QANTAS

22 February 2024

ASX Market Announcements Office
Australian Securities Exchange Limited

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Qantas Group HY24 Appendix 4D and Interim Financial Report

Qantas Airways Limited attaches the following documents relating to its results for the half-year ended 31 December 2023:

- Appendix 4D; and
- Interim Financial Report.

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Authorised for release by the Qantas Board of Directors.

oneworld

QANTAS AIRWAYS LIMITED

AND ITS CONTROLLED ENTITIES

APPENDIX 4D AND

CONSOLIDATED INTERIM FINANCIAL REPORT

FOR THE HALF-YEAR ENDED

31 DECEMBER 2023

ABN: 16 009 661 901

ASX CODE: QAN

Table of Contents

Results for Announcement to the Market

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

	December 2023 $M	December 2022 $M	Change $M	Change %
Revenue and other income	11,127	9,909	1,218	12.3%
Statutory profit before tax	1,245	1,435	(190)	(13.2%)
Statutory profit after tax	869	1,001	(132)	(13.2%)
Statutory profit after tax attributable to members of Qantas	873	1,003	(130)	(13.0%)
Underlying profit before tax[1]	1,245	1,428	(183)	(12.8%)

DIVIDENDS AND OTHER SHAREHOLDER DISTRIBUTIONS

(A) Dividends disclosed and paid

During the half-year ended 31 December 2023 the Group did not declare or pay any dividends. No dividend will be paid in relation to the half-year ended 31 December 2023.

(B) Other shareholder distributions

During the half-year ended 31 December 2023, the Group completed on-market buy-backs totalling $452 million of the $500 million share buy-back that was announced on 24 August 2023. The Group purchased 86.5 million ordinary shares on issue at the average price of $5.22. It is expected that the Group will complete the remaining $48 million of the $500 million first half buy-back in the second half of financial year 2023/24.

In February 2024, the Directors announced an additional on-market buy-back of up to $400 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 2023. 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 2023	June 2023
Net assets per ordinary share	$	0.07	0.01
Net tangible assets per ordinary share[2]	$	(0.33)	(0.39)

		December 2023	December 2022
Basic earnings per share[3]	cents	51.8	53.9
Diluted earnings per share[4]	cents	51.5	52.7

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

[2] Net tangible assets is calculated as net assets adjusted for intangible assets.

[3] Based on the weighted average number of shares outstanding during the period excluding unallocated treasury shares.

[4] Weighted average number of shares used in the diluted Earnings Per Share calculation excludes unallocated treasury shares and includes the effect of share rights expected to vest (using the treasury stock method and LTIPs measured as contingently issuable ordinary shares).

Other Information continued

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

There were no entities gained or disposed of/deregistered during the period for the Qantas Group.

OWNERSHIP INTEREST IN INVESTMENTS ACCOUNTED FOR UNDER THE EQUITY METHOD	December 2023 %	June 2023 %
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 Vietnam Co. Ltd.	37	37
Holiday Tours and Travel (GSA) Ltd.	37	37
Jetstar Japan Co. Ltd.	33	33
PT Holiday Tours & Travel	37	37

The Directors present their report together with the Consolidated Interim Financial Report for the half-year ended 31 December 2023 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
Richard Goyder, AO *Chairman*	*Current, appointed 17 November 2017 – appointed Chairman 26 October 2018*
Vanessa Hudson *Chief Executive Officer*	*Current, appointed 5 May 2023 – appointed Chief Executive Officer 6 September 2023*
Maxine Brenner	*Current, appointed 29 August 2013 (ceasing 22 February 2024)*
Jacqueline Hey	*Current, appointed 29 August 2013 (ceasing 22 February 2024)*
Belinda Hutchinson, AC	*Current, appointed 12 April 2018*
Antony Tyler	*Current, appointed 26 October 2018*
Doug Parker	*Current, appointed 23 May 2023*
Todd Sampson	*Current, appointed 25 February 2015*
Dr Heather Smith, PSM	*Current, appointed 24 August 2023*
Alan Joyce, AC	*Ceased, appointed 28 July 2008 and ceased 5 September 2023*
Michael L'Estrange, AO	*Ceased, appointed 7 April 2016 and ceased 3 November 2023*

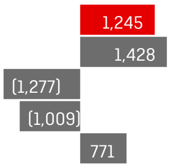
Review of Operations

For the half-year ended 31 December 2023

RESULTS HIGHLIGHTS

Underlying Profit Before Tax

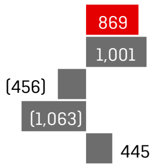
1,245 $M



1H24	**1,245**
1H23	1,428
1H22	(1,277)
1H21	(1,009)
1H20	771

Statutory Profit After Tax

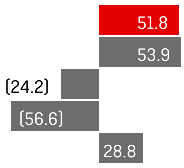
869 $M



1H24	**869**
1H23	1,001
1H22	(456)
1H21	(1,063)
1H20	445

Earnings Per Share

51.8 cents



1H24	**51.8**
1H23	53.9
1H22	(24.2)
1H21	(56.6)
1H20	28.8

The Qantas Group (referred to as the Qantas Group or the Group) reported Underlying Profit Before Tax[1] (Underlying PBT) of $1,245 million for the first half of 2023/24, a $183 million reduction compared to the first half of 2022/23. The Group's Statutory Profit Before Tax was also $1,245 million, a reduction of $190 million compared to the first half of 2022/23. Statutory Profit After Tax was $869 million and there were no items in the Statutory result for the first half of 2023/24 that were not included in Underlying PBT.

Other key financial metrics:

- Earnings Per Share of 52 cents per share
- Group operating margin[2] of 12 per cent
- Operating cash flow of $1.3 billion
- Net capital expenditure[3] of $1,490 million.

The result was underpinned by the continued restoration of international flying capacity with total Group ASKs[4] at 90 per cent of pre-COVID levels for the first half of 2023/24, an increase of 25 per cent compared to the prior corresponding half. Continued strong travel demand supported performance with Group Domestic EBIT of $816 million and Group International EBIT of $472 million. Qantas Loyalty maintained its positive momentum achieving $501 million Underlying EBIT for calendar year 2023. Freight performance was below expectations with macroeconomic factors contributing to a larger than expected fall in yields when compared to the first half of 2022/23.

Group Unit Revenue[5] fell 11 per cent with fares moderating as capacity returned. Unit cost excluding fuel[6] fell 5 per cent, supported by the restoration of flying and unwind of temporary costs incurred in 2022/23. Industry restart challenges experienced during 2022/23 largely abated although OEM[7] delays, supply chain dislocations, availability of skilled labour, limited maintenance slots at MROs[8] and air traffic control issues continued to have some impact.

The Group's fleet renewal program continued with delivery of eight aircraft including three A321LRs, one 787-9, the first A220-300 to the Group, two converted A330-200 freighters into Freight (previously passenger aircraft in Qantas) and one mid-life A320-200 to Jetstar Asia. With 11 next-generation A321LRs now in the fleet, Jetstar is seeing significant fuel efficiencies, reduced emissions and increased customer and employee sentiment from this new technology. Alongside the growth in new aircraft deliveries, the Group also announced plans for significant investments in onboard customer experience with the rollout of WiFi confirmed for select Qantas international fleet starting in 2024.

For Group Domestic operations, the dual brand strategy continued to be core to the Group's strategic proposition, with leadership maintained across all key segments of the market. Qantas Domestic delivered an Underlying EBIT of $641 million, achieving an EBIT margin[9] of 17 per cent. Performance was driven by strength in resource and Small and Medium-sized Enterprises (SME) markets offset by industry cost inflation and temporary costs related to delays in the B717 fleet retirement. Jetstar's domestic network delivered an Underlying EBIT of $175 million, and an EBIT margin of 13 per cent, supported by robust leisure demand, continued strength in ancillary revenue and unwind of disruption costs incurred in 2022/23. The Group Domestic EBIT margin for the first half of 2023/24 was 16 per cent.

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1 Underlying Profit Before Tax (Underlying PBT) is the primary reporting measure used by the Qantas Group's Chief Operating Decision-Making bodies (CODM), 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 14.

2 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.

4 Available Seat Kilometres – 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 Available Seat Kilometres (ASK).

6 Underlying PBT less ticketed passenger revenue and fuel per ASK.

7 Original Equipment Manufacturer.

8 Maintenance and Repair Organisation.

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

Review of Operations continued

For the half-year ended 31 December 2023

RESULTS HIGHLIGHTS (CONTINUED)

The Group's international airline operations performed well, supported by restoration of flying and the launch of new routes. Qantas International (including Freight) reported an Underlying EBIT of $322 million. Ultra long-haul routes like Perth-London and Perth-Rome continued to deliver a consistent revenue premium. This provides ongoing confidence for Project Sunrise with the first deliveries of the A350-1000 ULR tails now expected from mid 2026. Jetstar's international network reported an Underlying EBIT of $150 million with a strong increase in profitability supported by favourable demand environment in key markets and the launch of routes like Brisbane-Narita and Melbourne-Nadi. Unit revenue in Group International moderated 11 per cent compared to the first half of 2022/23, largely in line with expectations. This moderation was driven by capacity growth and a lower premium mix in incremental flying. The Group International EBIT margin for the first half of 2023/24 was 9 per cent.

Qantas Loyalty continued its strong performance, delivering an Underlying EBIT of $270 million with 99 billion points earned and 82 billion points redeemed.[10] The result demonstrates the program's unrivalled proposition with the strength of the program reflected by more than one million new members joining in the last 12 months and a coalition that exceeds 700 partners. Cash performance maintained at strong levels with over $1 billion in gross cash receipts in the first half of 2023/24. Drivers included strong growth across financial services products, a 30 per cent increase in Hotels, Holidays and Tours TTV[11] bookings and continued growth in Qantas Insurance customers and policies.

The Group's Financial Framework remained core to the Group's strategy, driving sustainable financial strength to support investment and shareholder returns whilst maintaining flexibility to deal with changes in external factors. As at 31 December 2023, Net Debt[12] under the Financial Framework was $4.0 billion, at the bottom of the Group's target range of $4.0 billion to $5.0 billion for 2023/24. As the Group looked forward post the COVID-19 recovery period, management reviewed the settings of the Financial Framework and confirmed that they continue to be appropriate.

During the half, the Group completed $452 million of the $500 million share buy-back announced in August 2023 at an average price of $5.22 per share. The remaining $48 million is intended to be completed in the second half of 2023/24. In addition, a further on-market share buy-back of up to $400 million has been approved by the Board to distribute surplus capital given all pillars of the financial framework have been met.

