



28 August 2025

ASX Market Announcements Office  
Australian Securities Exchange Limited  
Level 4, 20 Bridge Street  
SYDNEY NSW 2000

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**Qantas Group FY25 Appendix 4E and Preliminary Final Report**

Qantas Airways Limited attaches the following documents relating to its results for the full year ended 30 June 2025:

- Appendix 4E; and
- Preliminary Final Report.

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**Authorised for release by the Qantas Board of Directors.**

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**QANTAS AIRWAYS LIMITED  
AND ITS CONTROLLED ENTITIES**

APPENDIX 4E AND  
PRELIMINARY FINAL REPORT  
FOR THE FINANCIAL YEAR ENDED  
30 JUNE 2025

ABN: 16 009 661 901

ASX CODE: QAN



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## Results for Announcement to the Market

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

	June 2025 \$M	June 2024 \$M	Change \$M	Change %
Revenue and other income	23,823	21,939	1,884	8.6%
Statutory profit before tax	2,262	1,884	378	20.1%
Statutory profit after tax	1,605	1,251	354	28.3%
Statutory profit after tax attributable to members of Qantas	1,605	1,255	350	27.9%
Underlying profit before tax <sup>1</sup>	2,394	2,078	316	15.2%

### DIVIDENDS AND OTHER SHAREHOLDER DISTRIBUTIONS

#### (A) Dividends disclosed and paid

During the year ended 30 June 2025, the Group paid a base dividend of \$250 million, distributed as a fully franked interim dividend of 16.5 cents per share, and an additional distribution of \$150 million, distributed as a fully franked special dividend of 9.9 cents per share. The dividends were paid on 16 April 2025.

In August 2025, the Board has resolved to announce a base dividend of \$250 million, distributed as a fully franked final dividend of 16.5 cents per share. The Board has also resolved to announce an additional distribution of \$150 million, distributed as a fully franked special dividend of 9.9 cents per share. The record date for determining entitlements to the dividends is 17 September 2025. The dividends will be paid on 15 October 2025.

#### (B) Share buy-backs

During the year ended 30 June 2025, the Group completed on-market share buy-backs totalling \$431 million. Of the total \$431 million, \$31 million related to the completion of the buy-back announced in February 2024 and \$400 million related to the buy-back announced in August 2024. The Group purchased 55 million ordinary shares on issue at the average price of \$7.82.

### EXPLANATION OF RESULTS

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

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 4.3A.

## Other Information

		June 2025	June 2024
Net assets per ordinary share	\$	0.52	0.19
Net tangible assets per ordinary share <sup>2</sup>	\$	0.12	(0.22)

		June 2025	June 2024
Statutory Earnings Per Share <sup>3</sup>	cents	105.2	75.9
Diluted Earnings Per Share <sup>4</sup>	cents	104.0	75.1

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

<sup>2</sup> Net tangible assets is calculated as net assets adjusted for intangible assets.

<sup>3</sup> Statutory Earnings Per Share is based on the weighted average number of shares outstanding during the period, excluding unallocated treasury shares.

<sup>4</sup> Weighted average number of shares used in the Diluted Earnings Per Share calculation excludes unallocated treasury shares and is adjusted for the effects of all dilutive potential ordinary shares.

## Other Information continued

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

The Qantas Group incorporated the following entities during the period:

- 100 per cent of Qantas Climate Fund Investment 1 Pty Ltd on 3 July 2024
- 100 per cent of Qantas Climate Fund Investment 2 Pty Ltd on 16 April 2025
- 100 per cent of QGHC 1 Pty Limited on 26 May 2025

The Qantas Group liquidated the following entity during the period:

- 100 per cent of Jetabout Japan Inc. on 30 May 2025

OWNERSHIP INTEREST IN INVESTMENTS ACCOUNTED FOR UNDER THE EQUITY METHOD	June 2025 %	June 2024 %
Capacity Optimisation Group Pty Ltd (formerly Airport Co-Ordination Australia Pty Ltd) <sup>1</sup>	41	41
Fiji Resorts Pte Limited	21	21
Hallmark Aviation Services L.P.	49	49
HT&T Travel Philippines, Inc.	28	28
Holiday Tours and Travel (Thailand) Ltd.	37	37
Holiday Tours and Travel (GSA) Ltd.	37	37
Jetstar Japan Co. Ltd.	33	33
PT Holiday Tours & Travel	37	37

<sup>1</sup> The Qantas Group's interest in Capacity Optimisation Group Pty Ltd was disposed on 8 August 2025.

**ASIC GUIDANCE**

To comply with Regulatory Guide 230 issued by ASIC in December 2011, 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.

The Preliminary Final Report has been prepared in accordance with ASX Listing Rule 4.3A and has been derived from the unaudited Annual Financial Report. This document should be read in conjunction with any public announcements made during the year by Qantas in accordance with continuous disclosure requirements of the *Corporations Act 2001* (Cth) and ASX Listing Rules.

The Annual Financial Report is being audited and is expected to be made available in September 2025.

**2025 ANNUAL GENERAL MEETING**

Qantas advises under ASX Listing Rule 3.13.1 that it will hold its 2025 Annual General Meeting (AGM) on Friday 7 November 2025, commencing at 11:00am Brisbane time, AEST (12:00 noon AEDT). This will be a hybrid meeting at the Amora Hotel Brisbane, 200 Creek Street, Brisbane 4000 and online via an online meeting platform, which will give all shareholders a reasonable opportunity to participate in and attend the AGM.

Shareholders will be provided with further details regarding the AGM in the 2025 Notice of Meeting. The Notice of Meeting will be available on the ASX Company Announcements Platform and Qantas' Investor website at <https://investor.qantas.com/investors/?page=annual-general-meeting>.

The closing date for receipt of nominations from persons wishing to be considered for election as directors under ASX Listing Rule 14.3 is Thursday 18 September 2025.

## Review of Operations

For the year ended 30 June 2025

### RESULTS HIGHLIGHTS

Underlying Profit/(Loss) Before Tax	Statutory Profit/(Loss) After Tax	Statutory Earnings/(Loss) Per Share
<b>2,394</b> \$M	<b>1,605</b> \$M	<b>105.2</b> cents
2,394	1,605	105.2
2,078	1,251	75.9
2,465	1,744	96.0
(1,859)	(860)	(45.6)
(1,774)	(1,692)	(89.9)
FY25 2,394	FY25 1,605	FY25 105.2
FY24 2,078	FY24 1,251	FY24 75.9
FY23 2,465	FY23 1,744	FY23 96.0
FY22 (1,859)	FY22 (860)	FY22 (45.6)
FY21 (1,774)	FY21 (1,692)	FY21 (89.9)

The Qantas Group (referred to as the Qantas Group or the Group) reported Underlying Profit Before Tax<sup>1</sup> (Underlying PBT) of \$2,394 million for financial year 2024/25, a \$316 million increase compared to financial year 2023/24. The Group's Statutory Profit Before Tax was \$2,262 million, an increase of \$378 million compared to financial year 2023/24, and Statutory Profit After Tax was \$1,605 million. Statutory profit includes the increase in legal provision and other legal-related matters, and costs related to Jetstar Asia that were not included in Underlying PBT.

Other key financial metrics:

- Statutory Earnings Per Share of 105 cents per share
- Group operating margin<sup>2</sup> of 11 per cent
- Operating cash flow of \$4,253 million
- Net capital expenditure<sup>3</sup> of \$3,853 million

The Group's integrated portfolio continued to drive value beyond the businesses. The result included higher Group ASKs<sup>4</sup> by 8 per cent than financial year 2023/24 predominantly driven by international flying as Jetstar deployed new fleet and Qantas progressively returned its A380-800 fleet.

Ongoing strength in travel demand supported performance with Group Domestic Underlying EBIT of \$1,518 million and Group International Underlying EBIT of \$903 million. Qantas Loyalty maintained its positive business momentum, achieving \$556 million Underlying EBIT, which included the impact of the investment in Classic Plus Flight Rewards (Classic Plus). Freight performance improved in financial year 2024/25, driven by freighter fleet simplification and transformation activity, network changes as well as growth in belly space capacity in line with international flying.

Group Unit Revenue<sup>5</sup> fell 1 per cent from continuing moderation in yields as market capacity returned, predominantly driven by Group International. Total Unit Cost<sup>6</sup> decreased 2 per cent with a favourable fuel price environment, transformation activity offsetting CPI<sup>7</sup> and the benefit of additional capacity. Unit cost excluding fuel<sup>8</sup> increased 4 per cent, which included the impact of industry pressures, fleet EIS<sup>9</sup> and transition costs, Same Job Same Pay legislation and Thank You payments to approximately 27,000 non-executive employees in first half of financial year 2024/25.

The Group's fleet renewal program continued with the delivery of the first A321XLR, seven new A321LRs, four new A320neos and five new A220-300s. In addition, the Group took delivery of five mid-life A319-100s, seven mid-life Q400s and four E190s through wet lease arrangements with Alliance Airlines. With 20 A321LRs now in the fleet, Jetstar is seeing significant incremental fuel and scale efficiencies, reduced emissions per ASK compared to its A320-200s and improved customer and employee sentiment from this new technology.

Alongside investment in new fleet, the Group continues to enhance the customer experience on the ground and in the air. This includes investment in lounges, redesigned food and beverage offerings on Qantas, bolstered disruption management capabilities, and improved baggage solutions, including enhanced tracking. Significant investments are also being made in cabin enhancement programs across Qantas' 737-800 and A330 fleets and Jetstar's 787-8 aircraft. This includes features like new seating, Wi-Fi connectivity, larger overhead bins and updated inflight entertainment screens. With the first A321XLR delivered for the Group, additional fleet orders for 20 Qantas A321XLR aircraft were confirmed, including 16 aircraft with lie-flat Business seating.

<sup>1</sup> Underlying Profit Before Tax (Underlying PBT) is the primary reporting measure used by the Qantas Group's Chief Operating Decision-Making (CODM) bodies, being the Chief Executive Officer, Group Leadership Team and the Board of Directors, for the purpose of assessing the performance of the Group. The primary reporting measure of the Qantas Domestic, Qantas International, Jetstar Group and Qantas Loyalty operating segments is Underlying Earnings Before Net Finance Costs and Income Tax Expense (Underlying EBIT). The primary reporting measure of the corporate segment is Underlying PBT as net finance costs are managed centrally. Refer to the reconciliation of Underlying PBT to Statutory Profit Before Tax on page 14.

<sup>2</sup> Group Operating Margin is Group Underlying EBIT divided by Group Total Revenue.

<sup>3</sup> 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.

<sup>4</sup> Available Seat Kilometres (ASKs) - total number of seats available for passengers, multiplied by the number of kilometres flown.

<sup>5</sup> Unit Revenue (RASK) is calculated as ticketed passenger revenue divided by Available Seat Kilometres (ASK).

<sup>6</sup> Total Unit Cost is net expenditure (Underlying PBT excluding ticketed passenger revenue) per ASK.

<sup>7</sup> Consumer Price Index.

<sup>8</sup> Unit cost excluding fuel is calculated as Underlying PBT less ticketed passenger revenue, fuel, impact of discount rate changes on provisions and share of net profit of investments accounted under the equity method divided by ASK.

<sup>9</sup> Entry into service.

## Review of Operations continued

For the year ended 30 June 2025

### RESULTS HIGHLIGHTS (CONTINUED)

For Group Domestic operations, the dual brand strategy continued to be core to the Group's strategic proposition, with leading offerings maintained across all key segments of the market. The Group Domestic Underlying EBIT margin<sup>10</sup> for financial year 2024/25 was 14 per cent.

Qantas Domestic delivered an Underlying EBIT of \$1,056 million, achieving an EBIT margin of 14 per cent. Performance was driven by the continued return of corporate and small and medium-sized enterprise (SME) passengers offset by cost escalations across engineering, airport charges and cabin crew. Continuing investments in customer and operations have significantly improved both on-time performance and NPS<sup>11</sup>. Jetstar's domestic network delivered an Underlying EBIT of \$462 million and an EBIT margin of 16 per cent. Performance was supported by strong leisure demand, continued strength in ancillary revenue and yield growing in line with inflation.

