

Jetstar Group

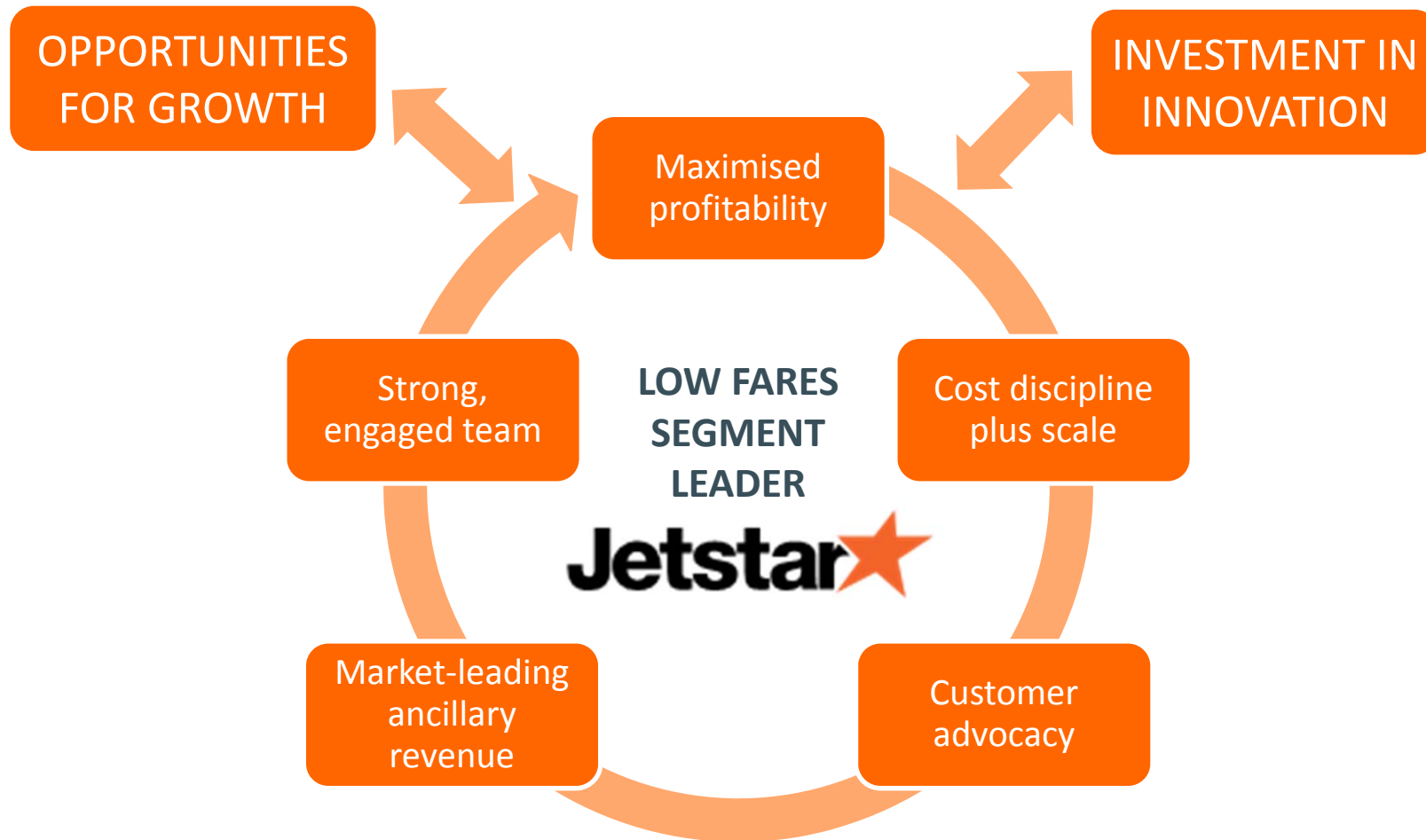
Jetstar in Asia

Jayne Hrdlicka, Jetstar CEO
Seattle, 6 October 2013



Jetstar Group Model

'Virtuous circle' drives growth and innovation for strong, independent airlines



What is good for the customer is good for Jetstar Group airlines

"Low fares are just part of the story"

CUSTOMER PROMISE

Low fares

Best products and services

Consistent experience

More places to fly, more often



CUSTOMER ADVOCACY

JETSTAR ECONOMICS

Price leadership

Increased revenue and margin

Standardised, replicable model

Scale across attractive markets



INCREASED PROFITABILITY



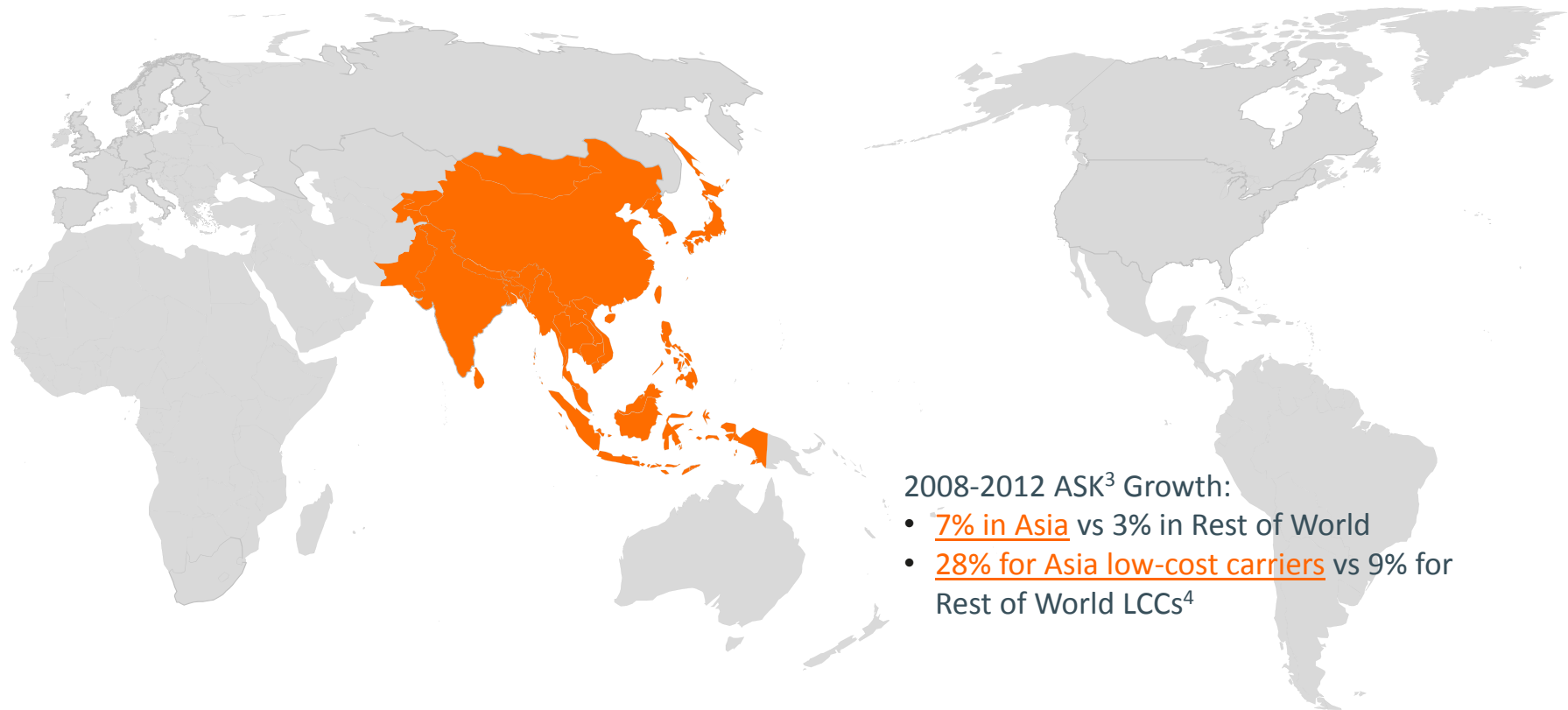
Growth



The Asian Century

Jetstar Group Airlines¹ positioned for success across the region

More people live inside the orange region than outside²



2008-2012 ASK³ Growth:

