

QANTAS AIRWAYS LIMITED
ABN 16 009 661 901

PRELIMINARY MONTHLY TRAFFIC AND CAPACITY STATISTICS
AUGUST 2003

Summary of Traffic and Capacity Statistics

Month of August 2003

International traffic, measured in Revenue Passenger Kilometres (RPKs) decreased by 12.7 percent in August 2003 while capacity, measured in Available Seat Kilometres (ASKs), decreased by 11.2 percent. This resulted in a revenue seat factor of 78.6 percent, 1.3 percentage points lower than for August 2002.

Domestic RPKs decreased by 0.9 percent in August, while ASKs decreased by 4.9 percent over the same period. The resulting revenue seat factor of 81.7 percent was 3.3 percentage points higher than the previous year.

August Group (comprising International, Domestic, Australian Airlines and QantasLink) passenger numbers decreased by 2.9 percent over the previous year. RPKs decreased by 5.0 percent, while ASKs were down 4.7 percent, resulting in a revenue seat factor of 79.0 percent, which was 0.3 percentage points lower than the previous year.

Financial Year to Date August 2003

International revenue seat factor for year to date August 2003 decreased by 0.7 percentage points to 80.4 percent when compared with year to date August 2002, while international yield excluding exchange decreased by 3.0 percent over the same period. Domestic yield excluding exchange for the financial year to August decreased by 1.3 percent. Domestic revenue seat factor increased by 3.7 percentage points to 83.5 percent over the same period.

Group passenger numbers for the year to August decreased by 3.1 percent from the previous year. RPKs and ASKs both decreased by 5.0 percent, resulting in a revenue seat factor of 80.5 percent, unchanged from the previous year.

Recent Developments

The 2003 Annual General Meeting of Qantas Airways Limited was held on 16 October in Adelaide. All Resolutions were passed by shareholders at the meeting.

On 16 October 2003, Qantas announced that the Board had approved the establishment of a new low cost domestic airline. The new airline will commence operations in May 2004, as a separate business with its own brand. Negotiations are underway with Boeing, Airbus and aircraft lessors for the acquisition of Boeing 737-800 or Airbus A320 aircraft that will see the new low cost carrier have a minimum of 23 aircraft by mid-2005. The current Qantas domestic operation will continue as now, but with an even greater focus on delivering quality service, particularly to the business community.

On 17 October 2003, Qantas provided further details of the corporate reorganisation it announced in August 2003. The reorganisation involves the establishment of ten businesses:

- Four flying businesses – Qantas Airlines, QantasLink, Australian Airlines and the new domestic low cost carrier;
- Two flying services businesses – Engineering Technical Operations and Maintenance Services, together with Airports and Catering; and
- Four associated businesses – Freight, Qantas Holidays, Qantas Defence Services and Qantas Consulting.

The businesses will be supported by a Corporate Centre that will focus on corporate governance, investment decisions, performance standards and group strategies. A shared services organisation, Qantas Business Services, will be established to provide support services to businesses within the company.

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AUGUST 2003

	Month			Financial Year to Date		
	2003/04	2002/03	Change	2003/04	2002/03	Change
Domestic						
Passengers carried ('000)	1,446	1,451	(0.3)%	2,922	2,936	(0.5)%
Revenue Passenger Kilometres (m)	1,942	1,959	(0.9)%	3,999	3,992	0.2%
Available Seat Kilometres (m)	2,377	2,500	(4.9)%	4,788	5,003	(4.3)%
Revenue Seat Factor (%)	81.7	78.4	3.3 pts	83.5	79.8	3.7 pts
International						
Passengers carried ('000)	644	733	(12.1)%	1,325	1,507	(12.1)%
Revenue Passenger Kilometres (m)	3,968	4,546	(12.7)%	8,179	9,314	(12.2)%
Available Seat Kilometres (m)	5,050	5,687	(11.2)%	10,176	11,481	(11.4)%
Revenue Seat Factor (%)	78.6	79.9	(1.3) pts	80.4	81.1	(0.7) pts
Australian Airlines						
Passengers carried ('000)	59	-	na	99	-	na
Revenue Passenger Kilometres (m)	281	-	na	478	-	na
Available Seat Kilometres (m)	392	-	na	714	-	na
Revenue Seat Factor (%)	71.7	-	na	66.9	-	na
QantasLink						
Passengers carried ('000)	283	321	(11.8)%	575	638	(9.9)%
Revenue Passenger Kilometres (m)	197	219	(10.0)%	402	435	(7.6)%
Available Seat Kilometres (m)	262	294	(10.9)%	534	585	(8.7)%
Revenue Seat Factor (%)	75.2	74.5	0.7 pts	75.3	74.4	0.9 pts
Total Group Operations						
Passengers carried ('000)	2,432	2,505	(2.9)%	4,921	5,081	(3.1)%
Revenue Passenger Kilometres (m)	6,388	6,724	(5.0)%	13,058	13,741	(5.0)%
Available Seat Kilometres (m)	8,081	8,481	(4.7)%	16,212	17,069	(5.0)%
Revenue Seat Factor (%)	79.0	79.3	(0.3) pts	80.5	80.5	0.0 pts

Notes

Any adjustments to preliminary statistics will be included in the year to date results next month. Where figures have been rounded, discrepancies 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 (one origin/destination journey represents one passenger regardless of the number of stage lengths undertaken).

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