><td>(18.1)%</td></tr> </table>	6.2%	1H26	6.2%	7.1%	1H25	7.1%	7.4%	1H24	7.4%	12.2%	1H23	12.2%	(18.1)%	1H22	(18.1)%
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Metrics		December 2025	December 2024
ASKs	M	32,932	31,231
Seat Factor	%	84.1	85.9

Qantas International (including Freight) reported an Underlying EBIT of \$300 million, an 8 per cent decrease from first half 2024/25, primarily due to cost escalations despite continued demand strength. The result delivered an operating margin of 6 per cent, impacted by increased labour costs (driven by Same Job Same Pay legislation and non-recurring charges relating to employee leave revaluations), investments in EIS activities (recruitment and crew training), and engineering cost escalations from ongoing fleet health investments in the A330 and A380 fleet.

Qantas International flying continued to grow in first half 2025/26, with capacity 5 per cent higher relative to first half 2024/25. In first half 2025/26, Qantas International launched Adelaide-Auckland, Auckland-Perth-Johannesburg, Sydney-Sapporo services, and increased Perth-Rome services.

Premium cabin demand remained strong in first half 2025/26 with 9 per cent RASK³⁷ outperformance in premium cabins compared to economy across the 787-9 network, reflecting continued strength of long-haul point-to-point routes. Qantas International recorded a 2 percentage point decrease in overall Seat Factor relative to first half 2024/25 and included the impact of additional A380 services to the US market. Long-haul point-to-point markets continued to provide portfolio-leading earnings outcomes, providing continued confidence in Project Sunrise.

An NPS uplift of 4 points in first half 2025/26 was driven by initiatives in customer experience including enhanced onboard service, bespoke amenities, ground experience enhancements such as automated bag drops and the opening of the new Auckland lounge. Operational performance improved with on-time arrival lifting 2 percentage points in first half 2025/26.

Qantas Freight reported strong earnings growth compared to first half 2024/25, enabled by fleet simplification and transformation. Earnings were supported by fleet simplification with the A321F fleet now at scale, delivering increased payload capacity and lower fuel burn with further efficiencies extracted through optimisation of terminal operations.

³⁷ Unit Revenue (RASK) is calculated as ticketed passenger revenue divided by Available Seat Kilometres (ASK).

Review of Operations continued

For the half-year ended 31 December 2025

JETSTAR GROUP

Revenue	Underlying EBIT	Operating Margin																																				
3,123 \$M	492 \$M	15.8 %																																				
<table border="1"> <thead> <tr><th>Period</th><th>Revenue (\$M)</th></tr> </thead> <tbody> <tr><td>1H26</td><td>3,123</td></tr> <tr><td>1H25</td><td>2,894</td></tr> <tr><td>1H24</td><td>2,486</td></tr> <tr><td>1H23</td><td>2,096</td></tr> <tr><td>1H22</td><td>394</td></tr> </tbody> </table>	Period	Revenue (\$M)	1H26	3,123	1H25	2,894	1H24	2,486	1H23	2,096	1H22	394	<table border="1"> <thead> <tr><th>Period</th><th>Underlying EBIT (\$M)</th></tr> </thead> <tbody> <tr><td>1H26</td><td>492</td></tr> <tr><td>1H25</td><td>439</td></tr> <tr><td>1H24</td><td>325</td></tr> <tr><td>1H23</td><td>177</td></tr> <tr><td>1H22</td><td>(417)</td></tr> </tbody> </table>	Period	Underlying EBIT (\$M)	1H26	492	1H25	439	1H24	325	1H23	177	1H22	(417)	<table border="1"> <thead> <tr><th>Period</th><th>Operating Margin (%)</th></tr> </thead> <tbody> <tr><td>1H26</td><td>15.8%</td></tr> <tr><td>1H25</td><td>15.2%</td></tr> <tr><td>1H24</td><td>13.1%</td></tr> <tr><td>1H23</td><td>8.4%</td></tr> <tr><td>1H22</td><td>(105.8)%</td></tr> </tbody> </table>	Period	Operating Margin (%)	1H26	15.8%	1H25	15.2%	1H24	13.1%	1H23	8.4%	1H22	(105.8)%
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Metrics		December 2025	December 2024
ASKs	M	29,276	28,635
Seat Factor	%	89.3	88.4

The Jetstar Group reported a record Underlying EBIT of \$492 million, reflecting a 12 per cent uplift in earnings compared to first half 2024/25. This was driven by strong demand, capacity growth from efficient new fleet, transformation activity offsetting CPI, and operational improvements, despite higher industry costs. Jetstar Group grew capacity by 2 per cent, notwithstanding the closure of Jetstar Asia, and introduced new routes into key international markets to capture strong leisure demand, with Seat Factor increasing by 1 percentage point to 89 per cent.

Jetstar Group's Australian domestic network delivered an Underlying EBIT of \$372 million, with capacity growth of 6 per cent relative to first half 2024/25, reflecting a strong and price-sensitive demand environment. The operating margin of the domestic business was 22 per cent, driven by ancillary revenue growth and efficient new fleet.

Jetstar Group's international network reported an Underlying EBIT of \$120 million, with strong performance in key markets. Capacity³⁸ remained flat relative to first half 2024/25, impacted by the closure of Jetstar Asia and offset by growth from additional fleet deliveries. Jetstar's Australian international network³⁹ delivered a 14 per cent margin, with ongoing leisure demand strength supporting the launch of four new routes: Perth-Manila, Brisbane-Cebu, Gold Coast-Denpasar, and Newcastle-Denpasar. Jetstar's international network also continued to realise efficiency and utilisation benefits from the redeployment of the 787-8 aircraft. Jetstar Japan's share of profits to Jetstar Group included \$17 million of foreign exchange losses on lease liabilities in first half 2025/26, resulting in an overall loss in the period.

Jetstar New Zealand Domestic and trans-Tasman operations improved operational performance and brand positioning, with the launch of daily Christchurch-Hamilton services expanding the network.

Jetstar Asia ceased operations on 31 July 2025, recording an Underlying EBIT loss of \$33 million in first half 2025/26. The closure of Jetstar Asia supports Qantas Group's strategy of recycling capital to improve long-term returns, support fleet renewal and strengthen core markets. Qantas has also signed a non-binding Memorandum of Understanding to facilitate the transfer of Jetstar Japan to a new Japanese capital-led ownership structure. This allows the Group to focus its ongoing capital investment into domestic and international operations in Australia.

Continuing operational improvements strengthened on-time performance across the Jetstar Group by 2 percentage points for first half 2025/26, with cancellation rates remaining stable.

Jetstar Australia received two A321LR and one A320neo aircraft in first half 2025/26 increasing the total new fleet to 22 A321LRs and 5 A320neos. Jetstar Australia's new fleet technology represented approximately 45 per cent of narrowbody capacity⁴⁰ in first half 2025/26. The new fleet provides financial benefits through growth and efficiency gains, wider network opportunities, and customer experience improvements such as larger overhead bins and in-seat power.

The Jetstar Group also delivered customer experience improvements such as Next Generation Self Service Bag Drops in Sydney and Brisbane, and passport scanning in the Jetstar App for international travel. New fleet, operational improvements, and a focus on customer experience drove a strong uplift in NPS across both the Australian domestic and international network.

Affordable travel remained a key focus for the Jetstar Group, with more than half of Jetstar's customers travelling for under \$150 in 2025⁴¹.

³⁸ Jetstar international capacity based on consolidated entities including Jetstar Asia.

³⁹ Includes Jetstar Australia international long-haul, short-haul, and trans-Tasman.

⁴⁰ Includes Jetstar Australia domestic and international narrowbody capacity (excluding Jetstar Asia and Jetstar Japan).

⁴¹ Approximate percentage of passengers travelling with a base fare under \$150 for a one-way trip in calendar year 2025 domestically in Australia and New Zealand.

Review of Operations continued

For the half-year ended 31 December 2025

QANTAS LOYALTY

Revenue ⁴²		Underlying EBIT		Operating Margin ⁴²	
1,400 \$M		286 \$M		20.4 %	
1,400	1H26	286	1H26	20.4%	1H26
1,174	1H25	255	1H25	21.7%	1H25
1,271	1H24	270	1H24	21.2%	1H24
1,027	1H23	220	1H23	21.4%	1H23
485	1H22	127	1H22	26.2%	1H22

Metrics		December 2025	December 2024
QFF members	M	18.3	17.0
Points earned	B	120	109
Points redeemed	B	102	87

Qantas Loyalty reported an Underlying EBIT of \$286 million reflecting 12 per cent growth for first half 2025/26. This was driven by increased member engagement and program enhancements delivering strong portfolio growth.

The positive momentum of the Qantas Loyalty Flywheel was reflected in a 10 per cent uplift in points earned and a 17 per cent increase in points redeemed in first half 2025/26. Demand for flight rewards remained strong, with Total Flight Rewards⁴³ booked using Qantas points increasing by 10 per cent in first half 2025/26. Active membership grew by 7 per cent and total membership grew by more than one million new members, up 7 per cent from first half 2024/25.

Demand for new consumer Qantas Points Earning Credit Cards remains resilient, with more than 125,000 new cards acquired, maintaining over 35 per cent market share. Non-card product diversification also continued, including the launch of the CBA digital home loan acquisition offer.

Qantas Business Rewards members increased by over 10 per cent, with total membership now at over 665,000, and 50 per cent growth in total points earned via payment partners compared to first half 2024/25.

Qantas Loyalty continued to enhance member engagement through broader and deeper program offerings, including the launch of Qantas Frequent Flyer Extra. The product introduced Qantas Points and Status Credit earn on all eligible Jetstar flights⁴⁴, further developing the Group's loyalty proposition. Other highlights include the launch of a retail partnership with Australia's premium department store, David Jones, and a 50 per cent increase in points redeemed with partner Ticketek. Diversified portfolio earnings continue to support the Loyalty Flywheel with members earning across two or more categories growing by 8 per cent compared to first half 2024/25.

Hotels, Holidays and Tours TTV⁴⁵ bookings grew 10 per cent from first half 2024/25, while Qantas Frequent Flyers contributed to over 80 per cent of total bookings on TripADeal in first half 2025/26.