- 7% in Asia vs 3% in Rest of World
- 28% for Asia low-cost carriers vs 9% for Rest of World LCCs⁴

Population Growth + Rising Incomes + New Travellers = 'Once-in-a-century' LCC Opportunity

1. Jetstar Group Airlines are Jetstar (Australia & New Zealand), Jetstar International (Australia), Jetstar Asia (Singapore), Jetstar Japan, Jetstar Pacific (Vietnam), and Jetstar Hong Kong. Jetstar Hong operations subject to regulatory approval. 2. Source: World Population Prospects, the 2012 Revision. United Nations Department of Economic and Social Affairs, Population Division, Population Estimates and Projections Section. 3. Available Seat Kilometres. 4. Low Cost Carriers. Source: Centre for Aviation (CAPA) data. Asia includes seat capacity to/from and within Central Asia, North East Asia, South East Asia and South Asia

Jetstar Group in Asia

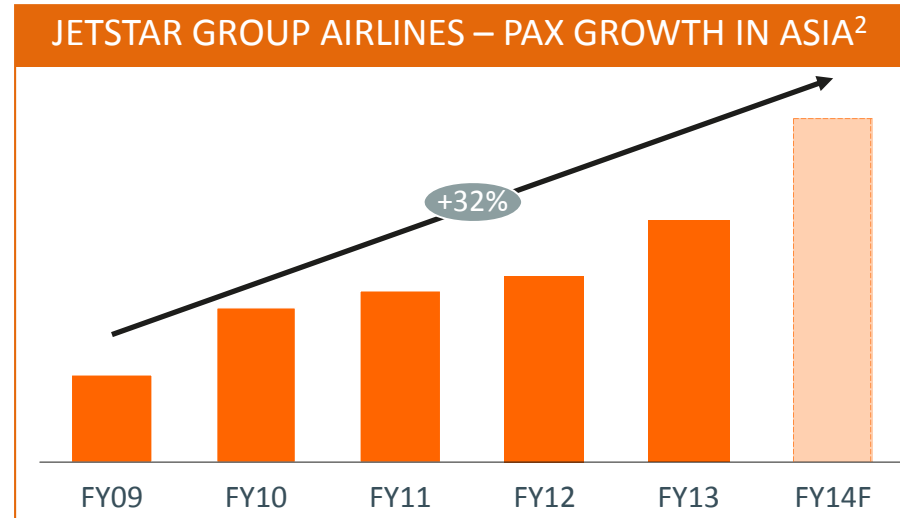
Stimulating underlying market growth to achieve 32% passenger growth

Jetstar Group Airlines have ‘grown the pie’ by stimulating local demand for LCC travel

- Japanese LCCs added 2.6 million domestic passengers to the market (>50% of market growth for 12 months to March 13)¹

Jetstar Group Airlines’ 32% passenger², 19%³ revenue growth in Asia

- Since FY09, **10 million** customers have flown Jetstar from Australia to Asia
- Since FY09, **23 million** customers have flown Jetstar Group Airlines within Asia
- More than **90%** of Jetstar Group Airlines’ customers within Asia are point-to-point

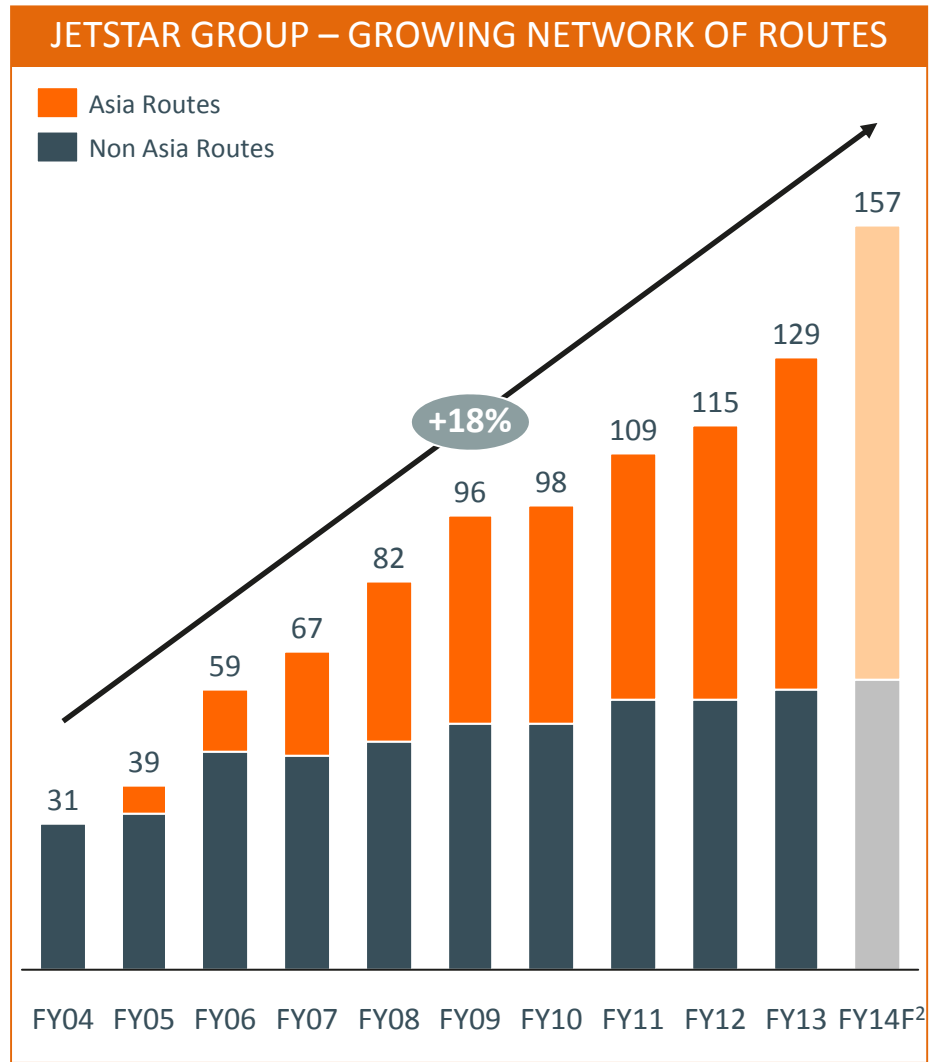


BUSINESS	OWNERSHIP	LAUNCH	BASED AIRCRAFT ⁴
Jetstar Australia	100%	2004	50xA320s/A321s
Jetstar International	100%	2006	10xA330s
Jetstar NZ ⁵	100%	2009	9xA320s
Jetstar Asia (Singapore)	49%	2004	17xA320s
Jetstar Japan	33%	2012	13xA320s
Jetstar Hong Kong ⁶	33%	–	–
Jetstar Pacific (Vietnam) ⁷	30%	2008	5xA320s

1. Source: CAPA analysis dated 8 August 2013. 2. Includes Jetstar International services into Asia, Jetstar Asia, Jetstar Pacific, Jetstar Japan and Jetstar Hong Kong (subject to regulatory approval). 3. Jetstar Group Asian revenue CAGR FY09-FY13 includes Jetstar International services into Asia, Jetstar Asia, Jetstar Pacific and Jetstar Japan. 4. As at 30 June 2013. 5. Jetstar Trans Tasman services commenced in 2005, Jetstar NZ (Domestic) services commenced in 2009. 6. Subject to regulatory approval. Previously 50% ownership. 7. Jetstar Pacific rebranded in 2008.

Jetstar Group's Asian Footprint: 125 aircraft¹

Established and start-up airlines in key growth markets



1. Fleet based on FY14 forecast. 2. Subject to network optimisation and route planning changes. Jetstar Hong Kong subject to regulatory approval.