The period included a number of management changes and the accelerated transition to a new CEO. The new leadership team have increased their focus on listening and supporting frontline staff with enhanced feedback loops and the launch of technology solutions like the "Voice of Customer" app for Qantas. Support for staff has also been provided through a review of policies to empower frontline decision making, adjustments to roster arrangements for some workgroups and investments made in work facilities for employees.

Investment in customer initiatives have also accelerated on top of already budgeted increases to customer spend. The new initiatives have been targeted at addressing customer "pain points" including a better flying experience, better digital interactions, faster recovery when things don't go to plan and rewarding customers for their loyalty. Investments in operational reliability including additional spare aircraft and a focus on fleet health have improved on-time performance. The launch of a new Qantas App with baggage tracking and upgrades to food and beverage offerings have all supported a strong improvement in NPS[13] in the final quarter of calendar year 2023.

In August 2023, the Australian Competition and Consumer Commission (ACCC) commenced proceedings alleging the Group engaged in breaches of the Australian Consumer Law in the continued sale of services after specific flights had been cancelled. The proceedings, if not resolved beforehand, are expected to be heard in late calendar year 2024.

In September 2023, the High Court dismissed the Group's appeal from the lower courts' decisions in the below-the-wing outsourcing adverse action proceedings. In March 2024, the compensation hearing for affected ex-employees will be heard by the Federal Court, with judgement likely to follow shortly afterwards.

[10] Net points redeemed (in prior years gross points redeemed).
[11] Total Transaction Value of bookings made using cash and/or Qantas Points.
[12] Under the Group's Financial Framework, includes net on balance sheet debt and capitalised aircraft lease liabilities.
[13] Net Promoter Score. Customer advocacy measure.

Review of Operations continued

For the half-year ended 31 December 2023

FINANCIAL FRAMEWORK ALIGNED WITH SHAREHOLDER OBJECTIVES

The Group's Financial Framework aligns objectives with shareholders with the aim of achieving top quartile shareholder returns by targeting maintainable Earnings Per Share (EPS) growth over the cycle with industry-leading ESG[14] credentials. Since its introduction in 2015, the Financial Framework has set appropriate risk parameters for the Group's balance sheet and allocation of capital, and has guided the Group through challenging periods. As the Group looks forward post the COVID recovery, the Financial Framework settings have been reviewed and remain appropriate with settings unchanged. The Financial Framework is built on three clear priorities and associated long-term targets:

1. Maintaining an optimal capital structure	2. ROIC > WACC[15] through the cycle	3. Disciplined allocation of capital
Minimise cost of capital by targeting a Net Debt range of 2.0x - 2.5x EBITDA where ROIC is 10 per cent Deliver against Climate Action Plan Targets	Deliver ROIC > 10 per cent[16] ESG included in business decisions	Grow Invested Capital with disciplined investment and return surplus capital Prioritise projects that exceed both ESG and ROIC targets

INDUSTRY-LEADING ESG CREDENTIALS | MAINTAINABLE EPS GROWTH OVER THE CYCLE

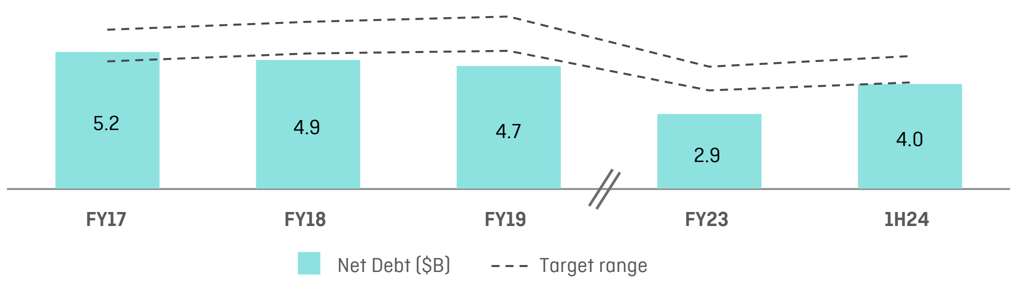
TOTAL SHAREHOLDER RETURNS IN THE TOP QUARTILE

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 ROIC is fixed at 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 the Group maintains an investment grade Baa2 rating with Moody's Investor Services.

At 31 December 2023, Net Debt was $4.0 billion, which is at the bottom of the Net Debt target range. The Net Debt range is forward-looking and calculated on a financial year basis. At forecast average Invested Capital of $4.3 billion,[17] the optimal Net Debt range is $4.0 to $5.0 billion for the financial year 2023/24.

Net Debt Profile FY17 to 1H24 ($ billion)



Debt Analysis	**December 2023 $M**	**June 2023 $M**	**Change $M**	**Change %**
Net on balance sheet debt[18]	3,341	1,998	1,343	67
Capitalised operating lease liabilities[19]	672	887	(215)	(24)
Net Debt	**4,013**	**2,885**	**1,128**	**39**

[14] Environmental, Social and Governance.
[15] Weighted Average Cost of Capital, calculated on a pre-tax basis.
[16] 10 per cent ROIC allows ROIC to be greater than pre-tax WACC through the cycle.
[17] Forecast average Invested Capital for 30 June 2024.
[18] Net on balance sheet debt includes cash and cash equivalents, interest-bearing liabilities and fair value hedge of debt entered into for committed undrawn Corporate Secured debt.
[19] Capitalised aircraft lease liabilities are measured at fair value at the lease commencement date and remeasured over lease term on a principal and interest basis. Residual value of capitalised aircraft lease liability denominated in foreign currency are translated at a long-term exchange rate.

Review of Operations continued

For the half-year ended 31 December 2023

FINANCIAL FRAMEWORK ALIGNED WITH SHAREHOLDER OBJECTIVES (CONTINUED)

ROIC > WACC Through the Cycle

The Return on Invested Capital (ROIC) for the 12 months to 31 December 2023 was 81.4 per cent. This ROIC was based on an average Invested Capital of $3.0 billion which is significantly lower than pre-COVID levels.

Calculated on a rolling 12 months basis, Return on Invested Capital has declined 22 percentage points from 103.6 per cent as at 30 June 2023 to 81.4 per cent as at 31 December 2023. Invested Capital was materially impacted by COVID-19 as assets continued to depreciate or were impaired while capital expenditure was reduced to preserve cash during the crisis. 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 decline in the near term and revert to more sustainable levels as Invested Capital grows.

Disciplined Allocation of Capital

The Qantas Group takes a disciplined approach to allocating capital, with the aim to grow Invested Capital and return surplus capital to shareholders. Net Capital Expenditure totalled $1,490 million during the first half of 2023/24. The Group returned $452 million to shareholders through an on-market share buy-back. This resulted in a 5.0 per cent reduction in shares on issue since 1 July 2023.

Upon considering the forward outlook for the business under its Financial Framework, the Board has resolved to announce an additional on-market buy-back up to the value of $400 million. It is also expected that the Group will complete the remaining $48 million of the up to $500 million on-market share buy-back announced in the first half of 2023/24.

Maintainable EPS Growth Over the Cycle

Earnings Per Share (EPS) was 52 cents per share for the first half of 2023/24. The decrease from the first half of 2022/23 was driven by a decrease in the Statutory Profit After Tax, partially offset with the EPS accretion from capital distributed via prior on-market buy-backs.

GROUP PERFORMANCE

The Qantas Group reported an Underlying Profit Before Tax of $1,245 million for the first half of 2023/24, a decline of $183 million from the Underlying Profit Before Tax of $1,428 million reported in the first half of 2022/23.

Net passenger revenue increased by 15 per cent predominantly from growth in international operations. Net freight revenue decreased due to a higher than expected moderation in freight yields from the first half of 2022/23 as macroeconomic factors impacted demand and international belly space capacity returned faster than expected. Other revenue increased with continued business momentum and growth in the Qantas Loyalty business.

Group Underlying Income Statement Summary[20]	December 2023 $M	December 2022 $M
Net passenger revenue	9,614	8,393
Net freight revenue	605	810
Other	908	706
Revenue	**11,127**	**9,909**
Operating expenses (excluding fuel)	(6,271)	(5,124)
Fuel	(2,673)	(2,335)
Impairment	(3)	(5)
Depreciation and amortisation	(854)	(880)
Share of net profit/(loss) of investments accounted for under the equity method	19	(21)
Total underlying expenditure	**(9,782)**	**(8,365)**
Underlying EBIT	**1,345**	**1,544**
Net finance costs	(100)	(116)
Underlying PBT	**1,245**	**1,428**

[20] 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 14.

Review of Operations continued

For the half-year ended 31 December 2023

GROUP PERFORMANCE (CONTINUED)

Operating Statistics		December 2023	December 2022
Available Seat Kilometres (ASK)[21]	M	69,324	55,438
Revenue Passenger Kilometres (RPK)[22]	M	57,989	47,322
Passengers carried	000	26,012	22,675
Seat Factor[23]	%	83.6	85.4
Operating Margin[24]	%	12.1	15.6
Unit Revenue (RASK)[25]	c/ASK	11.65	13.05
Total Unit Cost[26]	c/ASK	(9.85)	(10.47)

Group capacity for the year (ASK) increased 25 per cent with the continued return of domestic and international operations. Revenue Passenger Kilometres increased 23 per cent as the Group's Seat Factor broadly held at 84 per cent. Group Unit Revenue decreased 11 per cent to 11.65 c/ASK as fares moderated and capacity returned.

Total Unit Cost decreased to 9.85 c/ASK with the unwind of financial year 2022/23 temporary costs and the restoration of international flying offset by increased customer investments and industry cost growth.

CASH GENERATION

Cash Flow Summary	December 2023 $M	December 2022 $M	Change $M	Change %
Operating cash flows	1,341	2,811	(1,470)	(52)
Investing cash flows	(1,414)	(717)	(697)	(97)
Net Free Cash Flow	**(73)**	**2,094**	**(2,167)**	**>(100)**
Financing cash flows	(1,557)	(1,296)	(261)	(20)
Cash at beginning of year	3,171	3,343	(172)	(5)
Effect of foreign exchange on cash	4	4	–	–
Cash at end of the period	**1,545**	**4,145**	**(2,600)**	**(63)**

Operating cash inflows for the first half of 2023/24 were $1,341 million. These were lower than the prior corresponding period primarily due to the rebuild of RRIA impacting the prior period, a reduction in earnings and one-off impacts in the current period from realisation of provisions from the buyout of operating leases.

Investing cash outflows for the first half of 2023/24 were ($1,414) million. Net capital expenditure[27] was $1,490 million, which included 13 aircraft deliveries, pre-delivery payments and the balance primarily directed to capitalised maintenance.

Net financing cash outflows of ($1,557) million included $943 million debt repayments partially offset by $638 million drawdown of debt, $505 million in net aircraft and non-aircraft lease repayments including lease buyouts, and an on-market share buy-back of $452 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.