⁴² During the half-year ended 31 December 2025, the Group revised the presentation of revenue within the Qantas Loyalty operating segment for external transactions where Qantas Loyalty acts as an agent between customer and supplier. The revenue within the Qantas Loyalty operating segment is now presented net of direct costs when Qantas Loyalty acts as an agent, which is consistent with the treatment in the Consolidated Income Statement. Comparatives have been restated, resulting in External segment revenue and other income decreasing by \$160m in Qantas Loyalty and increasing by \$160m in Unallocated/ Eliminations. There is no change to Underlying EBIT and no impact to consolidated balances. Comparative Operating Margin figures for Qantas Loyalty for the half-year ended 31 December 2024 have also been restated. Periods prior to 31 December 2024 have not been restated and remain consistent with the previous presentation of revenue and expenses for the Qantas Loyalty segment.

⁴³ Flights booked using Qantas points, including Classic, Classic Plus and Upgrades comprising all Group Airlines and Partner Airlines.

⁴⁴ Only applies to members who hold an active Qantas Frequent Flyer Extra subscription.

⁴⁵ Total Transaction Value.

Review of Operations continued

For the half-year ended 31 December 2025

RECONCILIATION OF UNDERLYING PBT TO STATUTORY PROFIT BEFORE TAX

The Statutory Profit Before Tax was \$1,307 million for the half-year ended 31 December 2025.

Underlying PBT

Underlying PBT is a non-statutory measure and is the primary reporting measure used by the CODM bodies for the purpose of assessing the performance of the Group. The objective of measuring and reporting Underlying PBT is to provide a meaningful and consistent representation of the underlying performance of each operating segment and the Qantas Group.

Items that are identified by Management and reported to the CODM bodies as not representing the underlying performance of the business are not included in Underlying PBT. The determination of these items is made after consideration of their nature and materiality and is applied consistently from period to period.

Items not included in Underlying PBT primarily result from revenues or expenses outside the ordinary course of business. These may relate to business activities in other reporting periods, major transformational/restructuring initiatives, transactions involving investments, gains/losses on sale and/or impairments of assets and other transactions.

	Note	December 2025 \$M	December 2024 \$M
RECONCILIATION OF UNDERLYING PBT TO STATUTORY PROFIT BEFORE TAX			
Underlying PBT		1,456	1,385
<i>Items not included in Underlying PBT</i>			
– Closure of Jetstar Asia and related costs	2(A)iii.	(47)	–
– Employee Ownership Plan (non-executive) financial year 2024/25 award		(26)	–
– Cyber incident	13(A)	(13)	–
– Organisational restructure costs		(8)	–
– Legal provisions and related costs	13	(55)	(65)
Total items not included in Underlying PBT		(149)	(65)
Statutory Profit Before Income Tax Expense		1,307	1,320

In the first half of the 2025/26 financial year, items outside of Underlying PBT included:

Item outside of Underlying PBT	Description
Closure of Jetstar Asia and related costs	(\$47) million for the strategic restructure of Jetstar Asia and its related costs, including incremental accelerated depreciation of (\$30) million and impairment of (\$7) million due to Jetstar Asia fleet redeployment resulting in earlier retirement of F100 aircraft and two Jetstar A320-200 aircraft held for sale, and (\$10) million relating to fleet transfer and other costs.
Employee Ownership Plan (non-executive) financial year 2024/25 award	(\$26) million for the financial year 2024/25 Employee Ownership Plan announced in August 2025 and awarded to non-executive employees in September 2025.
Cyber incident	(\$13) million relating to costs of managing and responding to the recent cyber incident.
Organisational restructure costs	(\$8) million relating to redundancies arising from organisational restructure changes in the first half of the 2025/26 financial year.
Legal provisions and related costs	(\$55) million relating to the recognition of a legal provision and other related costs in relation to the Qantas Flight Credits Class Action legal proceeding, recognised in Other Expenditure.

In the first half of the 2024/25 financial year, items outside of Underlying PBT included:

Item outside of Underlying PBT	Description
Legal provisions and related costs	(\$65) million for an increase in legal provisions, recognised in Other Expenditure. In December 2024 the Group reached an agreement on the payment of compensation in relation to the ground handling outsourcing Federal Court case.

Review of Operations continued

For the half-year ended 31 December 2025

MATERIAL BUSINESS RISKS

The aviation industry is subject to inherent risks that can impact operations if not managed effectively. These include, but are not limited to, competitive landscape, shifts in customer behaviour and market demand, exposure to economic uncertainty, geopolitical instability, cyber security, changes in government/industrial regulations, volatility in fuel prices and foreign exchange rates. External events such as aviation incidents, natural disasters, climate change, international conflicts or epidemics also pose challenges. In rare circumstances, unforeseen 'black swan' events, such as the COVID-19 pandemic can occur, resulting in unexpected outcomes.

The Qantas Group (Group) proactively prepares for a wide range of scenarios to uphold its strong position, support financial targets, deliver operational outcomes, meet travel demand and customer expectations. The Group is exposed to a range of material business risks that may affect its strategic and financial objectives. To address these, the Group remains committed to the continuous monitoring and enhancement of its control environment, supported by systematic analysis of incidents and their underlying causes to refine its risk management framework.

Operational and people safety: The Group's 'safety first' approach is embedded across operations and supports the ongoing identification and management of current and emerging safety risks to people and customers, both in the air and on the ground. The Group continues to strengthen safety outcomes through enhancements to critical safety controls, including procedural updates, traffic management initiatives, equipment enhancements, and longer-term infrastructure and automation investments.

All Group airlines maintain and operate under regulatory approved systems covering aircraft airworthiness, maintenance and operational activities. This includes formally approved procedures, training programs, and the use of qualified and licensed personnel supported by authorised manuals. A robust safety reporting system, reinforced by detailed operational and workplace assurance programs, underpins regulatory compliance and provides assurance over the effectiveness of critical processes and controls.

Physical security of people and assets: The Group is committed to protecting its people, customers, aircraft and other assets from physical security threats and interference. A comprehensive threat and operational risk assessment program is in place which is supported by extensive collaboration with key Australian and international government agencies and security partners. Security measures are implemented for passengers, baggage, cargo, catering and stores throughout the network, in compliance with regulatory requirements. Extensive controls safeguard flight systems, including access controls to aircraft flight decks and physical security of aircraft at ports.

Liquidity and fuel price volatility (including foreign exchange): The Group's ability to maintain sufficient liquidity is inherent in providing for its operating needs. Maintaining access to diverse funding sources, setting minimum liquidity thresholds, and through continuous monitoring of costs and ongoing transformation initiatives, the Group aims to remain resilient under a wide range of adverse scenarios. The flexibility in capacity settings enables swift adjustments to fluctuations in demand and customer preferences. The Group remains committed to its strategic priorities while safeguarding its liquidity position through the disciplined application of its Financial Framework.

The Group is subject to fuel price and foreign exchange risks, which are prevalent in the aviation industry. These risks fluctuate based on operational capacity, routes the Group operates, as well as the size of fleet investments (capital expenditure). Fuel prices remain volatile and have been influenced by several global themes including the recent global tensions and unrest, which are expected to persist across the remainder of financial year 2025/26 and beyond. Foreign exchange volatility similarly reflects global political uncertainty and a shifting interest rate environment, both of which influence the Australian dollar and the Group's foreign currency-denominated cash flows.

To manage its fuel and foreign exchange risks, the Group maintains a comprehensive hedging program aligned with its Treasury Risk Management Policy. This provides time and flexibility to adjust capacity to reflect the evolving operating environment. The Group will continue to hedge its fuel and foreign exchange risks in line with this program, employing a mix of fuel derivative collars and outright options to mitigate fuel price risk and actively adjusts these instruments as market conditions warrant.

Cyber security and data loss: The cyber threat landscape is entering a new era of complexity, driven by the rapid weaponisation of artificial intelligence (AI). While AI presents meaningful opportunities to strengthen cyber defences, it is simultaneously enabling threat actors to operate with greater speed and precision, increasing their capacity to degrade and disrupt critical systems and services. Common techniques include social engineering attacks, compromising user and privileged accounts, and denial-of-service attacks. Cyber espionage has also intensified globally, targeting victims through reconnaissance, elicitation, and covert activities designed to obtain credentials or sensitive data. Complex operational technology networks across the aviation industry mean that supply chain risk via infrastructure providers and suppliers continues to be a threat vector for the industry.

Considering these developments, it is imperative for the Group to prioritise its governance, defence, and response strategies. The Group remains committed to safeguarding its customers, employees, and business operations by prioritising the protection of data and assets.

Review of Operations continued

For the half-year ended 31 December 2025

MATERIAL BUSINESS RISKS (CONTINUED)

The Group's cyber strategy continues to reinforce its 'Tech Firewall' posture through sustained investment in threat intelligence, monitoring, and collaboration with government and industry partners. Significant progress has also been made in strengthening the 'Human Firewall', through education and scam awareness for employees and customers. Additionally, the Group is embedding a Secure-by-Design approach into new projects, leveraging advanced technologies and artificial intelligence (AI) to enhance detection, response, and recovery capabilities.

The Group's Cyber Risk & Control and Data Governance Frameworks remain aligned with industry standards, aimed at maintaining confidentiality, integrity, and availability of data. These frameworks, combined with proactive collaboration with government agencies and industry peers, support the Group to anticipate and respond effectively to the continually evolving cyber and privacy risk landscape.

Competition: The Group operates in highly competitive markets, contending with both domestic airlines and major foreign airlines (including government-owned or controlled airlines), some of which possess greater financial resources and/or lower cost structures. Competition may intensify due to airline expansions, mergers, alliances, or new market entrants/Asia based low-cost competitors.

The Loyalty segment also faces aggressive competition, with both airline and retail competitors expanding their membership bases and broadening travel offerings. This dynamic challenges the Group to maintain leadership through Qantas Frequent Flyer engagement, recognition programs, partner growth, and redemption strategies.

Australia's aviation policies, which favour competition, attract international competitors (predominantly state-sponsored airlines), further increasing competition on international routes. Aggressive pricing strategies by competitors seeking to gain market share can adversely affect the Group's revenues and yield performance, exacerbated by the high fixed costs inherent in the aviation industry.