The Group's international airline operations performed well with the restoration of capacity continuing across international markets in a strong demand environment. Qantas International (including Freight) reported an Underlying EBIT of \$596 million. The network continued to evolve with the commencement of six new routes during the year, including Perth-Paris, and ultra long-haul point-to-point services continued to perform well. Jetstar's international network<sup>12</sup> reported an Underlying EBIT of \$307 million driven by ongoing leisure demand strength and the launch of 11 new routes. Unit Revenue in Group International decreased by 3 per cent driven by restoration of market capacity in financial year 2024/25. The Group International (including Freight) operating margin for financial year 2024/25 was 8 per cent.

Jetstar Asia ceased operations from 31 July 2025, following the announcement on 11 June 2025, recording an Underlying EBIT loss of \$33 million with an additional \$39 million of costs recognised outside of Underlying PBT in financial year 2024/25. The costs recognised outside of Underlying PBT relate to a redundancy provision and other closure costs in financial year 2024/25. The closure of Jetstar Asia supports the Qantas Group's strategy of recycling capital to improve long-term returns, support fleet renewal and strengthen core markets.

Qantas Loyalty continued its strong performance, delivering an Underlying EBIT of \$556 million with 222 billion points earned and 185 billion points redeemed<sup>13</sup>. The result demonstrates the program's growing importance in the Group's integrated portfolio, with the strength of the program reflected in an 8 per cent growth in active members and a 10 per cent increase in points earned during financial year 2024/25. Cash performance was maintained at strong levels, with a 10 per cent increase in cash billings<sup>14</sup> in financial year 2024/25. Drivers include strong growth across financial services products and diversified portfolio earnings, with the expansion of Classic Plus into the Domestic business to further accelerate the Qantas Loyalty earn and burn Flywheel<sup>15</sup>.

The Group's Financial Framework remains core to the Group's strategy, driving sustainable financial strength to support both ongoing investment and shareholder returns while maintaining flexibility to deal with changes in external factors. As at 30 June 2025, Net Debt<sup>16</sup> under the Financial Framework was \$5.0 billion, within the Group's target range of \$4.6 billion to \$5.7 billion for financial year 2024/25.

During financial year 2024/25, the Group completed \$431 million in on-market share buy-backs announced in August 2024<sup>17</sup>. In addition, the Group reinstated dividends and paid \$400 million of fully franked interim dividends<sup>18</sup> announced in February 2025 and paid in April 2025. In August 2025, the Board resolved to announce a base dividend of \$250 million, distributed as a fully franked final dividend of 16.5 cents per share and an additional distribution of \$150 million, distributed as a fully franked special dividend of 9.9 cents per share.

During financial year 2024/25, the Group paid the ACCC<sup>19</sup> a \$100 million civil penalty in line with the agreed settlement reached in May 2024 and commenced the \$20 million remediation program for impacted passengers. A provision was recognised in relation to these obligations in financial year 2023/24.

In December 2024, the Group announced that Qantas and the Transport Workers' Union (TWU) had reached an agreement on the payment of compensation to the former ground handlers in relation to the Federal Court decision regarding the outsourcing of Qantas' ground handling function in 2020. The agreed compensation of \$120 million was paid in the second half of financial year 2024/25. In August 2025, a decision was handed down on pecuniary penalties of \$90 million in relation to the ground handling outsourcing Federal Court case.

A \$65 million increase in legal provisions was recognised outside of Underlying PBT in the first half of 2024/25. In the second half of 2024/25, a \$20 million increase in legal provisions and \$8 million relating to costs attributed to ongoing legal matters were recognised outside of Underlying PBT.

<sup>10</sup> Underlying EBIT margin, also referred to as operating margin, is calculated as the Underlying EBIT divided by Total Revenue.

<sup>11</sup> Net Promoter Score (NPS), Customer advocacy measure.

<sup>12</sup> Includes Jetstar Australia international long-haul, short-haul, trans-Tasman, NZ Domestic, Jetstar Asia and share of profits from Jetstar Japan.

<sup>13</sup> Net points redeemed.

<sup>14</sup> Sales to all external parties.

<sup>15</sup> Qantas Loyalty performance is a function of points volume earned and redeemed, and member growth.

<sup>16</sup> Under the Group's Financial Framework, includes net on balance sheet debt and capitalised aircraft lease liabilities.

<sup>17</sup> This includes \$31 million related to the completion of the \$900 million on-market share buy-back announced in financial year 2023/24. This excludes \$17 million executed in June 2024 and paid in July 2024 due to T+2 settlement.

<sup>18</sup> Fully franked base dividend of \$250 million and fully franked special dividend of \$150 million.

<sup>19</sup> Australian Competition and Consumer Commission (ACCC).

Review of Operations continued

For the year ended 30 June 2025

**FINANCIAL FRAMEWORK ALIGNED WITH SHAREHOLDER OBJECTIVES**

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

<p><b>1. Maintain optimal capital structure</b></p> <p>Minimise cost of capital by targeting a Net Debt range of 2.0x - 2.5x EBITDA where ROIC<sup>20</sup> is 10 per cent</p> <p>Deliver against climate targets</p>	<p><b>2. ROIC &gt; WACC<sup>21</sup> through the cycle</b></p> <p>Deliver ROIC &gt; 10 per cent<sup>22</sup></p> <p>ESG included in business decisions</p>	<p><b>3. Disciplined allocation of capital</b></p> <p>Base Dividend, grow Invested Capital with disciplined investment, return surplus capital to shareholders</p> <p>Prioritise projects that exceed both ESG and ROIC targets</p>
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MAINTAINABLE EPS GROWTH OVER THE CYCLE



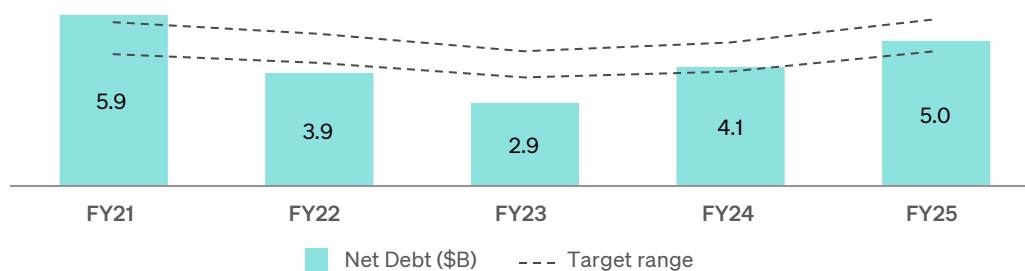
**TOTAL SHAREHOLDER RETURNS IN THE TOP QUARTILE**

**Maintaining an Optimal Capital Structure**

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

At 30 June 2025, Net Debt was \$5.0 billion, which is within the lower half of the Net Debt Target Range. The Net Debt range is forward-looking and calculated on a financial year basis. At an average Invested Capital of \$5.1 billion<sup>23</sup>, the optimal Net Debt range is \$4.6 billion to \$5.7 billion for the financial year 2024/25. The Net Debt target range is expected to increase with growth in Invested Capital and cash earnings from continued investment in fleet.

Net Debt Profile FY21 to FY25 (\$ billion)



Debt Analysis	June 2025 \$M	June 2024 \$M	Change \$M	Change %
Net on balance sheet debt <sup>24</sup>	4,165	3,311	854	26
Capitalised aircraft lease liabilities <sup>25</sup>	864	795	69	9
<b>Net Debt</b>	<b>5,029</b>	<b>4,106</b>	<b>923</b>	<b>22</b>

<sup>20</sup> Return on Invested Capital (ROIC %) is a non-statutory measure and is the primary financial return measure of the Group. ROIC % is calculated as Return on Invested Capital EBIT (ROIC EBIT) for the 12 months ended for the reporting period, divided by 12 months average Invested Capital. Invested Capital is net assets (excluding cash, debt, other financial assets and liabilities and tax balances) including capitalised aircraft lease assets (adjusted to exclude aircraft lease return provisions from Invested Capital).

<sup>21</sup> Weighted Average Cost of Capital, calculated on a pre-tax basis.

<sup>22</sup> 10 per cent ROIC allows ROIC to be greater than pre-tax WACC through the cycle.

<sup>23</sup> Average Invested Capital for 30 June 2025.

<sup>24</sup> Net on balance sheet debt includes cash and cash equivalents, interest-bearing liabilities and fair value hedge of debt.

<sup>25</sup> 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 liabilities denominated in foreign currency are translated at a long-term exchange rate.

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## Review of Operations continued

For the year ended 30 June 2025

**FINANCIAL FRAMEWORK ALIGNED WITH SHAREHOLDER OBJECTIVES (CONTINUED)****ROIC > WACC Through the Cycle**

ROIC for the 12 months to 30 June 2025 was 50.8 per cent. This ROIC was based on an average Invested Capital of \$5.1 billion which remains significantly lower than pre-COVID levels.

Calculated on a 12-month rolling basis, ROIC has declined 7.1 percentage points from 57.9 per cent as at 30 June 2024 to 50.8 per cent as at 30 June 2025. Invested Capital was materially impacted by COVID as assets continued to depreciate or were impaired, while capital expenditure was reduced to preserve cash during the pandemic. As a result, the Group's current level of Invested Capital is unusually low and the reported ROIC unsustainably high. Group ROIC is expected to moderate in the near term and revert to more sustainable levels as Invested Capital rebuilds with continued investment in fleet.

**Disciplined Allocation of Capital**

The Qantas Group takes a disciplined approach to allocating capital, aiming to grow Invested Capital and return surplus capital to shareholders. Net Capital Expenditure totalled \$3,853 million during financial year 2024/25. The Group also distributed \$831 million to shareholders during the financial year 2024/25. This included the completion of \$431 million<sup>26</sup> in on-market share buy-backs and \$400 million of fully franked dividends.

Upon considering the forward outlook for the business under its Financial Framework, in August 2025 the Board has resolved to announce a base dividend of \$250 million, distributed as a fully franked final dividend of 16.5 cents per share and an additional distribution of \$150 million, distributed as a fully franked special dividend of 9.9 cents per share. The record date for determining entitlements to the dividends is 17 September 2025. The dividends will be paid on 15 October 2025.

**Maintainable EPS Growth Over the Cycle**

Statutory Earnings Per Share was 105 cents per share for financial year 2024/25. The increase from financial year 2023/24 was driven by an increase in Statutory Profit After Tax and EPS accretion from on-market share buy-backs.

**GROUP PERFORMANCE**

The Qantas Group reported an Underlying Profit Before Tax of \$2,394 million for the financial year of 2024/25, an increase of \$316 million from the Underlying Profit Before Tax of \$2,078 million reported in the financial year of 2023/24.

Net passenger revenue increased by 8 per cent, driven by growth in Group International operations and strong demand for Group Domestic business and leisure travel. Net freight revenue increased primarily due to the continued restoration of belly space. Other revenue increased with the continued business momentum of Qantas Loyalty and the acceleration of the Loyalty Flywheel.

Operating expenses grew primarily due to increased flying activity and price increases driven by CPI. A favourable fuel price environment in financial year 2024/25 was a key driver in the decrease in fuel costs compared to financial year 2023/24.

Share of net profit of investments was favourable compared to financial year 2023/24, driven by improved share of profitability of Jetstar Japan, which materially benefited from foreign exchange gains on lease liabilities.

Group Underlying Income Statement Summary <sup>27</sup>	June 2025	June 2024
	\$M	\$M
Net passenger revenue	20,411	18,903
Net freight revenue	1,298	1,211
Other	2,114	1,825
<b>Revenue</b>	<b>23,823</b>	<b>21,939</b>
Operating expenses (excluding fuel)	(14,228)	(12,575)
Fuel	(5,003)	(5,316)
Reversal of impairment of assets and related costs	13	-
Depreciation and amortisation	(2,012)	(1,773)
Share of net profit of investments accounted for under the equity method	46	4
<b>Total underlying expenditure</b>	<b>(21,184)</b>	<b>(19,660)</b>
<b>Underlying EBIT</b>	<b>2,639</b>	<b>2,279</b>
Net finance costs	(245)	(201)
<b>Underlying PBT</b>	<b>2,394</b>	<b>2,078</b>

<sup>26</sup> This includes \$31 million related to the completion of the \$900 million on-market share buy-back announced in financial year 2023/24. This excludes \$17 million executed in June 2024 and paid in July 2024 due to T+2 settlement.