[21] ASK – total number of seats available for passengers, multiplied by the number of kilometres flown.
[22] RPK – total number of passengers carried, multiplied by the number of kilometres flown.
[23] Seat Factor – RPKs divided by ASKs. Also known as load factor or load.
[24] Operating Margin is Group Underlying EBIT divided by Group total revenue.
[25] Unit Revenue (RASK) is calculated as ticketed passenger revenue divided by Available Seat Kilometres (ASK).
[26] Total Unit Cost is Underlying PBT less ticketed passenger revenue per ASK.
[27] 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.

Review of Operations continued

For the half-year ended 31 December 2023

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 markets, the competitive landscape and whether the investment is earnings accretive. At all times, the Group retains significant flexibility in its fleet to respond to changes in market conditions through fleet redeployment, refurbishment, lease extension or return and retirement.

During the half, the Qantas Group took delivery of eight aircraft, including its first A220-300 into QantasLink, one 787-9 into Qantas International, three next-generation A321LRs (Jetstar Australia and New Zealand) and one mid-life A320-200 (Jetstar Asia) into the Jetstar Group and two converted A330-200 freighters into Freight (previously passenger aircraft in Qantas). In addition, the Group activated one A330-300 wet lease from Finnair and four additional wet lease E190s from Alliance Airlines. QantasLink retired six 717-200s from its operations, leading to a net increase of five aircraft for the six months to 31 December 2023. Two A320-200s were also transferred from Jetstar Group to QantasLink.

At 31 December 2023, the Qantas Group fleet[28] totalled 341 aircraft.

Fleet Summary (Number of Aircraft)	December 2023	June 2023
737-800	75	75
787-9	14	13
A380-800[29]	10	10
A330-200[30]	16	18
A330-300[31]	11	10
Total Qantas	**126**	**126**
A220-300	1	–
717-200	14	20
E190	22	18
Q200/Q300	19	19
Q400	31	31
F100	18	18
A320-200	15	13
Total QantasLink	**120**	**119**
A320-200	55	56
A321-200	6	6
A321LR	11	8
787-8	11	11
Total Jetstar	**83**	**81**
737-300F/737-400F	4	4
767-300F	1	1
A321-200F	3	3
A330-200F[32]	2	–
747-400F	2	2
Total Qantas Freight	**12**	**10**
Total Group	**341**	**336**

[28] Includes Qantas Airways, Jetstar Australia and New Zealand, Jetstar Asia (Singapore), Qantas Freight and QantasLink and excludes aircraft operated by Jetstar Japan and capacity hire aircraft to Jetstar Australia, from Jetstar Japan.
[29] Eight A380-800 aircraft in operation as at 31 December 2023.
[30] Two A330-200s converted to freighters in the first half of 2023/24.
[31] One A330-300 wet lease from Finnair.
[32] Second A330-220F was delivered on 31 December 2023 and entered into service in January 2024.

Review of Operations continued

For the half-year ended 31 December 2023

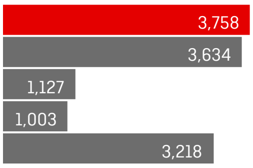
SEGMENT PERFORMANCE

Segment Performance Summary	December 2023 $M	December 2022 $M
Qantas Domestic	641	785
Qantas International	322	464
Jetstar Group	325	177
Qantas Loyalty	270	220
Corporate	(131)	(91)
Unallocated/Eliminations	(82)	(11)
Underlying EBIT	**1,345**	**1,544**
Net Finance Costs	(100)	(116)
Underlying PBT	**1,245**	**1,428**

QANTAS DOMESTIC

Revenue

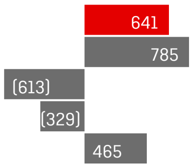
3,758 $M



1H24	**3,758**
1H23	3,634
1H22	1,127
1H21	1,003
1H20	3,218

Underlying EBIT

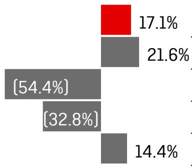
641 $M



1H24	**641**
1H23	785
1H22	(613)
1H21	(329)
1H20	465

Operating Margin

17.1 %



1H24	**17.1%**
1H23	21.6%
1H22	(54.4%)
1H21	(32.8%)
1H20	14.4%

Metrics		December 2023	December 2022
ASKs	M	16,993	16,171
Seat Factor	%	77.7	79.6

Qantas Domestic reported an Underlying EBIT of $641 million, a decline of $144 million from the first half of 2022/23. The result delivered an operating margin of 17 per cent impacted by moderating unit revenue, customer investments, temporary costs from the delayed exit of the B717 fleet and industry costs relating to airport and security charges growing.

Qantas Domestic saw continued strength in resource segments and maintained leading market share positions in both Corporate and SME segments. Leisure demand remained robust and continued to lead corporate with some moderation of pent up demand seen in the prior corresponding half. SME recovery remained strong whilst non-resource corporate demand was still behind pre-COVID levels with same day travel slow to recover.

Qantas Domestic commenced the domestic fleet renewal program, with one next-generation A220 aircraft delivered in the first half of 2023/24 and a further two expected in the second half, enabling the progressive retirement of the B717 fleet.

On-time performance improved to 72 per cent for the first half of 2023/24, from 68 per cent in the first half of 2022/23, reflecting the impact of investment in operational resilience and the customer experience. Qantas Domestic continued to outperform its major competitor on on-time performance in all six months of the first half of 2023/24. Ongoing investments in fleet health and the customer experience are expected to further support the recovery of on-time performance and customer NPS throughout the remainder of 2023/24.

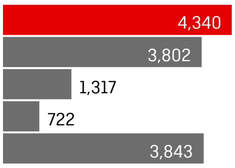
Review of Operations continued

For the half-year ended 31 December 2023

QANTAS INTERNATIONAL (INCLUDING FREIGHT)

Revenue

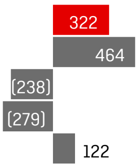
4,340 $M



1H24	**4,340**
1H23	3,802
1H22	1,317
1H21	722
1H20	3,843

Underlying EBIT

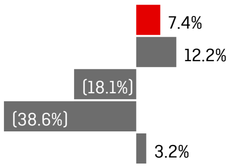
322 $M



1H24	**322**
1H23	464
1H22	(238)
1H21	(279)
1H20	122

Operating Margin

7.4 %



1H24	**7.4%**
1H23	12.2%
1H22	(18.1%)
1H21	(38.6%)
1H20	3.2%

Metrics		December 2023	December 2022
ASKs	M	28,448	20,404
Seat factor	%	84.0	88.3

Qantas International (including Freight) reported an Underlying EBIT of $322 million, a 31 per cent decline from the first half of 2022/23. The result delivered an operating margin of 7 per cent reflecting normalisation of unit revenue as capacity returned, incremental customer investment and a faster than anticipated realisation of the expected decline in international freight yields.

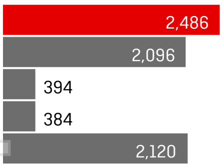
The restoration of flying continued in the first half of 2023/24 with capacity at 81 per cent of pre-COVID levels (compared to 58 per cent in the first half of 2022/23). This included recommencing Sydney-Shanghai and launching two new routes, Brisbane-Wellington and Brisbane-Honiara. Increased flying was supported by the delivery of an additional 787-9, the Group's eighth A380 returning to service and introduction of Finnair's A330 wet lease aircraft. Whilst NPS remains challenged, there are positive signs of improvement driven by operational reliability and investment in customer experience including disruption management, lounges and food and beverage.

Freight yields declined by $146 million compared to the first half of 2022/23, impacted by macroeconomic conditions and the return of belly space capacity on key routes. Whilst yields fell faster than expected, they remain at greater than 150 per cent of pre-COVID levels. The domestic freight business continued to perform well, underpinned by eCommerce demand and long term contracts with partners like Australia Post.

JETSTAR GROUP

Revenue

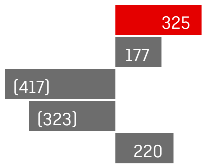
2,486 $M



1H24	**2,486**
1H23	2,096
1H22	394
1H21	384
1H20	2,120

Underlying EBIT

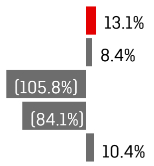
325 $M



1H24	**325**
1H23	177
1H22	(417)
1H21	(323)
1H20	220

Operating Margin

13.1 %



1H24	**13.1%**
1H23	8.4%
1H22	(105.8%)
1H21	(84.1%)
1H20	10.4%

Metrics		December 2023	December 2022
ASKs	M	23,883	18,863
Seat factor	%	87.4	87.2

The Jetstar Group reported an Underlying EBIT of $325 million, representing a strong improvement in profitability compared to the first half 2022/23. Jetstar Group grew capacity by 27 per cent as key international markets returned, with seat factor holding 87 per cent, largely similar levels to the first half of 2022/23.

Jetstar's Australian domestic network delivered an Underlying EBIT of $175 million, with capacity growth of 15 per cent relative to first half 2022/23 in a strong demand environment. The operating margin for the domestic business was 13 per cent, supported by cost transformation and ancillary revenue initiatives.

Jetstar's international network reported an Underlying EBIT of $150 million, with strong performance in key markets. Capacity grew by 38 per cent relative to first half 2022/23 as new fleet deliveries and redeployment of existing B787 fleet supported profitable growth. Jetstar's Australian international business delivered a 15 per cent margin, with ongoing leisure demand strength supporting growth in markets like Japan and South Korea.

On-time performance and cancellation rates significantly improved across the first half of 2023/24, supporting the unwind of disruption costs incurred in 2022/23.

Review of Operations continued

For the half-year ended 31 December 2023

JETSTAR GROUP (CONTINUED)

Jetstar Asia (Singapore) maintained profitability in the half, with one additional A320 entering into service. Further growth is expected with an additional aircraft entering into service in the second half of 2023/24.

Jetstar Japan substantially improved performance. Jetstar Group's share of Jetstar Japan's statutory results improved from a loss of $25 million in the first half of 2022/23 to a profit in the first half of 2023/24, in line with prior expectations. Jetstar Japan capacity has grown 27 per cent relative to the first half of 2022/23 with strengthening leisure demand and growth in international flying.

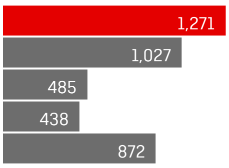
Jetstar Group received four A321LR aircraft in the first half of 2023/24 (three to Jetstar Australia and New Zealand and one to Jetstar Japan), delivering an estimated 10 per cent unit cost advantage compared to new narrowbody aircraft being introduced by Australian competitors. Jetstar Australia has 11 A321LRs now in operation, with approximately $20 million in realised EBIT benefits across the first half from fuel and scale efficiencies

Affordable travel remained a key focus for the Jetstar Group with over 12 million fares[33] sold below $100 in calender year 2023.