To strengthen the Group's competitive position, the Group continues to leverage its dual-brand strategy and established governance processes to optimise network and fleet planning. Ongoing investments in customer experience, loyalty programs, and technology-enabled solutions remain central to sustaining leadership in key customer segments. Additionally, the Group is advancing its fleet renewal program, introducing modern, fuel-efficient aircraft to reduce maintenance demands, enhance customer experience, and support sustainable travel.

Market demand: Demand is a key factor in the Group's planning and capacity development. Unforeseen and/or sustained change in market demand and/or change in capacity settings could result in a capacity/demand imbalance impacting on the Group's ability to maximise its market position. The Group's dual brand strategy and fleet renewal program (next-generation aircraft) enables flexibility in adjusting capacity settings based on changes in demand. Active monitoring of early warning indicators of changes to markets is performed to mitigate exposures and pursue opportunities across the dual brands.

Industrial relations: The Group operates in a highly regulated employment market, where a large proportion of the employees are represented by unions under collective bargaining arrangements. Political and regulatory shifts, particularly changes to the *Fair Work Act 2009* (Cth) could have material implications for the Group's industrial relations strategy and operational flexibility. The Group continues to have oversight of the internal and external industrial landscape and monitors the emerging risks associated with the legislative reforms, including the potential implications.

In parallel, the Group is experiencing continued pressure from employee groups and unions seeking substantial wage increases and stronger job security provisions. These expectations, if not managed effectively, could escalate into enterprise bargaining disputes and industrial action, including work stoppages. Such disruptions may adversely affect day-to-day operations, financial performance, and the Group's reputation. The Group has an established Employee Value Proposition (EVP) aimed at attracting, engaging, and retaining skilled talent through enhanced benefits, targeted initiatives, and a defined People and Culture strategy. In alignment with its strategy, the Group is committed to early and ongoing engagement with unions, fostering collaborative partnerships and constructive dialogue to proactively address workforce challenges. In addition, business continuity plans, including testing and rehearsal (to the extent possible), have also been developed to provide continuity of operations in the event of industrial action.

Customer risk: Customer satisfaction and loyalty are essential for the Group's success, particularly in a competitive market. Operational challenges such as frequent cancellations, poor on-time performance (OTP), and mishandled baggage could negatively impact customer satisfaction and harm the Group's reputation. Continued focus on these issues is crucial for maintaining the Group's brand strength and attracting future customers as we continue to build and enhance our reputation.

The Group continues to focus on improving its OTP and is making significant investments to enhance the overall customer experience. Measures include trip assist in the Qantas app to provide transit guidance, clear and real time updates during disruption to frontline employees and customers, and the ongoing fleet renewal and fleet health programs. Additionally, the Group is prioritising mechanisms to cover customer journey disruptions, including efficient and compassionate complaint resolution, managing delays and cancellations with clear rebooking options, and addressing product and service quality issues.

Review of Operations continued

For the half-year ended 31 December 2025

MATERIAL BUSINESS RISKS (CONTINUED)

The Group continues to invest and progress in targeted key customer-focused initiatives, including aircraft refurbishment programs, expanding the Wi-Fi roll-out across widebody fleet to cover international routes, a refresh of its lounge network, comprehensive customer recovery across Qantas and Jetstar, and advancements in cyber security to safeguard customer personal data.

The Group must adapt to long-term changes in consumer preferences in relation to its service offerings, market trends, and attitude towards travel, including digital expectations. Any failure by the Group to predict or respond promptly to such changes may adversely impact the Group's future operating and financial performance. The Group is focused on embedding a continuous improvement culture in core business units to ensure an integrated and consistent Group approach in managing customer concerns and complaints and is transforming the customer experience through a multi-year program to better meet evolving customer needs and maintain its strong market position.

Climate change: The Group recognises that aviation is a hard to abate industry. We are committed to taking steps, in the air and on the ground, to reduce our impact on the environment and to respond to climate-related risks. Climate-related risks include both physical risks (such as increased extreme weather events) and transition risks (such as development of alternative fuel and changes to government policies, laws and regulations).

The Group manages these risks through mechanisms including, but not limited to, emissions reduction targets; scenario analysis to inform strategic planning; robust governance; fleet and operational transformation; investment in modern aircraft technologies; support for a competitive sustainable aviation fuel (SAF) industry in Australia; a carbon market program; and government policy monitoring and advocacy. The Group's targets include: a 25 per cent reduction in net Scope 1 and Scope 2 emissions from 2019 levels by 2030; 10 per cent SAF in the fuel mix by 2030; and net zero emissions by 2050.

The Group is working actively to respond to increased demand for transparency on the identification and management of climate-related risks. From financial year 2025/26 this will include reporting against the requirements of Australian Sustainability Reporting Standards, AASB S2 Climate-related Disclosures, which integrate and build on the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD) in the areas of governance; strategy; risk management; and metrics and targets.

Supply chain: The Group depends on third-party providers for critical operations such as fleet expansion and replacement, aircraft maintenance slots, supply of aircraft parts, and other critical business processes. The Group remains exposed to reputational and brand damage from risks associated with modern slavery, sanctions, cyber incidents, amongst others originating within its supply chain, which may erode stakeholder trust. Any failure or disruption from these providers may significantly affect the Group's operations and adversely impact financial performance. To mitigate these risks, the Group continuously builds resilience in flight schedules across the network; proactively analyses and monitors the global and local supply market for early insights (prioritising essential spare parts and maintenance activities to manage operational resilience); proactively manages and invests in high risk items; implements business continuity plans; and has contingency measures in place to respond to key supplier interruptions. This is further supported by strengthened supplier due diligence, ongoing monitoring, and compliance controls to manage sanctions exposure and modern slavery risks across the supply chain.

Policy or regulatory change: Given the highly regulated business environment the Group operates in, any major policy or regulatory changes, such as those in relation to competition and consumer legislation, rights of entry, climate change policy, industrial relations reforms, and airport infrastructure, can significantly impact the Group's operations, demand or competition. The Group proactively engages with regulators and policy makers to inform and enhance policy outcomes, and also participates in industry bodies in Australia and internationally to proactively address common challenges and influence policy direction.

New business models: As more brands aim for a seamless customer journey, the threat of further airline disintermediation, the rapid rise of digitisation and new technologies mean that business models continue to evolve. The Group continues to enhance its distribution strategy and digital capability, expand its coalition business through innovative new business models, new partners and member experience, and invest in technological platforms and processes to enable a significantly improved end-to-end customer journey.

An overview of the Group Risk Management Framework is contained in the Qantas Group Business Practices Document available at www.qantas.com.

LEAD AUDITOR'S INDEPENDENCE DECLARATION UNDER SECTION 307C OF THE CORPORATIONS ACT 2001 (Cth)

The Directors have received the Lead Auditor's Independence Declaration under section 307C of the *Corporations Act 2001* (Cth).

The Lead Auditor's Independence Declaration is set out on page 38 and forms part of the Directors' Report for the half-year ended 31 December 2025.

ROUNDING

Qantas is a company of the kind referred to in ASIC Corporations (Rounding in Financial/Directors' Reports) Instrument 2016/191. In accordance with that Instrument, all financial information presented has been rounded to the nearest million dollars, unless otherwise stated.

ASIC GUIDANCE

In December 2011 ASIC issued Regulatory Guide 230. To comply with this Guide, Qantas is required to make a clear statement about whether information disclosed in documents other than the financial report has been audited or reviewed in accordance with Australian Auditing Standards.

In line with previous years and in accordance with the *Corporations Act 2001* (Cth), the Directors' Report is unaudited. Notwithstanding this, the Directors' Report (including the Review of Operations) contains disclosures which are extracted or derived from the Consolidated Interim Financial Report for the half-year ended 31 December 2025 which has been reviewed by the Group's Independent Auditor.

Signed pursuant to a Resolution of the Directors:

**JOHN MULLEN**

Board Chair

**VANESSA HUDSON**

Chief Executive Officer

Sydney
26 February 2026

Consolidated Income Statement

For the half-year ended 31 December 2025

	Notes	December 2025 \$M	December 2024 \$M
REVENUE AND OTHER INCOME			
Net passenger revenue		11,063	10,474
Net freight revenue		707	671
Other revenue and income	4(B)	1,126	984
Revenue and other income		12,896	12,129
EXPENDITURE			
Salaries, wages and other benefits		2,779	2,585
Aircraft operating variable ¹	5	3,044	2,870
Fuel		2,614	2,541
Depreciation and amortisation	6	1,111	992
Share of net profit of investments accounted for under the equity method		–	(23)
Net gain on disposal of assets		(17)	(15)
Other ¹	7	1,928	1,739
Expenditure		11,459	10,689
Statutory profit before income tax expense and net finance costs		1,437	1,440
Finance income		48	53
Finance costs		(178)	(173)
Net finance costs		(130)	(120)
Statutory profit before income tax expense		1,307	1,320
Income tax expense	8(A)	(382)	(397)
Statutory profit for the period		925	923
Attributable to:			
Members of Qantas		925	923
Non-controlling interests		–	–
Statutory profit for the period		925	923
EARNINGS PER SHARE ATTRIBUTABLE TO MEMBERS OF QANTAS			
Statutory Earnings Per Share (cents)	3	61.3	59.9
Diluted Earnings Per Share (cents)	3	60.8	59.2

The above Consolidated Income Statement should be read in conjunction with the accompanying notes.

¹ Comparatives for the half-year ended 31 December 2024 have been restated due to a reclassification of \$17 million between Aircraft operating variable and Other expenditure. The reclassification has no impact on total expenditure or statutory profit for comparatives. Refer to Note 1(B) Comparatives for details.

Consolidated Statement of Comprehensive Income

For the half-year ended 31 December 2025

	December 2025	December 2024
	\$M	\$M
Statutory profit for the period	925	923
Items that were or may be subsequently reclassified to profit or loss		
Effective portion of changes in fair value of cash flow hedges, net of tax	22	50
Transfer of effective hedging (gains)/losses from hedge reserve to the Consolidated Income Statement, net of tax ¹	(10)	3
Net changes in hedge reserve for time value of options, net of tax	(20)	(45)
Foreign currency translation of controlled entities	3	(20)
Foreign currency translation of investments accounted for under the equity method	13	(10)
Items that will not subsequently be reclassified to profit or loss		
Defined benefit actuarial gains, net of tax	23	12
Fair value losses on investments, net of tax	(44)	(2)
Other comprehensive loss for the period	(13)	(12)
Total comprehensive income for the period	912	911
Attributable to:		
Members of Qantas	912	911
Non-controlling interests	-	-
Total comprehensive income for the period	912	911

The above Consolidated Statement of Comprehensive Income should be read in conjunction with the accompanying notes.