Successful model in Asia

The best of strong, independent, local airlines plus Jetstar Group scale & experience

Local,
independent
airlines

- Control by local management team, flying majority local passengers (2,000+ local employees serving 9.5 million¹ passengers)
- The right strategic, local shareholders for each market
- Commercial and operational decisions driven by local CEO and board
- Model geared to local culture norms, consumer needs, and regulators

Group scale

- Robust, replicable model to deliver both customer service and low cost
- Combination of Jetstar model and local partners'/shareholders' scale
- Multi-lingual, multi-airline sales and distribution platforms
- Pan-Asia Pacific network connectivity across >130 routes

Wisdom of
experience

- Nearly ten years of experience delivering safe operations - built on 90+ years of Qantas safety practices
- Dual-brand 'know-how' embedded in the Jetstar LCC model
- Regular experience sharing between Group airlines
- Award-winning customer experience

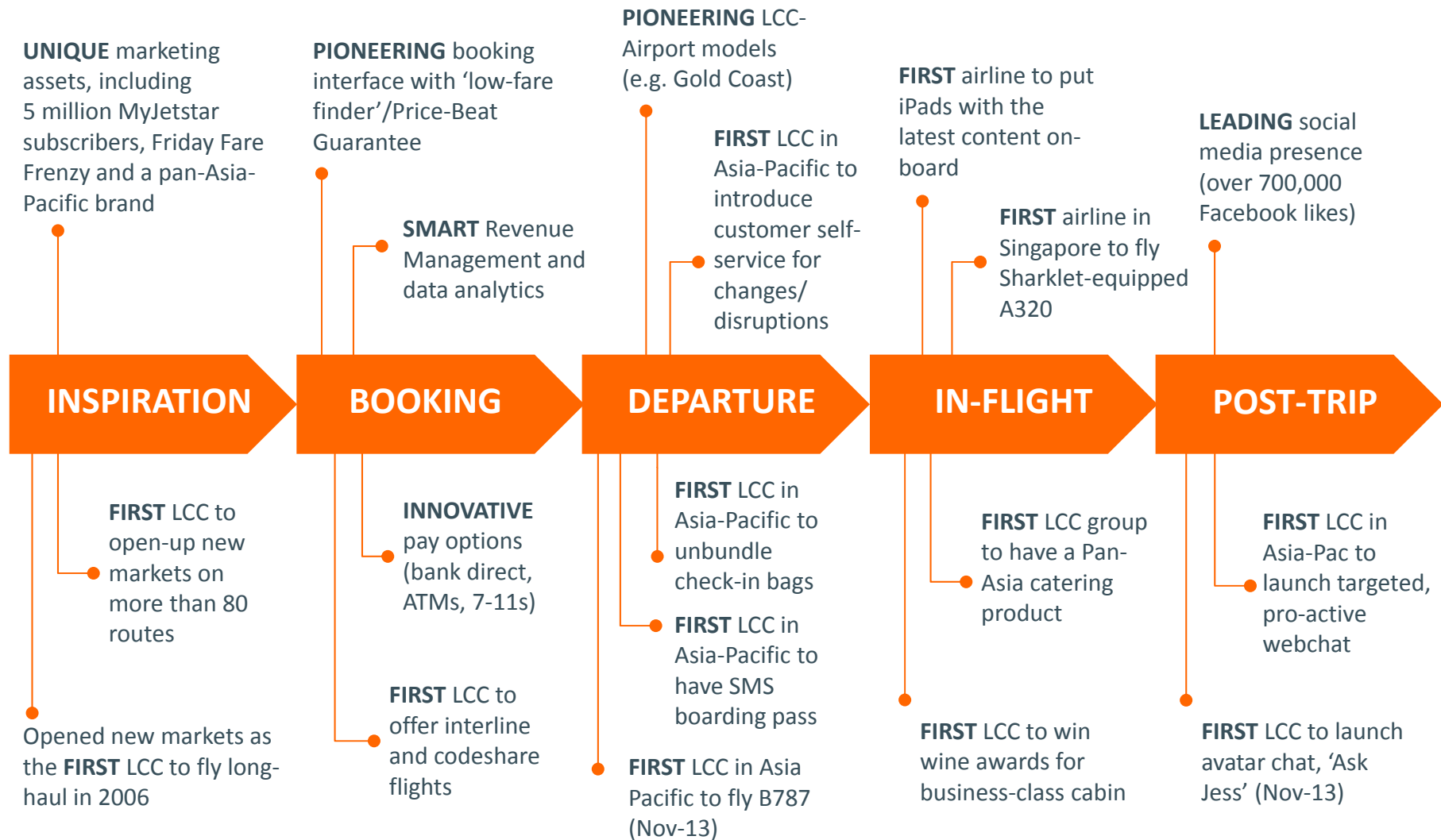
1. Jetstar Group FY13 passengers carried in Asia includes Jetstar International services into Asia, Jetstar Asia, Jetstar Pacific and Jetstar Japan.



Innovation

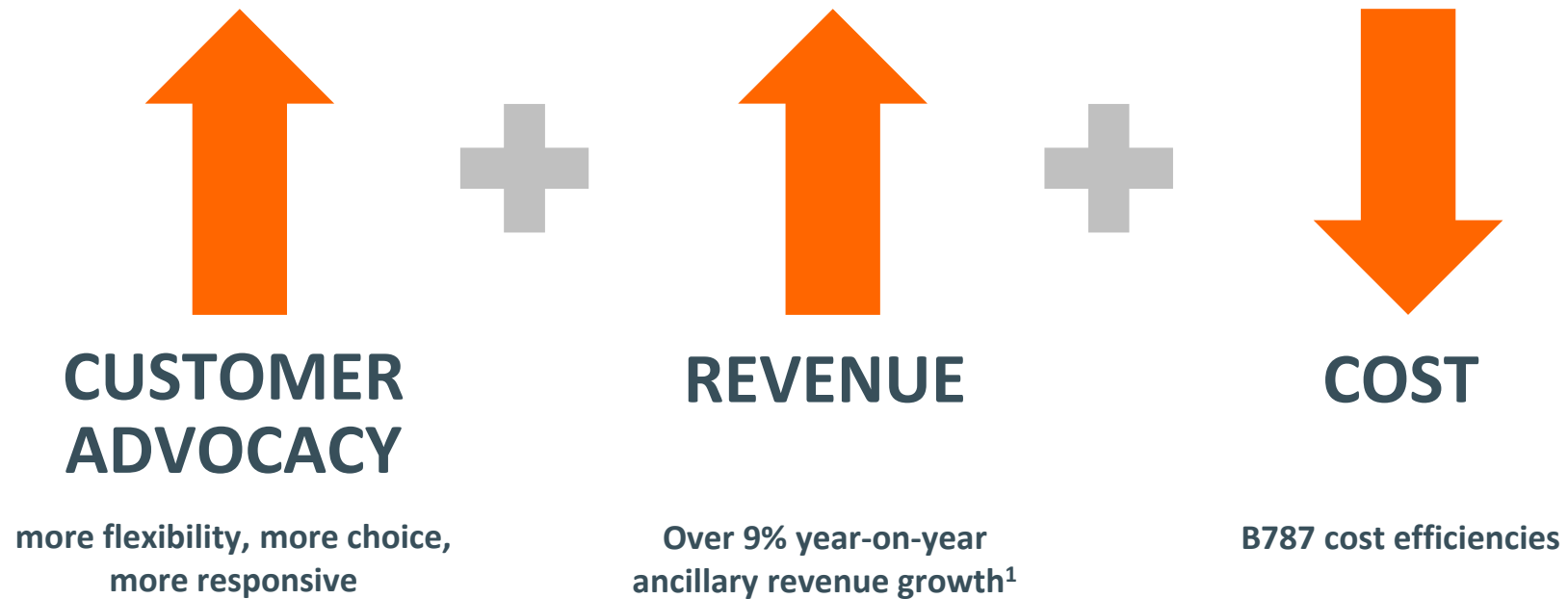
Jetstar Group innovation in the LCC market

First profitable LCC to come from a full service carrier



Unlocking potential through innovation

INNOVATION DELIVERS . . .



1. FY05-FY13 ancillary revenue growth.

Product innovation delivering higher customer advocacy

Finding better ways to provide a seamless customer experience

More flexibility

Web check-in

Why queue if you don't have to?

