



QANTAS AIRWAYS LIMITED AND CONTROLLED ENTITIES

**PRELIMINARY FINAL REPORT
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2009**

ABN 16 009 661 901

ASX CODE: QAN

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RESULTS FOR ANNOUNCEMENT TO THE MARKET

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

	June 2009 \$M	June 2008 \$M	Change \$M	Change %
Sales and other income	14,552	15,627	(1,075)	(6.9)%
Profit after tax attributable to members	117	969	(852)	(87.9)%

DIVIDENDS

31 December 2008 interim dividend – paid 8 April 2009	
Amount per security (cents)	6.0
Franked amount per security at 30% tax	6.0
No final dividend will be paid in relation to the year ended 30 June 2009.	

EXPLANATION OF RESULTS

Please refer to the separately lodged Media Release for an explanation of the results.
The information provided in this report contains all the information required by ASX Listing Rule 4.3A.

OTHER INFORMATION

	June 2009 \$	June 2008 \$
Net Tangible Assets per ordinary share	2.25	2.79

Entities over which accounting control was gained or lost during the year:

During the year, Qantas Airways Limited (Qantas), through a controlled entity, acquired control of Jetset Travelworld Ltd (Jetset) by disposing of Qantas Holidays Limited and Qantas Business Travel Pty Limited to Jetset in exchange for a 58 per cent interest in Jetset.

The Qantas Group acquired a 75 per cent interest in Tour East (2009) Sdn Bhd (formerly known as STA Travel (M) Sdn Bhd) on 1 September 2008.

The Qantas Group acquired a further 17 per cent interest in Travel Software Solutions Pty Limited (TSS) and its controlled entities on 8 October 2008 taking its total holding to 67 per cent. The investment in TSS ceased to be equity accounted and was consolidated from this date.

Newstar Investment Holdings Pte. Ltd. (Newstar) was incorporated on 16 March 2009. Newstar acquired a 100 per cent interest in Orangestar Investment Holdings Pte. Ltd. and its controlled entities (Orangestar) on 8 April 2009. Previously, Qantas held a 45 per cent interest in Orangestar and accounted for the investment as a jointly controlled entity. Qantas sold its 45 per cent share in Orangestar to Newstar and acquired a 49 per cent interest in Newstar. Although Qantas owns 49 per cent of Newstar it is deemed to have control as defined by AASB 127 Consolidated and Separate Financial Statements. Consequently, Newstar and therefore Orangestar, have been consolidated since 8 April 2009.

On 1 July 2008, the Group disposed of a 50 per cent interest in LTQ Engineering Pty Limited (formerly Jet Turbine Services Pty Limited) to Lufthansa Technik. The remaining 50 per cent interest is held as an investment in a jointly controlled entity and has been equity accounted since that date.

The Qantas Group disposed of 100 per cent of its interest in QH Cruises Pty. Limited. and Qanlease Limited on 29 June 2009.

In addition, the Qantas Group incorporated the following controlled companies during the year:

Qantas Domestic Pty Limited ACN 134 556 255;
Qantas Frequent Flyer Operations Pty Limited ACN 132 484 210;
QF BNP 2008-1 Pty Limited ACN 132 252 174;
QF BNP 2008-2 Pty Limited ACN 132 252 138;
QF ECA 2008-1 Pty Limited ACN 133 356 475;
QF ECA 2008-2 Pty Limited ACN 133 356 420;
QF Dash 8 Leasing No. 2 Pty Limited ACN 134 259 957;
QF Dash 8 Leasing No. 3 Pty Limited ACN 134 259 975;
QF Dash 8 Leasing No. 4 Pty Limited ACN 135 258 445;
QF Calyon 2009-1 Pty Limited ACN 135 258 534;
QF Calyon 2009-2 Pty Limited ACN 135 258 490;
Qantas Ground Services Pty Limited ACN 137 771 692; and
JTG Services Pty Limited ACN 135 179 485.