¹ These amounts were allocated to revenue of \$2 million (December 2024: \$2 million), fuel expenditure of (\$16) million (December 2024: \$2 million) and income tax expense of \$4 million (December 2024: (\$1) million) in the Consolidated Income Statement.

Consolidated Balance Sheet

As at 31 December 2025

	Notes	December 2025 \$M	June 2025 \$M
CURRENT ASSETS			
Cash and cash equivalents	11(A)	1,856	2,213
Receivables		1,009	1,205
Lease receivables		7	14
Other financial assets		94	150
Inventories		460	405
Assets classified as held for sale		31	39
Other		495	489
Total current assets		3,952	4,515
NON-CURRENT ASSETS			
Lease receivables		41	42
Other financial assets		123	181
Investments accounted for under the equity method		49	45
Property, plant and equipment		16,900	15,880
Right of use assets		1,334	1,280
Intangible assets		580	598
Other		915	815
Total non-current assets		19,942	18,841
Total assets		23,894	23,356
CURRENT LIABILITIES			
Payables		3,153	3,146
Revenue received in advance	10	6,952	7,179
Interest-bearing liabilities	11(B)	483	247
Lease liabilities		404	396
Other financial liabilities		91	101
Provisions		1,203	1,401
Income tax payable	8(C)	63	246
Total current liabilities		12,349	12,716
NON-CURRENT LIABILITIES			
Revenue received in advance	10	1,843	1,750
Interest-bearing liabilities	11(B)	6,151	6,153
Lease liabilities		1,203	1,160
Other financial liabilities		67	44
Provisions		598	516
Deferred tax liabilities		334	234
Total non-current liabilities		10,196	9,857
Total liabilities		22,545	22,573
Net assets		1,349	783
EQUITY			
Issued capital		886	886
Treasury shares		(88)	(144)
Reserves		97	117
Retained earnings		449	(81)
Equity attributable to members of Qantas		1,344	778
Non-controlling interests		5	5
Total equity		1,349	783

The above Consolidated Balance Sheet should be read in conjunction with the accompanying notes.

Consolidated Statement of Changes in Equity

For the half-year ended 31 December 2025

31 December 2025 \$M	Issued Capital	Treasury Shares	Employee Compensation Reserve	Hedge Reserve	Foreign Currency Translation Reserve	Other Reserves ¹	Retained Earnings	Non- controlling Interests	Total Equity
Balance as at 1 July 2025	886	(144)	93	(120)	(30)	174	(81)	5	783
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD									
Statutory profit for the period	-	-	-	-	-	-	925	-	925
Other comprehensive (loss)/income									
Effective portion of changes in fair value of cash flow hedges, net of tax	-	-	-	22	-	-	-	-	22
Transfer of effective hedging gains from hedge reserve to the Consolidated Income Statement, net of tax	-	-	-	(10)	-	-	-	-	(10)
Net changes in hedge reserve for time value of options, net of tax	-	-	-	(20)	-	-	-	-	(20)
Foreign currency translation of controlled entities	-	-	-	-	3	-	-	-	3
Foreign currency translation of investments accounted for under the equity method	-	-	-	-	13	-	-	-	13
Defined benefit actuarial gains, net of tax	-	-	-	-	-	23	-	-	23
Fair value losses on investments, net of tax	-	-	-	-	-	(43)	(1)	-	(44)
Total other comprehensive loss for the period	-	-	-	(8)	16	(20)	(1)	-	(13)
Total comprehensive income for the period	-	-	-	(8)	16	(20)	924	-	912
Recognition of effective cash flow hedges on capitalised assets, net of tax	-	-	-	(4)	-	-	-	-	(4)
Transactions with owners in their capacity as owners									
Dividends paid	-	-	-	-	-	-	(400)	-	(400)
Treasury shares acquired	-	(6)	-	-	-	-	-	-	(6)
Share-based payments expense	-	-	66	-	-	-	-	-	66
Shares vested and transferred to employees/Rights unvested and lapsed	-	62	(70)	-	-	-	6	-	(2)
Total transactions with owners in their capacity as owners	-	56	(4)	-	-	-	(394)	-	(342)
Balance as at 31 December 2025	886	(88)	89	(132)	(14)	154	449	5	1,349

The above Consolidated Statement of Changes in Equity should be read in conjunction with the accompanying notes.

¹ Other Reserves as at 31 December 2025 includes the defined benefit reserve of \$212 million and the fair value reserve of (\$58) million (including the fair value movements relating to the investment in Alliance Airlines Pty Limited).

Consolidated Statement of Changes in Equity *continued*

For the half-year ended 31 December 2025

31 December 2024 \$M	Issued Capital	Treasury Shares	Employee Compensation Reserve	Hedge Reserve	Foreign Currency Translation Reserve	Other Reserves ¹	Accumulated Losses	Non- controlling Interests	Total Equity
Balance as at 1 July 2024	1,317	(62)	90	9	15	210	(1,290)	5	294
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD									
Statutory profit for the period	-	-	-	-	-	-	923	-	923
Other comprehensive (loss)/income									
Effective portion of changes in fair value of cash flow hedges, net of tax	-	-	-	50	-	-	-	-	50
Transfer of effective hedging gains from hedge reserve to the Consolidated Income Statement, net of tax	-	-	-	3	-	-	-	-	3
Net changes in hedge reserve for time value of options, net of tax	-	-	-	(45)	-	-	-	-	(45)
Foreign currency translation of controlled entities	-	-	-	-	(20)	-	-	-	(20)
Foreign currency translation of investments accounted for under the equity method	-	-	-	-	(10)	-	-	-	(10)
Defined benefit actuarial gains, net of tax	-	-	-	-	-	12	-	-	12
Fair value losses on investments, net of tax	-	-	-	-	-	(2)	-	-	(2)
Total other comprehensive loss for the period	-	-	-	8	(30)	10	-	-	(12)
Total comprehensive income for the period	-	-	-	8	(30)	10	923	-	911
Recognition of effective cash flow hedges on capitalised assets, net of tax	-	-	-	1	-	-	-	-	1
Transactions with owners in their capacity as owners									
On-market share buy-back	(431)	-	-	-	-	-	-	-	(431)
Treasury shares acquired	-	(61)	-	-	-	-	-	-	(61)
Share-based payments expense	-	-	27	-	-	-	-	-	27
Shares vested and transferred to employees/Rights unvested and lapsed	-	51	(53)	-	-	-	4	-	2
Total transactions with owners in their capacity as owners	(431)	(10)	(26)	-	-	-	4	-	(463)
Balance as at 31 December 2024	886	(72)	64	18	(15)	220	(363)	5	743

The above Consolidated Statement of Changes in Equity should be read in conjunction with the accompanying notes.

¹ Other Reserves as at 31 December 2024 includes the defined benefit reserve of \$229 million and the fair value reserve of (\$9) million.

Consolidated Cash Flow Statement

For the half-year ended 31 December 2025

	December 2025	December 2024
	\$M	\$M
CASH FLOWS FROM OPERATING ACTIVITIES		
Cash receipts from customers	13,602	12,810
Cash payments to suppliers and employees	(11,277)	(10,507)
Cash generated from operations	2,325	2,303
Interest received	48	48
Interest paid (interest-bearing liabilities)	(108)	(85)
Interest paid (lease liabilities)	(45)	(45)
Dividends received from investments accounted for under the equity method	4	5
Australian income taxes paid	(470)	(151)
Foreign income taxes paid	(2)	(2)
Net cash inflow from operating activities	1,752	2,073
CASH FLOWS FROM INVESTING ACTIVITIES		
Payments for property, plant and equipment and intangible assets	(1,836)	(1,369)
Interest paid and capitalised on qualifying assets	(65)	(52)
Payments for investments held at fair value	(1)	(15)
Proceeds from disposal of property, plant and equipment, net of costs	93	39
Proceeds from repayment of loan receivable from investments accounted for under the equity method	-	1
Net cash outflow from investing activities	(1,809)	(1,396)
CASH FLOWS FROM FINANCING ACTIVITIES		
Payments for share buy-back	-	(448)
Dividends paid to shareholders	(400)	-
Payments for treasury shares	(6)	(61)
Proceeds from interest-bearing liabilities, net of costs	948	700
Repayments of interest-bearing liabilities	(671)	(105)
Principal repayments of lease liabilities	(167)	(159)
Principal proceeds from lease receivables	4	5
Receipts from aircraft security deposits	3	-
Net cash outflow from financing activities	(289)	(68)
Net (decrease)/increase in cash and cash equivalents held	(346)	609
Cash and cash equivalents at the beginning of the period	2,213	1,718
Effects of exchange rate changes on cash and cash equivalents	(11)	13
Cash and cash equivalents at the end of the period	1,856	2,340

The above Consolidated Cash Flow Statement should be read in conjunction with the accompanying notes.

Condensed Notes to the Consolidated Interim Financial Report

For the half-year ended 31 December 2025

1 STATEMENT OF MATERIAL ACCOUNTING POLICIES

(A) REPORTING ENTITY

Qantas Airways Limited (Qantas) is a for-profit company limited by shares, incorporated in Australia, whose shares are publicly traded on the Australian Securities Exchange (ASX) and which is subject to the operation of the *Qantas Sale Act 1992* (Cth).

The Consolidated Interim Financial Report for the half-year ended 31 December 2025 comprises Qantas and its controlled entities (together referred to as the Qantas Group or the Group) and the Qantas Group's interest in investments accounted for under the equity method. The Consolidated Annual Financial Report of the Qantas Group for the year ended 30 June 2025 is available at www.qantas.com.au or upon request from the registered office of the Qantas Group at 10 Bourke Road, Mascot NSW 2020, Australia.