Fast track your check-in

Next time you fly Jetstar, you can fast track your check-in by using our web check-in, or our self-service kiosks. You can even fast track your check-in by using SMS boarding. We like that. It's just another way you can save time with Jetstar. For more details or to book, visit jetstar.com

More choice

Bundles

<p>Plus bundle Enjoy the extras and save a bundle \$85</p> <p>Most Popular Bundle</p> <ul style="list-style-type: none"> No change fees for date, time & name changes (fare difference applies) Earn Qantas Frequent Flyer points and Status credits* or a AUD \$25 Jetstar flight voucher*. Find out more Free standard seat selection Meal included on available flights <p>Plus bundles are non-refundable. View Plus Bundle rules</p> <p>Add to booking</p>	<p>Max bundle 最も柔軟性の高い下記オプションが追加できます。 ¥3,200</p> <ul style="list-style-type: none"> 最も柔軟性の高い運賃オプション 日付、時間、搭乗者などの変更が無料(運賃の差額を申し受ける場合があります) ¥400 ジェットスターフライトパウチャー*もしくは カンタスフlierワークアウトフライヤーポイントとスタータスフレジット*を選択 詳しくはこちら ¥500 分の機内パウチャー 詳しくはこちら 搭乗者が選べられます。 エクストラ・レグスルーフムシートを含む全シートの座席選択が自由 払い戻し可 (手数料がかかります) <p>Starter Max 運賃規則へ</p> <p>追加する +</p>
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More responsive

Customer Help Avatar¹

Ask Jess
Jetstar's virtual assistant



Jess: Hi! I am Jess, Jetstar's virtual assistant. I am here to help you get the most out of Jetstar's services. I can help with everything from Holiday deals to Baggage limits when you fly

What can I help you with? **Ask**

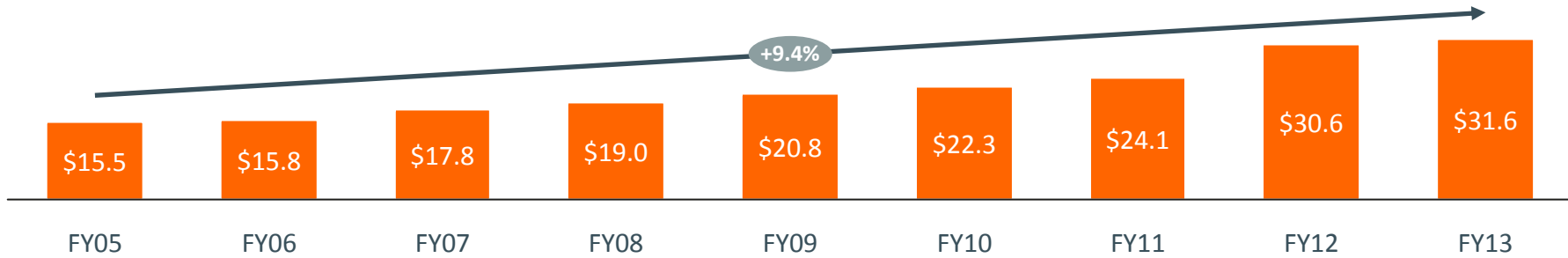
Higher customer advocacy... with more ancillary revenue and lower costs

1. To be launched November 2013.

Product Innovation delivering higher revenues

Market-tailored product innovation drives ancillary revenue growth

JETSTAR GROUP – ANCILLARY REVENUE (AUD/PAX)



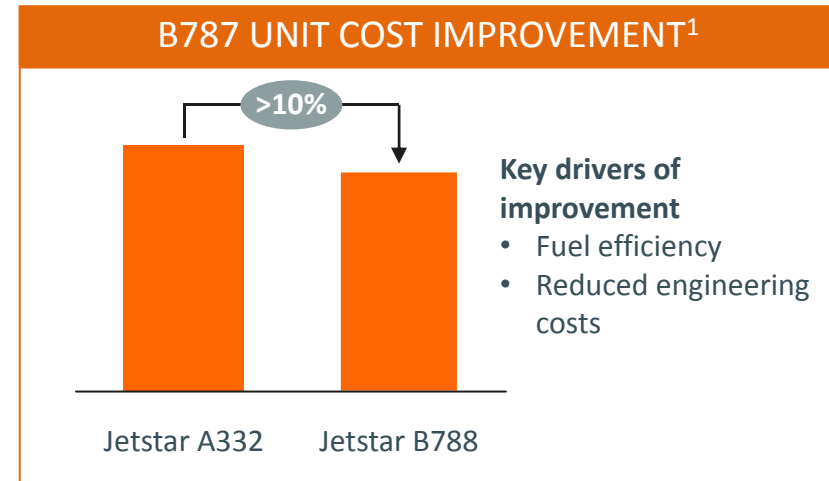
YEAR-ON-YEAR INNOVATION ACROSS ALL MARKETS

Baggage	Prepaid extra baggage	Insurance & car rentals	Hotels	Upgrades	Jetstar MasterCard® (Australia)	Bundles	Travel SIM card	JCB Card Facility (Vietnam)
Domestic freight	Short-haul freight	Long-haul freight	Comfort packs	Upfront seats	Hotels and car rentals (Singapore)	iPads	Jetstar travel card	JOIN TODAY Club Jetstar (AUS / NZ)
Catering	In-flight entertainment (IFE)	Distribution recovery	Extra leg-room	Activities	Seating improvements	Priority boarding	Route pricing	Lawson partnership (Japan)

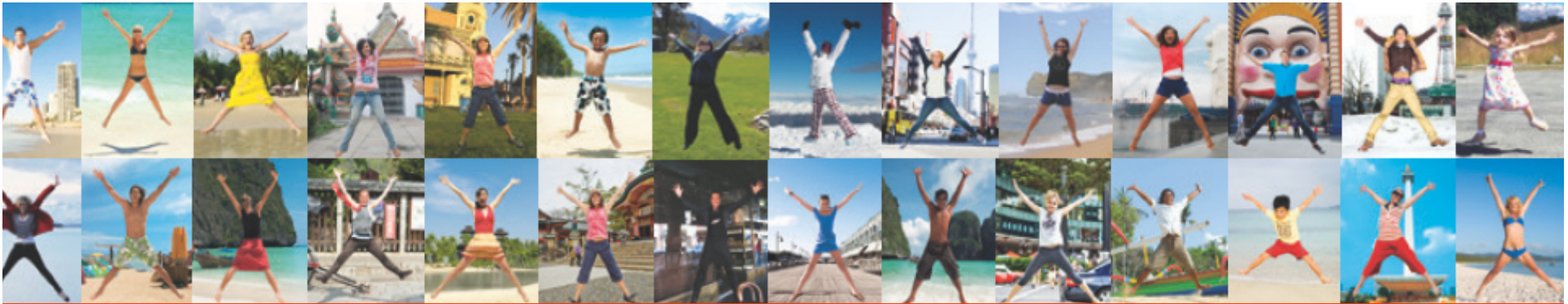
Product Innovation driving lower unit cost

B787 delivering value to customers and airline

- B787 to widen Jetstar International profit margin vs LCC competitors
 - Lower unit costs for the airline
 - Keep fares low
 - Enhanced product for the customer
 - Seat-back IFE to deliver ancillary revenue from every passenger seat
- Delayed B787 delivery has allowed for
 - Learning through others' experience
 - Tailored product to our customer base, including Asian IFE content/catering



1. Source: Internal unit cost estimates.



Results



jetstar.com



Success story in Asia

Case Study: Building brand presence in Japan ahead of launch of independent airline



Brand Positioning

- Jetstar International first LCC to fly to Japan in 2007
- By the time of Jetstar Japan launch in July 2012:
 - Jetstar Group flew into Japan from Manila, Taipei, Gold Coast and Cairns
 - >2m passengers already carried to/from Australia
 - Jetstar recognised as a top 100 brand in Japan¹

Scale Benefits

- Accessing same ports, infrastructure and suppliers

Understanding of Local Market

- Existing knowledge of operating in Japan (local staff, local distribution, Japanese customers)

Feed Traffic

- Connectivity between long-haul and short-haul networks gives customers more destinations to fly