<sup>27</sup> 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 year ended 30 June 2025

## GROUP PERFORMANCE (CONTINUED)

Operating Statistics		June 2025	June 2024
Available Seat Kilometres (ASK) <sup>28</sup>	M	152,804	141,357
Revenue Passenger Kilometres (RPK) <sup>29</sup>	M	129,382	116,895
Passengers carried	'000	55,901	51,798
Seat Factor <sup>30</sup>	%	84.7	82.7
Operating Margin <sup>31</sup>	%	11.1	10.4
Unit Revenue (RASK) <sup>32</sup>	c/ASK	11.05	11.20
Total Unit Cost <sup>33</sup>	c/ASK	(9.49)	(9.73)
Unit Cost (ex-fuel) <sup>33</sup>	c/ASK	(6.22)	(5.97)

Group capacity for the year (ASK) increased 8 per cent driven by strong growth across Qantas' and Jetstar's international operations. Revenue Passenger Kilometres increased 11 per cent and the Group's Seat Factor increased to 85 per cent. Group Unit Revenue decreased 1 per cent to 11.05 c/ASK as capacity increased and fares moderated.

Total Unit Cost decreased 2 per cent with a favourable fuel price environment, transformation activity offsetting CPI and the benefit of additional capacity.

## CASH GENERATION

Cash Flow Summary	June 2025 \$M	June 2024 \$M	Change \$M	Change %
Operating cash flows	4,253	3,441	812	24
Investing cash flows	(3,813)	(2,887)	(926)	(32)
<b>Net Free Cash Flow</b>	<b>440</b>	<b>554</b>	<b>(114)</b>	<b>(21)</b>
Financing cash flows	42	(2,010)	2,052	>100
Cash at beginning of year	1,718	3,171	(1,453)	(46)
Effect of foreign exchange on cash	13	3	10	>100
<b>Cash at end of the period</b>	<b>2,213</b>	<b>1,718</b>	<b>495</b>	<b>29</b>

Operating cash inflows for financial year 2024/25 were \$4,253 million. These were higher than the prior corresponding period primarily due to an increase in earnings and working capital, despite the impact of ACCC penalties, compensation to date and legal fees as well as ground handling compensation in financial year 2024/25. This was partially offset by an increase of company tax instalments.

Investing cash outflows for financial year 2024/25 were \$3,813 million. Net capital expenditure was \$3,853 million, which included 33 aircraft deliveries, capitalised maintenance expenditure and investments in customer experience.

Net financing cash inflows for financial year 2024/25 were \$42 million. This includes \$1,551 million drawdown of debt, offset by \$216 million debt repayments, \$312 million in net aircraft and non-aircraft lease repayments, \$133 million in treasury share acquisitions, on-market share buy-backs of \$448 million<sup>34</sup> and dividends paid of \$400 million.

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

<sup>28</sup> ASK – total number of seats available for passengers, multiplied by the number of kilometres flown.

<sup>29</sup> RPK – total number of passengers carried, multiplied by the number of kilometres flown.

<sup>30</sup> Seat Factor – RPKs divided by ASKs. Also known as load factor or load.

<sup>31</sup> Operating Margin is Group Underlying EBIT divided by Group Total Revenue.

<sup>32</sup> Unit Revenue (RASK) is calculated as ticketed passenger revenue divided by Available Seat Kilometres (ASK).

<sup>33</sup> Total Unit Cost is net expenditure (Underlying PBT excluding ticketed passenger revenue) per ASK. Ex-fuel unit cost is net expenditure excluding fuel, share of profit/(loss) of investments accounted for under the equity method and discount rate changes on provisions, per ASK.

<sup>34</sup> This includes the \$17 million executed in June 2024 and paid in July 2024 due to T+2 settlement.

## Review of Operations continued

For the year ended 30 June 2025

## FLEET

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

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

At 30 June 2025, the Qantas Group fleet<sup>35</sup> totalled 363 aircraft.

Fleet Summary (Number of Aircraft)	June 2024	Additions: New Deliveries	Additions: Mid-life Deliveries	Additions: Wet Leases	Exits	June 2025
737-800	75	-	-	-	-	75
787-9	14	-	-	-	-	14
A380-800 <sup>36</sup>	10	-	-	-	-	10
A330-200	16	-	-	-	-	16
A330-300 <sup>37</sup>	12	-	-	-	-	12
A321XLR	-	1	-	-	-	1
<b>Total Qantas</b>	<b>127</b>	<b>1</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>128</b>
A220-300	2	5	-	-	-	7
717-200	9	-	-	-	(9)	-
E190 <sup>38</sup>	26	-	-	4	-	30
Q200/Q300 <sup>39</sup>	19	-	-	-	(5)	14
Q400	31	-	7	-	-	38
F100	17	-	-	-	(1)	16
A319-100	3	-	5	-	-	8
A320-200	15	-	-	-	-	15
<b>Total QantasLink</b>	<b>122</b>	<b>5</b>	<b>12</b>	<b>4</b>	<b>(15)</b>	<b>128</b>
A320-200	56	-	-	-	-	56
A321-200	6	-	-	-	-	6
A321LR	13	7	-	-	-	20
A320neo	-	4	-	-	-	4
787-8	11	-	-	-	-	11
<b>Total Jetstar<sup>40</sup></b>	<b>86</b>	<b>11</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>97</b>
737-400F	1	-	-	-	(1)	-
767-300F	1	-	-	-	(1)	-
A321-200F	6	-	-	-	-	6
A330-200F	2	-	-	-	-	2
747-400F <sup>41</sup>	2	-	-	-	-	2
<b>Total Qantas Freight</b>	<b>12</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(2)</b>	<b>10</b>
<b>Total Group</b>	<b>347</b>	<b>17</b>	<b>12</b>	<b>4</b>	<b>(17)</b>	<b>363</b>

<sup>35</sup> 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.

<sup>36</sup> Nine A380-800 aircraft in operation as at 30 June 2025.

<sup>37</sup> Includes two A330-300 wet leased from Finnair.

<sup>38</sup> 30 E190 wet leased from Alliance Airlines.

<sup>39</sup> Exit of three Q200 aircraft and two Q300 aircraft during financial year 2024/25 in accordance with the fleet renewal program. The remaining 14 aircraft include 11 Q300 aircraft classified as Assets Held for Sale as at 30 June 2025.

<sup>40</sup> Includes 13 Jetstar Asia (Singapore) aircraft to be transferred to Jetstar Australia and New Zealand, and QantasLink post business closure on 31 July 2025.

<sup>41</sup> Two 747-400F wet leased from Atlas.

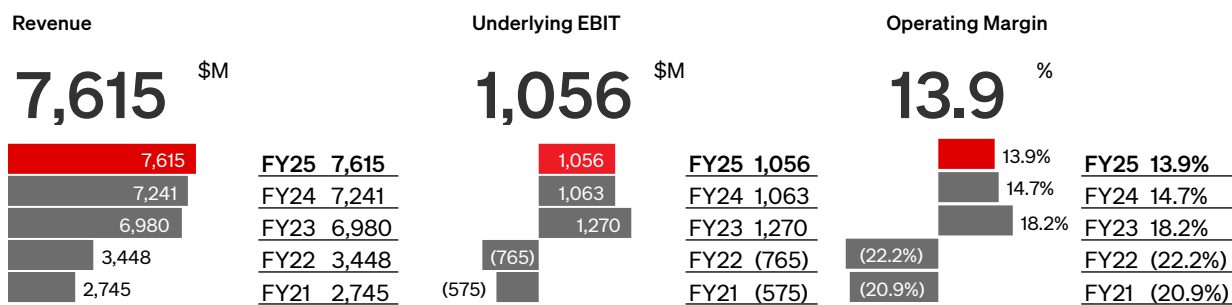
## Review of Operations continued

For the year ended 30 June 2025

## SEGMENT PERFORMANCE

	June 2025	June 2024
	\$M	\$M
<b>Segment Performance Summary</b>		
Qantas Domestic	1,056	1,063
Qantas International	596	556
Jetstar Group	769	497
Qantas Loyalty	556	511
Corporate	(292)	(263)
Unallocated/Eliminations	(46)	(85)
<b>Underlying EBIT</b>	<b>2,639</b>	<b>2,279</b>
Net Finance Costs	(245)	(201)
<b>Underlying PBT</b>	<b>2,394</b>	<b>2,078</b>

## QANTAS DOMESTIC



Metrics		June 2025	June 2024
ASKs	M	32,479	32,950
Seat Factor	%	78.1	76.0

Qantas Domestic reported an Underlying EBIT of \$1,056 million, in line with financial year 2023/24.

Revenue performance remained strong with stable leisure travel demand and the continued return of business-purpose travel, demonstrated by a 2 percentage point growth in Seat Factor. Qantas Domestic traffic share positions in corporate and SME segments are approximately 80 per cent and 54 per cent respectively. The expansion of the A319 fleet has also supported 9 per cent growth in charter revenue in financial year 2024/25.

Strong revenue performance was offset by supply chain constraints on aircraft parts and industry cost pressures, including airport charges and Same Job Same Pay legislation, resulting in a lower operating margin for financial year 2024/25.

The Qantas Domestic fleet transition is underway, with the delivery of the first Qantas A321XLR and five QantasLink A220s, the retirement of nine 717s and exit of one F100 in financial year 2024/25. Five mid-life A319s were introduced to support intra-WA resource growth and seven mid-life Q400s were deployed to renew the Turboprop fleet as five Q200/Q300s were phased out. Additional E190 aircraft have been sourced to provide bridging capacity as the fleet renewal progresses.

During financial year 2024/25, the Qantas Domestic renewal program scaled up, impacting the Underlying EBIT, with \$64 million invested in workforce training and other EIS-related activity. An additional \$37 million was incurred due to transitional fleet inefficiencies from delays in A220 deliveries. The retirement and exit of fleet also resulted in \$26 million in non-recurring costs, including the restructure of engineering operations and non-cash asset write downs.

On-time performance improved by two percentage points, reaching the highest result since the second half of financial year 2018/19, while NPS increased by 11 points in financial year 2024/25. These results reflect the impact of investments in digital experience, launch of Classic Plus, lounges, and fully deployed Group Boarding.

Review of Operations continued

For the year ended 30 June 2025

**QANTAS INTERNATIONAL (INCLUDING FREIGHT)**

Revenue	Underlying EBIT	Operating Margin																														
<b>9,161</b> \$M	<b>596</b> \$M	<b>6.5</b> %																														
<table border="1"> <tr><td><b>9,161</b></td><td><b>FY25 9,161</b></td></tr> <tr><td>8,666</td><td>FY24 8,666</td></tr> <tr><td>7,749</td><td>FY23 7,749</td></tr> <tr><td>3,706</td><td>FY22 3,706</td></tr> <tr><td>1,598</td><td>FY21 1,598</td></tr> </table>	<b>9,161</b>	<b>FY25 9,161</b>	8,666	FY24 8,666	7,749	FY23 7,749	3,706	FY22 3,706	1,598	FY21 1,598	<table border="1"> <tr><td><b>596</b></td><td><b>FY25 596</b></td></tr> <tr><td>556</td><td>FY24 556</td></tr> <tr><td>906</td><td>FY23 906</td></tr> <tr><td>(238)</td><td>FY22 (238)</td></tr> <tr><td>(548)</td><td>FY21 (548)</td></tr> </table>	<b>596</b>	<b>FY25 596</b>	556	FY24 556	906	FY23 906	(238)	FY22 (238)	(548)	FY21 (548)	<table border="1"> <tr><td><b>6.5%</b></td><td><b>FY25 6.5%</b></td></tr> <tr><td>6.4%</td><td>FY24 6.4%</td></tr> <tr><td>11.7%</td><td>FY23 11.7%</td></tr> <tr><td>(6.4%)</td><td>FY22 (6.4%)</td></tr> <tr><td>(34.3%)</td><td>FY21 (34.3%)</td></tr> </table>	<b>6.5%</b>	<b>FY25 6.5%</b>	6.4%	FY24 6.4%	11.7%	FY23 11.7%	(6.4%)	FY22 (6.4%)	(34.3%)	FY21 (34.3%)
<b>9,161</b>	<b>FY25 9,161</b>																															
8,666	FY24 8,666																															
7,749	FY23 7,749																															
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11.7%	FY23 11.7%																															
(6.4%)	FY22 (6.4%)																															
(34.3%)	FY21 (34.3%)																															

Metrics		June 2025	June 2024
ASKs	M	62,571	58,878
Seat Factor	%	84.7	83.0

Qantas International (including Freight) reported an Underlying EBIT of \$596 million, a 7 per cent increase from financial year 2023/24, reflecting the ongoing restoration of capacity and scale across international markets as demand remains strong. The result delivered an operating margin of 7 per cent, with revenue growth offset by increased labour costs (driven by Same Job Same Pay legislation impacts), previously announced customer investments, and engineering cost pressures.