The Consolidated Interim Financial Report of Qantas for the half-year ended 31 December 2025 was authorised for issue in accordance with a resolution of the Directors on 26 February 2026.

i. Statement of Compliance

The Consolidated Interim Financial Report has been prepared in accordance with the *Corporations Act 2001* (Cth) and the recognition and measurement requirements of the Australian Accounting Standards Board (AASB). The Consolidated Interim Financial Report also complies with the recognition and measurement requirements of International Financial Reporting Standards (IFRS), the International Accounting Standards IAS 34 *Interim Financial Reporting* and the International Financial Reporting Interpretations Committee (IFRIC) adopted by the International Accounting Standards Board (IASB).

The Consolidated Interim Financial Report does not include all of the information required for a Consolidated Annual Financial Report and should be read in conjunction with the Consolidated Annual Financial Report of the Qantas Group for the year ended 30 June 2025. This report should also be read in conjunction with any public announcements made by the Qantas Group in accordance with the continuous disclosure requirements arising under the *Corporations Act 2001* (Cth) and ASX Listing Rules.

ii. Basis of Preparation

The Consolidated Interim Financial Report has been prepared on a going concern basis, which assumes the Group will be able to meet its obligations as and when they fall due. The Consolidated Interim Financial Report is presented in Australian dollars, which is the functional and presentation currency of the Qantas Group, and has been prepared on the basis of historical cost except in accordance with relevant accounting policies where assets and liabilities are stated at their fair values in the following material items in the Consolidated Balance Sheet:

- Investments and derivatives measured at fair value through profit and loss, and investments and derivatives measured at fair value through other comprehensive income are measured at fair value;
- Assets classified as held for sale are measured at the lower of carrying amount and fair value less costs to sell;
- Net defined benefit asset is measured at the fair value of plan assets less the present value of the defined benefit obligation.

The Group is of a kind referred to in Australian Securities and Investments Commission (ASIC) Corporations (Rounding in Financial/Directors' Reports) Instrument 2016/191. In accordance with that Instrument, all financial information presented has been rounded to the nearest million dollars, unless otherwise stated.

(B) COMPARATIVES

Where applicable, comparative balances have been reclassified to align with current period presentation.

During the current financial half-year, the Group reassessed the classification of expenses related to write-downs of inventories to better reflect the nature of costs as aircraft maintenance expenditure, resulting in a \$17 million reclassification between Aircraft operating variable and Other expenditure in December 2024 comparatives. The restatement has no impact on total expenditure or statutory profit for December 2024 comparatives.

During the half-year ended 31 December 2025, the Group revised the presentation of revenue within the Qantas Loyalty operating segment for external transactions where Qantas Loyalty acts as an agent between customer and supplier. The revenue within the Qantas Loyalty operating segment is now presented net of direct costs when Qantas Loyalty acts as an agent, which is consistent with the treatment in the Consolidated Income Statement. Previously, Qantas Loyalty operating segment presented revenue/expenses as gross, with a presentation adjustment made in Unallocated/Eliminations to reflect the Group treatment. This change only impacts Note 2(A)ii. Analysis by Operating Segment and reflects an internal change in how information is presented to the Qantas Group's Chief Operating Decision-Making (CODM) bodies. Comparatives have been restated, resulting in External segment revenue and other income decreasing by \$160m in Qantas Loyalty and increasing by \$160m in Unallocated/Eliminations. There is no change to Underlying EBIT and no impact to consolidated balances.

Condensed Notes to the Consolidated Interim Financial Report continued

For the half-year ended 31 December 2025

1 STATEMENT OF MATERIAL ACCOUNTING POLICIES (CONTINUED)

(C) CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

The preparation of the Consolidated Interim Financial Report requires Management to make judgements, estimates and assumptions that affect the application of accounting policies and reported amounts of assets, liabilities, income and expenses. It also requires the exercise of judgement in the process of applying the Group's accounting policies. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis for making the judgements about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis, as appropriate to the particular circumstances. Revisions to accounting estimates are recognised in the period in which the estimate is revised and in any future periods affected. In preparing this report, areas of judgements made by Management in the application of Australian Accounting Standards that have a significant effect on the Consolidated Interim Financial Report and estimates with a significant risk of material adjustment in future periods include superannuation, revenue recognition, contingent liabilities and provisions.

2 OPERATING SEGMENTS AND UNDERLYING PROFIT BEFORE TAX

(A) OPERATING SEGMENTS

The Group's reportable operating segments are:

- **Qantas Domestic:** Consists of Qantas Domestic and QantasLink. Qantas Domestic is a premium full-service airline, which serves all Australian capital cities, large metropolitan areas as well as many regional hubs under the Qantas brand. QantasLink primarily services metropolitan and regional transport destinations.
- **Qantas International:** Consists of Qantas International and Qantas Freight. Qantas International is a premium full-service international airline providing transportation between Australia and New Zealand, Asia, North and South America, Africa and Europe under the Qantas brand. Qantas Freight provides air freight services, markets the freight capacity on Qantas and Jetstar passenger aircraft and operates a freighter network to supplement capacity on key domestic and international routes.
- **Jetstar Group:** Jetstar is the Qantas Group's low-cost airline brand. It is a value-based, low-fares network of airlines operating primarily in leisure market segments. Jetstar consists of Jetstar Domestic, Jetstar International (including New Zealand-based domestic operations), Jetstar Asia and an investment in Jetstar Japan. In June 2025, the Group announced the closure of Jetstar Asia with the final day of operations on 31 July 2025 (refer to Note 2(A)iii.). In February 2026, the Group announced that they had signed a non-binding Memorandum of Understanding with Japan Airlines to facilitate the divestment of the Qantas shareholding in Jetstar Japan to a new Japanese capital-led ownership structure (refer to Note 14).
- **Qantas Loyalty:** Consists of a portfolio of distinct brands and businesses, focusing on customer loyalty recognition programs to provide members and businesses with diversified earn, redemption and reward options. Qantas Loyalty's diverse revenue streams include Financial Services and Insurance, Hotels and Holidays (including TripADeal), Qantas Marketplace, Qantas Premier and Qantas Wine.
- **Corporate:** Consists of centralised management and governance functions, including various support functions and overhead costs.

i. Underlying EBIT

Underlying EBIT is the primary reporting measure used by the Qantas Group's Chief Operating Decision-Making (CODM) bodies, being the Chief Executive Officer, Group Leadership Team and the Board of Directors, for the purpose of assessing the performance of Qantas Domestic, Qantas International, Jetstar Group, and Qantas Loyalty operating segments. The primary reporting measure of the Corporate segment is Underlying PBT, as net finance costs are managed centrally and are not allocated to the Qantas Domestic, Qantas International, Jetstar Group or Qantas Loyalty operating segments. Underlying EBIT is calculated as Underlying PBT as outlined below (refer to Note 2(B)) but excluding the impact of net finance costs.

Condensed Notes to the Consolidated Interim Financial Report continued

For the half-year ended 31 December 2025

2 OPERATING SEGMENTS AND UNDERLYING PROFIT BEFORE TAX (CONTINUED)**(A) OPERATING SEGMENTS (CONTINUED)****ii. Analysis by Operating Segment**

December 2025 \$M	Qantas Domestic	Qantas International	Jetstar Group	Qantas Loyalty	Corporate	Unallocated/ Eliminations ¹	Consolidated
REVENUE AND OTHER INCOME							
External segment revenue and other income	3,926	4,529	3,026	1,391	4	20	12,896
Inter-segment revenue and other income	285	316	97	9	-	(707)	-
Total segment revenue and other income	4,211	4,845	3,123	1,400	4	(687)	12,896
Share of net profit/(loss) of investments accounted for under the equity method	5	5	(10)	-	-	-	-
Underlying EBITDA²	1,033	752	754	295	(134)	(33)	2,667
Depreciation and amortisation ³	(357)	(452)	(262)	(9)	(1)	-	(1,081)
Impairment ⁴	-	-	-	-	-	-	-
Underlying EBIT	676	300	492	286	(135)	(33)	1,586
Net finance costs					(130)		(130)
Underlying PBT					(265)		1,456

1 Unallocated/Eliminations represents unallocated businesses of the Qantas Group that are not considered to be reportable segments and consolidation elimination entries. It includes the impact of discount rate changes on provisions (refer to Note 7), investment spend and fair value movements relating to sustainability investments, the net impact of foreign exchange movements on intercompany balances, and recognition of Employee Ownership Plan (non-executive) award for financial year 2025/26 in accordance with relevant Accounting Standards.

2 Underlying EBITDA represents underlying earnings before income tax expense, depreciation, amortisation, net finance costs and impairment.

3 Depreciation and amortisation excludes \$30 million relating to Items not included in Underlying PBT.

4 Impairment excludes \$7 million relating to Items not included in Underlying PBT.

December 2024 \$M	Qantas Domestic	Qantas International	Jetstar Group	Qantas Loyalty Restated ³	Corporate	Unallocated/ Eliminations ¹ Restated ³	Consolidated
REVENUE AND OTHER INCOME							
External segment revenue and other income	3,830	4,336	2,797	1,165	5	(4)	12,129
Inter-segment revenue and other income	180	283	97	9	-	(569)	-
Total segment revenue and other income	4,010	4,619	2,894	1,174	5	(573)	12,129
Share of net profit of investments accounted for under the equity method	5	5	13	-	-	-	23
Underlying EBITDA²	955	749	678	264	(135)	(26)	2,485
Depreciation and amortisation	(317)	(425)	(239)	(9)	(2)	-	(992)
Reversal of impairment	9	3	-	-	-	-	12
Underlying EBIT	647	327	439	255	(137)	(26)	1,505
Net finance costs					(120)		(120)
Underlying PBT					(257)		1,385

1 Unallocated/Eliminations represents unallocated businesses of the Qantas Group that are not considered to be reportable segments and consolidation elimination entries. It also includes the impact of discount rate changes on provisions (refer to Note 7), and the net impact of foreign exchange movements on intercompany balances. Unallocated/Eliminations also includes the recognition of the Thank You payment announced in October 2024 expensed in accordance with relevant Accounting Standards.

2 Underlying EBITDA represents underlying earnings before income tax expense, depreciation, amortisation, net finance costs and reversal of impairment.