CONSOLIDATED INCOME STATEMENT

For the year ended 30 June 2009

	June 2009	June 2008
	\$M	\$M
Sales and other income		
Net passenger revenue	11,604	12,709
Net freight revenue	764	959
Tours and travel revenue	223	124
Contract work revenue	426	454
Other	1,535	1,381
	14,552	15,627
Expenditure		
Manpower and staff related	3,684	3,533
Aircraft operating variable	2,834	2,608
Fuel	3,602	3,701
Selling and marketing	632	755
Property	402	346
Computer and communication	406	382
Capacity hire	274	276
Other	765	768
Depreciation and amortisation	1,390	1,469
Non-cancellable operating lease rentals	450	400
Ineffective and non-designated derivatives	(105)	55
Share of net loss/(profit) of associates and jointly controlled entities	15	(28)
	14,349	14,265
Profit before related income tax expense and net finance income/(costs)	203	1,362
Finance income	207	285
Finance costs	(229)	(239)
Net finance (costs)/income	(22)	46
Profit before related income tax expense	181	1,408
Income tax expense	58	438
Profit for the year	123	970
Attributable to:		
Members of Qantas	117	969
Minority interest	6	1
Profit for the year	123	970
Earnings per share attributable to members of Qantas		
Basic earnings per share (cents)	5.6	49.0
Diluted earnings per share (cents)	5.6	49.0

CONSOLIDATED BALANCE SHEET

As at 30 June 2009

	June 2009 \$M	June 2008 \$M
Current assets		
Cash and cash equivalents	3,617	2,599
Receivables	1,054	1,435
Other financial assets	561	1,076
Inventories	250	216
Current tax receivable	128	-
Assets classified as held for sale	26	41
Other	330	249
Total current assets	5,966	5,616
Non-current assets		
Receivables	522	532
Other financial assets	344	347
Investments accounted for using the equity method	387	404
Other investments	3	3
Property, plant and equipment	12,155	12,341
Intangible assets	664	448
Other	8	9
Total non-current assets	14,083	14,084
Total assets	20,049	19,700
Current liabilities		
Payables	1,833	2,174
Revenue received in advance	3,109	3,267
Interest-bearing liabilities	608	587
Other financial liabilities	641	960
Provisions	507	484
Current tax liabilities	-	113
Deferred lease benefits/income	16	19
Total current liabilities	6,714	7,604
Non-current liabilities		
Revenue received in advance	1,232	1,083
Interest-bearing liabilities	4,895	3,573
Other financial liabilities	268	475
Provisions	533	423
Deferred tax liabilities	607	757
Deferred lease benefits/income	35	50
Total non-current liabilities	7,570	6,361
Total liabilities	14,284	13,965
Net assets	5,765	5,735
Equity		
Issued capital	4,729	3,976
Treasury shares	(58)	(61)
Reserves	7	450
Retained earnings	1,043	1,366
Equity attributable to the members of Qantas	5,721	5,731
Minority interest	44	4
Total equity	5,765	5,735

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the year ended 30 June 2009

\$M	Issued Capital	Treasury Shares	Employee Compensation Reserve	Hedge Reserve	Foreign Currency Translation Reserve	Retained Earnings	Minority Interests	Total Equity
Balance as at 1 July 2008	3,976	(61)	53	421	(24)	1,366	4	5,735
Profit for the year	-	-	-	-	-	117	6	123
Share-based payments	-	-	59	-	-	-	-	59
Transfer of hedge reserve to the Income Statement ¹	-	-	-	(81)	-	-	-	(81)
Recognition of effective cash flow hedges on capitalised assets	-	-	-	(61)	-	-	-	(61)
Effective portion of changes in fair value of cash flow hedges	-	-	-	(300)	-	-	-	(300)
Foreign currency translation of controlled entities	-	-	-	-	8	-	-	8
Share of movement in associates hedge reserve	-	-	-	(8)	-	-	-	(8)
Total recognised income and expense	-	-	59	(450)	8	117	6	(260)
Shares issued	517	-	-	-	-	-	-	517
Own shares acquired	-	(58)	-	-	-	-	-	(58)
Shares vested to employees	-	61	(60)	-	-	(1)	-	-
Minority interest in controlled entity acquired	-	-	-	-	-	-	39	39
Dividends declared	236	-	-	-	-	(439)	(5)	(208)
Balance as at 30 June 2009	4,729	(58)	52	(29)	(16)	1,043	44	5,765