Qantas International flying continued to grow in financial year 2024/25, with capacity 6 per cent higher relative to financial year 2023/24. In financial year 2024/25, Qantas International launched Perth-Paris, Brisbane-Port Vila, Brisbane-Palau, Brisbane-Manila, Singapore-Darwin and Melbourne-Honolulu with announcements for network expansion into Japan, New Zealand and South Africa.

Premium cabin demand remained strong in financial year 2024/25, with a two percentage point increase in overall Seat Factor relative to financial year 2023/24. Long-haul point-to-point markets continue to provide portfolio-leading earnings outcomes, reinforcing confidence in Project Sunrise.

NPS improvement was driven by investments in customer experience, resulting in a 10 point uplift in financial year 2024/25. Operational performance has improved with on-time arrival lifting four percentage points in financial year 2024/25, despite network disruptions from weather events and flight diversions due to Middle Eastern flight corridor restrictions.

Net freight revenue increased by 7 per cent compared to financial year 2023/24 despite tariff uncertainties, reflecting resilience and network changes. Earnings were further supported by the simplification of freighter fleet to a dedicated freighter fleet of six A321Fs and two A330Fs, delivering unit cost efficiencies, reduced carbon emissions and an enhanced customer proposition.

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Review of Operations continued

For the year ended 30 June 2025

**JETSTAR GROUP**

Revenue	Underlying EBIT	Operating Margin																																													
<b>5,711</b> \$M	<b>769</b> \$M	<b>13.5</b> %																																													
<table border="1"> <tr><td>5,711</td><td>FY25</td><td>5,711</td></tr> <tr><td>4,922</td><td>FY24</td><td>4,922</td></tr> <tr><td>4,235</td><td>FY23</td><td>4,235</td></tr> <tr><td>1,440</td><td>FY22</td><td>1,440</td></tr> <tr><td>1,140</td><td>FY21</td><td>1,140</td></tr> </table>	5,711	FY25	5,711	4,922	FY24	4,922	4,235	FY23	4,235	1,440	FY22	1,440	1,140	FY21	1,140	<table border="1"> <tr><td>769</td><td>FY25</td><td>769</td></tr> <tr><td>497</td><td>FY24</td><td>497</td></tr> <tr><td>404</td><td>FY23</td><td>404</td></tr> <tr><td>(796)</td><td>FY22</td><td>(796)</td></tr> <tr><td>(541)</td><td>FY21</td><td>(541)</td></tr> </table>	769	FY25	769	497	FY24	497	404	FY23	404	(796)	FY22	(796)	(541)	FY21	(541)	<table border="1"> <tr><td>13.5%</td><td>FY25</td><td>13.5%</td></tr> <tr><td>10.1%</td><td>FY24</td><td>10.1%</td></tr> <tr><td>9.5%</td><td>FY23</td><td>9.5%</td></tr> <tr><td>(55.3%)</td><td>FY22</td><td>(55.3%)</td></tr> <tr><td>(47.5%)</td><td>FY21</td><td>(47.5%)</td></tr> </table>	13.5%	FY25	13.5%	10.1%	FY24	10.1%	9.5%	FY23	9.5%	(55.3%)	FY22	(55.3%)	(47.5%)	FY21	(47.5%)
5,711	FY25	5,711																																													
4,922	FY24	4,922																																													
4,235	FY23	4,235																																													
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769	FY25	769																																													
497	FY24	497																																													
404	FY23	404																																													
(796)	FY22	(796)																																													
(541)	FY21	(541)																																													
13.5%	FY25	13.5%																																													
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(55.3%)	FY22	(55.3%)																																													
(47.5%)	FY21	(47.5%)																																													

Metrics		June 2025	June 2024
ASKs	M	57,754	49,529
Seat Factor	%	88.3	86.8

The Jetstar Group reported a record Underlying EBIT of \$769 million, reflecting a significant uplift in earnings compared to financial year 2023/24. This was driven by strong demand, capacity growth from the entry of efficient new fleet, transformation activity offsetting CPI, operational improvements, and lower fuel costs. Jetstar grew capacity by 17 per cent, introducing new routes into key international markets to capture strong leisure demand, with Seat Factor increasing by 1.5 percentage points to 88 per cent.

Jetstar’s Australian domestic network delivered an Underlying EBIT of \$462 million, with capacity growth of 5 per cent relative to the financial year 2023/24 in a strong leisure demand environment. The operating margin of the domestic business was 16 per cent, supported by higher loads, ancillary revenue growth and yield increases in line with CPI.

Jetstar New Zealand Domestic and trans-Tasman operations exhibited strength in capacity growth and brand positioning, supported by the launch of new routes between Queensland and New Zealand, and between Sydney and Hamilton.

Jetstar’s international network reported an Underlying EBIT of \$307 million, with robust performance in key markets. Capacity grew by 25 per cent<sup>42</sup> relative to financial year 2023/24 enabled by additional fleet deliveries. This allowed for the redeployment of 787-8 fleet from Bali to other international sectors to unlock growth in new routes and increase utilisation on existing routes. Jetstar’s Australian international network delivered a 13 per cent margin, with ongoing leisure demand strength supporting the launch of 11 new routes, including new trans-Tasman operations. Jetstar Japan’s share of profits to Jetstar Group included \$22 million of foreign exchange gains on lease liabilities in financial year 2024/25.

Continuing operational improvements strengthened on-time performance and stabilised cancellation rates, reducing disruption costs in financial year 2024/25.

Jetstar Asia ceased operations from 31 July 2025, recording an Underlying EBIT loss of \$33 million in financial year 2024/25, with an additional \$39 million loss outside Underlying PBT related to redundancy provision and other closure costs. The closure of Jetstar Asia supports Qantas Group’s strategy of recycling capital to improve long-term returns, support fleet renewal and strengthen core markets.

Jetstar Australia received seven A321LR and four A320neo aircraft in financial year 2024/25 increasing the total new fleet to 20 A321LRs and four A320neos. Jetstar Australia’s new fleet technology represented 40 per cent of narrowbody capacity<sup>43</sup>, which delivered improved customer satisfaction and reduction in emissions in financial year 2024/25.

Affordable travel remained a key focus for the Jetstar Group, with one in three Jetstar customers travelling for under \$100 in financial year 2024/25<sup>44</sup>.

<sup>42</sup> Jetstar International capacity based on consolidated entities including Jetstar Asia.

<sup>43</sup> Includes Jetstar Australia Domestic and International narrowbody capacity (excluding Jetstar Asia and Jetstar Japan).

<sup>44</sup> Approximate ratio of passengers travelling with a base fare under \$100 in financial year 2024/25 domestically in Australia and New Zealand.

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## Review of Operations continued

For the year ended 30 June 2025

## QANTAS LOYALTY

Revenue		Underlying EBIT		Operating Margin	
<b>2,863</b> \$M		<b>556</b> \$M		<b>19.4</b> %	
2,863	<b>FY25 2,863</b>	556	<b>FY25 556</b>	19.4%	<b>FY25 19.4%</b>
2,573	FY24 2,573	511	FY24 511	19.9%	FY24 19.9%
2,189	FY23 2,189	451	FY23 451	20.6%	FY23 20.6%
1,334	FY22 1,334	292	FY22 292	21.9%	FY22 21.9%
984	FY21 984	272	FY21 272	27.6%	FY21 27.6%

Metrics		June 2025	June 2024
QFF members	M	17.6	16.4
Points earned	B	222	202
Points redeemed	B	185	171

Qantas Loyalty reported an Underlying EBIT of \$556 million reflecting a 9 per cent growth for financial year 2024/25. This was driven by increased member engagement delivering strong portfolio growth, offset by the impact of investment in Classic Plus. This investment includes the non-cash impact to fair value assumptions applied to future sale of points in the Loyalty Segment.

The launch of Classic Plus for the domestic network in financial year 2024/25, along with International Classic Plus rewards, has driven positive member engagement, where customers have redeemed over one million Classic Plus seats. Demand for flight rewards remained strong, with reward seat bookings using points increasing by 8 per cent in financial year 2024/25.

The positive momentum of the Qantas Loyalty Flywheel was reflected in a 10 per cent uplift in points earned in financial year 2024/25. Active membership grew by 8 per cent in financial year 2024/25. Demand for Qantas Points-earning credit cards remains resilient, with Qantas Points-earning credit cards maintaining over 35 per cent share of all consumer credit card spend. Investment in Classic Plus strengthened the earn and burn flywheel where one in four members using Classic Plus had redeemed for the first time in five years.

Membership continued to grow by more than one million new members in the last 12 months, up 7 per cent from financial year 2023/24. Qantas Business Rewards (QBR) members increased approximately 20 per cent, with total membership now at 635,000. The growth in QBR has supported expansion in business credit cards and payment partners resulting in 26 per cent growth in total points earned.

Qantas Loyalty continued to enhance member engagement through broader and deeper program offerings, including a new retail partnership with Australia's premium department store David Jones and a renewed commercial deal with Woolworths. Qantas Pay also launched in financial year 2024/25 with a transaction made every three seconds within Australia and abroad. Diversified portfolio earnings continue to accelerate the flywheel with members earning across two or more categories growing to 47 per cent of total membership base.

Hotels, Holidays and Tours TTV bookings were up 11 per cent from financial year 2023/24 and the business realised the expected synergy benefits derived from the TripADeal acquisition in the prior financial year. Other highlights include strong growth across white-label products with Qantas Insurance customers increasing by 20 per cent relative to financial year 2023/24 and a 50 per cent increase in the value of new Qantas Home Loans settled from financial year 2023/24.

## Review of Operations continued

For the year ended 30 June 2025

**RECONCILIATION OF UNDERLYING PBT TO STATUTORY PROFIT BEFORE TAX**

The Statutory Profit Before Tax was \$2,262 million for the financial year ended 30 June 2025.

**Underlying PBT**

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

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

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

		2025	2024
	Note	\$M	\$M
<b>RECONCILIATION OF UNDERLYING PBT TO STATUTORY PROFIT BEFORE TAX</b>			
<b>Underlying PBT</b>		<b>2,394</b>	<b>2,078</b>
<i>Items not included in Underlying PBT</i>			
- Closure of Jetstar Asia and related costs	14	(39)	-
- Legal provisions and related costs	13(B)	(93)	(198)
- Net gain on disposal of assets		-	4
<b>Total items not included in Underlying PBT</b>		<b>(132)</b>	<b>(194)</b>
<b>Statutory Profit Before Income Tax Expense</b>		<b>2,262</b>	<b>1,884</b>

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

Item outside of Underlying PBT	Description
<b>Closure of Jetstar Asia and related costs</b>	(\$39) million for the announced strategic restructure of Jetstar Asia and its related costs, including Redundancy and related costs of (\$31) million and Other expenditure of (\$8) million.
<b>Legal provisions and related costs</b>	(\$65) million for an increase in legal provisions, recognised in Other expenditure in the first half of financial year 2024/25. In December 2024, the Group reached an agreement on the payment of compensation in relation to the ground handling outsourcing Federal Court case. (\$20) million for increase in legal provisions, recognised in Other expenditure in the second half of financial year 2024/25. In August 2025, a decision was handed down on pecuniary penalties in relation to the ground handling outsourcing Federal Court case. (\$8) million relating to legal and other related costs for ongoing legal matters.