3 Qantas Loyalty segment external segment revenue and expenses have been restated for the half-year ended 31 December 2024 with no impact to Qantas Loyalty segment or Group Underlying EBIT. Refer to Note 1(B) Comparatives for details.

Condensed Notes to the Consolidated Interim Financial Report continued

For the half-year ended 31 December 2025

2 OPERATING SEGMENTS AND UNDERLYING PROFIT BEFORE TAX (CONTINUED)

(A) OPERATING SEGMENTS (CONTINUED)

ii. Analysis by Operating Segment (continued)

Passenger revenue primarily arises within the Qantas Domestic, Qantas International and Jetstar Group segments. Freight revenue primarily arises within Qantas International, except when belly space is utilised in Qantas Domestic and Jetstar Group.

Marketing revenue and redemption revenue in relation to the issuance and redemption of Qantas Points is recognised within the Qantas Loyalty segment. Marketing revenue on inter-segment Qantas Point issuances is eliminated on consolidation. Redemption revenue arising from Qantas Group flight redemptions is recognised within Net Passenger Revenue on consolidation. The inter-segment arrangements with Qantas Loyalty are designed not to derive a net profit from inter-segment Qantas Point issuances and reward flight redemptions.

Redemption revenue in which the underlying goods and services are provided by suppliers outside the Group (i.e. Qantas Loyalty segment is an agent as it is only responsible for arranging for the goods and services to be provided), such as Qantas Marketplace, Hotels and Holidays and other carrier redemptions, is recognised within Other revenue and income in the Consolidated Income Statement net of related costs. Redemption revenue in which the underlying goods and services is provided by the Qantas Loyalty segment (i.e. Qantas Loyalty is the principal), such as TripADeal and Qantas Wine, is recognised within Other revenue and income in the Consolidated Income Statement on a gross basis, with its related costs also recognised within Other expenditure on a gross basis.

iii. Closure of Jetstar Asia

In June 2025, the Group announced a strategic restructure to support the Group's fleet renewal program and strengthen core businesses in Australia and New Zealand. This restructure included the closure of intra-Asia airline Jetstar Asia's operations to progressively redeploy 13 Jetstar Asia Airbus A320 aircraft to Australia and New Zealand.

Jetstar Asia discontinued operations during the first half of the 2025/26 financial year, with the final day of operations being 31 July 2025. The decision to close Jetstar Asia includes plans to wind-down and liquidate Jetstar Asia Airways Pte. Ltd. in Singapore together with certain holding companies. Since discontinuing operations in July 2025, these activities have progressed with all aircraft transferred to Australia and all remaining employees exiting Jetstar Asia Airways Pte. Ltd.

During the first half of the 2025/26 financial year, Jetstar Asia contributed an \$80 million loss to Statutory Profit before Tax in the Consolidated Income Statement of the Qantas Group. This included \$33 million of trading losses (recognised in Underlying EBIT within the Jetstar Group operating segment) and \$47 million of other closure and restructuring costs as outlined in Note 2(B) (including consequential impacts on other fleet restructuring). The most significant balance sheet items of Jetstar Asia related to aircraft which have been transferred to Australia and remain within the Qantas Group.

As at 31 December 2025, the Group is carrying a Foreign Currency Translation Reserve loss of \$54 million relating to the Jetstar Asia business within Reserves on the Consolidated Balance Sheet. This amount will continue to change based on foreign exchange movements until the Jetstar Asia entities are wound up, liquidated and/or deconsolidated, at which point these losses will be recognised within the Consolidated Income Statement.

The impact to other individual line items of the Consolidated Income Statement, Consolidated Balance Sheet, Consolidated Statement of Changes in Equity and Consolidated Cash Flow statement are not material to the Qantas Group.

(B) UNDERLYING PROFIT BEFORE TAX (UNDERLYING PBT) AND RECONCILIATION TO STATUTORY PROFIT BEFORE TAX

Underlying PBT is a non-statutory measure and is the primary reporting measure used by the CODM bodies for the purpose of assessing the performance of the Group. The objective of measuring and reporting Underlying PBT is to provide a meaningful and consistent representation of the underlying performance of each operating segment and the Qantas Group.

Items that are identified by Management and reported to the CODM bodies as not representing the underlying performance of the business are not included in Underlying PBT. The determination of these items is made after consideration of their nature and materiality and is applied consistently from period to period.

Items not included in Underlying PBT primarily result from revenues or expenses outside the ordinary course of business. These may relate to business activities in other reporting periods, major transformational/restructuring initiatives, transactions involving investments, gains/losses on sale and/or impairments of assets and other transactions.

Condensed Notes to the Consolidated Interim Financial Report *continued*

For the half-year ended 31 December 2025

2 OPERATING SEGMENTS AND UNDERLYING PROFIT BEFORE TAX (CONTINUED)**(B) UNDERLYING PROFIT BEFORE TAX (UNDERLYING PBT) AND RECONCILIATION TO STATUTORY PROFIT BEFORE TAX (CONTINUED)**

	Note	December 2025 \$M	December 2024 \$M
RECONCILIATION OF UNDERLYING PBT TO STATUTORY PROFIT BEFORE TAX			
Underlying PBT		1,456	1,385
<i>Items not included in Underlying PBT</i>			
– Closure of Jetstar Asia and related costs	2(A)iii.	(47)	–
– Employee Ownership Plan (non-executive) financial year 2024/25 award		(26)	–
– Cyber incident	13(A)	(13)	–
– Organisational restructure costs		(8)	–
– Legal provisions and related costs	13	(55)	(65)
Total items not included in Underlying PBT		(149)	(65)
Statutory Profit Before Income Tax Expense		1,307	1,320

In the first half of the 2025/26 financial year, items outside of Underlying PBT included:

Item outside of Underlying PBT	Description
Closure of Jetstar Asia and related costs	(\$47) million for the strategic restructure of Jetstar Asia and its related costs, including incremental accelerated depreciation of (\$30) million and impairment of (\$7) million due to Jetstar Asia fleet redeployment resulting in earlier retirement of F100 aircraft and two Jetstar A320-200 aircraft held for sale, and (\$10) million relating to fleet transfer and other costs.
Employee Ownership Plan (non-executive) financial year 2024/25 award	(\$26) million for the financial year 2024/25 Employee Ownership Plan announced in August 2025 and awarded to non-executive employees in September 2025.
Cyber incident	(\$13) million relating to costs of managing and responding to the recent cyber incident.
Organisational restructure costs	(\$8) million relating to redundancies arising from organisational restructure changes in the first half of the 2025/26 financial year.
Legal provisions and related costs	(\$55) million relating to the recognition of a legal provision and other related costs in relation to the Qantas Flight Credits Class Action legal proceeding, recognised in Other Expenditure.

In the first half of the 2024/25 financial year, items outside of Underlying PBT included:

Item outside of Underlying PBT	Description
Legal provisions and related costs	(\$65) million for an increase in legal provisions, recognised in Other Expenditure. In December 2024 the Group reached an agreement on the payment of compensation in relation to the ground handling outsourcing Federal Court case.

Condensed Notes to the Consolidated Interim Financial Report continued

For the half-year ended 31 December 2025

3 EARNINGS PER SHARE

	December 2025	December 2024
	cents	cents
Statutory Earnings Per Share¹	61.3	59.9
Diluted Earnings Per Share²	60.8	59.2

1 Weighted average number of shares used in statutory Earnings Per Share calculation of 1,509 million (December 2024: 1,542 million) excludes unallocated treasury shares.

2 Weighted average number of shares used in diluted Earnings Per Share calculation of 1,522 million (December 2024: 1,558 million) excludes unallocated treasury shares and is adjusted for the effects of all dilutive potential ordinary shares.

	December 2025	December 2024
	\$M	\$M
Statutory profit attributable to members of Qantas	925	923

	December 2025	December 2024
	Number M	Number M
NUMBER OF SHARES		
Issued shares as at 1 July	1,513	1,568
Shares bought back	–	(55)
Issued shares as at 31 December	1,513	1,513
Weighted average number of shares for the period	1,513	1,546

4 REVENUE AND OTHER INCOME**(A) REVENUE AND OTHER INCOME BY GEOGRAPHIC AREA**

	December 2025	December 2024
	\$M	\$M
Net passenger and freight revenue		
Australia	8,833	8,407
Overseas	2,937	2,738
Total net passenger and freight revenue	11,770	11,145
Other revenue and income	1,126	984
Total revenue and other income	12,896	12,129

Net passenger and freight revenue is attributed to a geographic region based on the point of sale, or where not directly available, on a pro-rata basis. Other revenue and income is not allocated to a geographic region as it is impractical to do so.

(B) OTHER REVENUE AND INCOME

	December 2025	December 2024
	\$M	\$M
Frequent Flyer marketing revenue and other Qantas Loyalty businesses	712	601
Qantas Marketplace and other redemption revenue ¹	69	52
Third-party services revenue	165	158
Other revenue and income	180	173
Total other revenue and income	1,126	984

1 Qantas Marketplace and other redemption revenue excludes redemptions on Qantas Group flights, which are reported as net passenger revenue in the Consolidated Income Statement.

Condensed Notes to the Consolidated Interim Financial Report continued

For the half-year ended 31 December 2025

5 AIRCRAFT OPERATING VARIABLE

	December 2025	December 2024 Restated ¹
	\$M	\$M
Aviation and landing charges	1,417	1,352
Passenger, handling and other aircraft operations	1,120	1,041
Maintenance	507	477
Total aircraft operating variable	3,044	2,870

¹ Comparatives for the half-year ended 31 December 2024 have been restated due to a reclassification of \$17 million between Aircraft operating variable and Other expenditure. Refer to Note 1(B) Comparatives for details.

6 DEPRECIATION AND AMORTISATION

	December 2025	December 2024
	\$M	\$M
Property, plant and equipment	925	793
Right of use assets	168	179
Intangible assets	18	20
Total depreciation and amortisation	1,111	992

7 OTHER EXPENDITURE

	December 2025	December 2024 Restated ¹
	\$M	\$M
Technology and digital	381	380
Commissions and other selling costs	378	323
Capacity hire (excluding lease components)	323	325
Hotel, holiday and tour related costs	222	190
Marketing and advertising	106	99
Property occupancy and utility expenses	83	73
Discretionary bonuses to non-executive employees	28	29
Redundancy and related costs	13	12
Impact of discount rate changes on provisions	(6)	17
Impairment of assets and related costs/(reversal of impairment)	7	(12)
Other	393	303
Total other expenditure	1,928	1,739

¹ Comparatives for the half-year ended 31 December 2024 have been restated due to a reclassification of \$17 million between Aircraft operating variable and Other expenditure. Refer to Note 1(B) Comparatives for details.