1. Amounts transferred from the hedge reserve of Qantas and its controlled entities to the Income Statement totalled \$81 million. These amounts were allocated to revenue of \$301 million and fuel expenditure of (\$220) million in the Income Statement

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the year ended 30 June 2008

\$M	Issued Capital	Treasury Shares	Employee Compensation Reserve	Hedge Reserve	Foreign Currency Translation Reserve	Retained Earnings	Minority Interests	Total Equity
Balance as at 1 July 2007	4,481	(33)	27	120	(2)	1,042	5	5,640
Profit for the year	-	-	-	-	-	969	1	970
Share-based payments	-	-	62	-	-	-	-	62
Transfer of hedge reserve to the Income Statement ¹	-	-	-	(209)	-	-	-	(209)
Recognition of effective cash flow hedges on capitalised assets	-	-	-	72	-	-	-	72
Effective portion of changes in fair value of cash flow hedges	-	-	-	438	-	-	-	438
Foreign currency translation of controlled entities	-	-	-	-	(14)	-	-	(14)
Foreign currency translation associates	-	-	-	-	(8)	-	-	(8)
Total recognised income and expense	-	-	62	301	(22)	969	1	1,311
Shares bought back	(505)	-	-	-	-	-	-	(505)
Own shares acquired	-	(69)	-	-	-	-	-	(69)
Shares vested to employees	-	41	(36)	-	-	(5)	-	-
Acquisition of minority interest in controlled entity	-	-	-	-	-	-	(1)	(1)
Dividends declared	-	-	-	-	-	(640)	(1)	(641)
Balance as at 30 June 2008	3,976	(61)	53	421	(24)	1,366	4	5,735

1. Amounts transferred from the hedge reserve of Qantas and its controlled entities to the Income Statement totalled \$209 million. These amounts were allocated to revenue of (\$125) million and fuel expenditure of \$334 million in the Income Statement

CONSOLIDATED STATEMENT OF CASH FLOWS

For the year ended 30 June 2009

	June 2009	June 2008
	\$M	\$M
Cash flows from operating activities		
Cash receipts in the course of operations	15,462	16,685
Cash payments in the course of operations	(13,891)	(14,135)
Interest received	191	265
Interest paid	(381)	(419)
Dividends received	22	22
Income taxes paid	(274)	(290)
Net cash from operating activities	1,129	2,128
Cash flows from investing activities		
Payments for property, plant and equipment and intangible assets	(1,530)	(1,424)
Proceeds from disposal of property, plant and equipment	52	44
Proceeds from sale and leaseback of non-current assets	323	-
Proceeds from disposal of controlled entity	5	-
Proceeds from disposal of investments	-	106
Payments for investments	(23)	(35)
Proceeds/(payments) for controlled entities acquired, net of cash acquired	10	(13)
Net cash used in investing activities	(1,163)	(1,322)
Cash flows from financing activities		
Proceeds from the issue of shares	514	-
Payments under share buy-back	-	(505)
Payments for treasury shares	(58)	(69)
Proceeds from borrowings	1,468	-
Repayments of borrowings	(653)	(785)
Payments/(proceeds) from swaps	(24)	342
Net receipts from aircraft security deposits	23	85
Dividends paid ¹	(218)	(638)
Net cash from/(used in) financing activities	1,052	(1,570)
Net increase/(decrease) in cash and cash equivalents held	1,018	(764)
Cash and cash equivalents at the beginning of the year	2,599	3,363
Cash and cash equivalents at the end of the year	3,617	2,599

¹ During the year 83 million (2008: nil) shares were issued under the Dividend Reinvestment Plan. Dividends settled in shares rather than cash during the year totalled \$236 million (2008: nil).