QANTAS LOYALTY

Revenue

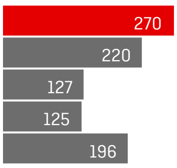
1,271 $M



1H24	**1,271**
1H23	1,027
1H22	485
1H21	438
1H20	872

Underlying EBIT

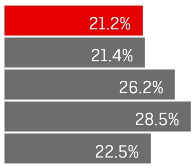
270 $M



1H24	**270**
1H23	220
1H22	127
1H21	125
1H20	196

Operating Margin

21.2 %



1H24	**21.2%**
1H23	21.4%
1H22	26.2%
1H21	28.5%
1H20	22.5%

Metrics		December 2023	December 2022
QFF members	M	15.8	14.7
Points earned	B	99	88
Points redeemed[34]	B	82	72

Qantas Loyalty reported first half Underlying EBIT of $270 million and $501 million for calender year 2023. The result was underpinned by strength in consumer spending patterns particularly in travel-related categories. Membership continued to grow with a further one million new members added in the last 12 months and 40,000 members also joining Qantas Business Rewards (QBR) in the last six months. QBR membership is now approximately 500,000,[35] capturing one in five Australian Small and Medium-sized Enterprises.

Momentum was supported by significant points earned in the first half, with spend on Qantas Points-earning credit cards growing by four per cent relative to the first half 2022/23. Demand for Qantas Points-earning credit cards remained strong with approximately 144,000 new cards acquired, up 24 per cent relative to first half 2022/23 and Qantas Points-earning credit cards continued to maintain approximately 35 per cent share of all consumer credit card spend. Demand for flight rewards also remained strong with more than two million rewards seats booked in the first half of 2023/24 assisted by campaigns, which included 50 per cent more international classic reward seat availability.

Performance in Hotels, Holidays and Tours included $0.6 billion in new bookings, up 30 per cent relative to first half 2022/23, with TripADeal bookings[36] up more than 60 per cent. Other highlights included 30 per cent growth in insurance customers, with more than double the number of home and motor policies sold relative to first half 2022/23.

Qantas Loyalty also continued its focus on engaging its member base through deeper program offerings and improved digital experience. During the period, this included the launch of the new Qantas App and a new partnership announced with Ticketek.

33 Base Fare. International fares sold are across all carriers in Jetstar Group.
34 Net points redeemed (in prior years gross points redeemed).
35 Qantas Business Rewards members of 502,000 as of 13 February 2024.
36 Total Transaction Value of bookings made using cash and/or Qantas Points.

Review of Operations continued

For the half-year ended 31 December 2023

RECONCILIATION OF UNDERLYING PBT TO STATUTORY PROFIT BEFORE TAX

The Statutory Profit Before Tax was $1,245 million for the half-year ended 31 December 2023.

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 which 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 relating to business activities in other reporting periods, Recovery Plan restructuring costs, transactions involving investments, gains/losses on sale and/or impairments of assets and other transactions.

RECONCILIATION OF UNDERLYING PBT TO STATUTORY PROFIT BEFORE TAX	December 2023 $M	December 2022 $M
Underlying PBT	**1,245**	**1,428**
Items not included in Underlying PBT		
– Recovery Plan restructuring costs	–	5
– Net gain on disposal of investments/associates	–	2
Total items not included in Underlying PBT	**–**	**7**
Statutory Profit Before Income Tax Expense	**1,245**	**1,435**

In the first half of 2023/24 financial year, there was no difference between Underlying PBT and Statutory PBT.

In the 2022/23 financial year, items outside of Underlying PBT included:

Item Outside of Underlying PBT	Description
Recovery Plan restructuring costs	$5 million primarily relates to the reversal of a redundancy provision previously recognised.
Net gain on disposal of assets	The net gain on disposal of assets of $2 million arose from the sale of the Group's investment in Helloworld.

Refer to Note 2(B) of the Financial Report for details of items not included in Underlying PBT.

Review of Operations continued

For the half-year ended 31 December 2023

MATERIAL BUSINESS RISKS

The aviation industry is subject to inherent risks that can impact operations if left untreated. These include, but are not limited to, exposure to economic uncertainty and geopolitical instability, changes in government regulations, volatility in fuel prices and foreign exchange rates, and other external events such as aviation incidents, natural disasters, climate change, international conflicts or an epidemic. In rare circumstances, 'black swan' risk events can materialise, resulting in unexpected consequences such as those that the aviation industry experienced due to the COVID-19 pandemic.

The Group continues to plan for a wide range of scenarios and risks to ensure the Group maintains its strong position to support financial targets, operational outcomes and meet travel demand and customer expectations.

The Group is subject to material business risks which may impact the achievement of the Group's strategy and financial prospects. The Group's focus is on continuously improving the controls to manage or mitigate these risks.

Operational and people safety: While there are inherent safety risks in aviation, the Qantas Group's 'safety first' approach ensures that there is a consistent focus on and continuous improvement in the systems and processes that seek to identify and treat current and emerging safety risks to our people and customers, both in the air and on the ground. All Group airlines have regulatory approved systems, including aircraft airworthiness and maintenance as well as operational activities, procedures and training programs utilising qualified (licensed) personnel, approved manuals, and a robust safety and reporting culture. Comprehensive operational and workplace audit and assurance programs seek to confirm that key processes and controls are operating as intended and that the Group continues to meet its regulatory compliance obligations.

Physical security of people and assets: The Group is committed to protecting our 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 screening measures are implemented throughout the network, in line with regulatory requirements. Extensive controls are in place to protect the operational safety of 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 Qantas Group's ability to maintain sufficient liquidity is inherent in providing for its operating needs. Maintaining access to a variety of funding sources, targeting minimum liquidity levels, and continued vigilance on costs through ongoing focus on further transformation opportunities are embedded to ensure adequate coverage of liquidity requirements, taking into consideration a range of adverse scenarios, including flexibility in setting capacity to be able to respond to sudden changes in demand and shift in customer preferences. The Qantas Group remains focused on delivering its strategic priorities while continuing to protect its liquidity position through the ongoing application of its Financial Framework.

The Qantas Group is subject to fuel price and foreign exchange risks which are an inherent part of the operations of an airline and as such, are industry-wide risks. For the Qantas Group, the size of the Group's fuel and foreign exchange risk will vary with operational capacity, the routes the Group operates as well as the size of fleet investment capital expenditure. The high fuel price and the sustained unfavourable Australian Dollar exchange rate compared to US Dollar may have significant financial implications on the operating costs and value of future committed capital. The Qantas Group manages its fuel and foreign exchange risks through a comprehensive hedging program (aligned to the Group's Treasury Risk Management Policy) which provides time for the business to ultimately adjust capacity to reflect the new operating environment or change its cost base. Qantas will continue to hedge its fuel and foreign exchange risks in line with this program. The Group normally uses a mix of fuel derivative collars and outright options to cover underlying fuel price risk and is actively managed for changes in capacity.In addition, the Group has an established investment prioritisation framework that informs capital expenditure prioritisation and continues to invest in new aircraft with a focus on fuel efficiency and conservation.

Competition: The markets in which the Qantas Group operates are highly competitive, and growth in market capacity ahead of underlying demand can impact upon industry profitability. Competitors include both domestic airlines and major foreign airlines (including government-owned or controlled airlines), some with more financial resources and/or lower cost structures than Qantas. This competition may increase with the expansion of existing airlines, the consolidation of existing airlines and/or the creation of alliances between airlines, changes to existing alliances, or new airlines entering the market.

Australia's aviation policies favour a highly competitive environment, including more liberal rights of entry into Australian domestic and international markets, compared to other jurisdictions. These policies have attracted offshore competitors (predominantly state-sponsored airlines) to the Australian international aviation market, which has further increased competition for passengers on international routes. Additionally, the Qantas Group ordinarily faces high levels of price competition in the markets in which it operates and aggressive pricing by competitors seeking to gain market share can adversely affect the Qantas Group's revenues and yield performance. The financial impact of any discounting of fares as a result of competitive pressures is exacerbated by the high fixed costs that characterise the aviation industry.

The combined effect of these factors may have a materially adverse effect on the revenue and financial position of the Group. The Group continues to leverage its dual brand strategy and established governance processes to optimise network and fleet plans to enhance the Group's competitive position, and reacts appropriately to emerging issues on pricing, network and capacity. The Group also continues to focus on execution of clear strategies to maintain leadership in key customer segments, enabled by strong relationship management, investment in customer and loyalty programs, and technology-enabled solutions.

Market demand: Demand for travel largely drives the Qantas Group's planning as it deploys capacity based on market demand. 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 position in the market. The Qantas Group optimises network and fleet plans through its dual brand strategy, ensuring there is flexibility to adjust capacity settings across the network to be able to respond to 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.

Review of Operations continued

For the half-year ended 31 December 2023

MATERIAL BUSINESS RISKS (CONTINUED)

Industrial relations: The Qantas Group operates in a highly regulated employment market and a large proportion of the Qantas Group's employees are represented by unions and are party to collective bargaining arrangements. The Government's proposed industrial relations reforms could have significant implications for the Group. 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 to the Group.

Any significant enterprise bargaining dispute between the Qantas Group and its employees could also lead employees to take industrial action, including work stoppages. This could disrupt the Qantas Group's day-to-day operations and adversely affect business performance, potentially leading to reputational damage. The Group has developed business continuity plans, including testing and rehearsal (to the extent possible), to provide continuity of operations in the event of industrial action.

Customer risk: The ongoing success of the Qantas Group depends to a large degree on customer satisfaction and loyalty, particularly considering the significant competition for passengers that characterises the aviation industry. A reduction in customer satisfaction due to operational challenges, i.e., frequent cancellations, poor on-time performance and mishandled baggage, may impact the Qantas Group's reputation and its ability to attract customers in the future and rebuild the brand. The Group continues to invest in its customer experience processes and focus on improving operational reliability, provide customers with flexibility, incentives and options to utilise their flight credits, vouchers, and Qantas Passes and have been actively encouraging customer usage. The Group is also proactively designing and implementing mechanisms to cover customer journey disruptions including delays and cancellations, and product and service quality issues.

The Qantas Group is vulnerable to long-term changes in consumer preferences in relation to its service offerings, the markets in which it operates, and consumer and business sentiment towards travel, including environmental considerations and digital expectations. Any failure by the Qantas Group to predict or respond to such changes in a timely and cost-effective manner may adversely impact the Qantas 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. As customer preferences shift, the Group is looking to transform the customer experience through a multi-year program aimed at adapting to new customer journey requirements, market learnings and business need, to ensure the Group's strong market position is maintained.