Condensed Notes to the Consolidated Interim Financial Report continued

For the half-year ended 31 December 2025

8 INCOME TAX**(A) RECONCILIATION BETWEEN INCOME TAX EXPENSE AND STATUTORY PROFIT BEFORE INCOME TAX**

	December 2025	December 2024
	\$M	\$M
Statutory profit before income tax expense	1,307	1,320
Income tax expense using the domestic corporate tax rate of 30 per cent	(392)	(396)
Adjusted for:		
Differences in income from investments accounted for under the equity method	(1)	5
Losses not recognised for controlled entities	(9)	(6)
Recognition of previously unrecognised tax losses for branches and controlled entities	–	4
Other net non-assessable/deductible / (assessable/non-deductible) items	18	(6)
Adjustments for the prior year	2	2
Income tax expense	(382)	(397)

(B) INCOME TAX EXPENSE RECOGNISED DIRECTLY IN THE CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	December 2025	December 2024
	\$M	\$M
Income tax on:		
Cash flow hedges	6	(4)
Defined benefit actuarial gains	(10)	(5)
Fair value losses on investments	–	1
Income tax expense recognised directly in the Consolidated Statement of Comprehensive Income	(4)	(8)

(C) RECONCILIATION OF INCOME TAX EXPENSE TO INCOME TAX PAYABLE

	December 2025	December 2024
	\$M	\$M
Income tax expense	(382)	(397)
Temporary differences	94	(23)
Benefit of tax offsets	2	2
Adjustments for the prior year	4	–
Tax on taxable income before utilisation of tax losses	(282)	(418)
Tax losses utilised against current taxable income	–	14
Tax losses recognised through the Consolidated Income Statement	–	(4)
Tax on taxable income after utilisation of tax losses	(282)	(408)
Refund due for prior years	4	–
Tax instalments paid	215	187
Income tax payable	(63)	(221)

(D) QANTAS GROUP CARRIED FORWARD TAX LOSSES

	December 2025	December 2024
	\$M	\$M
Total tax losses brought forward as at 1 July	(20)	(32)
Tax losses utilised against current taxable income	–	14
Tax losses recognised through the Consolidated Income Statement	–	(4)
Tax losses carried forward to be utilised in future periods¹	(20)	(22)

¹ The deferred tax asset of \$20 million as at 31 December 2025 comprises New Zealand tax losses only. There are no Australian tax losses remaining.

Condensed Notes to the Consolidated Interim Financial Report continued

For the half-year ended 31 December 2025

8 INCOME TAX (CONTINUED)

(E) PILLAR TWO MINIMUM EFFECTIVE TAX RATE REFORM

The Organisation for Economic Cooperation and Development (OECD) introduced Global Anti-Base Erosion (GloBE) Rules and released technical guidance for a new global minimum tax framework (Pillar Two). Pillar Two operates to ensure that multinational enterprises with a consolidated worldwide annual turnover exceeding €750 million are subject to a minimum 15 per cent effective tax rate. For the Qantas Group, the impact of Article 8 within Australia's Double Tax Treaties results in almost all of the Group's profits being taxed in Australia where the corporate tax rate is 30 per cent.

In several of the countries in which the Qantas Group operates, including Australia, legislation on Pillar Two has been enacted and the Qantas Group is subject to Pillar Two from 1 July 2024. Under the legislation, the Qantas Group would be required to pay an additional top-up tax payment for any difference between its GloBE effective tax rate in each jurisdiction and the minimum rate of 15 per cent. To provide transitional relief for Pillar Two tax compliance and the administrative burden, the OECD has also introduced a framework for transitional safe harbours applicable to financial years 2024/25 to 2026/27. This framework consists of simplified tests against Pillar Two rules, calculated by jurisdiction at the end of each financial year.

As it is difficult to assess whether Pillar Two will give rise to additional temporary differences, whether deferred tax assets and liabilities need to be remeasured and which tax rate should be applied when calculating deferred tax, the AASB issued an amendment AASB 2023-2 Amendments to Australian Accounting Standards – International Tax Reform – Pillar Two Model Rules in June 2023. This mandatory amendment provides a temporary exemption from deferred tax accounting related to Pillar Two and has been applied for the half-year ended 31 December 2025.

The Qantas Group has assessed that the transitional safe harbour framework can apply in almost all the jurisdictions in which it operates, including Australia. Where the transitional safe harbour framework does not apply, the Group continues to work through the rules in relation to the application of Pillar Two. The Qantas Group has not identified any material top-up tax payment obligations for the period ended 31 December 2025 and no additional tax expense has been recognised for the half-year ended 31 December 2025.

In addition, the Group is progressively meeting its Pillar Two compliance obligations as jurisdictions implement the new regime.

9 DIVIDENDS AND OTHER SHAREHOLDER DISTRIBUTIONS

(A) DIVIDENDS PAID AND ANNOUNCED

During the half-year ended 31 December 2025, the Group paid a base dividend of \$250 million, distributed as a fully franked final dividend of 16.5 cents per share, and an additional distribution of \$150 million, distributed as a fully franked special dividend of 9.9 cents per share. The dividends were paid on 15 October 2025.

In February 2026, the Board has resolved to announce a base dividend of \$300 million, distributed as a fully franked interim dividend of 19.8 cents per share. The record date for determining entitlements to the dividend is 11 March 2026. The dividend will be paid on 15 April 2026.

(B) SHARE BUY-BACKS

During the half-year ended 31 December 2025, there were no on-market share buy-backs completed by the Group.

In February 2026, the Board has resolved to announce an on-market share buy-back of up to \$150 million.

(C) FRANKING ACCOUNT

	December 2025	June 2025
	\$M	\$M
Actual franking account balance as at 31 December / 30 June	452	152
Australian income tax payable	63	246
Total franking account balance at 30 per cent	515	398

The ability to utilise the franking credits is dependent upon there being sufficient available profits and net assets to declare dividends.

Condensed Notes to the Consolidated Interim Financial Report continued

For the half-year ended 31 December 2025

10 REVENUE RECEIVED IN ADVANCE

	December 2025			June 2025		
	\$M			\$M		
	Current	Non-current	Total	Current	Non-current	Total
Unavailed passenger revenue	4,493	–	4,493	4,729	–	4,729
Unredeemed Frequent Flyer revenue	1,932	1,736	3,668	1,935	1,621	3,556
Other revenue received in advance	527	107	634	515	129	644
Total revenue received in advance	6,952	1,843	8,795	7,179	1,750	8,929

11 CASH AND CASH EQUIVALENTS AND INTEREST-BEARING LIABILITIES**(A) CASH AND CASH EQUIVALENTS**

	December 2025	June 2025
	\$M	\$M
Cash and cash at call balances	937	1,061
Short-term money market securities and term deposits	919	1,152
Total cash and cash equivalents	1,856	2,213

Cash and cash equivalents comprise cash balances, cash at call, short-term money market securities and term deposits that are readily convertible to a known amount of cash and are subject to an insignificant risk of change in value.

(B) INTEREST-BEARING LIABILITIES

	December 2025			June 2025		
	\$M			\$M		
	Current	Non-current	Total	Current	Non-current	Total
Bank loans – secured	154	1,476	1,630	218	1,267	1,485
Bank loans – unsecured	–	1,113	1,113	–	760	760
Other loans – secured	29	1,722	1,751	29	1,959	1,988
Other loans – unsecured	300	1,840	2,140	–	2,167	2,167
Total interest-bearing liabilities	483	6,151	6,634	247	6,153	6,400

12 CAPITAL EXPENDITURE COMMITMENTS

The Group's capital expenditure commitments as at 31 December 2025 are \$22,540 million (30 June 2025: \$21,712 million). The Group has certain rights within its aircraft purchase contracts which can defer the capital expenditure commitments.

The Group's capital expenditure commitments are predominantly denominated in US dollars. Commitments reported above are translated to the Group's Australian dollar presentational currency at the 31 December 2025 closing exchange rate of \$0.66 (30 June 2025: \$0.65).

Condensed Notes to the Consolidated Interim Financial Report continued

For the half-year ended 31 December 2025

13 CONTINGENT LIABILITIES AND LEGAL PROVISIONS

Where a legal claim has been made against the Group, it is necessary to determine whether each claim either meets the recognition requirement of a provision, represents a contingent liability requiring disclosure or does not require recognition or disclosure in accordance with AASB 137 *Provisions, Contingent Liabilities and Contingent Assets* (AASB 137). Contingent liabilities are disclosed in the Consolidated Interim Financial Report unless the outflow is considered 'remote'.

AASB 137 distinguishes between:

- a. provisions – which are recognised as liabilities (unless a reliable estimate cannot be made) because they are present obligations and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligations; and
- b. contingent liabilities – which are not recognised as liabilities because they are either:
 - i. possible obligations, as it has yet to be confirmed whether the entity has a present obligation that could lead to an outflow of resources embodying economic benefits; or
 - ii. present obligations that do not meet the recognition criteria (because either it is not probable that an outflow of resources will be required to settle the obligation, or a sufficiently reliable estimate of the amount of the obligation cannot be made).

Contingent liabilities may develop over time and in a way different from initial expectations and are therefore assessed continuously to determine whether a present obligation has been confirmed, any outflow of economic benefits has become probable or a sufficiently reliable estimate of the amount of the obligation can now be made. If it becomes probable that an outflow of economic benefits will be required or a sufficiently reliable estimate can be made for an item previously determined to be a contingent liability, a provision is recognised in the Consolidated Financial Statements in the period in which the change occurs.

Under AASB 137, disclosure of certain information is not required where it may significantly prejudice the subject matter of a provision or a contingent liability.