1. Source: CM Databank, 'Top 100 Breakthrough Brands'.

Jetstar Japan

Growth potential in Japan is significant

ジェットスター・ジャパン

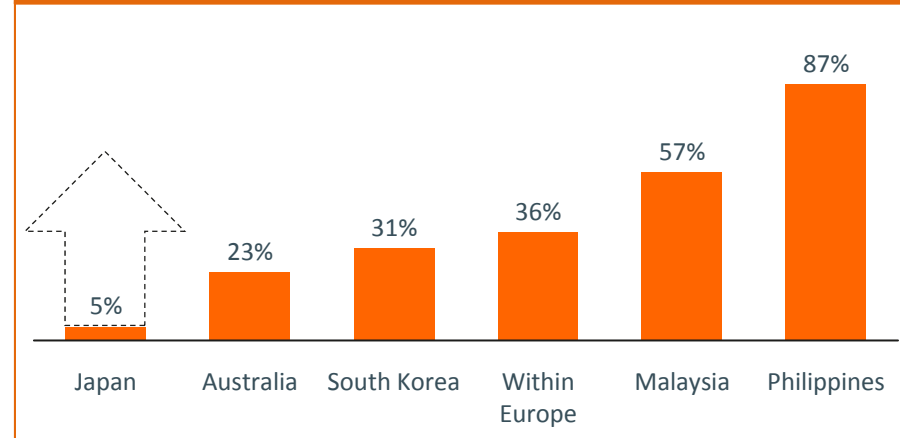
Significant potential for LCC growth in Japan

- Domestic LCC penetration only 5% of total market² with potential to be >30%
- Japan's population 6 x size of Australia's

Jetstar Japan well placed to lead the market

- Early mover advantages
 - Existing brand strength
 - First LCC in Narita
 - Largest domestic network
- Growth plan in place to maintain leading LCC position in domestic and international markets into FY16

DOMESTIC LCC MARKET PENETRATION, YTD 2013 ¹



Jetstar Japan celebrates **2 million** passengers on 13 August 2013



Jetstar Japan and Lawson's partner in accessing **10,000** convenience store locations throughout Japan

1. Source: CAPA, Jan-Sep 2013 market penetration by seats. 2. CAPA Report Domestic LCC market share (% seats) Jan-May 2013, dated 14 June 2013.

Jetstar Japan

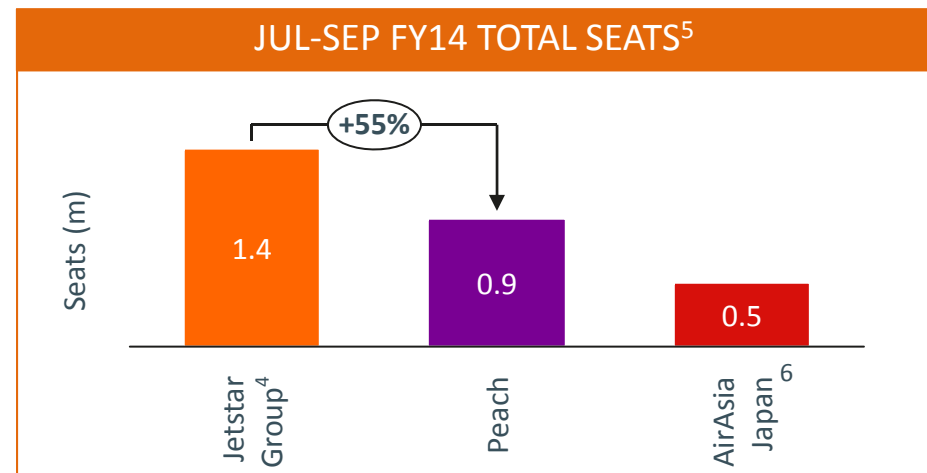
Already the largest LCC in Japan

ジェットスター・ジャパン

- Jetstar Japan is the largest LCC¹ in Japan with 9 destinations, 13 routes²
- Japan is the third largest domestic aviation market in world³



- Jetstar Group⁴ combined is the 8th largest carrier in Japan



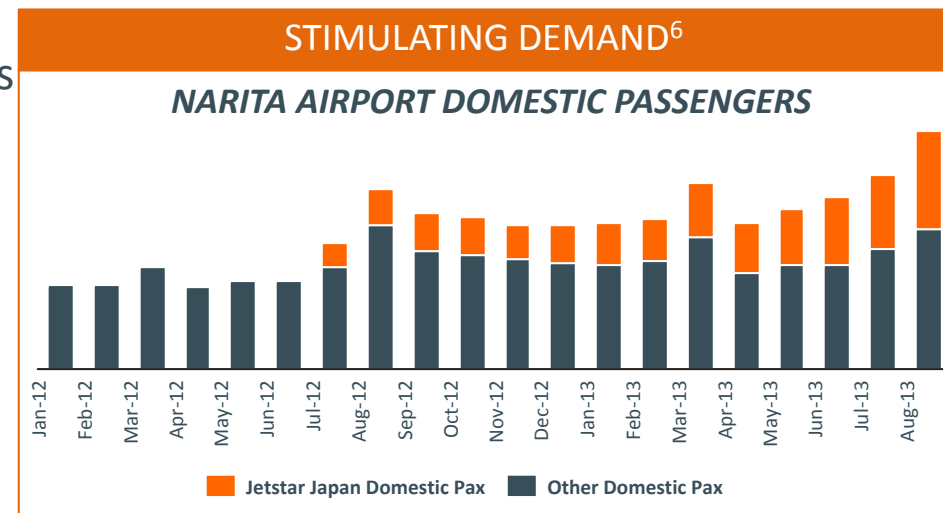
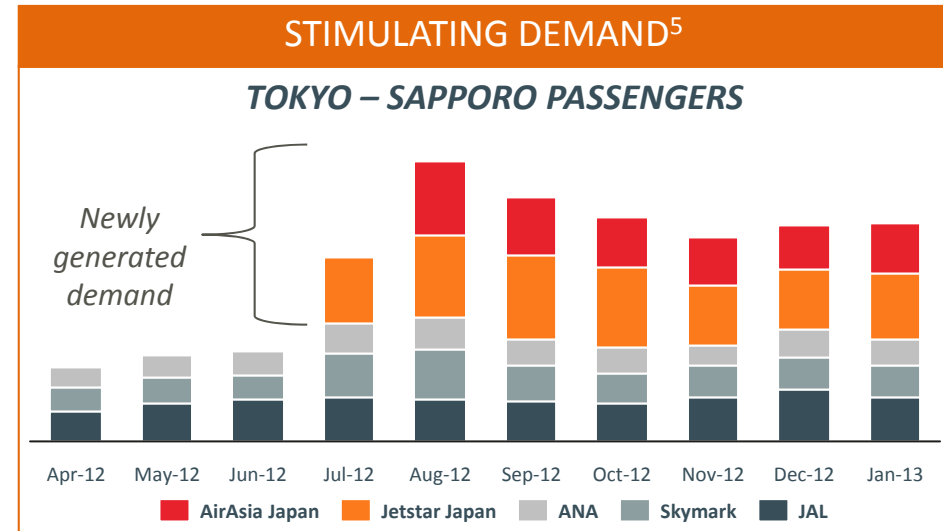
1. Based on fleet at 30 June 2013 and Domestic plus International seats compared to Peach Aviation and AirAsia Japan. 2. As at September 2013. 3. By seats, CAPA analysis dated 8 August 2013. 4. Source: Based on Jul-Sep 2013 seat capacity per Diio Mi extract at September 2013. Japan market includes domestic and international seats, Jetstar Group in Japan includes Jetstar Japan, Jetstar Asia and Jetstar International. 5. Source: Jul-Sep 2013 seat capacity per Diio Mi extract at September 2013. 6. AirAsia Japan market exit by end of October 2013 to be replaced by Vanilla in December 2013.

Jetstar Japan

Stimulating market demand to unlock and capture value

ジェットスター・ジャパン

- Japan domestic passenger growth 8.7%, first increase in 6 years¹
- Innovation in LCC distribution channels
 - First airline in Japan to sell fares at multi-media kiosks
 - Lawson partnership (10,000 stores)
 - Multiple travel agency partnerships
- Japan Airways (JAL) codeshare and access to JAL and Qantas Frequent Flyer Programs
- Increased passenger numbers and amenities at ports served by Jetstar Japan
 - Passenger growth – Narita 33%², Osaka 18%³, Sapporo 24%⁴
 - New Narita amenities include low-cost shuttle services, accommodation deals



1. Based on domestic passenger growth in 12 months to 31 March 2013. Source: CAPA analysis dated 8 August 2013. 2. 12 months to August 2013, Source: Kotsu Mainichi Shimbun, 21 September 2013. 3. 12 months to August 2013, Source: Asahi Shimbun, 21 September 2013. 4. 12 months to August 2013, Source: Hokkaido Shimbun, 21 September 2013. 5. Source: Chin Chitose airport data. 6. Source: Narita international airport data.