Climate change: The Group recognises that human-induced climate change is a significant issue for the aviation industry and is committed to supporting the aims of the Paris Climate Agreement to limit warming to well below two degrees Celsius above pre-industrial levels, and pursuing efforts to limit the temperature increase to 1.5 degrees Celsius above pre-industrial levels. Climate-related risks include both physical risks (such as increased extreme weather events) and transition risks (including development of alternative fuel and changes to government policy, law and regulation). The Group manages these risks through mechanisms including, but not limited to, emission reduction targets; scenario analysis to inform the Group's strategy; robust governance; fleet transformation activities; investing in modern aircraft technology; supporting a competitive sustainable aviation fuel industry in Australia; operational and market-based controls; carbon offset programs; and monitoring government policy. The Qantas Group's current emission reduction plan, as outlined in the March 2022 Climate Action Plan, includes: a 25 per cent reduction in net emissions from 2019 levels by 2030; 10 per cent sustainable aviation fuel in fuel mix by 2030; an average of 1.5 per cent fuel efficiency improvements per annum to 2030; and net zero emissions by 2050. The Qantas Group is responding to increased demand for transparency on identification and management of climate-related risks by aligning its corporate disclosures with the Taskforce on Climate-related Financial Disclosures (TCFD) and the Australian Accounting Standards Board's Australian Sustainability Reporting Standards - Disclosure of Climate-related Financial Information.

Cyber security and data loss: The heightened cyber threat environment continues to evolve, with increased cyber-criminal activities targeting organisations capable of paying ransoms. As cyber breaches and attacks surge globally and hybrid ways of working continue, the Qantas Group, through its Cyber Strategic Road Map and utilising learnings from analysis of cyber incidents in other organisations, continues its proactive response to external and internal threats. The approach includes heightened monitoring and assessment of technology and data environments, further enhancing cyber security, privacy and data governance controls; embedding them into business processes, taking a security and privacy by design approach; and creating a cyber-safe and privacy-orientated culture that builds on an established safety culture and the Three Lines risk management model.

The Group's Data Governance Framework now includes mechanisms to ensure that ethical and commercial data risks are managed in addition to data protection and privacy risks. Qantas has a defined risk and control framework, aligned with industry standards, which is designed to protect the confidentiality, integrity and availability of data and to maintain compliance with regulatory requirements. The Group's cyber and data privacy risks are continuously monitored by the Group's Cyber and Information Management Committees and are subject to independent assurance. In addition, the Qantas Group has a close working relationship and engagement with government and industry peers to enable the Group to effectively manage cyber and privacy risks as they evolve.

Supply chain: The Qantas Group is dependent on third-party providers for the expansion and replacement of its aircraft fleet, including availability of slots for aircraft maintenance and supply of aircraft parts, and other critical business processes. The failure of these providers to deliver and/or adequately perform their service obligations or other unexpected interruptions of services may cause significant disruption to the Group's operations and have an adverse impact on financial performance. The Group continuously builds resilience in flight schedules across the network, analyses and monitors the global and local supply market to provide early insights to support assessments of the Group's supply chain exposure; proactively manages and invests in high risk items; uses its business continuity plans to manage the risk of supply failures and has contingency plans in place to respond to key supplier interruption.

Policy or regulatory change: Given the highly regulated business environment the Group operates in, any major policy or regulatory change, 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 continues to proactively engage with regulators and policy makers to demonstrate and inform the potential implications of proposed changes and contribute to improved policy outcomes. The Group also participates in industry bodies in Australia and internationally to proactively work with stakeholders with shared interests and drive policy outcomes which consider industry-wide challenges and implications.

New business models: As more large customer brands aim for a seamless customer journey, the threat of further airline disintermediation, the rapid rise of digitalisation and new technology and 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

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

The Lead Auditor's Independence Declaration is set out on page 34 and forms part of the Directors' Report for the half-year ended 31 December 2023.

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*, 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 2023 which has been reviewed by the Group's Independent Auditor.

Signed pursuant to a Resolution of the Directors:

RICHARD GOYDER, AO
Chairman

VANESSA HUDSON
Chief Executive Officer

Sydney
22 February 2024

Consolidated Income Statement

For the half-year ended 31 December 2023

	Notes	December 2023 $M	December 2022 $M
REVENUE AND OTHER INCOME			
Net passenger revenue		9,614	8,393
Net freight revenue		605	810
Other revenue and income	4(B)	908	706
Revenue and other income		**11,127**	**9,909**
EXPENDITURE			
Salaries, wages and other benefits		2,395	2,084
Aircraft operating variable		2,421	1,899
Fuel		2,673	2,335
Depreciation and amortisation	5	854	880
Share of net (profit)/loss of investments accounted for under the equity method		(19)	21
Net loss/(gain) on disposal of assets		1	(3)
Other	6	1,457	1,142
Expenditure		**9,782**	**8,358**
Statutory profit before income tax expense and net finance costs		**1,345**	**1,551**
Finance income		64	58
Finance costs		(164)	(174)
Net finance costs		**(100)**	**(116)**
Statutory profit before income tax expense		**1,245**	**1,435**
Income tax expense	7(A)	(376)	(434)
Statutory profit for the period		**869**	**1,001**
Attributable to:			
Members of Qantas		873	1,003
Non-controlling interests		(4)	(2)
Statutory profit for the period		**869**	**1,001**
EARNINGS PER SHARE ATTRIBUTABLE TO MEMBERS OF QANTAS			
Basic Earnings Per Share (cents)	3	**51.8**	**53.9**
Diluted Earnings Per Share (cents)	3	**51.5**	**52.7**

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

Consolidated Statement of Comprehensive Income

For the half-year ended 31 December 2023

	December 2023 $M	December 2022 $M
Statutory profit for the period	**869**	**1,001**
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	29	(126)
Transfer of effective hedging gains from hedge reserve to the Consolidated Income Statement, net of tax[1]	(59)	(189)
Net changes in hedge reserve for time value of options, net of tax	(6)	(78)
Foreign currency translation of controlled entities	(5)	(21)
Foreign currency translation of investments accounted for under the equity method	–	(4)
Items that will not subsequently be reclassified to profit or loss		
Defined benefit actuarial losses, net of tax	(42)	(35)
Fair value gains/(losses) on investments, net of tax	8	(10)
Other comprehensive loss for the period	**(75)**	**(463)**
Total comprehensive income for the period	**794**	**538**

Attributable to:		
Members of Qantas	798	540
Non-controlling interests	(4)	(2)
Total comprehensive income for the period	**794**	**538**

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

1 These amounts were allocated to revenue of $17 million (December 2022: $10 million), fuel expenditure of ($67) million (December 2022: ($227) million), foreign exchange gains/(losses) of ($34) million (December 2022: ($53) million) and income tax expense of $25 million (December 2022: $81 million) in the Consolidated Income Statement.

Consolidated Balance Sheet

As at 31 December 2023

	Notes	December 2023 $M	June 2023 $M
CURRENT ASSETS			
Cash and cash equivalents	10(A)	1,545	3,171
Receivables		1,177	1,046
Lease receivables		9	10
Other financial assets		195	222
Inventories		312	290
Assets classified as held for sale		23	38
Other		355	328
Total current assets		**3,616**	**5,105**
NON-CURRENT ASSETS			
Receivables		7	5
Lease receivables		49	52
Other financial assets		180	151
Investments accounted for under the equity method		35	25
Property, plant and equipment		12,939	11,849
Right of use assets		963	1,303
Intangible assets		661	687
Deferred tax assets		57	367
Other		770	810
Total non-current assets		**15,661**	**15,249**
Total assets		**19,277**	**20,354**
CURRENT LIABILITIES			
Payables		3,094	2,732
Revenue received in advance	9	5,872	6,662
Interest-bearing liabilities	10(B)	332	799
Lease liabilities		329	581
Other financial liabilities		74	51
Provisions		1,191	1,272
Total current liabilities		**10,892**	**12,097**
NON-CURRENT LIABILITIES			
Revenue received in advance	9	2,035	2,010
Interest-bearing liabilities	10(B)	4,570	4,370
Lease liabilities		890	976
Other financial liabilities		332	311
Provisions		441	580
Total non-current liabilities		**8,268**	**8,247**
Total liabilities		**19,160**	**20,344**
Net assets		**117**	**10**
EQUITY			
Issued capital		1,734	2,186
Treasury shares		(62)	(106)
Reserves		(89)	200
Accumulated losses		(1,467)	(2,275)
Equity attributable to members of Qantas		**116**	**5**
Non-controlling interests		1	5
Total equity		**117**	**10**

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 2023

December 2023 $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 2023	**2,186**	**(106)**	**259**	**(50)**	**3**	**(12)**	**(2,275)**	**5**	**10**
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD									
Statutory profit for the period	–	–	–	–	–	–	873	(4)	869
Other comprehensive (loss)/income									
Effective portion of changes in fair value of cash flow hedges, net of tax	–	–	–	29	–	–	–	–	29
Transfer of effective hedging gains from hedge reserve to the Consolidated Income Statement, net of tax	–	–	–	(59)	–	–	–	–	(59)
Net changes in hedge reserve for time value of options, net of tax	–	–	–	(6)	–	–	–	–	(6)
Foreign currency translation of controlled entities	–	–	–	–	(5)	–	–	–	(5)
Defined benefit actuarial losses, net of tax	–	–	–	–	–	(42)	–	–	(42)
Fair value gains on investments, net of tax	–	–	–	–	–	8	–	–	8
Total other comprehensive loss for the period	**–**	**–**	**–**	**(36)**	**(5)**	**(34)**	**–**	**–**	**(75)**
Total comprehensive income for the period	**–**	**–**	**–**	**(36)**	**(5)**	**(34)**	**873**	**(4)**	**794**
Recognition of effective cash flow hedges on capitalised assets, net of tax	–	–	–	(9)	–	–	–	–	(9)
Transactions with owners in their capacity as owners									
On-market share buy-back	(452)	–	–	–	–	–	–	–	(452)
Revaluation of put option over non-controlling interest	–	–	–	–	–	(14)	–	–	(14)
Treasury shares acquired	–	(288)	–	–	–	–	–	–	(288)
Share-based payments expense	–	–	47	–	–	–	–	–	47
Shares vested and transferred to employees/Rights unvested and lapsed	–	332	(238)	–	–	–	(65)	–	29
Total transactions with owners in their capacity as owners	**(452)**	**44**	**(191)**	**–**	**–**	**(14)**	**(65)**	**–**	**(678)**
Balance as at 31 December 2023	**1,734**	**(62)**	**68**	**(95)**	**(2)**	**(60)**	**(1,467)**	**1**	**117**

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

[1] Other Reserves as at 31 December 2023 includes the defined benefit reserve of $236 million, the put option reserve of ($294) million and the fair value reserve of ($2) million.