(A) CONTINUING LEGAL MATTERS

From time to time, Qantas is subject to claims and litigation during the normal course of business. The Directors have given consideration to such matters, which are or may be subject to litigation at 31 December 2025, and, subject to specific provisions raised, are of the opinion that no material contingent liabilities exist other than the matters listed below.

In line with AASB 137, other than described below, further information is not disclosed on the grounds that it may significantly prejudice the outcome of the proceedings.

Qantas Flight Credits Class Action proceedings

In August 2023, a Class Action proceeding was filed in the Federal Court of Australia. The claim relates to flights scheduled to depart between 1 January 2020 and 1 November 2022 that were cancelled by Qantas, and includes allegations that Qantas breached its contractual obligations to customers with regard to refunds for cancelled flights, misled customers as to their rights following flight cancellations and that Qantas was unjustly enriched by holding customer funds.

A further amended statement of claim was filed by the applicant on 14 February 2024. On 27 February 2024, Qantas filed its further amended defence, denying the allegations.

Since 30 June 2025 this legal matter has continued to progress. During the half year ended 31 December 2025, the Group recognised a \$55 million expense for a legal provision and other related costs in relation to this proceeding.

Given there remains significant uncertainty as to the potential outcome or possible financial impacts of this matter, both the quantum and timing of economic outflows is uncertain and the final outcome may vary significantly from the amount provided.

Jetstar Travel Vouchers Class Action proceedings

In August 2024, a Class Action proceeding was filed in the Federal Court of Australia against Jetstar Airways Pty Limited. The claim relates to flights scheduled to depart between 1 January 2020 and 1 November 2022 that were cancelled by Jetstar, and includes allegations that Jetstar breached its contractual obligations to customers with regard to refunds for cancelled flights, misled customers as to their rights following flights cancelled by Jetstar and that Jetstar was unjustly enriched by holding customer funds.

Jetstar's defence was filed in October 2024, denying the allegations.

The potential outcome and any possible financial impacts are currently unknown, and no provision has been recognised.

Condensed Notes to the Consolidated Interim Financial Report continued

For the half-year ended 31 December 2025

13 CONTINGENT LIABILITIES AND LEGAL PROVISIONS (CONTINUED)

(A) CONTINUING LEGAL MATTERS (CONTINUED)

Qantas cyber incident

On 2 July 2025, the Group announced that a cyber incident had occurred where a cyber criminal targeted a call centre and gained access to a third party customer servicing platform. There was no impact to Qantas' flight operations or the safety of the airline.

The Group notified the Office of the Australian Information Commissioner (OAIC), and has been communicating about the incident with the Australian Cyber Security Centre and the Australian Federal Police.

On 17 July 2025, Maurice Blackburn made a representative complaint to the OAIC against Qantas, claiming that Qantas failed to adequately protect the personal information of its customers.

The potential outcome and any possible financial impacts are currently unknown, and no provision has been recognised.

(B) CONCLUDED LEGAL MATTERS

Ground handling outsourcing

On 18 August 2025, the decision on pecuniary penalties was handed down in relation to the outsourcing of the remainder of Qantas' ground handling function in 2020 with the Group to pay a \$90 million penalty.

While the decision was handed down after 30 June 2025, it was an adjusting post-balance sheet date event in accordance with AASB 110 *Events after the Reporting Period* for financial year 2024/25. As a result, the Group adjusted the provision held within the Consolidated Balance Sheet at 30 June 2025 to equal the penalty decision with the impact recognised in the Consolidated Income Statement for financial year 2024/25.

This penalty was paid during the first half of financial year 2025/26 and recognised as an operating cash outflow in the Consolidated Cash Flow Statement.

14 POST-BALANCE SHEET DATE EVENTS

Intention for strategic transition of Jetstar Japan

On 3 February 2026, the Group announced that they had signed a non-binding Memorandum of Understanding with Japan Airlines (JAL) to facilitate the transition of Jetstar Japan to a new Japanese capital-led ownership structure. Subject to reaching agreement on the transition and regulatory approvals, the proposed transaction would see the Group divest its shareholding (33.32 per cent) in Jetstar Japan. The agreement is expected to be reached in July 2026 and the transition complete by June 2027.

Other than as disclosed above and as noted in Note 9 – Dividends and Other Shareholder Distributions, there has not arisen, in the interval between 31 December 2025 and the date of this report, any other event that would have a material impact on the Consolidated Interim Financial Report as at 31 December 2025.



Lead Auditor's Independence Declaration under Section 307C of the Corporations Act 2001 (Cth)

To the Directors of Qantas Airways Limited

I declare that, to the best of my knowledge and belief, in relation to the review of the interim financial report of Qantas Airways Limited for the half-year ended 31 December 2025 there have been:

- i. no contraventions of the auditor independence requirements as set out in the *Corporations Act 2001* (Cth) in relation to the review; and
- ii. no contraventions of any applicable code of professional conduct in relation to the review.

KPMG

Julian McPherson
Partner
Sydney
26 February 2026

DIRECTORS' DECLARATION

In the opinion of the Directors of Qantas Airways Limited:

- (a) the Consolidated Interim Financial Report and notes set out on pages 20 to 37 are in accordance with the *Corporations Act 2001* (Cth), including:
 - i. Giving a true and fair view of the financial position of the Qantas Group as at 31 December 2025 and of its performance, as represented by the results of its operations and cash flows for the half-year ended on that date; and
 - ii. Complying with Australian Accounting Standard AASB 134: *Interim Financial Reporting* and the *Corporations Regulations 2001*; and
- (b) there are reasonable grounds to believe that Qantas Airways Limited and its controlled entities will be able to pay its debts as and when they become due and payable.

Signed pursuant to a Resolution of the Directors:



JOHN MULLEN

Board Chair



VANESSA HUDSON

Chief Executive Officer

Sydney

26 February 2026



Independent Auditor's Review Report

To the shareholders of Qantas Airways Limited

Conclusion

We have reviewed the accompanying **Consolidated Interim Financial Report** of Qantas Airways Limited.

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the Interim Financial Report of Qantas Airways Limited does not comply with the *Corporations Act 2001* (Cth), including:

- giving a true and fair view of the **Group's** financial position as at 31 December 2025 and of its performance for the Interim Period ended on that date; and
- complying with Australian Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

The **Consolidated Interim Financial Report** comprises:

- the Consolidated Balance Sheet as at 31 December 2025;
- the Consolidated Income Statement, Consolidated Statement of Comprehensive Income, Consolidated Statement of Changes in Equity and Consolidated Cash Flow Statement for the Interim Period ended on that date;
- Condensed Notes to the Consolidated Interim Financial Report, being notes 1 to 14 comprising material accounting policies and other explanatory information; and
- the Directors' declaration.

The **Group** comprises Qantas Airways Limited (the Company) and the entities it controlled at the Interim Period's end or from time to time during the Interim Period.

The **Interim Period** is the six months ended on 31 December 2025.

Basis for Conclusion

We conducted our review in accordance with ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*. Our responsibilities are further described in the *Auditor's Responsibilities* for the Review of the Interim Financial Report section of our report.

We are independent of the Group in accordance with the auditor independence requirements of the *Corporations Act 2001* (Cth) and the ethical requirements of the *Accounting Professional and Ethical Standards Board's APES 110 Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to our audit of the annual financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with these requirements.

Responsibilities of the Directors for the Interim Financial Report

The Directors of the Company are responsible for:

- the preparation of the Interim Financial Report that gives a true and fair view in accordance with *Australian Accounting Standards* and the *Corporations Act 2001* (Cth)
- such internal control as the Directors determine is necessary to enable the preparation of the Interim Financial Report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

Auditor's Responsibilities for the Review of the Interim Financial Report

Our responsibility is to express a conclusion on the Interim Financial Report based on our review. ASRE 2410 requires us to conclude whether we have become aware of any matter that makes us believe that the Interim Financial Report does not comply with the *Corporations Act 2001* (Cth) including giving a true and fair view of the Group's financial position as at 31 December 2025 and its performance for the Interim Period ended on that date, and complying with *Australian Accounting Standard AASB 134 Interim Financial Reporting* and the *Corporations Regulations 2001*.

A review of an Interim Period Financial Report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with *Australian Auditing Standards* and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

KPMG

Julian McPherson
Partner
Sydney
26 February 2026

Operational Statistics

For the half-year ended 31 December 2025

		December 2025	December 2024
TRAFFIC AND CAPACITY			
QANTAS DOMESTIC (INCLUDING QANTASLINK)			
Passengers carried	'000	11,174	11,119
Revenue Passenger Kilometres (RPKs)	M	13,429	13,201
Available Seat Kilometres (ASKs)	M	17,238	16,572
Seat Factor	%	77.9	79.7
JETSTAR DOMESTIC			
Passengers carried	'000	8,632	7,982
Revenue Passenger Kilometres (RPKs)	M	10,812	10,194
Available Seat Kilometres (ASKs)	M	11,962	11,289
Seat Factor	%	90.4	90.3
GROUP DOMESTIC			
Available Seat Kilometres (ASKs)	M	29,200	27,861
QANTAS INTERNATIONAL			
Passengers carried	'000	4,413	4,228
Revenue Passenger Kilometres (RPKs)	M	27,699	26,834
Available Seat Kilometres (ASKs)	M	32,932	31,231
Seat Factor	%	84.1	85.9
JETSTAR INTERNATIONAL			
Passengers carried	'000	4,341	3,699
Revenue Passenger Kilometres (RPKs)	M	15,064	13,206
Available Seat Kilometres (ASKs)	M	16,978	15,006
Seat Factor	%	88.7	88.0
JETSTAR ASIA			
Passengers carried	'000	153	1,271
Revenue Passenger Kilometres (RPKs)	M	254	1,902
Available Seat Kilometres (ASKs)	M	336	2,340
Seat Factor	%	75.6	81.3
GROUP INTERNATIONAL			
Available Seat Kilometres (ASKs)	M	50,246	48,577
QANTAS GROUP OPERATIONS			
Passengers carried	'000	28,713	28,299
Revenue Passenger Kilometres (RPKs)	M	67,258	65,337
Available Seat Kilometres (ASKs)	M	79,446	76,438
Seat Factor	%	84.7	85.5
Group Unit Revenue (RASK)	c/ASK	11.67	11.31
Aircraft at end of the period	#	365	357