NOTES TO THE PRELIMINARY FINAL REPORT

For the year ended 30 June 2009

Note 1. Statement of significant accounting policies

(a) Statement of compliance

The Preliminary Final Report has been prepared in accordance with ASX Listing Rule 4.3A and has been derived from the unaudited consolidated Annual Financial Report. The Financial Report which has been prepared in accordance with Australian Accounting Standards (AASBs) adopted by the Australian Accounting Standards Board and the Corporations Act 2001. The Financial Report also complies with International Financial Reporting Standards (IFRSs) and interpretations adopted by the International Accounting Standards Board.

The Preliminary Final Report is presented in Australian dollars and has been prepared on the basis of historical cost except in accordance with relevant accounting policies where assets, liabilities are stated at their fair values in accordance with relevant accounting policies.

The consolidated Annual Financial Report is in the process of being audited and is expected to be made available on 21 September 2009. This report should also be read in conjunction with any public announcements made by Qantas during the year in accordance with the continuous disclosure requirements arising under the Corporations Act 2001 and ASX Listing Rules.

(b) Significant accounting policies

Except as disclosed in Note 2, the accounting policies applied by the Qantas Group in this Report are the same as those applied by the Qantas Group in the consolidated Annual Financial Report for the year ended 30 June 2008.

(c) Comparatives

Where applicable, various comparative balances have been reclassified to align with current year presentation. These amendments have no material impact on the Financial Statements.

(d) Estimates

The preparation of this Report requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

In preparing this Report, the significant judgements made by management in applying the Qantas Group's accounting policies and the key sources of uncertainty in estimation were the same as those that applied to the Financial Report for the year ended 30 June 2008, except for:

Change in accounting estimates – Qantas Frequent Flyer

(i) Fair value of points

On 1 July 2008 Qantas Frequent Flyer launched an enhanced program. This program offers additional redemption options including non-flight awards and non-restricted seating (Any Seat). These changes have enhanced the reliability of management's estimate of the fair value of the award for which points are expected to be redeemed. From 1 January 2009 the fair value of the award component of revenue has changed and consequently a portion of revenue associated with the sale of points to third parties is recognised immediately. The change in estimate has increased revenue of the Qantas Group by \$193 million.

(ii) Breakage

The determination of the breakage expectation includes a variety of assumptions including future redemption patterns, member behaviour and program design. Actuarial assessments are performed by management to assist in determining the breakage expectation.

Changes in breakage expectations are accounted for prospectively. Effective 1 January 2009 management's estimate of breakage was revised downwards. The net effect of the change in the current financial year was a decrease in revenue and profit of the Qantas Group of \$29 million.

Change in accounting estimates – Software

Effective 1 July 2008, the estimated useful lives of core system software were revised from five years to 10 years. The net effect of the changes in the current financial year was a decrease in amortisation expense of the Qantas Group of \$17 million.

Assuming the assets are held until the end of their revised useful lives, amortisation of the Qantas Group in future years in relation to these assets will decrease by between \$10 million and \$26 million each year from 2010 to 2013 and increase by between \$15 million to \$20 million each year from 2014 to 2018.

Note 2. Change in accounting policy

On 1 July 2008, the Qantas Group revised its accounting policy in relation to Tours and Travel revenue and cost of goods sold to be reported on a net basis rather than a gross basis. The change was adopted for the following reasons:

- i. following the merger of Qantas Holidays with the Jetset Travelworld Group, the Qantas Group has aligned accounting policies of the merged entity. The Jetset Travelworld Group report revenues predominantly on a net basis; and
- ii. the change in accounting policy is a more relevant presentation of revenue for the Group's holidays businesses following the merger with the Jetset Travelworld Group.