In the 2023/24 financial year, items outside of Underlying PBT included:

Item outside of Underlying PBT	Description
<b>Legal provisions and related costs</b>	(\$128) million for the announced ACCC settlement (compensation and penalties) and related costs and (\$70) million for an increase in provisions in relation to the ground handling outsourcing Federal Court case, recognised in Other expenditure.
<b>Net gain on disposal of assets</b>	The net gain on disposal of assets of \$4 million arose from the disposal of Perth Airport assets.

## Review of Operations continued

For the year ended 30 June 2025

### MATERIAL BUSINESS RISKS

The aviation industry is subject to inherent risks that can impact operations if not managed effectively. These include, but are not limited to, competitive landscape, shifts in customer behaviour and market demand, exposure to economic uncertainty, geopolitical instability, cyber security, changes in government/industrial regulations, volatility in fuel prices and foreign exchange rates, and other external events such as aviation incidents, natural disasters, climate change, international conflicts or epidemics. In rare circumstances, unforeseen 'black swan' events may occur, resulting in unexpected outcomes similar to those experienced by the aviation industry during the COVID-19 pandemic. The Qantas Group (Group) continues to prepare for a broad range of scenarios to uphold its strong position, support financial targets, achieve operational outcomes, meet travel demand and customer expectations.

The Group is exposed to a range of material business risks which may impact the achievement of its strategic and financial objectives. The Group remains committed to the continuous and proactive monitoring of these risks, and to enhancing its control environment to effectively manage or mitigate these risks. Through the systematic analysis of incidents and their underlying causes, the Group continuously refines and evolves its risk management framework.

**Operational and people safety:** While there are inherent safety risks in aviation, the Group's 'safety first' approach prioritises ongoing focus and improvement to the systems and processes designed to identify and address current and emerging safety risks to its people and customers, both in the air and on the ground.

All Group airlines maintain regulatory approved systems, including aircraft airworthiness and maintenance as well as operational activities, procedures and training programs utilising qualified (licensed) personnel and approved manuals. A strong safety and comprehensive reporting system, supplemented by detailed operational and workplace assurance programs, facilitates regulatory compliance and the effective functioning of critical processes and controls.

**Physical security of people and assets:** The Group is committed to protecting its people, customers, aircraft and other assets from physical security threats and interference. A comprehensive threat and operational risk assessment program is in place which is supported by extensive collaboration with key Australian and international government agencies and security partners. Security measures are implemented for passengers, baggage, cargo, catering and stores throughout the network, in compliance with regulatory requirements. Extensive controls are in place to protect the security 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 Group's ability to maintain sufficient liquidity is inherent in providing for its operating needs. Maintaining access to a variety of funding sources, setting minimum liquidity levels, and through continuous monitoring of costs and ongoing transformation initiatives, the Group aims to meet its liquidity requirements under a range of adverse scenarios. The flexibility in capacity settings enables swift adjustments to fluctuations in demand and customer preferences. The Group remains committed to its strategic priorities while safeguarding its liquidity position through the ongoing application of its Financial Framework.

The Group is subject to fuel price and foreign exchange risks, which are prevalent in the aviation industry. These risks fluctuate based on operational capacity, routes the Group operates as well as the size of fleet investments (capital expenditure). Fuel prices remain volatile and have been influenced by several global themes including the recent global tensions and unrest, especially in the Middle East, which is expected to persist into financial year 2025/26. The volatility and depreciation of the Australian dollar, along with global political instability, has impacted foreign exchange rates, thereby affecting the Group's foreign currency-denominated cash outflows. To manage its fuel and foreign exchange risks, the Group maintains a comprehensive hedging program aligned with its Treasury Risk Management Policy. This provides time and flexibility to adjust capacity to reflect the evolving operating environment. The Group will continue to hedge its fuel and foreign exchange risks in line with this program, employing a mix of fuel derivative collars and outright options to mitigate fuel price risk and actively adjusts these instruments as market conditions warrant.

**Cyber security and data loss:** The cyber threat landscape continues to evolve, with malicious actors employing advanced techniques to target Australian companies and critical infrastructure for ransom. The Group is also observing increasing social engineering threats. The intensifying geopolitical climate worldwide has exacerbated cyber espionage and warfare attacks on Australian organisations. Considering these developments, it is imperative for the Group to prioritise its governance, defence, and response strategies. The Group is factoring learnings and observations from the incident it experienced in June 2025 into its risk management framework. It remains committed to safeguarding its customers, employees, and business operations by prioritising the protection of data and assets. This commitment includes enhancing secure-by-design capabilities to support new technological initiatives, fortifying the human firewall through education and awareness initiatives, and advancing cyber defences with advanced technology and expertise to remain ahead in the attack-defence dynamic.

## Review of Operations continued

For the year ended 30 June 2025

### MATERIAL BUSINESS RISKS (CONTINUED)

The Group's Cyber Risk & Control Framework, along with its Data Governance Framework, are designed to manage and mitigate commercial, data security, and privacy and ethics risks. The Group's Risk and Control Framework is aligned with industry standards, to maintain data confidentiality, integrity, and availability. The Group also collaborates with government agencies and industry peers to proactively identify and respond to the continually evolving landscape of cyber and privacy risks.

**Competition:** The Group operates in highly competitive markets, contending with both domestic airlines and major foreign airlines (including government-owned or controlled airlines), some of which possess greater financial resources and/or lower cost structures. Competition may intensify due to airline expansions, mergers, alliances, or new market entrants. The entry of international airlines into the domestic aviation market, coupled with the voluntary administration of an existing airline, could lead to heightened political, regulatory and media scrutiny of the Group's operational performance, airfares, profitability and consumer rights. Additionally, the Loyalty business also experiences heightened competition from consolidations and expanded programs by existing commercial partners/airline alliances.

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

These factors may have a materially adverse effect on the Group's revenue and financial position.

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 enhancing operational performance and 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. Additionally, in alignment with the Group's commitment to modernising its fleet, reducing maintenance demands, enhancing customer experience, and supporting sustainable travel, the Group is actively advancing investments in new, fuel-efficient aircraft through its established fleet renewal program.

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

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

In parallel, the Group is experiencing continued pressure from employee groups and unions seeking substantial wage increases and stronger job security provisions. These expectations, if not managed effectively, could escalate into enterprise bargaining disputes and industrial action, including work stoppages. Such disruptions may adversely affect day-to-day operations, financial performance, and the Group's reputation. In alignment with its commitment to early and ongoing engagement with unions, the Group continues to foster collaborative partnerships and encourage constructive dialogue. The Group has also 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:** Customer satisfaction and loyalty are essential for the Group's success, particularly in a competitive market. Operational challenges such as frequent cancellations, poor on-time performance (OTP), and mishandled baggage could negatively impact customer satisfaction and harm the Group's reputation. Continued focus on these issues is crucial for maintaining our brand's strength and attracting future customers as we continue to build and enhance our reputation.

The Group continues to focus on improving its OTP and are making significant investments to enhance the overall customer experience. Measures include maturing the Group boarding process, focusing on technological enablement in airport operations and improving fleet health. Additionally, the Group is prioritising mechanisms to cover customer journey disruptions, including efficient and compassionate complaint resolution, managing delays and cancellations, offering proactive reimbursement, and addressing product and service quality issues.

The Group has also announced investments in key customer-focused initiatives, including aircraft refurbishment programs, introducing Wi-Fi capabilities on international routes, a refresh of its lounge network, comprehensive customer recovery across Qantas and Jetstar, and advancements in cyber security to safeguard customer personal data.

## Review of Operations continued

For the year ended 30 June 2025

### MATERIAL BUSINESS RISKS (CONTINUED)

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

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

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; carbon market program; fleet transformation activities; investing in modern aircraft technology; supporting a competitive sustainable aviation fuel industry in Australia; and monitoring government policy. The Group's emissions targets, include: a 25 per cent reduction in net Scope 1 and Scope 2 emissions from 2019 levels by 2030; 10 per cent sustainable aviation fuel (SAF) in fuel mix by 2030; and net zero emissions by 2050. The Group is working actively in order to respond to the 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 - Climate-related Disclosure Standard.

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

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

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

An overview of the Group Risk Management Framework is contained in the Qantas Group Business Practices Document available at [www.qantas.com](http://www.qantas.com).

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## Consolidated Income Statement

For the year ended 30 June 2025

	Notes	2025 \$M	2024 \$M
<b>REVENUE AND OTHER INCOME</b>			
Net passenger revenue		20,411	18,903
Net freight revenue		1,298	1,211
Other revenue and income	4(B)	2,114	1,825
<b>Revenue and other income</b>		<b>23,823</b>	<b>21,939</b>
<b>EXPENDITURE</b>			
Salaries, wages and other benefits		5,228	4,777
Aircraft operating variable		5,645	4,839
Fuel		5,003	5,316
Depreciation and amortisation	5	2,012	1,773
Share of net profit of investments accounted for under the equity method		(46)	(4)
Net gain on disposal of assets		(45)	(18)
Other	6	3,519	3,171
<b>Expenditure</b>		<b>21,316</b>	<b>19,854</b>
<b>Statutory profit before income tax expense and net finance costs</b>		<b>2,507</b>	<b>2,085</b>
Finance income		109	117
Finance costs		(354)	(318)
<b>Net finance costs</b>		<b>(245)</b>	<b>(201)</b>
<b>Statutory profit before income tax expense</b>		<b>2,262</b>	<b>1,884</b>
Income tax expense	7	(657)	(633)
<b>Statutory profit for the year</b>		<b>1,605</b>	<b>1,251</b>
<b>Attributable to:</b>			
Members of Qantas		1,605	1,255
Non-controlling interests		-	(4)
<b>Statutory profit for the year</b>		<b>1,605</b>	<b>1,251</b>
<b>EARNINGS PER SHARE ATTRIBUTABLE TO MEMBERS OF QANTAS</b>			
<b>Statutory Earnings Per Share (cents)</b>	3	<b>105.2</b>	<b>75.9</b>
<b>Diluted Earnings Per Share (cents)</b>	3	<b>104.0</b>	<b>75.1</b>

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

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## Consolidated Statement of Comprehensive Income

For the year ended 30 June 2025

	2025 \$M	2024 \$M
<b>Statutory profit for the year</b>	<b>1,605</b>	<b>1,251</b>
<b>Items that were or may be subsequently reclassified to profit or loss</b>		
Effective portion of changes in fair value of cash flow hedges, net of tax	(11)	84
Transfer of effective hedging gains from hedge reserve to the Consolidated Income Statement, net of tax <sup>1</sup>	(20)	(76)
Net changes in hedge reserve for time value of options, net of tax	(90)	60
Foreign currency translation of controlled entities	(29)	(3)
Foreign currency translation of investments accounted for under the equity method	(16)	15
<b>Items that will not subsequently be reclassified to profit or loss</b>		
Defined benefit actuarial losses, net of tax	(28)	(61)
Fair value (losses)/gains on investments, net of tax	(8)	3
<b>Other comprehensive (loss)/income for the year</b>	<b>(202)</b>	<b>22</b>
<b>Total comprehensive income for the year</b>	<b>1,403</b>	<b>1,273</b>
<b>Attributable to:</b>		
Members of Qantas	1,403	1,277
Non-controlling interests	–	(4)
<b>Total comprehensive income for the year</b>	<b>1,403</b>	<b>1,273</b>

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

<sup>1</sup> These amounts were allocated to revenue of \$4 million (June 2024: \$24 million), fuel expenditure of (\$33) million (June 2024: (\$133) million) and income tax expense of \$9 million (June 2024: \$33 million) in the Consolidated Income Statement.

