

QANTAS AIRWAYS LIMITED

ABN 16 009 661 901

PRELIMINARY* MONTHLY TRAFFIC AND CAPACITY STATISTICS

MARCH 2001

Summary of Traffic and Capacity Statistics

Group (comprising international, domestic and regional) passenger numbers for March increased by 5.2 percent compared to March 2000. Traffic for March, measured in Revenue Passenger Kilometres (RPKs), increased by 10.3 percent, while capacity, measured in Available Seat Kilometres (ASKs), increased by 10.7 percent over the previous year. This resulted in a revenue seat factor of 74.9 percent for the month, 0.3 percentage points lower than the previous year.

For the financial year to March, Group passenger numbers increased by 8.0 percent over the previous year. RPKs and ASKs were up 10.5 percent and 9.2 percent respectively, resulting in a revenue seat factor of 76.8 percent, 0.8 percentage points higher than the previous year. Yield excluding exchange for the year to March declined by 2.5 percent.

Financial Performance

Qantas announced the successful syndication of a A\$2.1 billion global bank facility, the largest single borrowing undertaken by the airline. The facility was originally underwritten at A\$1.4 billion and later increased to A\$2.1 billion following unprecedented demand from a syndicate of 32 banks. A\$700 million will be used as a standby facility replacing an existing arrangement maturing in October this year and the remaining A\$1.4 billion is a five-year term loan, which will be provided on a revolving basis for the first 364 days. Funds raised under the term loan will be used to re-finance maturing debt and for progress payments on the airline's new fleet, which was announced in November 2000.

Recent Developments

Qantas will be rebranding its four wholly owned subsidiary airlines – Eastern Australia Airlines, Southern Australia Airlines, Airlink and Sunstate Airlines – into a single name, QantasLink. The creation of QantasLink is a strategic re-branding exercise, which allows Qantas to draw on the strength of the Qantas brand to enhance the marketing of the regional airlines and the destinations they serve to the rest of the world. QantasLink will offer a range of competitive airfares similar to those offered on the mainline Qantas domestic fleet as well as Frequent Flyer, lounge, **oneworld**, and through check-in benefits.

Qantas welcomed the decision by the Australian Competition and Consumer Commission not to oppose its commercial agreement with Impulse Airlines. Qantas will loan funds to allow Impulse to buy back its institutional shareholders' shares and provide working capital, while Impulse will contract its eight Boeing 717 and 13 Beechcraft 1900D aircraft, complete with pilots, cabin crew and engineers to Qantas. The Boeing 717 aircraft will be operated under the QantasLink brand and livery and will service primarily leisure destinations, including Gold Coast, Maroochydore and Hamilton Island and also operate between Melbourne and Hobart. New QantasLink non-stop services from Sydney to Townsville and Hobart will also be developed. Beechcraft services in New South Wales and to Canberra and Newcastle will continue.

Qantas announced plans to launch a New Zealand domestic service from as early as 1 June 2000, which will be owned and operated by Qantas. A Boeing 737 service will fly 10 daily round trips between Auckland and Wellington and eight daily round trips between Auckland and Christchurch. Services will be two-class, offering both business and economy class travel, and will be integrated with Qantas' extensive international network, offering the benefits of Qantas Frequent Flyer and Qantas Club services. Qantas also expect to conclude shortly an agreement with Origin Pacific Airways, which already operates domestically in New Zealand, for a commercial and codeshare relationship to service other New Zealand trunk and regional routes.

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	Month			Financial Year to Date		
	2000/01	1999/00	Change	2000/01	1999/00	Change
Domestic						
Passengers carried ('000) **	951	942	1.0%	8,366	8,034	4.1%
Revenue Passenger Kilometres (m)	1,233	1,187	3.9%	11,044	10,534	4.8%
Available Seat Kilometres (m)	1,595	1,456	9.5%	13,877	13,127	5.7%
Revenue Seat Factor (%)	77.3	81.5	(4.2) pts	79.6	80.3	(0.7) pts
International						
Passengers carried ('000) **#	660	592	11.5%	5,857	5,213	12.4%
Revenue Passenger Kilometres (m) #	4,617	4,106	12.4%	40,719	36,305	12.2%
Available Seat Kilometres (m)	6,189	5,565	11.2%	53,298	48,390	10.1%
Revenue Seat Factor (%)	74.6	73.8	0.8 pts	76.4	75.0	1.4 pts
Core Airline						
Passengers carried ('000) **#	1,611	1,534	5.0%	14,223	13,247	7.4%
Revenue Passenger Kilometres (m) #	5,850	5,293	10.5%	51,764	46,839	10.5%
Available Seat Kilometres (m)	7,784	7,021	10.9%	67,175	61,517	9.2%
Revenue Seat Factor (%)	75.1	75.4	(0.3) pts	77.1	76.1	1.0 pts
Average Passenger Journey Length	3,631	3,450	5.2%	3,639	3,536	2.9%
Total Group Operations						
Passengers carried ('000) **#	1,880	1,787	5.2%	16,596	15,361	8.0%
Revenue Passenger Kilometres (m) #	6,023	5,460	10.3%	53,333	48,277	10.5%
Available Seat Kilometres (m)	8,036	7,260	10.7%	69,423	63,563	9.2%
Revenue Seat Factor (%)	74.9	75.2	(0.3) pts	76.8	76.0	0.8 pts

Notes

*Any adjustments to preliminary statistics will be included in the year to date results next month. Where figures have been rounded, discrepancies may occur between the sum of the components of items and the total and in percentage changes which are derived from figures prior to rounding.

** The number of passengers carried is calculated on the basis of origin/destination (ie. one origin/destination journey represents one passenger regardless of the number of stage lengths undertaken).

From 1 July 2000 a new definition for international RPKs and passenger numbers is being used. All international fare paying passengers will be included in both RPKs and number of passengers carried. Previously only international passengers who paid greater than 25% of the published fare were included. There has been no change in the domestic definition which already includes all fare paying passengers. Comparative information has not been adjusted.

Key

(m): Millions

RPKs: The number of paying passengers carried, multiplied by the number of kilometres flown

ASKs: The number of seats available for sale multiplied by the number of kilometres flown