Jetstar Japan

ジェットスター・ジャパン

Strong operational performance despite Year One challenges

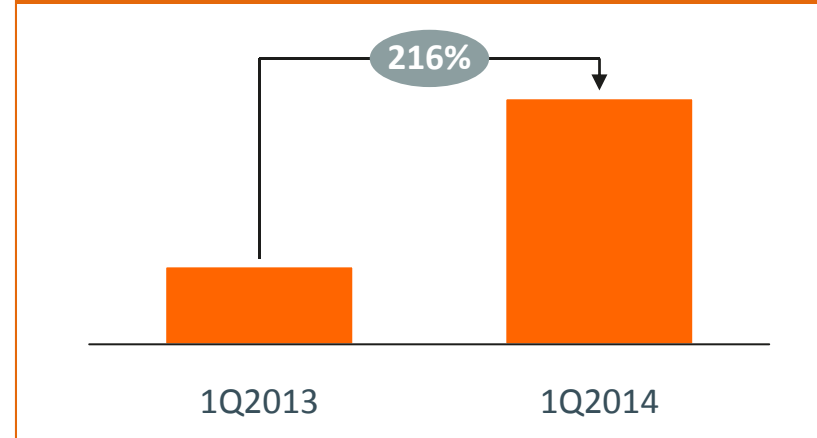
Jetstar Japan shows all the hallmarks of a highly successful LCC:

- On-time performance >90%¹, cancellations rates <1%¹, strong customer advocacy and ancillary revenue growth

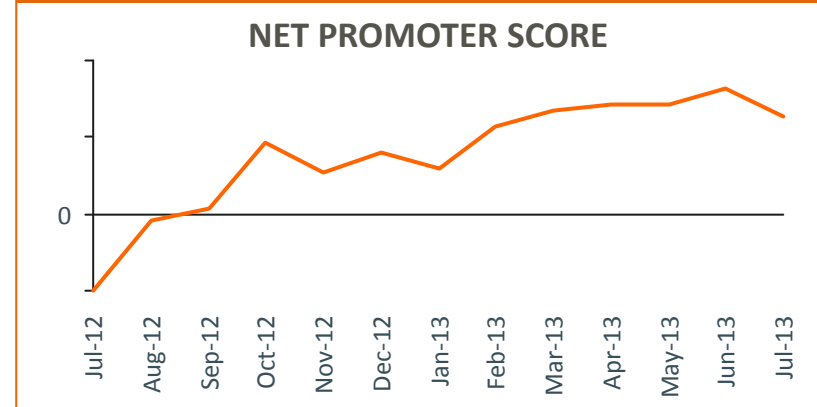
Year One performance impacted by:

- Rapid fleet and network expansion to capture #1 LCC market position
- Significant investment to develop core Japanese market ahead of other LCCs
- Narita-based LCC competition (AirAsia Japan to exit Narita in October 2013)
- Domestic-only operations and Narita curfews impacting aircraft utilisation
- Embedding LCC operating model into local environment

JETSTAR JAPAN – REVENUE GROWTH



JETSTAR JAPAN – CUSTOMER ADVOCACY



1. June-August 2013.

Singapore core to Jetstar Group's potential in Asia

- Strategically important 'gateway' market
- Forefront of LCC innovation in Asia

Eight years of growth

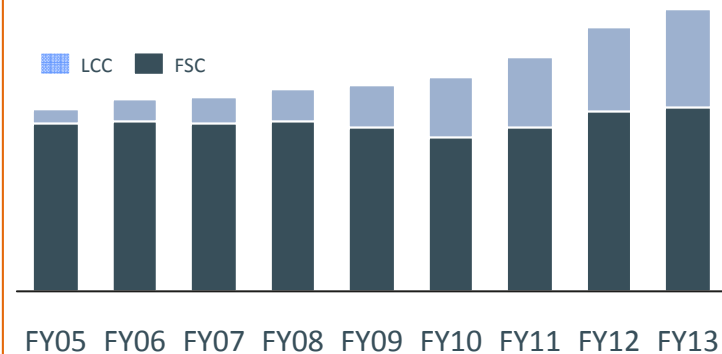
- Capacity growth of 22% (FY05-FY13) in intensely competitive regional market
- Focus on improving returns from current base, leveraging partnerships, growth opportunities

Regional partnerships key to future success

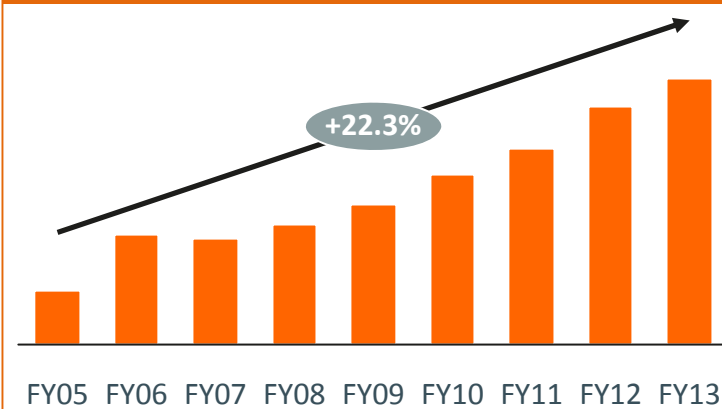
- 19 intra-South East Asia interline agreements including Qantas, Emirates, Air France, British Airways, China Southern, Lufthansa, Turkish Airlines

SINGAPORE LCC MARKET GROWTH¹

Singapore LCC market has grown from 7% in FY05 to 35% of the total market in FY13



JETSTAR ASIA SEAT GROWTH²



1. Source: Diio Mi Singapore capacity by seats July 2004 to June 2013. 2. Includes Jetstar Asia and Valuair.

Jetstar Pacific

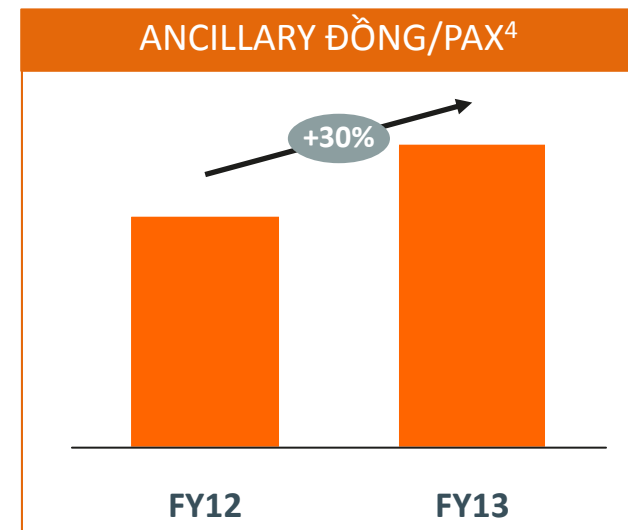
Significant growth opportunity in Vietnam

- Average GDP growth rate 6% (2008-2012)¹
- Lowest LCC penetration among major South East Asian countries at only 25% domestic and 14% international²