## Consolidated Balance Sheet

As at 30 June 2025

	Notes	2025 \$M	2024 \$M
<b>CURRENT ASSETS</b>			
Cash and cash equivalents	11(A)	2,213	1,718
Receivables		1,205	1,124
Lease receivables		14	10
Other financial assets		150	261
Inventories		405	343
Assets classified as held for sale		39	45
Income tax receivable	7(D)	–	21
Other		489	457
<b>Total current assets</b>		<b>4,515</b>	<b>3,979</b>
<b>NON-CURRENT ASSETS</b>			
Receivables		–	11
Lease receivables		42	48
Other financial assets		181	192
Investments accounted for under the equity method		45	39
Property, plant and equipment		15,880	13,558
Right of use assets		1,280	1,315
Intangible assets		598	638
Other		815	784
<b>Total non-current assets</b>		<b>18,841</b>	<b>16,585</b>
<b>Total assets</b>		<b>23,356</b>	<b>20,564</b>
<b>CURRENT LIABILITIES</b>			
Payables		3,146	2,908
Revenue received in advance	10	7,179	6,722
Interest-bearing liabilities	11(B)	247	208
Lease liabilities		396	392
Other financial liabilities		101	41
Provisions		1,401	1,473
Income tax payable	7(D)	246	–
<b>Total current liabilities</b>		<b>12,716</b>	<b>11,744</b>
<b>NON-CURRENT LIABILITIES</b>			
Revenue received in advance	10	1,750	1,879
Interest-bearing liabilities	11(B)	6,153	4,827
Lease liabilities		1,160	1,164
Other financial liabilities		44	33
Provisions		516	424
Deferred tax liabilities		234	199
<b>Total non-current liabilities</b>		<b>9,857</b>	<b>8,526</b>
<b>Total liabilities</b>		<b>22,573</b>	<b>20,270</b>
<b>Net assets</b>		<b>783</b>	<b>294</b>
<b>EQUITY</b>			
Issued capital	9	886	1,317
Treasury shares		(144)	(62)
Reserves		117	324
Accumulated losses		(81)	(1,290)
<b>Equity attributable to members of Qantas</b>		<b>778</b>	<b>289</b>
Non-controlling interests		5	5
<b>Total equity</b>		<b>783</b>	<b>294</b>

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

## Consolidated Statement of Changes in Equity

For the year ended 30 June 2025

30 June 2025 \$M	Issued Capital	Treasury Shares	Employee Compensation Reserve	Hedge Reserve	Foreign Currency Translation Reserve	Other Reserves <sup>1</sup>	Accumulated Losses	Non- controlling Interests	Total Equity
Balance as at 1 July 2024	1,317	(62)	90	9	15	210	(1,290)	5	294
<b>TOTAL COMPREHENSIVE INCOME FOR THE YEAR</b>									
Statutory profit for the year	-	-	-	-	-	-	1,605	-	1,605
<b>Other comprehensive (loss)/income</b>									
Effective portion of changes in fair value of cash flow hedges, net of tax	-	-	-	(11)	-	-	-	-	(11)
Transfer of effective hedging gains from hedge reserve to the Consolidated Income Statement, net of tax	-	-	-	(20)	-	-	-	-	(20)
Net changes in hedge reserve for time value of options, net of tax	-	-	-	(90)	-	-	-	-	(90)
Foreign currency translation of controlled entities	-	-	-	-	(29)	-	-	-	(29)
Foreign currency translation of investments accounted for under the equity method	-	-	-	-	(16)	-	-	-	(16)
Defined benefit actuarial losses, net of tax	-	-	-	-	-	(28)	-	-	(28)
Fair value losses on investments, net of tax	-	-	-	-	-	(8)	-	-	(8)
<b>Total other comprehensive loss for the year</b>	-	-	-	(121)	(45)	(36)	-	-	(202)
<b>Total comprehensive income for the year</b>	-	-	-	(121)	(45)	(36)	1,605	-	1,403
Recognition of effective cash flow hedges on capitalised assets, net of tax	-	-	-	(8)	-	-	-	-	(8)
<b>Transactions with owners in their capacity as owners</b>									
On-market share buy-back	(431)	-	-	-	-	-	-	-	(431)
Dividends paid	-	-	-	-	-	-	(400)	-	(400)
Treasury shares acquired	-	(133)	-	-	-	-	-	-	(133)
Share-based payments expense	-	-	56	-	-	-	-	-	56
Shares vested and transferred to employees/Rights unvested and lapsed	-	51	(53)	-	-	-	4	-	2
<b>Total transactions with owners in their capacity as owners</b>	(431)	(82)	3	-	-	-	(396)	-	(906)
<b>Balance as at 30 June 2025</b>	<b>886</b>	<b>(144)</b>	<b>93</b>	<b>(120)</b>	<b>(30)</b>	<b>174</b>	<b>(81)</b>	<b>5</b>	<b>783</b>

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

<sup>1</sup> Other Reserves as at 30 June 2025 includes the defined benefit reserve of \$189 million and the fair value reserve of (\$15) million.

Consolidated Statement of Changes in Equity *continued*

For the year ended 30 June 2025

30 June 2024 \$M	Issued Capital	Treasury Shares	Employee Compensation Reserve	Hedge Reserve	Foreign Currency Translation Reserve	Other Reserves <sup>1</sup>	Accumulated Losses	Non- controlling Interests	Total Equity
Balance as at 1 July 2023	2,186	(106)	259	(50)	3	(12)	(2,275)	5	10
<b>TOTAL COMPREHENSIVE INCOME FOR THE YEAR</b>									
Statutory profit for the year	-	-	-	-	-	-	1,255	(4)	1,251
<b>Other comprehensive income/(loss)</b>									
Effective portion of changes in fair value of cash flow hedges, net of tax	-	-	-	84	-	-	-	-	84
Transfer of effective hedging gains from hedge reserve to the Consolidated Income Statement, net of tax	-	-	-	(76)	-	-	-	-	(76)
Net changes in hedge reserve for time value of options, net of tax	-	-	-	60	-	-	-	-	60
Foreign currency translation of controlled entities	-	-	-	-	(3)	-	-	-	(3)
Foreign currency translation of investments accounted for under the equity method	-	-	-	-	15	-	-	-	15
Defined benefit actuarial losses, net of tax	-	-	-	-	-	(61)	-	-	(61)
Fair value gains on investments, net of tax	-	-	-	-	-	3	-	-	3
<b>Total other comprehensive income for the year</b>	-	-	-	<b>68</b>	<b>12</b>	<b>(58)</b>	-	-	<b>22</b>
<b>Total comprehensive income for the year</b>	-	-	-	<b>68</b>	<b>12</b>	<b>(58)</b>	<b>1,255</b>	<b>(4)</b>	<b>1,273</b>
Recognition of effective cash flow hedges on capitalised assets, net of tax	-	-	-	(9)	-	-	-	-	(9)
<b>Transactions with owners in their capacity as owners</b>									
On-market share buy-back	(869)	-	-	-	-	-	-	-	(869)
Revaluation of put option over non-controlling interest	-	-	-	-	-	69	-	-	69
Purchase of non-controlling interest in controlled entity	-	-	-	-	-	211	(205)	4	10
Treasury shares acquired	-	(288)	-	-	-	-	-	-	(288)
Share-based payments expense	-	-	69	-	-	-	-	-	69
Shares vested and transferred to employees/Rights unvested and lapsed	-	332	(238)	-	-	-	(65)	-	29
<b>Total transactions with owners in their capacity as owners</b>	<b>(869)</b>	<b>44</b>	<b>(169)</b>	-	-	<b>280</b>	<b>(270)</b>	<b>4</b>	<b>(980)</b>
<b>Balance as at 30 June 2024</b>	<b>1,317</b>	<b>(62)</b>	<b>90</b>	<b>9</b>	<b>15</b>	<b>210</b>	<b>(1,290)</b>	<b>5</b>	<b>294</b>

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

<sup>1</sup> Other Reserves as at 30 June 2024 includes the defined benefit reserve of \$217 million and the fair value reserve of (\$7) million.

## Consolidated Cash Flow Statement

For the year ended 30 June 2025

	2025	2024
	\$M	\$M
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Cash receipts from customers	25,215	23,153
Cash payments to suppliers and employees	(20,531)	(19,549)
Interest received	106	116
Interest paid (interest-bearing liabilities)	(178)	(158)
Interest paid (lease liabilities)	(92)	(77)
Dividends received from investments accounted for under the equity method	12	5
Australian income taxes paid	(275)	(45)
Foreign income taxes paid	(4)	(4)
<b>Net cash inflow from operating activities</b>	<b>4,253</b>	<b>3,441</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Payments for property, plant and equipment and intangible assets	(3,805)	(2,673)
Interest paid and capitalised on qualifying assets	(113)	(88)
Payments for investments held at fair value	(16)	(5)
Proceeds from disposal of property, plant and equipment, net of costs	119	90
Proceeds from repayment of loan receivable from investments accounted for under the equity method	2	-
Payments for acquisition of non-controlling interest in subsidiary	-	(211)
<b>Net cash outflow from investing activities</b>	<b>(3,813)</b>	<b>(2,887)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Payments for share buy-back	(448)	(852)
Dividends paid to shareholders	(400)	-
Payments for treasury shares	(133)	(292)
Proceeds from interest-bearing liabilities, net of costs	1,551	1,011
Repayments of interest-bearing liabilities	(216)	(1,176)
Repayments of lease liabilities	(321)	(708)
Proceeds from lease receivables	9	10
Payments for aircraft security deposits	-	(3)
<b>Net cash inflow/(outflow) from financing activities</b>	<b>42</b>	<b>(2,010)</b>
<b>Net increase/(decrease) in cash and cash equivalents held</b>	<b>482</b>	<b>(1,456)</b>
Cash and cash equivalents at the beginning of the year	1,718	3,171
Effects of exchange rate changes on cash and cash equivalents	13	3
<b>Cash and cash equivalents at the end of the year</b>	<b>2,213</b>	<b>1,718</b>

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

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# Condensed Notes to the Preliminary Final Report

For the year ended 30 June 2025

## 1 STATEMENT OF MATERIAL ACCOUNTING POLICIES

### (A) REPORTING ENTITY

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

The Preliminary Final Report for the year ended 30 June 2025 comprises Qantas and its controlled entities (together referred to as the Qantas Group or the Group) and the Qantas Group's interest in investments accounted for under the equity method.

The Preliminary Final Report of Qantas for the year ended 30 June 2025 was authorised for issue in accordance with a resolution of the Directors on 28 August 2025.

#### i. Statement of Compliance

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

The Annual Financial Report is in the process of being audited and is expected to be made available in September 2025. The Preliminary Final 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* (Cth) and ASX Listing Rules.

#### ii. Basis of Preparation

The Preliminary Final 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 Preliminary Final Report is presented in Australian dollars, which is the functional and presentation currency of the Qantas Group, and has been prepared on the basis of historical cost except in accordance with relevant accounting policies where assets and liabilities are stated at their fair values in the following material items in the Consolidated Balance Sheet:

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

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

### (B) COMPARATIVES

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

### (C) CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

The preparation of the Preliminary Final 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 Preliminary Final Report and estimates with a significant risk of material adjustment in future periods include superannuation, revenue recognition, contingent liabilities and provisions.

## Condensed Notes to the Preliminary Final Report continued

For the year ended 30 June 2025

**2 OPERATING SEGMENTS AND UNDERLYING PROFIT BEFORE TAX****(A) OPERATING SEGMENTS**

The Group's reportable operating segments are:

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

**i. Underlying EBIT**

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

**ii. Analysis by Operating Segment**

2025 \$M	Qantas Domestic	Qantas International	Jetstar Group	Qantas Loyalty	Corporate	Unallocated/ Eliminations <sup>1</sup>	Consolidated
<b>REVENUE AND OTHER INCOME</b>							
External segment revenue and other income	7,212	8,591	5,523	2,845	7	(355)	23,823
Inter-segment revenue and other income	403	570	188	18	-	(1,179)	-
<b>Total segment revenue and other income</b>	<b>7,615</b>	<b>9,161</b>	<b>5,711</b>	<b>2,863</b>	<b>7</b>	<b>(1,534)</b>	<b>23,823</b>
Share of net profit of investments accounted for under the equity method	8	9	29	-	-	-	46
<b>Underlying EBITDA<sup>2</sup></b>	<b>1,672</b>	<b>1,445</b>	<b>1,282</b>	<b>573</b>	<b>(288)</b>	<b>(46)</b>	<b>4,638</b>
Depreciation and amortisation	(626)	(852)	(513)	(17)	(4)	-	(2,012)
Reversal of impairment	10	3	-	-	-	-	13
<b>Underlying EBIT</b>	<b>1,056</b>	<b>596</b>	<b>769</b>	<b>556</b>	<b>(292)</b>	<b>(46)</b>	<b>2,639</b>
Net finance costs					(245)		(245)
<b>Underlying PBT</b>					<b>(537)</b>		<b>2,394</b>

<sup>1</sup> 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), changes in presentation of income/expenses where the determination of whether the Group is acting as principal or agent is made on consolidation, investment spend and fair value movements relating to sustainability investments and the net impact of foreign exchange movements on intercompany balances. Unallocated/Eliminations also includes the recognition of the Thank You payment announced in October 2024 expensed in accordance with relevant Accounting Standards.