The impact of this change in accounting policy on the comparative income statement for the year ended 30 June 2008 is as follows:

\$M	Before Restatement¹ June 2008	Effect of Change in Accounting Policy	After Restatement June 2008
Sales and other income			
Tours and travel	745	(621)	124
Expenditure			
Tours and travel	608	(608)	-
Selling and marketing	763	(8)	755
Other	773	(5)	768
Profit before related income tax expense	1,408	-	1,408

1. These are presented after the restatement of comparatives as described in Note 1(c).

There is no impact on profit or shareholders' equity as a result of this change in accounting policy.

Note 3. Segment reporting

The Qantas Group comprises the following main business segments:

1. Qantas – representing the Qantas passenger flying businesses and related businesses;
2. Jetstar – representing the Jetstar passenger flying businesses, including Jetstar Asia and an investment in Jetstar Pacific;
3. Qantas Freight – representing the air cargo and express freight businesses;
4. Qantas Frequent Flyer – representing the Qantas Frequent Flyer customer loyalty program; and
5. Jetset Travelworld Group – representing the Group's investment in the Jetset Travelworld Group.

Costs associated with the centralised management and governance of the Qantas Group, together with certain items which are not allocated to business segments are reported in Corporate/Unallocated.

The primary reporting measure for the Group's business segments is Segment underlying EBITDAR, which is defined as Profit before related income tax expense, depreciation, amortisation, non-cancellable operating lease rentals and finance costs and before non-recurring items.

Non-recurring items are those items which are considered necessary for separate disclosure in the Group and segment results on the basis of their non-recurring nature and materiality to the segment results.

Intersegment revenue has been determined on an arm's length basis or a cost plus margin basis depending on the nature of the revenue and the financial impact on the segment receiving the revenue. Ancillary and support services are allocated to segments on a cost only basis.

Note 3. Segment reporting (continued)

Analysis by business segment 2009 \$M	Qantas	Jetstar	Qantas Freight	Qantas Frequent Flyer	Qantas Travelworld Group	Jetset	Corporate/ Unallocated	Eliminations	Consolidated
Sales and other income									
External segment revenue	10,784	1,646	1,077	1,103	117	(23)	(152)	14,552	
Intersegment revenue	926	205	3	30	28	16	(1,208)	-	
Total segment revenue	11,710	1,851	1,080	1,133	145	(7)	(1,360)	14,552	
Share of net (loss)/profit of associates and jointly controlled entities	(13)	(15)	13	-	-	-	-	(15)	
Segment underlying EBITDAR	1,363	373	25	226	22	(137)	33	1,905	
Non-cancellable operating lease rentals	(253)	(251)	(6)	-	-	-	60	(450)	
Depreciation and amortisation ²	(1,106)	(15)	(12)	-	(6)	(52)	(60)	(1,251)	
Segment underlying EBIT	4	107	7	226	16	(189)	33	204	
- ineffective and non-designated hedging	-	-	-	-	-	105	-	105	
Non-recurring items:									
- gain on sale of Qantas Holidays	86	-	-	-	-	-	-	86	
- revenue from direct earn conversion ¹	-	-	-	84	-	-	-	84	
- accelerated depreciation and impairment (losses)/gains									
Property, plant and equipment ²	(139)	-	-	-	-	-	-	(139)	
Investments	(15)	19	-	-	-	-	-	4	
Goodwill and other intangible assets	-	-	(22)	-	-	-	-	(22)	
Provisions	(13)	-	-	-	-	-	-	(13)	
- redundancies and restructuring	-	-	-	-	-	(106)	-	(106)	
(LOSS)/PROFIT BEFORE RELATED INCOME TAX EXPENSE AND NET FINANCE COSTS	(77)	126	(15)	310	16	(190)	33	203	
Net finance costs								(22)	
Profit before related income tax expense								181	
Income tax expense								(58)	
Profit for the year								123	
Assets									
Segment assets	12,205	757	382	2,616	364	7,494	(4,156)	19,662	
Investments accounted for using the equity method	58	39	290	-	-	-	-	387	
Total assets	12,263	796	672	2,616	364	7,494	(4,156)	20,049	
Liabilities									
Total liabilities	6,650	656	651	2,137	168	8,518	(4,496)	14,284	
Payments for property, plant and equipment and intangible assets	802	24	12	-	-	692	-	1,530	