Consolidated Statement of Changes in Equity continued

For the half-year ended 31 December 2023

December 2022 $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 2022	**3,186**	**(8)**	**81**	**394**	**15**	**159**	**(4,024)**	**7**	**(190)**
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD									
Statutory profit for the period	–	–	–	–	–	–	1,003	(2)	1,001
Other comprehensive (loss)/income									
Effective portion of changes in fair value of cash flow hedges, net of tax	–	–	–	(126)	–	–	–	–	(126)
Transfer of effective hedging gains from hedge reserve to the Consolidated Income Statement, net of tax	–	–	–	(189)	–	–	–	–	(189)
Net changes in hedge reserve for time value of options, net of tax	–	–	–	(78)	–	–	–	–	(78)
Foreign currency translation of controlled entities	–	–	–	–	(21)	–	–	–	(21)
Foreign currency translation of investments accounted for under the equity method	–	–	–	–	(4)	–	–	–	(4)
Defined benefit actuarial losses, net of tax	–	–	–	–	–	(35)	–	–	(35)
Fair value losses on investments, net of tax	–	–	–	–	–	(10)	–	–	(10)
Total other comprehensive loss for the period	**–**	**–**	**–**	**(393)**	**(25)**	**(45)**	**–**	**–**	**(463)**
Total comprehensive income for the period	**–**	**–**	**–**	**(393)**	**(25)**	**(45)**	**1,003**	**(2)**	**538**
Recognition of effective cash flow hedges on capitalised assets, net of tax	–	–	–	(15)	–	–	–	–	(15)
Transactions with owners in their capacity as owners									
On-market share buy-back	(400)	–	–	–	–	–	–	–	(400)
Revaluation of put option over non-controlling interest	–	–	–	–	–	(3)	–	–	(3)
Share-based payments expense	–	–	86	–	–	–	–	–	86
Shares vested and transferred to employees/Rights unvested and lapsed	–	6	(10)	–	–	–	4	–	–
Total transactions with owners in their capacity as owners	**(400)**	**6**	**76**	**–**	**–**	**(3)**	**4**	**–**	**(317)**
Balance as at 31 December 2022	**2,786**	**(2)**	**157**	**(14)**	**(10)**	**111**	**(3,017)**	**5**	**16**

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

[1] Other Reserves as at 31 December 2022 includes the defined benefit reserve of $346 million, the put option reserve of ($227) million and the fair value reserve of ($8) million.

Consolidated Cash Flow Statement

For the half-year ended 31 December 2023

	December 2023 $M	December 2022 $M
CASH FLOWS FROM OPERATING ACTIVITIES		
Cash receipts from customers	11,018	10,731
Cash payments to suppliers and employees	(9,619)	(7,852)
Interest received	64	42
Interest paid (interest-bearing liabilities)	(83)	(84)
Interest paid (lease liabilities)	(38)	(33)
Dividends received from investments accounted for under the equity method	1	8
Foreign income taxes paid	(2)	(1)
Net cash inflow from operating activities	**1,341**	**2,811**
CASH FLOWS FROM INVESTING ACTIVITIES		
Payments for property, plant and equipment and intangible assets	(1,397)	(701)
Interest paid and capitalised on qualifying assets	(38)	(13)
Proceeds from disposal of property, plant and equipment, net of costs	21	6
Proceeds from disposal of shares in investments accounted for under the equity method	–	33
Payments for investments accounted for under the equity method	–	(42)
Net cash outflow from investing activities	**(1,414)**	**(717)**
CASH FLOWS FROM FINANCING ACTIVITIES		
Payments for share buy-back	(452)	(400)
Payments for treasury shares	(292)	(3)
Proceeds from interest-bearing liabilities, net of costs	638	34
Repayments of interest-bearing liabilities	(943)	(695)
Repayments of lease liabilities	(509)	(236)
Proceeds from lease receivables	4	4
Payments for aircraft security deposits	(3)	–
Net cash outflow from financing activities	**(1,557)**	**(1,296)**
Net (decrease)/increase in cash and cash equivalents held	**(1,630)**	**798**
Cash and cash equivalents at the beginning of the period	3,171	3,343
Effects of exchange rate changes on cash and cash equivalents	4	4
Cash and cash equivalents at the end of the period	**1,545**	**4,145**

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 2023

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 2023 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 2023 is available at www.qantas.com.au or upon request from the registered office of Qantas Group at 10 Bourke Road, Mascot NSW 2020, Australia.

The Consolidated Interim Financial Report of Qantas for the half-year ended 31 December 2023 was authorised for issue in accordance with a resolution of the Directors on 22 February 2024.

i. Statement of Compliance

The Consolidated Interim Financial Report has been prepared in accordance with the Australian Accounting Standards adopted by the Australian Accounting Standards Board (AASB) and the *Corporations Act 2001* (Cth). The Consolidated Interim Financial Report also complies with International Financial Reporting Standards (IFRS), International Accounting Standard 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 2023. 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:

- Derivatives at fair value through profit and loss, and investments 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
- Put option liability over relevant non-controlling interests is measured at the present value of the estimated redemption amount. Changes in the value of the put option liability are recognised in Other Reserves.

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.

(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 were the same as those referenced in Note 1(B) to the Qantas Annual Report for the year ended 30 June 2023.

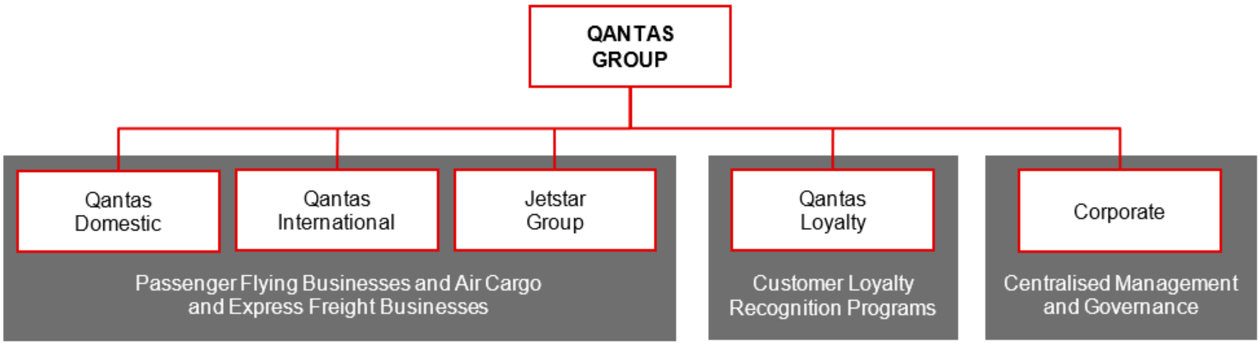
Condensed Notes to the Consolidated Interim Financial Report continued

For the half-year ended 31 December 2023

2 OPERATING SEGMENTS, UNDERLYING PROFIT BEFORE TAX AND RETURN ON INVESTED CAPITAL

(A) OPERATING SEGMENTS

The Qantas Group comprises the following operating segments:



i. Underlying EBIT

Underlying EBIT is the primary reporting measure used by the Qantas Group's Chief Operating Decision-Making bodies (CODM), 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.

ii. Analysis by Operating Segment

December 2023 $M	Qantas Domestic	Qantas International	Jetstar Group	Qantas Loyalty	Corporate	Unallocated/ Eliminations[1]	Consolidated
REVENUE AND OTHER INCOME							
External segment revenue and other income	3,545	4,106	2,420	1,191	7	(142)	11,127
Inter-segment revenue and other income	213	234	66	80	–	(593)	–
Total segment revenue and other income	**3,758**	**4,340**	**2,486**	**1,271**	**7**	**(735)**	**11,127**
Share of net profit of investments accounted for under the equity method	5	6	8	–	–	–	19
Underlying EBITDA[2]	**923**	**687**	**520**	**281**	**(127)**	**(82)**	**2,202**
Depreciation and amortisation	(279)	(365)	(195)	(11)	(4)	–	(854)
Impairment	(3)	–	–	–	–	–	(3)
Underlying EBIT	**641**	**322**	**325**	**270**	**(131)**	**(82)**	**1,345**
Net finance costs					(100)		(100)
Underlying PBT					**(231)**		**1,245**
Twelve Month ROIC %[3]							**81.4%**

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 6), and changes in presentation of income/expenses where the determination of whether the Group is acting as principal or agent is made on consolidation. Unallocated/Eliminations also includes the recognition of the Recovery Boost bonus for EBA-covered employees announced in June 2022 and the Recovery Retention bonuses announced in February 2022 expensed in accordance with relevant Accounting Standards.
2 Underlying EBITDA represents underlying earnings before income tax expense, depreciation, amortisation, net finance costs and impairment.
3 ROIC % represents Return on Invested Capital (ROIC) EBIT divided by Average Invested Capital. Refer to Note 2(C).

Condensed Notes to the Consolidated Interim Financial Report continued

For the half-year ended 31 December 2023

2 OPERATING SEGMENTS, UNDERLYING PROFIT BEFORE TAX AND RETURN ON INVESTED CAPITAL (CONTINUED)

(A) OPERATING SEGMENTS (CONTINUED)

ii. Analysis by Operating Segment (continued)

December 2022 $M	Qantas Domestic	Qantas International	Jetstar Group	Qantas Loyalty	Corporate	Unallocated/ Eliminations[1]	Consolidated
REVENUE AND OTHER INCOME							
External segment revenue and other income	3,388	3,691	2,024	954	4	(152)	9,909
Inter-segment revenue and other income	246	111	72	73	–	(502)	–
Total segment revenue and other income	**3,634**	**3,802**	**2,096**	**1,027**	**4**	**(654)**	**9,909**
Share of net profit/(loss) of investments accounted for under the equity method	2	2	(25)	–	–	–	(21)
Underlying EBITDA[2]	**1,125**	**805**	**350**	**248**	**(88)**	**(11)**	**2,429**
Depreciation and amortisation	(335)	(341)	(173)	(28)	(3)	–	(880)
Impairment	(5)	–	–	–	–	–	(5)
Underlying EBIT	**785**	**464**	**177**	**220**	**(91)**	**(11)**	**1,544**
Net finance costs					(116)		(116)
Underlying PBT					**(207)**		**1,428**
Twelve Month ROIC %[3]							**33.0%**

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 6), and changes in presentation of income/expenses where the determination of whether the Group is acting as principal or agent is made on consolidation. Unallocated/Eliminations also includes the recognition of the Recovery Boost bonus for EBA-covered employees announced in June 2022 and the Recovery Retention bonuses announced in February 2022 expensed in accordance with relevant Accounting Standards.
2 Underlying EBITDA represents underlying earnings before income tax expense, depreciation, amortisation, net finance costs and impairment.
3 ROIC % represents Return on Invested Capital (ROIC) EBIT divided by Average Invested Capital. Refer to Note 2(C).