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

## Condensed Notes to the Preliminary Final Report continued

For the year ended 30 June 2025

**2 OPERATING SEGMENTS AND UNDERLYING PROFIT BEFORE TAX (CONTINUED)****(A) OPERATING SEGMENTS (CONTINUED)**

## ii. Analysis by Operating Segment (continued)

2024 \$M	Qantas Domestic	Qantas International	Jetstar Group	Qantas Loyalty	Corporate	Unallocated/ Eliminations <sup>1</sup>	Consolidated
<b>REVENUE AND OTHER INCOME</b>							
External segment revenue and other income	6,831	8,205	4,776	2,455	12	(340)	21,939
Inter-segment revenue and other income	410	461	146	118	-	(1,135)	-
<b>Total segment revenue and other income</b>	<b>7,241</b>	<b>8,666</b>	<b>4,922</b>	<b>2,573</b>	<b>12</b>	<b>(1,475)</b>	<b>21,939</b>
Share of net profit/(loss) of investments accounted for under the equity method	10	10	(16)	-	-	-	4
<b>Underlying EBITDA<sup>2</sup></b>	<b>1,636</b>	<b>1,315</b>	<b>910</b>	<b>532</b>	<b>(256)</b>	<b>(85)</b>	<b>4,052</b>
Depreciation and amortisation	(575)	(757)	(413)	(21)	(7)	-	(1,773)
Reversal of impairment/(impairment)	2	(2)	-	-	-	-	-
<b>Underlying EBIT</b>	<b>1,063</b>	<b>556</b>	<b>497</b>	<b>511</b>	<b>(263)</b>	<b>(85)</b>	<b>2,279</b>
Net finance costs					(201)		(201)
<b>Underlying PBT</b>					<b>(464)</b>		<b>2,078</b>

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/reversal of impairment.

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

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

Redemption revenue in relation to products provided by suppliers outside the Group, such as Qantas Marketplace redemptions and other carrier redemptions, is recognised within Other revenue and income 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 Unallocated/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 that are identified by Management and reported to the CODM bodies as not representing the underlying performance of the business are not included in Underlying PBT. The determination of these items is made after consideration of their nature and materiality and is applied consistently from period to period.

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

Condensed Notes to the Preliminary Final Report *continued*

For the year ended 30 June 2025

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

	Note	2025 \$M	2024 \$M
<b>RECONCILIATION OF UNDERLYING PBT TO STATUTORY PROFIT BEFORE TAX</b>			
<b>Underlying PBT</b>		<b>2,394</b>	<b>2,078</b>
<i>Items not included in Underlying PBT</i>			
- Closure of Jetstar Asia and related costs	14	(39)	-
- Legal provisions and related costs	13(B)	(93)	(198)
- Net gain on disposal of assets		-	4
<b>Total items not included in Underlying PBT</b>		<b>(132)</b>	<b>(194)</b>
<b>Statutory Profit Before Income Tax Expense</b>		<b>2,262</b>	<b>1,884</b>

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

Item outside of Underlying PBT	Description
<b>Closure of Jetstar Asia and related costs</b>	(\$39) million for the announced strategic restructure of Jetstar Asia and its related costs, including Redundancy and related costs of (\$31) million and Other expenditure of (\$8) million.
<b>Legal provisions and related costs</b>	(\$65) million for an increase in legal provisions, recognised in Other expenditure in the first half of financial year 2024/25. In December 2024, the Group reached an agreement on the payment of compensation in relation to the ground handling outsourcing Federal Court case. (\$20) million for increase in legal provisions, recognised in Other expenditure in the second half of financial year 2024/25. In August 2025, a decision was handed down on pecuniary penalties in relation to the ground handling outsourcing Federal Court case. (\$8) million relating to legal and other related costs for ongoing legal matters.

In the 2023/24 financial year, items outside of Underlying PBT included:

Item outside of Underlying PBT	Description
<b>Legal provisions and related costs</b>	(\$128) million for the announced ACCC settlement (compensation and penalties) and related costs and (\$70) million for an increase in provisions in relation to the ground handling outsourcing Federal Court case, recognised in Other expenditure.
<b>Net gain on disposal of assets</b>	The net gain on disposal of assets of \$4 million arose from the disposal of Perth Airport assets.

**3 EARNINGS PER SHARE**

	2025 cents	2024 cents
<b>Statutory Earnings Per Share<sup>1</sup></b>	<b>105.2</b>	<b>75.9</b>
<b>Diluted Earnings Per Share<sup>2</sup></b>	<b>104.0</b>	<b>75.1</b>

1 Weighted average number of shares used in statutory Earnings Per Share calculation of 1,526 million (June 2024: 1,653 million) excludes unallocated treasury shares.

2 Weighted average number of shares used in diluted Earnings Per Share calculation of 1,544 million (June 2024: 1,670 million) excludes unallocated treasury shares and is adjusted for the effects of all dilutive potential ordinary shares.

	2025 \$M	2024 \$M
<b>Statutory profit attributable to members of Qantas</b>	<b>1,605</b>	<b>1,255</b>

Condensed Notes to the Preliminary Final Report continued

For the year ended 30 June 2025

**3 EARNINGS PER SHARE (CONTINUED)**

	2025	2024
	Number	Number
	M	M
<b>NUMBER OF SHARES</b>		
Issued shares as at 1 July	1,568	1,724
Shares bought back <sup>1</sup>	(55)	(156)
<b>Issued shares as at 30 June</b>	<b>1,513</b>	<b>1,568</b>
<b>Weighted average number of shares for the year</b>	<b>1,530</b>	<b>1,659</b>

<sup>1</sup> The shares bought back in 2024 include 2.9 million shares (\$17 million) that were purchased during the 2023/24 financial year but not settled until July 2024.

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

	2025	2024
	\$M	\$M
<b>Net passenger and freight revenue</b>		
Australia	16,208	14,924
Overseas	5,501	5,190
<b>Total net passenger and freight revenue</b>	<b>21,709</b>	<b>20,114</b>
Other revenue and income	2,114	1,825
<b>Total revenue and other income</b>	<b>23,823</b>	<b>21,939</b>

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**

	2025	2024
	\$M	\$M
Frequent Flyer marketing revenue and other Qantas Loyalty businesses <sup>1</sup>	1,293	1,122
Qantas Marketplace and other redemption revenue <sup>1,2</sup>	103	94
Third-party services revenue	304	286
Other revenue and income	414	323
<b>Total other revenue and income</b>	<b>2,114</b>	<b>1,825</b>

<sup>1</sup> Where the Group acts as an agent for Qantas Loyalty revenue, an adjustment is made within consolidation eliminations to present the revenue on a net basis.

<sup>2</sup> 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**

	2025	2024
	\$M	\$M
Property, plant and equipment	1,626	1,429
Right of use assets	346	295
Intangible assets	40	49
<b>Total depreciation and amortisation</b>	<b>2,012</b>	<b>1,773</b>

## Condensed Notes to the Preliminary Final Report continued

For the year ended 30 June 2025

## 6 OTHER EXPENDITURE

	2025	2024
	\$M	\$M
Technology and digital	753	672
Commissions and other selling costs	622	608
Capacity hire (excluding lease components)	620	508
Hotel, holiday and tour related costs	417	277
Marketing and advertising	220	195
Property occupancy and utility expenses	162	140
Redundancy and related costs	52	7
Discretionary bonuses to non-executive employees	29	11
Impact of discount rate changes on provisions	28	3
Reversal of impairment	(13)	-
ACCC settlement and related costs	-	128
Other	629	622
<b>Total other expenditure</b>	<b>3,519</b>	<b>3,171</b>

## 7 INCOME TAX

## (A) INCOME TAX RECOGNISED IN THE CONSOLIDATED INCOME STATEMENT

	2025	2024
	\$M	\$M
<b>Current income tax expense</b>		
Current income tax – Australia	(562)	(24)
Current income tax – foreign	-	-
Adjustments for the prior year	3	-
<b>Total current income tax expense</b>	<b>(559)</b>	<b>(24)</b>
<b>Deferred income tax expense</b>		
Origination and reversal of temporary differences	(96)	(132)
Net utilisation of tax losses	(12)	(472)
<b>Current year deferred income tax expense</b>	<b>(108)</b>	<b>(604)</b>
Benefit of tax offsets	(4)	(5)
Adjustments for the prior year	14	-
<b>Total deferred income tax expense</b>	<b>(98)</b>	<b>(609)</b>
<b>Total income tax expense in the Consolidated Income Statement</b>	<b>(657)</b>	<b>(633)</b>

## (B) RECONCILIATION BETWEEN INCOME TAX EXPENSE AND STATUTORY PROFIT BEFORE INCOME TAX

	2025	2024
	\$M	\$M
<b>Statutory profit before income tax expense</b>	<b>2,262</b>	<b>1,884</b>
Income tax expense using the domestic corporate tax rate of 30 per cent	(679)	(565)
<b>Adjusted for:</b>		
Differences in income from investments accounted for under the equity method	12	-
Losses not recognised for controlled entities	(27)	(4)
Non-deductible ACCC penalty	-	(30)
Recognition of previously unrecognised losses for branches and controlled entities	9	8
Other net non-assessable/deductible / (assessable/non-deductible) items	25	(42)
Adjustments for the prior year	3	-
<b>Income tax expense</b>	<b>(657)</b>	<b>(633)</b>

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For the year ended 30 June 2025

**7 INCOME TAX (CONTINUED)****(C) INCOME TAX BENEFIT/(EXPENSE) RECOGNISED DIRECTLY IN THE CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME**

	2025	2024
	\$M	\$M
<b>Income tax on:</b>		
Cash flow hedges	55	(26)
Defined benefit actuarial losses	12	26
Fair value losses/(gains) on investments	4	(1)
<b>Income tax benefit/(expense) recognised directly in the Consolidated Statement of Comprehensive Income</b>	<b>71</b>	<b>(1)</b>

**(D) RECONCILIATION OF INCOME TAX EXPENSE TO INCOME TAX (PAYABLE)/RECEIVABLE**

	2025	2024
	\$M	\$M
<b>Income tax expense</b>	<b>(657)</b>	<b>(633)</b>
<b>Adjusted for temporary differences:</b>		
Receivables	11	(5)
Property, plant and equipment and intangible assets	143	99
Right of use assets	(10)	–
Payables	(2)	3
Revenue received in advance	(70)	(42)
Interest-bearing liabilities	(3)	(43)
Lease liabilities	(2)	(6)
Other financial assets/(liabilities)	8	2
Provisions	(25)	48
Other items	46	76
<b>Temporary differences</b>	<b>96</b>	<b>132</b>
Benefit of tax offsets	4	5
Adjustments for the prior year	(14)	–
<b>Tax on taxable income before utilisation of tax losses</b>	<b>(571)</b>	<b>(496)</b>
Tax losses utilised against current taxable income	21	480
Tax losses recognised through the Consolidated Income Statement	(9)	(8)
<b>Tax on taxable income after utilisation of tax losses</b>	<b>(559)</b>	<b>(24)</b>
Tax instalments paid	313	45
<b>Income tax (payable)/receivable</b>	<b>(246)</b>	<b>21</b>

**(E) QANTAS GROUP CARRIED FORWARD TAX LOSSES**

	2025	2024
	\$M	\$M
<b>Total tax losses brought forward as at 1 July</b>	<b>(32)</b>	<b>(494)</b>
Tax losses utilised against current taxable income <sup>1</sup>	21	480
Tax losses recognised through Equity <sup>2</sup>	–	(10)
Tax losses recognised through the Consolidated Income Statement <sup>3</sup>	(9)	(8)
<b>Tax losses carried forward to be utilised in future periods<sup>4</sup></b>	<b>(20)</b>	<b>(32)</b>

1 Tax losses utilised against current taxable income comprises \$10 million Australian tax losses, referable to the acquisition of the non-controlling interest of TAD Holdco Pty Limited and its subsidiaries (TripADeal) and \$11 million New Zealand tax losses (30 June 2024: \$472 million Australian tax losses and \$8 million New Zealand tax losses).