1. Of the net change in accounting estimates of \$164 million in relation to frequent flyer accounting as described in Note 1, Segment underlying EBITDAR includes \$80 million (Qantas Frequent Flyer \$63 million and Eliminations \$17 million) representing the six month impact of the change in accounting estimate.

2. The combination of these lines is reported as Depreciation and amortisation in the Income Statement.

Note 3. Segment reporting (continued)

Analysis by business segment								
2008								
\$M	Qantas	Jetstar	Qantas Freight	Qantas Frequent Flyer	Qantas Holidays	Corporate/ Unallocated	Eliminations	Consolidated
Sales and other income								
External segment revenue	11,877	1,341	1,140	849	100	392	(72)	15,627
Intersegment revenue	1,094	223	1	-	(1)	-	(1,317)	-
Total segment revenue	12,971	1,564	1,141	849	99	392	(1,389)	15,627
Share of net profit/(loss) of associates and jointly controlled entities	12	(3)	22	-	-	(3)	-	28
Segment underlying EBITDAR	2,834	317	96	128	20	(331)	13	3,077
Non-cancellable operating lease rentals	(257)	(210)	(6)	-	-	-	73	(400)
Depreciation and amortisation ¹	(1,219)	(5)	(11)	-	(1)	(50)	(73)	(1,359)
Segment underlying EBIT	1,358	102	79	128	19	(381)	13	1,318
- ineffective and non-designated hedging	-	-	-	-	-	(55)	-	(55)
Non-recurring items:								
- liquidated damages	-	-	-	-	-	291	-	291
- accelerated depreciation and impairment losses								
Property, plant and equipment ¹	(110)	-	-	-	-	-	-	(110)
Other assets	(18)	-	-	-	-	-	-	(18)
- provisions for freight cartel investigations	-	-	-	-	-	(64)	-	(64)
PROFIT BEFORE RELATED INCOME TAX EXPENSE AND NET FINANCE INCOME	1,230	102	79	128	19	(209)	13	1,362
Net finance income								46
Profit before related income tax expense								1,408
Income tax expense								(438)
Profit for the year								970
Assets								
Segment assets	12,326	648	423	2,381	240	7,593	(4,315)	19,296
Investments accounted for using the equity method	80	30	292	-	-	2	-	404
Total assets	12,406	678	715	2,381	240	7,595	(4,315)	19,700
Liabilities								
Total liabilities	6,445	536	671	1,999	220	8,421	(4,327)	13,965
Payments for property, plant and equipment and intangible assets	459	40	17	4	2	902	-	1,424

1. The combination of these lines is reported as Depreciation and amortisation in the Income Statement.

Note 4. Investments accounted for using the equity method

	June 2009 \$M	June 2008 \$M
Investment in associated entities	76	109
Investment in jointly controlled entities		
- Star Track Express Holdings Pty Limited	270	271
- Other	41	24
	387	404
	Ownership interest June 2009	June 2008
	%	%
Air Pacific Limited	46	46
Australian air Express Pty Limited	50	50
Fiji Resorts Limited	21	21
Hallmark Aviation Services L.P.	49	49
Harvey Holidays Pty Ltd	50	50
HT & T Travel Philippines, Inc.	28	28
Holiday Tours and Travel (Thailand) Ltd.	37	37
Holiday Tours and Travel Vietnam Co. Ltd	37	37
Jetstar Pacific Airlines Aviation Joint Stock Company	27	18
LTQ Engineering Pty Limited ¹	50	-
Orangestar Investment Holdings Pte Limited ¹	-	45
PT Holidays Tours & Travel	37	37
Star Track Express Holdings Pty Limited	50	50
Tour East (T.E.T) Ltd.	37	37
Travel Software Solutions Pty Limited ¹	-	50