Jetstar Pacific positioned to take advantage

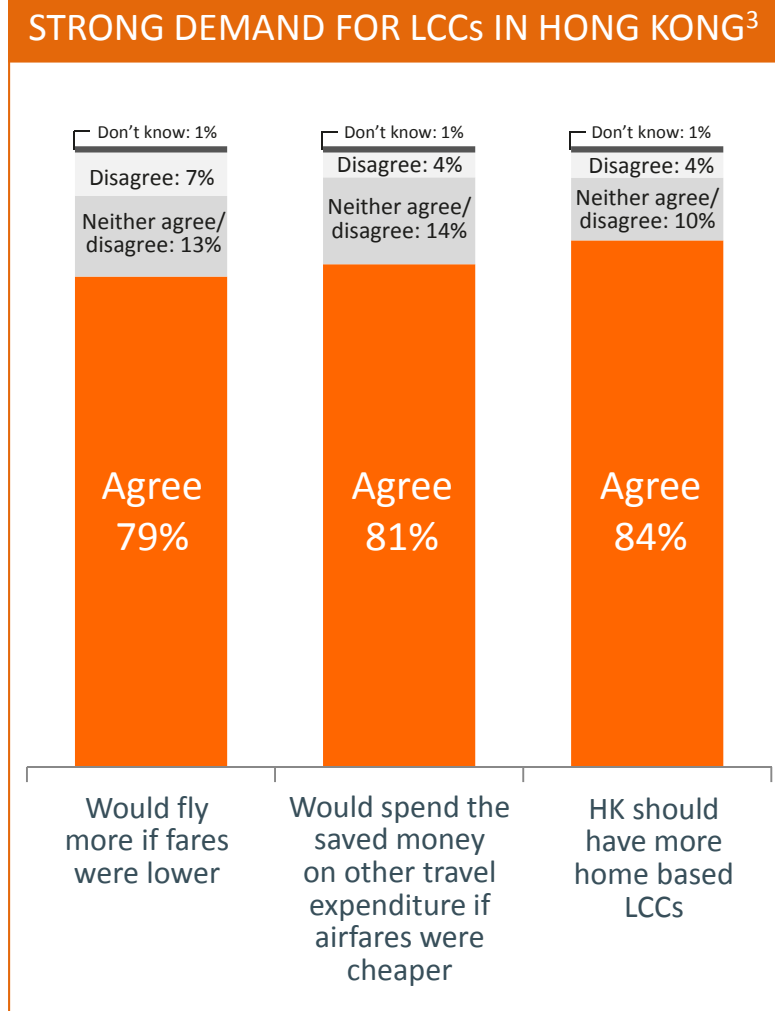
- Local management team with market insights
- Transitioned to all A320 fleet delivering significant unit cost improvements vs older B737 aircraft³
 - 5 aircraft with planned growth
- Currently servicing 7 domestic destinations
 - ~2 million passengers flown in FY13
- Strong yield improvement continuing

Challenges remain as local LCC market develops



1. Source: International Monetary Fund. 2. CAPA Report dated 22 February 2013. 3. Fleet renewal complete on 18 January 2013. 4. Financial years ended 30 June 2012 and 30 June 2013 (excludes freight).

- Untapped potential in Hong Kong market
 - Current LCC penetration is 5% with the potential to triple to 15% in 2015²
 - Nearly 70% of Hong Kong people surveyed said they intended to fly LCC in the next 12 months³
- Local CEO, Chairman, and management team
- Shun Tak joined China Eastern Airlines and Qantas as equal shareholder in June 2013
- Jetstar Hong Kong management working with Hong Kong government on regulatory approvals
 - Application to Air Transport Licencing Authority gazetted, now in public consultation process
- Jetstar Hong Kong management leveraging Group learnings from Jetstar Japan to ensure early success



1. Subject to regulatory approval. 2. Penetration rate of available seat capacity, CAPA report dated 23 March 2013. 3. Research by HK People's Opinion Platform (July 2013) n=1,035.

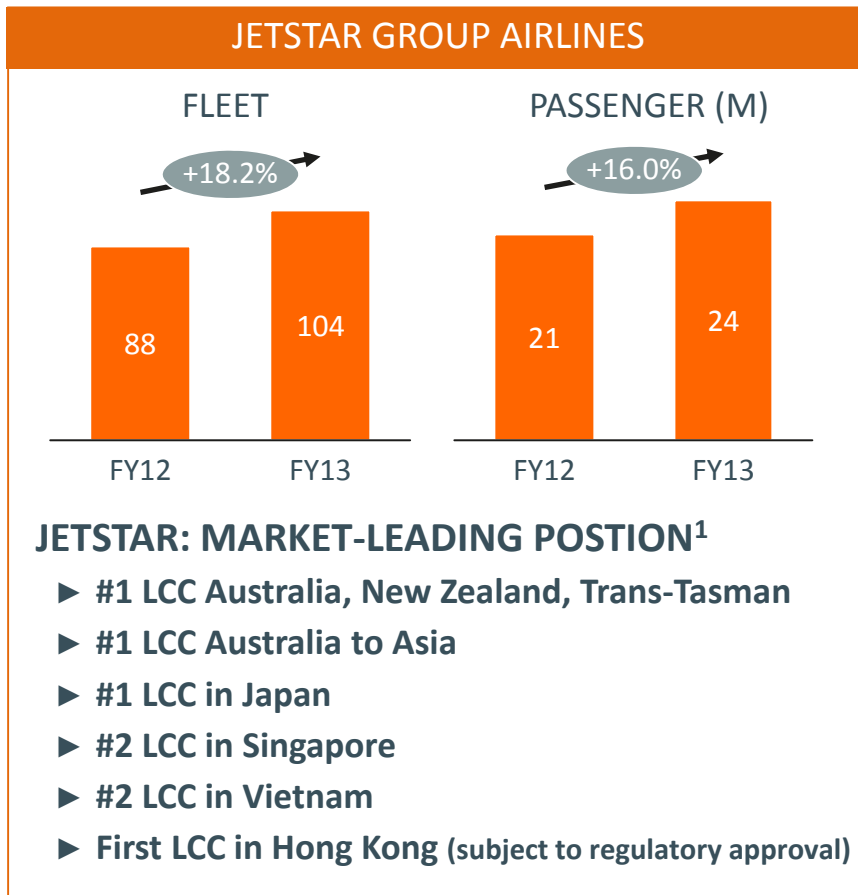


Valuing the Potential

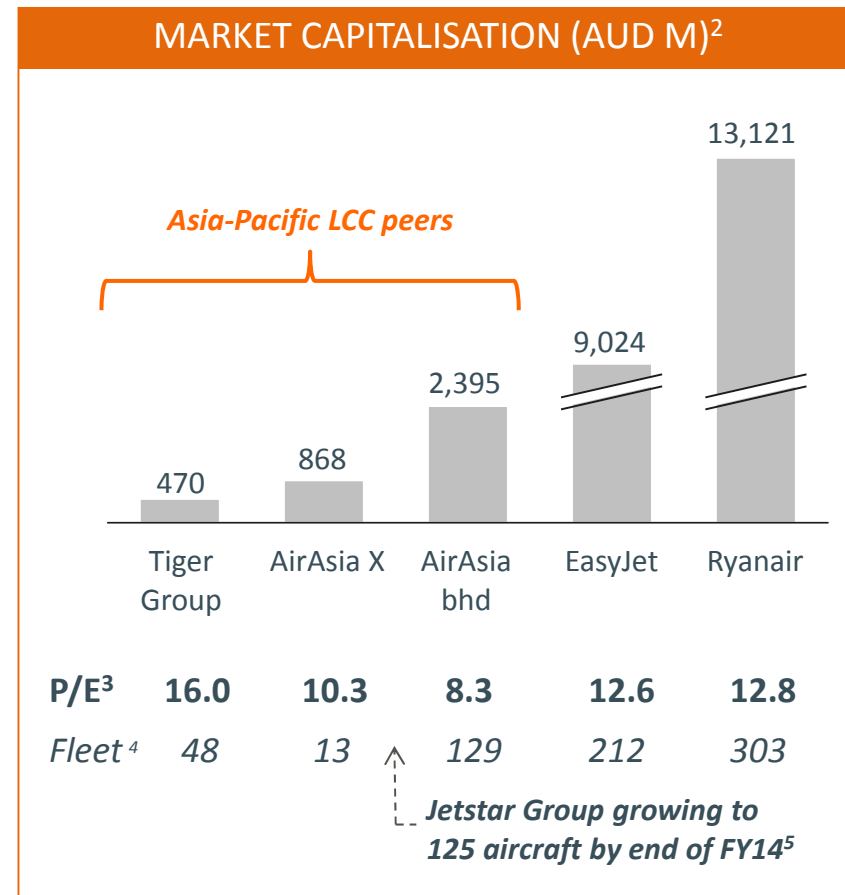
Valuation of Asia-Pacific and Global LCCs