2 A deferred tax asset of \$10 million was recognised for income tax losses not available to be used in the 2023/24 financial year, which were expected to be recovered in future periods, referable to the acquisition of the non-controlling interest of TAD Holdco Pty Limited and its subsidiaries (TripADeal). These income tax losses were utilised in the 2024/25 financial year.

3 A deferred tax asset of \$9 million was recognised in financial year 2024/25, which is expected to be recovered in future periods, referable to New Zealand (30 June 2024: \$8 million deferred tax asset).

4 The deferred tax asset of \$20 million as at 30 June 2025 comprises New Zealand tax losses only. There are no Australian tax losses remaining.

## Condensed Notes to the Preliminary Final Report continued

For the year ended 30 June 2025

### 7 INCOME TAX (CONTINUED)

#### (F) PILLAR TWO MINIMUM EFFECTIVE TAX RATE REFORM

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

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

The Qantas Group has assessed that the transitional safe harbour framework can apply in almost all the jurisdictions in which it operates, including Australia. Where the transitional safe harbour framework does not apply, the relevant GloBE calculation has been prepared in accordance with the law in force and the currently available OECD guidance (the OECD Inclusive Framework on Pillar Two has yet to provide guidance on how the Substance-Based Income Exclusion (SBIE) rules will apply to aircraft and flight crew). The Qantas Group has not identified any material top-up tax payment obligations in financial year 2024/25 and no additional tax expense has been recognised for the financial year ended 30 June 2025.

As it is difficult to assess whether Pillar Two will give rise to additional temporary differences, whether deferred tax assets and liabilities need to be remeasured and which tax rate should be applied when calculating deferred tax, the AASB issued an amendment *AASB 2023-2 Amendments to Australian Accounting Standards – International Tax Reform – Pillar Two Model Rules* in June 2023. This mandatory amendment provides a temporary exemption from deferred tax accounting related to Pillar Two and has been applied for the year ended 30 June 2025.

### 8 DIVIDENDS AND OTHER SHAREHOLDER DISTRIBUTIONS

#### (A) DIVIDENDS DECLARED AND PAID

During the year ended 30 June 2025, the Group paid a base dividend of \$250 million, distributed as a fully franked interim dividend of 16.5 cents per share, and an additional distribution of \$150 million, distributed as a fully franked special dividend of 9.9 cents per share. The dividends were paid on 16 April 2025.

In August 2025, the Board has resolved to announce a base dividend of \$250 million, distributed as a fully franked final dividend of 16.5 cents per share. The Board has also resolved to announce an additional distribution of \$150 million, distributed as a fully franked special dividend of 9.9 cents per share. The record date for determining entitlements to the dividends is 17 September 2025. The dividends will be paid on 15 October 2025.

#### (B) SHARE BUY-BACKS

During the year ended 30 June 2025, the Group completed on-market share buy-backs totalling \$431 million. Of the total \$431 million, \$31 million related to the completion of the buy-back announced in February 2024 and \$400 million related to the buy-back announced in August 2024. The Group purchased 55 million ordinary shares on issue at the average price of \$7.82.

#### (C) FRANKING ACCOUNT

	2025	2024
	\$M	\$M
Actual franking account balance as at 30 June	152	48
Australian income tax payable/(receivable)	246	(21)
<b>Total franking account balance at 30 per cent</b>	<b>398</b>	<b>27</b>

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

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For the year ended 30 June 2025

## 9 CAPITAL

	2025	2024
	\$M	\$M
Opening balance: 1,568,260,396 (1 July 2023: 1,724,454,680) ordinary shares, fully paid	1,317	2,186
Shares bought back during the year: 55,061,117 (June 2024: 156,194,284) ordinary shares <sup>1</sup>	(431)	(869)
<b>Closing balance: 1,513,199,279 (2024: 1,568,260,396) ordinary shares</b>	<b>886</b>	<b>1,317</b>

<sup>1</sup> The shares bought back in 2024 include 2.9 million shares (\$17 million) that were purchased during the 2023/24 financial year but not settled until July 2024.

Holders of ordinary shares are entitled to receive dividends as declared from time to time and are entitled to one vote per share at shareholders' meetings. In the event of wind-up, Qantas ordinary shareholders rank after all creditors and are fully entitled to any residual proceeds on liquidation.

## 10 REVENUE RECEIVED IN ADVANCE

	2025			2024		
	\$M			\$M		
	Current	Non-current	Total	Current	Non-current	Total
Unavailed passenger revenue	4,729	–	4,729	4,637	–	4,637
Unredeemed Frequent Flyer revenue	1,935	1,621	3,556	1,599	1,729	3,328
Other revenue received in advance	515	129	644	486	150	636
<b>Total revenue received in advance</b>	<b>7,179</b>	<b>1,750</b>	<b>8,929</b>	<b>6,722</b>	<b>1,879</b>	<b>8,601</b>

## 11 CASH AND CASH EQUIVALENTS AND INTEREST-BEARING LIABILITIES

## (A) CASH AND CASH EQUIVALENTS

	2025	2024
	\$M	\$M
Cash and cash at call balances	1,061	898
Short-term money market securities and term deposits	1,152	820
<b>Total cash and cash equivalents</b>	<b>2,213</b>	<b>1,718</b>

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

	2025			2024		
	\$M			\$M		
	Current	Non-current	Total	Current	Non-current	Total
Bank loans – secured	218	1,267	1,485	179	792	971
Bank loans – unsecured	–	760	760	–	402	402
Other loans – secured	29	1,959	1,988	29	1,965	1,994
Other loans – unsecured	–	2,167	2,167	–	1,668	1,668
<b>Total interest-bearing liabilities</b>	<b>247</b>	<b>6,153</b>	<b>6,400</b>	<b>208</b>	<b>4,827</b>	<b>5,035</b>

## 12 CAPITAL EXPENDITURE COMMITMENTS

The Group's capital expenditure commitments as at 30 June 2025 are \$21,712 million (2024: \$21,494 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 30 June 2025 closing exchange rate of \$0.65 (2024: \$0.67).

## Condensed Notes to the Preliminary Final Report continued

For the year ended 30 June 2025

### 13 CONTINGENT LIABILITIES AND LEGAL PROVISIONS

Where a legal claim has been made against the Group, it is necessary to determine whether each claim either meets the recognition requirement of a provision, represents a contingent liability requiring disclosure or does not require recognition or disclosure in accordance with AASB 137 *Provisions, Contingent Liabilities and Contingent Assets* (AASB 137). Contingent liabilities are disclosed in the Preliminary Final 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 Financial Statements in the period in which the change occurs.

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

#### (A) 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 30 June 2025, and, subject to specific provisions raised, are of the opinion that no material contingent liabilities exist other than the matters listed below.

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

##### *Qantas class action proceedings*

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

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

##### *Jetstar class action proceedings*

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

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

##### *Qantas cyber incident*

Refer to Note 14 - Post-Balance Sheet Date Events, for details of an announcement on 2 July 2025.

#### (B) LEGAL PROVISIONS

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.

##### *Australian Competition and Consumer Commission proceedings*

In 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 cancelled flights scheduled to depart between May 2022 and July 2022.

## Condensed Notes to the Preliminary Final Report continued

For the year ended 30 June 2025

### 13 CONTINGENT LIABILITIES AND LEGAL PROVISIONS (CONTINUED)

#### (B) LEGAL PROVISIONS (CONTINUED)

In May 2024, Qantas announced an agreement with the ACCC to resolve the Federal Court proceedings, including a \$20 million remediation program for impacted passengers and a \$100 million civil penalty (as approved by the Court on 8 October 2024). These amounts were recognised as a provision in the year ended 30 June 2024. In the first half of the 2024/25 financial year, the Group paid the \$100 million civil penalty and commenced the \$20 million remediation program.

##### *Ground handling outsourcing*

In September 2023, the High Court dismissed an appeal by Qantas against a decision of the Full Federal Court of Australia in May 2022 that determined that Qantas had contravened the adverse action provisions of the *Fair Work Act 2009* (Cth) in outsourcing the remainder of Qantas' ground handling function in 2020.

On 21 October 2024, Justice Lee of the Federal Court handed down the decision in relation to the compensation hearing for three 'test case' employees.

On 17 December 2024, the Group announced that Qantas and the Transport Workers' Union (TWU) had reached an agreement on the payment of compensation to the former ground handlers to a total value of \$120 million. In early 2025, the Group paid \$120 million to establish a compensation fund, administered by Maurice Blackburn on behalf of the TWU, to pay the compensation to the 1,820 impacted former employees covering both economic and non-economic loss, compensation to the TWU, as well as the cost incurred managing the distribution of funds to individuals.

A hearing on pecuniary penalties was held in May 2025 with the decision handed down on 18 August 2025 with the Group to pay a \$90 million penalty. This penalty will be paid in financial year 2025/26.

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

### 14 POST-BALANCE SHEET DATE EVENTS

#### *Closure of Jetstar Asia*

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

Jetstar Asia's final day of operations was on 31 July 2025. As the decision to close the business was made and communicated to affected stakeholders prior to 30 June 2025, provisions were raised for certain associated closure costs (including redundancy and related costs) and have been recognised in the Consolidated Financial Statements as at 30 June 2025.

#### *Qantas cyber incident*

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

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

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

#### *Ground handling outsourcing penalty decision*

On 18 August 2025, the decision on pecuniary penalties was handed down in relation to the outsourcing of the remainder of Qantas' ground handling function in 2020. This was a post-balance sheet date adjusting event and the increase to legal provisions has been recognised in the Preliminary Final Report as at 30 June 2025. Refer to Note 13(B) - Legal Provisions for further details.

Other than as disclosed above and as noted in Note 8 – Dividends and Other Shareholder Distributions, there has not arisen, in the interval between 30 June 2025 and the date of this report, any other event that would have a material impact on the Preliminary Final Report as at 30 June 2025.

## Operational Statistics

For the year ended 30 June 2025

		June 2025	June 2024
<b>TRAFFIC AND CAPACITY</b>			
<b>QANTAS DOMESTIC (INCLUDING QANTASLINK)</b>			
Passengers carried	'000	21,401	20,927
Revenue Passenger Kilometres (RPKs)	M	25,376	25,058
Available Seat Kilometres (ASKs)	M	32,479	32,950
Seat Factor	%	78.1	76.0
<b>JETSTAR DOMESTIC</b>			
Passengers carried	'000	15,848	14,744
Revenue Passenger Kilometres (RPKs)	M	19,834	18,494
Available Seat Kilometres (ASKs)	M	22,150	21,106
Seat Factor	%	89.5	87.6
<b>GROUP DOMESTIC</b>			
Available Seat Kilometres (ASKs)	M	54,629	54,056
<b>QANTAS INTERNATIONAL</b>			
Passengers carried	'000	8,379	7,744
Revenue Passenger Kilometres (RPKs)	M	53,007	48,850
Available Seat Kilometres (ASKs)	M	62,571	58,878
Seat Factor	%	84.7	83.0
<b>JETSTAR INTERNATIONAL</b>			
Passengers carried	'000	7,680	6,349
Revenue Passenger Kilometres (RPKs)	M	27,230	21,674
Available Seat Kilometres (ASKs)	M	30,768	25,124
Seat Factor	%	88.5	86.3
<b>JETSTAR ASIA</b>			
Passengers carried	'000	2,593	2,034
Revenue Passenger Kilometres (RPKs)	M	3,935	2,819
Available Seat Kilometres (ASKs)	M	4,836	3,299
Seat Factor	%	81.4	85.5
<b>GROUP INTERNATIONAL</b>			
Available Seat Kilometres (ASKs)	M	98,175	87,301
<b>QANTAS GROUP OPERATIONS</b>			
Passengers carried	'000	55,901	51,798
Revenue Passenger Kilometres (RPKs)	M	129,382	116,895
Available Seat Kilometres (ASKs)	M	152,804	141,357
Seat Factor	%	84.7	82.7
Group Unit Revenue (RASK)	c/ASK	11.05	11.20
Aircraft at end of the year	#	363	347

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