1. Refer to Other Information for details of Entities over which accounting control was gained or lost during the year.

Note 5. Dividends

A fully franked final dividend of 17 cents (2007: 15 cents fully franked) per ordinary share was declared on 21 August 2008 and paid on 1 October 2008 in relation to the financial year ended 30 June 2008. The total amount of the dividend declared was \$322 million.

A fully franked interim dividend of 6 cents (2008: 18 cents fully franked) per ordinary share was declared on 4 February 2009 and paid on 8 April 2009 in relation to the financial year ended 30 June 2009. The total amount of the dividend declared was \$117 million.

No final dividend will be paid in relation to the year ended 30 June 2009.

Note 6. Post balance date events

There has not arisen in the interval between 30 June 2009 and the date of this Report, any event that would have had a material effect on the Financial Statements at 30 June 2009.

QANTAS AIRWAYS LIMITED

ABN: 16 009 661 901

Operational statistics

For the year ended 30 June 2009

(unaudited)		Year ended June 2009	Year ended June 2008	Change
QANTAS DOMESTIC - SCHEDULED SERVICES				
<i><u>TRAFFIC AND CAPACITY</u></i>				
Passengers carried	000	16,379	17,105	(4.2)%
Revenue passenger kilometres (RPK)	m	23,781	24,831	(4.2)%
Available seat kilometres (ASK)	m	30,013	30,901	(2.9)%
Revenue seat factor	%	79.2	80.4	(1.2) pts
QANTASLINK - SCHEDULED SERVICES				
<i><u>TRAFFIC AND CAPACITY</u></i>				
Passengers carried	000	4,120	4,204	(2.0)%
Revenue passenger kilometres (RPK)	m	2,918	2,904	0.5%
Available seat kilometres (ASK)	m	4,281	4,071	5.2%
Revenue seat factor	%	68.2	71.3	(3.1) pts
JETSTAR DOMESTIC - SCHEDULED SERVICES				
<i><u>TRAFFIC AND CAPACITY</u></i>				
Passengers carried	000	8,110	7,596	6.8%
Revenue passenger kilometres (RPK)	m	9,060	8,602	5.3%
Available seat kilometres (ASK)	m	11,197	10,753	4.1%
Revenue seat factor	%	80.9	80.0	0.9 pts
QANTAS INTERNATIONAL - SCHEDULED SERVICES				
<i><u>TRAFFIC AND CAPACITY</u></i>				
Passengers carried	000	7,243	8,138	(11.0)%
Revenue passenger kilometres (RPK)	m	54,337	59,030	(8.0)%
Available seat kilometres (ASK)	m	66,871	71,563	(6.6)%
Revenue seat factor	%	81.3	82.5	(1.2) pts
JETSTAR INTERNATIONAL - SCHEDULED SERVICES				
<i><u>TRAFFIC AND CAPACITY</u></i>				
Passengers carried	000	2,123	1,578	34.6%
Revenue passenger kilometres (RPK)	m	8,412	7,099	18.5%
Available seat kilometres (ASK)	m	11,355	9,731	16.7%
Revenue seat factor	%	74.1	73.0	1.1 pts
JETSTAR ASIA				
<i><u>TRAFFIC AND CAPACITY</u></i>				
Passengers carried	000	463	-	-
Revenue passenger kilometres (RPK)	m	668	-	-
Available seat kilometres (ASK)	m	878	-	-
Revenue seat factor	%	76.0	-	-
QANTAS GROUP OPERATIONS				
<i><u>TRAFFIC AND CAPACITY</u></i>				
Passengers carried	000	38,438	38,621	(0.5)%
Revenue passenger kilometres (RPK)	m	99,176	102,466	(3.2)%
Available seat kilometres (ASK)	m	124,595	127,019	(1.9)%
Revenue seat factor	%	79.6	80.7	(1.1) pts
Aircraft in service at end of period	#	229	224	
<i><u>FINANCIAL</u></i>				
Yield (passenger revenue per RPK)	c	11.30	11.81	(4.3)%
<i><u>EMPLOYEES</u></i>				
Average full-time equivalent employees	#	33,966	33,670	0.9%
RPK per employee	000	2,920	3,043	(4.0)%
ASK per employee	000	3,668	3,772	(2.8)%