Jetstar Group has the right platform to capture growth and deliver value

Jetstar Group's Asia Pacific Growth



Global LCC Comparison

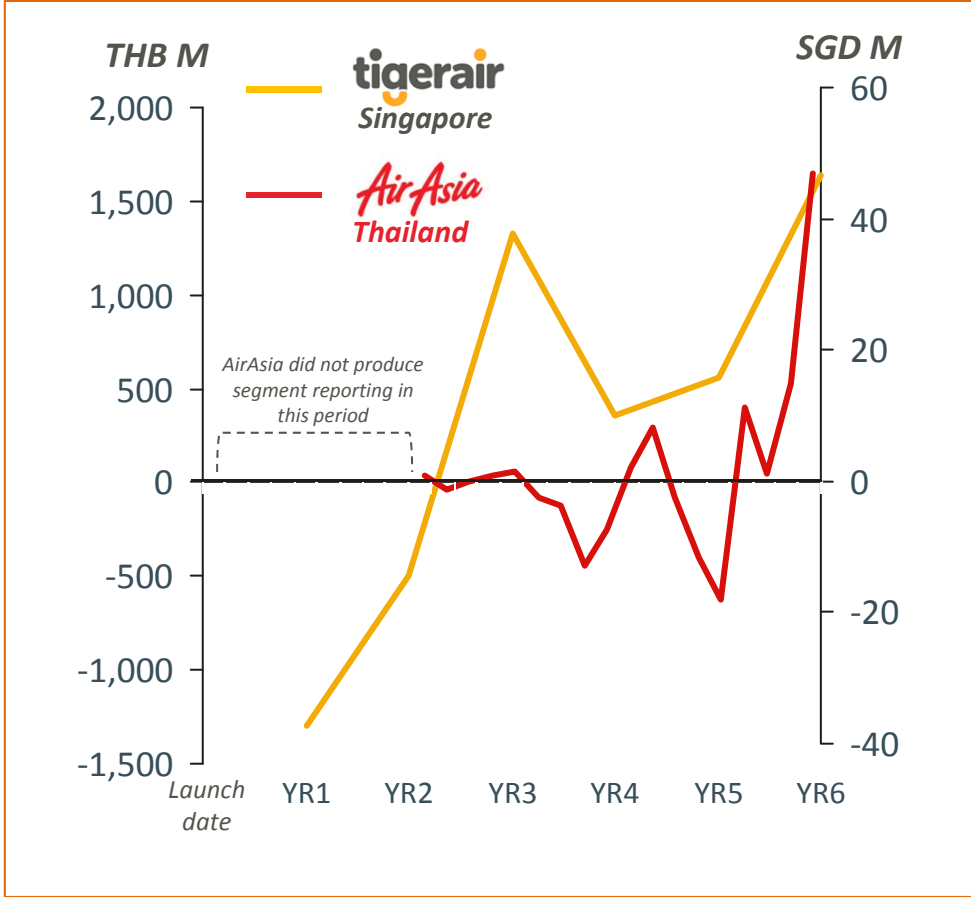


1 Based on available seat kilometres. 2. Source: Bloomberg. 3. Source: Bloomberg, Market Capitalisation and Forward Price to Earnings extracted and converted to AUD 2 October 2013. 4. Fleet based on FY14 forecast. 5. Jet aircraft only (excluding regional aircraft); fleet as at 25 September 2013. TAH, RYA, AAX - listed on website, EZY- IR pack dated 10 September 2013, AIRA, airfleets.net: TAA, PAA, AA IAA 4.

Valuation of Asia-Pacific and Global LCCs

It takes time to unlock full potential

~3-4 YEARS START UP TRAJECTORY IN NEW LCC MARKETS BEFORE REACHING PROFIT STABILITY¹

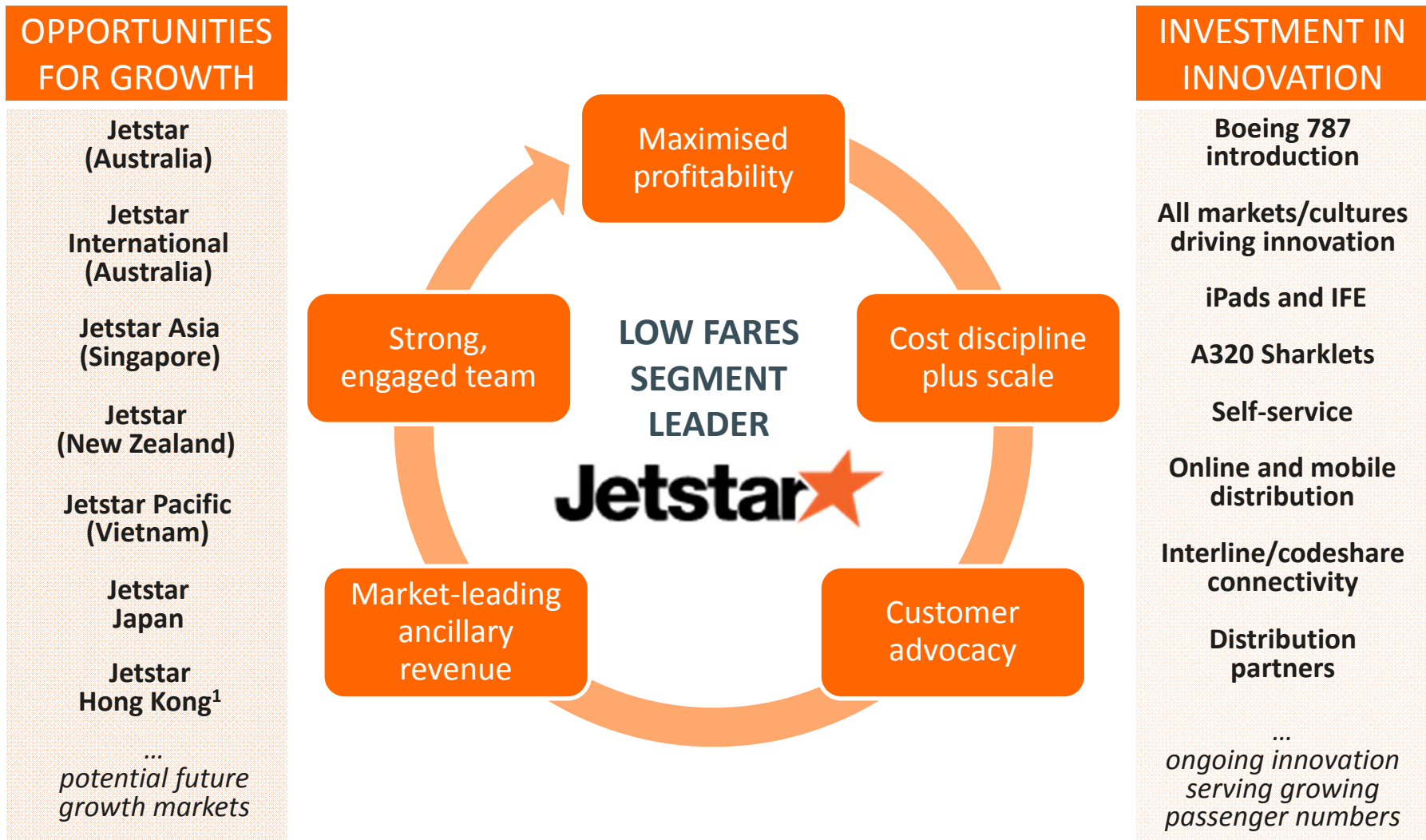


- Other Asia-Pacific LCCs have taken 3-4 years to break-even
- Rapid ramp-up is needed to achieve scale in each market
- Jetstar Group has a capital-light model with risk/reward shared between strategic investors
- Local shareholder support is strong and built on a shared ambition for the profitability of each airline

1. Tiger Singapore financials based on 2007-2013 Annual Company Returns , AirAsia Thailand financials based on Quarterly Financial reports 2005-2010 .

Jetstar Group Model

Strong, independent airlines provide growth and innovation opportunities



1. Subject to regulatory approval.

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