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 not designed to derive a net profit from inter-segment Qantas Point issuances and redemptions.

Redemption revenue in relation to products provided by suppliers outside the Group, such as Qantas Marketplace redemptions and other carrier redemptions, is recognised in the Consolidated Income Statement net of related costs, as the Group is an agent. For the purposes of segment reporting, the Qantas Loyalty segment reports these redemptions on a gross basis. Adjustments are made within consolidation eliminations to present these redemptions on a net basis at a Group level within Other Revenue and Income.

(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 which 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 relating to business activities in other reporting periods, Recovery Plan restructuring costs, 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 2023

2 OPERATING SEGMENTS, UNDERLYING PROFIT BEFORE TAX AND RETURN ON INVESTED CAPITAL (CONTINUED)

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

RECONCILIATION OF UNDERLYING PBT TO STATUTORY PROFIT BEFORE TAX	December 2023 $M	December 2022 $M
Underlying PBT	**1,245**	**1,428**
Items not included in Underlying PBT		
– Recovery Plan restructuring costs	–	5
– Net gain on disposal of investments/associates	–	2
Total items not included in Underlying PBT	**–**	**7**
Statutory Profit Before Income Tax Expense	**1,245**	**1,435**

In the first half of 2023/24 financial year, there was no difference between Underlying PBT and Statutory PBT.

The first half of 2022/23 financial year included the following items:

Item outside of Underlying PBT	Description
Recovery Plan restructuring costs	$5 million primarily relates to the reversal of a redundancy provision previously recognised.
Net gain on disposal of assets	The net gain on disposal of assets of $2 million arose from the sale of the Group's investment in Helloworld.

(C) RETURN ON INVESTED CAPITAL

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) divided by Average Invested Capital.

i. ROIC EBIT and ROIC %

ROIC EBIT is derived by adjusting Underlying EBIT for the period to exclude leased aircraft depreciation under AASB 16 *Leases* (AASB 16) and to include notional depreciation for these aircraft to account for them as if they were owned.

In addition, for non-aircraft leases, ROIC EBIT is reduced for the full lease payments rather than depreciation under AASB 16 to account for these items as a service cost. The objective of these adjustments is to show an EBIT result which is indifferent to the financing or ownership structure of aircraft assets and that treats non-aircraft leases as a service cost rather than a debt repayment.

	Twelve months to 31 December 2023 $M	Twelve months to 31 December 2022 $M
Underlying EBIT		
– For the six months ended 30 June	1,138	(429)
– for the six months ended 31 December	1,345	1,544
Total Underlying EBIT for the twelve months ended 31 December	**2,483**	**1,115**
Add back: Lease right of use depreciation under AASB 16	306	328
Less: Notional depreciation[1]	(112)	(127)
Less: Cash expenses for non-aircraft leases[2]	(230)	(220)
ROIC EBIT for the twelve months ended 31 December	**2,447**	**1,096**
Average Invested Capital for the twelve months ended 31 December	**3,006**	**3,322**
Twelve Month ROIC %[3]	**81.4%**	**33.0%**

1 For calculating ROIC, capitalised leased aircraft are included in the Group's Invested Capital at the AUD market value (referencing Aircraft Value Analysis Company (AVAC)) at the date of commencing operations at the prevailing AUD/USD rate. This value is depreciated notionally in accordance with the Group's accounting policies, with the calculated depreciation reported above as notional depreciation.
2 Cash expenses for non-aircraft leases is net of rental income from subleases.
3 ROIC % represents Return on Invested Capital (ROIC) EBIT divided by Average Invested Capital. Refer to Note 2(C)ii.

Condensed Notes to the Consolidated Interim Financial Report continued

For the half-year ended 31 December 2023

2 OPERATING SEGMENTS, UNDERLYING PROFIT BEFORE TAX AND RETURN ON INVESTED CAPITAL (CONTINUED)

(C) RETURN ON INVESTED CAPITAL (CONTINUED)

ii. Average Invested Capital

The objective of the Group's Financial Framework is to show Invested Capital which is indifferent to financing or ownership structures of aircraft assets (leased versus owned). Invested Capital includes the net assets of the business other than cash, lease receivables, interest-bearing liabilities, other financial assets/liabilities and tax balances as well as lease liabilities and right of use assets (for leased aircraft, property and other assets) as measured under AASB 16.

To account for the capital invested in leased aircraft, Invested Capital includes an amount representing the capitalised value of leased aircraft assets as if they were owned. Invested Capital includes the full capital held in leased aircraft, which is a non-statutory adjustment, as in accordance with AASB 16 right of use assets are only measured with reference to the lease term.

Average Invested Capital is equal to the average of the monthly Invested Capital for the period.

Invested Capital	December 2023 $M	December 2022 $M
Receivables (current and non-current)	1,184	1,086
Inventories	312	293
Other assets (current and non-current)	1,125	1,124
Investments accounted for under the equity method	35	22
Property, plant and equipment	12,939	10,400
Intangible assets	661	726
Assets classified as held for sale	23	13
Payables	(3,094)	(2,718)
Provisions (current and non-current)	(1,632)	(1,941)
Revenue received in advance (current and non-current)	(7,907)	(8,267)
Capitalised aircraft leased assets[1]	889	1,812
Invested Capital as at 31 December	**4,535**	**2,550**
Average Invested Capital for the twelve months ended 31 December	**3,006**	**3,322**

1 For calculating ROIC, all statutory aircraft leases balances and provisions related to leased aircraft are adjusted to represent the capitalised value of leased aircraft, as if they were owned. Capitalised leased aircraft are included in the Group's Invested Capital at the AUD market value (referencing Aircraft Value Analysis Company ((AVAC)) at the date of commencing operations at the prevailing AUD/USD rate. This value is notionally depreciated in accordance with the Group's accounting policies, with the calculated depreciation reported in ROIC EBIT as notional depreciation. The carrying value of leased aircraft (AUD market value less accumulated notional depreciation) and an adjustment to exclude aircraft lease return provisions is reported within Invested Capital as capitalised aircraft leased assets.

3 EARNINGS PER SHARE

	December 2023 cents	December 2022 cents
Basic Earnings per share[1]	**51.8**	**53.9**
Diluted Earnings per share[2]	**51.5**	**52.7**

1 Weighted average number of shares used in basic Earnings Per Share calculation of 1,686 million (December 2022: 1,860 million) excludes unallocated treasury shares.
2 Weighted average number of shares used in diluted Earnings Per Share calculation of 1,697 million (December 2022: 1,902 million) excludes unallocated treasury shares and includes the effect of share rights expected to vest (using the treasury stock method and LTIPs measured as contingently issuable ordinary shares).

	December 2023 $M	December 2022 $M
Statutory profit attributable to members of Qantas	**873**	**1,003**

NUMBER OF SHARES	December 2023 Number M	December 2022 Number M
Issued shares as at 1 July	1,724	1,886
Shares bought back and cancelled	(86)	(69)
Issued shares as at 31 December	**1,638**	**1,817**
Weighted average number of shares for the period	**1,697**	**1,861**

Condensed Notes to the Consolidated Interim Financial Report continued

For the half-year ended 31 December 2023

4 REVENUE AND OTHER INCOME

(A) REVENUE AND OTHER INCOME BY GEOGRAPHIC AREA

	December 2023 $M	December 2022 $M
Net passenger and freight revenue		
Australia	7,845	7,084
Overseas	2,374	2,119
Total net passenger and freight revenue	**10,219**	**9,203**
Other revenue and income	908	706
Total revenue and other income	**11,127**	**9,909**

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 2023 $M	December 2022 $M
Frequent Flyer marketing revenue and other Qantas Loyalty businesses[1]	533	393
Qantas Marketplace and other redemption revenue[1,2]	51	36
Third-party services revenue	155	146
Other revenue and income	169	131
Total other revenue and income	**908**	**706**

1 Where the Group acts as an agent for redemptions and other Qantas Loyalty businesses, an adjustment is made within consolidation eliminations to present these redemptions on a net basis
2 Qantas Marketplace and other redemption revenue excludes redemptions on Qantas Group flights, which are reported as net passenger revenue in the Consolidated Income Statement.

5 DEPRECIATION AND AMORTISATION

	December 2023 $M	December 2022 $M
Property, plant and equipment	688	674
Right of use assets	140	154
Intangible assets	26	52
Total depreciation and amortisation	**854**	**880**

6 OTHER EXPENDITURE

	December 2023 $M	December 2022 $M
Commissions and other selling costs	308	297
Technology and digital	316	258
Capacity hire (excluding lease components)	226	197
Property occupancy and utility expenses	70	71
Marketing and advertising	90	72
Discretionary bonuses to non-executive employees	13	31
Discount rate changes impact on provisions	22	(49)
Impairment of assets and related costs	3	5
Redundancy and related costs	4	(3)
Other	405	263
Total other expenditure	**1,457**	**1,142**

Condensed Notes to the Consolidated Interim Financial Report continued

For the half-year ended 31 December 2023

7 INCOME TAX

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

	December 2023 $M	December 2022 $M
Statutory profit before income tax expense	**1,245**	**1,435**
Income tax expense using the domestic corporate tax rate of 30 per cent	(374)	(431)
Adjusted for:		
Differences in income/(loss) from investments accounted for under the equity method	6	(8)
Losses not recognised for foreign branches	–	(1)
Losses not recognised for controlled entities	(4)	(1)
Recognition and/or utilisation of previously unrecognised losses for branches and controlled entities	6	8
Other net non-deductible items	(10)	(2)
Over provision from prior periods	–	1
Income tax expense	**(376)**	**(434)**

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

	December 2023 $M	December 2022 $M
Income tax on:		
Cash flow hedges	19	175
Defined benefit actuarial losses	18	15
Fair value (gains)/losses on investments	(3)	4
Income tax benefit recognised directly in the Consolidated Statement of Comprehensive Income	**34**	**194**

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

	December 2023 $M	December 2022 $M
Income tax expense	**(376)**	**(434)**
Temporary differences	**85**	**23**
Adjustments for the prior year	3	2
Tax on taxable income	**(288)**	**(409)**
Net tax losses utilised/(recognised)	288	409
Income tax payable	**–**	**–**

(D) QANTAS GROUP CARRIED FORWARD TAX LOSSES

	December 2023 $M	December 2022 $M
Total tax losses brought forward as at 1 July	**(494)**	**(979)**
Tax losses utilised against current taxable income	294	409
Tax losses recognised	(6)	–
Tax losses carried forward to be utilised in future years[1]	**(206)**	**(570)**

1 A deferred tax asset of $206 million has been recognised for income tax losses and is expected to be recovered in future periods.