Consolidated debt, gearing and capitalisation of non-cancellable operating leases

As at 30 June 2009

(unaudited)	As at June 2009 \$M	As at June 2008 \$M
Balance sheet equity	5,765	5,735
Hedge reserve	(29)	421
Equity excluding hedge reserve	5,794	5,314
On balance sheet debt¹		
Current debt	608	587
Non-current debt	4,895	3,573
Cash and cash equivalents ²	(3,658)	(2,636)
Fair value of hedges relating to debt ³	78	245
Net on balance sheet debt	1,923	1,769
Off balance sheet debt		
Non-cancellable operating leases ⁴	3,672	2,852
Net debt including off balance sheet debt	5,595	4,621
Revaluation of foreign currency debt ⁵	(297)	58
Net debt including off balance sheet debt adjusted for revaluation	5,298	4,679
Balance sheet including off balance sheet debt		
Adjusted total assets ⁶	23,652	22,626
Adjusted total liabilities	17,965	16,822
Total equity including hedge reserve	5,687	5,804
Less: hedge reserve	(29)	421
Total equity excluding hedge reserve	5,716	5,383
Net debt to net debt and equity	25 : 75	24 : 76
Net debt to net debt and equity (including off balance sheet debt excluding hedge reserve)	49 : 51	46 : 54
Net debt to net debt and equity (including off balance sheet debt adjusted for revaluation excluding hedge reserve)	48 : 52	47 : 53

Notes:

1. On balance sheet debt includes bank and other loans and lease liabilities.
2. Cash and cash equivalents includes bills of exchange and promissory notes, negotiable securities, term deposits and aircraft security deposits.
3. Fair value of hedges relating to debt represents the fair value of derivatives hedging debt in accordance with AASB 139 Financial Instruments: Recognition and Measurement.
4. Non-cancellable operating leases has been calculated assuming the assets are owned and debt funded and is not consistent with the disclosure requirements of AASB 117 Leases.
5. Revaluation of foreign currency borrowings. These borrowings will be repaid by future surplus foreign currency revenue.
6. Total assets including assets related to off balance sheet debt has been calculated as the sum of total assets on the balance sheet and operating lease assets capitalised.

Adjusted net borrowing costs

As at 30 June 2009

(unaudited)	As at June 2009 \$M	As at June 2008 \$M
Borrowing costs		
Net borrowing (revenue)/costs	22	(46)
Unwind of discount on non-current provisions	(24)	(19)
Unwind of discount on non-current receivables	33	23
Capitalised interest	83	101
Interest on non-cancellable operating leases	326	252
Adjusted net borrowing costs	440	311
EBITDAR Interest Cover	4.6	10.4
Average net debt¹		
Average net debt including off balance sheet debt	5,656	4,190
Adjusted net borrowing costs as a percentage of average net debt including off balance sheet debt (effective average interest rate)	7.8	7.4

¹ Average net debt balances are calculated on a weighted average basis.