Condensed Notes to the Consolidated Interim Financial Report continued

For the half-year ended 31 December 2023

8 DIVIDENDS AND OTHER SHAREHOLDER DISTRIBUTIONS

(A) DIVIDENDS DECLARED AND PAID

During the half-year ended 31 December 2023 the Group did not declare or pay any dividends. No dividend will be paid in relation to the half-year ended 31 December 2023.

(B) OTHER SHAREHOLDER DISTRIBUTIONS

During the half-year ended 31 December 2023, the Group completed on-market buy-backs totalling $452 million of the $500 million share buy-back that was announced on 24 August 2023. The Group purchased 86.5 million ordinary shares on issue at the average price of $5.22. It is expected that the Group will complete the remaining $48 million of the $500 million first half buy-back in the second half of financial year 2023/24.

In February 2024, the Directors announced an additional on-market buy-back of up to $400 million.

9 REVENUE RECEIVED IN ADVANCE

	December 2023 $M			June 2023 $M		
	Current	**Non-current**	**Total**	**Current**	**Non-current**	**Total**
Unavailed passenger revenue[1]	4,085	–	4,085	4,992	–	4,992
Unredeemed Frequent Flyer revenue	1,358	1,900	3,258	1,311	1,869	3,180
Other revenue received in advance	429	135	564	359	141	500
Total revenue received in advance	**5,872**	**2,035**	**7,907**	**6,662**	**2,010**	**8,672**

1 Unavailed passenger revenue relates to sales to passengers in advance of the date of passenger travel. The balance includes tickets with a travel date subsequent to half-year end and tickets which have been transferred to a travel credit (other than Qantas COVID credits). Qantas COVID credits that remained outstanding as at 31 December 2023 have been recognised as Payables due to the change in terms and conditions announced in August 2023.

10 CASH AND CASH EQUIVALENTS AND INTEREST-BEARING LIABILITIES

(A) CASH AND CASH EQUIVALENTS

	December 2023 $M	June 2023 $M
Cash balances	657	703
Cash at call	16	501
Short-term money market securities and term deposits	872	1,967
Total cash and cash equivalents	**1,545**	**3,171**

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 2023 $M			June 2023 $M		
	Current	**Non-current**	**Total**	**Current**	**Non-current**	**Total**
Bank loans – secured	177	882	1,059	177	971	1,148
Bank loans – unsecured	–	402	402	–	402	402
Other loans – secured	155	1,619	1,774	373	1,330	1,703
Other loans – unsecured	–	1,667	1,667	249	1,667	1,916
Total interest-bearing liabilities	**332**	**4,570**	**4,902**	**799**	**4,370**	**5,169**

11 CAPITAL EXPENDITURE COMMITMENTS

The Group's capital expenditure commitments as at 31 December 2023 are $21,306 million (June 2023: $14,646 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 2023 closing exchange rate of $0.67 (June 2023: $0.68).

Condensed Notes to the Consolidated Interim Financial Report continued

For the half-year ended 31 December 2023

12 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 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 Interim Financial Report 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) CONTINGENT LIABILITIES

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 2023, and subject to specific provisions raised, are of the opinion that no material contingent liability exists other than the matters listed below.

The following legal proceedings were filed during the period. 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.

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, and includes allegations that Qantas breached its contractual obligations to customers with regards to refunds for cancelled flights, misled customers as to their rights for flights cancelled by Qantas and that Qantas was unjustly enriched by holding customer funds.

On 26 October 2023, a further class action proceeding was filed with significant overlap with the original claim.

On 29 January 2024, Justice Murphy made orders that the first proceedings would progress (to be jointly run by the legal representatives of both claims), with a stay of the second proceedings. A further amended statement of claim was filed by the applicant on 14 February 2024, with Qantas' defence to follow. The parties have been ordered to mediate by 30 July 2024.

Australian Competition and Consumer Commission proceedings

On 31 August 2023, the Australian Competition and Consumer Commission (ACCC) commenced proceedings in the Federal Court of Australia alleging breaches of the Australian Consumer Law in respect of flights scheduled to depart between May-July 2022. The ACCC alleges that Qantas misled customers and wrongfully accepted payment by continuing to sell flights and delaying notifying customers for more than two days after a cancellation decision had been made. The ACCC is seeking orders including penalties, injunctions, declarations, and costs.

On 27 October 2023, Qantas filed its defence, focusing on the characterisation of the service that Qantas sells to its customers; that airlines can't guarantee specific flight times and options that Qantas offered to customers when flights were cancelled included reaccommodation on alternative flights or refund.

On 8 November 2023, at the Case Management Hearing (CMH), Justice Rofe made orders that the parties file any statement of agreed facts by 23 February 2024 and listed the matter for a further CMH on 28 February 2024. Orders for discovery, exchange of evidence or mediation have yet to been made.

Condensed Notes to the Consolidated Interim Financial Report continued

For the half-year ended 31 December 2023

12 CONTINGENT LIABILITIES AND LEGAL PROVISIONS (CONTINUED)

(B) LEGAL PROVISIONS

The following legal proceeding is continuing from previous financial reporting periods. 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.

Outcome of High Court Appeal - Ground Handling

On 13 September 2023, the High Court of Australia dismissed an appeal by Qantas against a decision of the Full Federal Court of Australia that determined that Qantas had contravened the adverse action provisions of the Fair Work Act in outsourcing the remainder of Qantas' ground handling function in 2020. The High Court's judgement related only to liability, and made no finding as to the financial remedies – i.e. penalties or compensation. The determination of any remedies will be determined by a single judge of the Federal Court, and will have regard to matters such as the affected individuals economic and non-economic loss.

The outsourcing matter is listed for hearing on compensation for three "test case" employees from 18-27 March 2024 before Justice Lee of the Federal Court. This hearing will determine the formula by which individual compensation for affected employees will be calculated. Following this, the matter will be assigned to a number of referees nominated across the affected ports to calculate the appropriate compensation for affected employees applying the reasoning outlined and determined by Justice Lee following his hearing of the three test case employees. A hearing on pecuniary penalties will be listed at a later date.

Separately, the TWU and Qantas/QGS attended court ordered mediation before former Chief Justice Allsop on 3 October 2023 and 13 November 2023. To date, the matter has not resolved via mediation.

A provision is held within the Consolidated Balance Sheet at 31 December 2023 for the best estimate of these remedies. Given the Federal Court has significant discretion to consider and attach weight to the matters that affect any award of compensation and/or any imposition of penalties, both the quantum and timing of economic outflows is uncertain and the final outcome may vary materially from the amount provided.

13 POST-BALANCE SHEET DATE EVENTS

Other than as noted in Note 8 – Dividends and Other Shareholder Distributions, there has not arisen, in the interval between 31 December 2023 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 2023.

KPMG

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

To the Directors of Qantas Airways Limited

I declare that, to the best of my knowledge and belief, in relation to the review for the half-year ended 31 December 2023 there have been:

i. no contraventions of the auditor independence requirements as set out in the *Corporations Act 2001* 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* *22 February 2024*

DIRECTORS' DECLARATION

In the opinion of the Directors of Qantas Airways Limited:

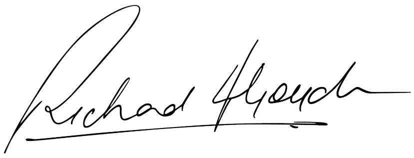
(a) the Consolidated Interim Financial Report and notes set out on pages 18 to 33 are in accordance with the *Corporations Act 2001*, including:

   i. Giving a true and fair view of the financial position of the Qantas Group as at 31 December 2023 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:



RICHARD GOYDER, AO
Chairman

VANESSA HUDSON
Chief Executive Officer

Sydney
22 February 2024

KPMG

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*, including:

- giving a true and fair view of the ***Group's*** financial position as at 31 December 2023 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 ***Interim Financial Report*** comprises:

- the Consolidated Balance Sheet as at 31 December 2023;
- 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;
- notes 1 to 13 comprising a summary of 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 2023.

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 Financial Report* section of our report.

We are independent of the Group in accordance with the auditor independence requirements of the *Corporations Act 2001* 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*
- 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* including giving a true and fair view of the Group's financial position as at 31 December 2023 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

KPMG

Julian McPherson
Partner
Sydney
22 February 2024

Operational Statistics

For the half-year ended 31 December 2023

(unaudited)		December 2023	December 2022
TRAFFIC AND CAPACITY			
QANTAS DOMESTIC (INCLUDING QANTASLINK)			
Passengers carried	'000	10,884	10,375
Revenue Passenger Kilometres (RPKs)	M	13,199	12,867
Available Seat Kilometres (ASKs)	M	16,993	16,171
Revenue Seat Factor	%	77.7	79.6
JETSTAR DOMESTIC			
Passengers carried	'000	7,314	6,299
Revenue Passenger Kilometres (RPKs)	M	9,292	8,100
Available Seat Kilometres (ASKs)	M	10,497	9,153
Revenue Seat Factor	%	88.5	88.5
GROUP DOMESTIC			
Available Seat Kilometres (ASKs)	M	27,490	25,324
QANTAS INTERNATIONAL			
Passengers carried	'000	3,792	2,918
Revenue Passenger Kilometres (RPKs)	M	23,909	18,007
Available Seat Kilometres (ASKs)	M	28,448	20,404
Revenue Seat Factor	%	84.0	88.3
JETSTAR INTERNATIONAL			
Passengers carried	'000	3,095	2,257
Revenue Passenger Kilometres (RPKs)	M	10,415	7,359
Available Seat Kilometres (ASKs)	M	11,994	8,531
Revenue Seat Factor	%	86.8	86.3
JETSTAR ASIA			
Passengers carried	'000	927	826
Revenue Passenger Kilometres (RPKs)	M	1,174	989
Available Seat Kilometres (ASKs)	M	1,392	1,179
Revenue Seat Factor	%	84.3	83.9
GROUP INTERNATIONAL			
Available Seat Kilometres (ASKs)	M	41,834	30,114
QANTAS GROUP OPERATIONS			
Passengers carried	'000	26,012	22,675
Revenue Passenger Kilometres (RPKs)	M	57,989	47,322
Available Seat Kilometres (ASKs)	M	69,324	55,438
Revenue Seat Factor	%	83.6	85.4
Group Unit Revenue (RASK)	c/ASK	11.65	13.05
Aircraft at end of the period	#	341	328