

QANTAS AIRWAYS LIMITED
ABN 16 009 661 901

PRELIMINARY MONTHLY TRAFFIC AND CAPACITY STATISTICS
AUGUST 2007

Summary of Traffic and Capacity Statistics

Month of August 2007

August Group (comprising Qantas Domestic, QantasLink, Jetstar and Qantas International) passenger numbers increased by 8.8 per cent over the previous year. RPKs increased by 8.4 per cent, while ASKs were up 3.9 per cent, resulting in a revenue seat factor of 79.7 per cent, which was 3.2 percentage points higher than the previous year.

Financial Year to Date August 2007

Total Domestic (Qantas, QantasLink and Jetstar domestic operations) yield excluding exchange for the financial year to August 2007 increased by 8.1 per cent when compared to the same period last year. Total International (Qantas and Jetstar international operations) yield excluding exchange increased by 5.8 per cent over the same period. The reported yield variances have not been calculated in accordance with the accounting requirements of IFRIC 13 Customer Loyalty Programmes. Qantas is currently in the process of applying this Interpretation and does not expect that the reported yield variances would be materially different if calculated in accordance with IFRIC 13.

Group passenger numbers for the financial year to August 2007 increased by 7.7 per cent from the previous year. RPKs increased by 7.0 per cent, while ASKs increased by 3.1 per cent, resulting in a revenue seat factor of 81.8 per cent, 3.0 percentage points higher than the previous year.

Recent Developments

Qantas has taken a recent opportunity to increase its fuel hedging for 2007/08. Crude oil requirements for the remainder of 2007/08 are 68 percent hedged at a worst case rate of just under \$US73 a barrel for West Texas Intermediate Crude, inclusive of option premium.

On 11 October 2007 Qantas announced the delay in the delivery of the Boeing 787 Dreamliner would not materially impact the operations of the Qantas Group of airlines. Qantas said it had been assured by Boeing that the 15 Dreamliners scheduled for delivery between August 2008 and December 2009 would all be delivered by the 2009 date. Boeing said the August 2008 aircraft would slip, but not by six months. Once that aircraft arrives, the remaining 14 aircraft deliveries will be staggered until December 2009. Qantas has 65 firm orders for the B787, 20 options and 30 purchase rights. Qantas has contingency plans for any short-term capacity shortages and once Boeing confirms a revised delivery schedule Qantas will assess the need for any other measures such as delaying the retirement of aircraft. Compensation issues will be the subject of commercial negotiations between the Qantas and Boeing companies. Qantas sees no reason to change earnings forecasts.

On 9 October 2007, Qantas announced it would implement a multi-million dollar investment in its New Zealand domestic product from November 2007. Qantas said the product enhancements being introduced over the coming months would see a more targeted focus on the business traveller.

On 26 September 2007, Qantas announced that Qantas Group Flight Training and Nippon Cargo Airlines signed a five-year contract for Qantas to provide Boeing 747-400 training for up to 200 Nippon Cargo Airlines pilots. The new stand-alone flight training business will train more than 3,000 new pilots for the Qantas Group over the next 10 years and a significant number of pilots for other airlines. Qantas Group Flight Training will operate independently of the airline by the end of 2007 with its own profit and loss responsibilities.

On 18 September 2007, the Qantas Group launched a Carbon Offset Program, backed by a pledge to offset the carbon emissions of every international and domestic Qantas, QantasLink and Jetstar flight on 19 September – the first day of the Program's operation. Under the new program, Qantas and Jetstar passengers can elect to offset their share of flight emissions by making a small contribution through qantas.com and jetstar.com. Qantas also committed to offsetting the emissions for all staff travelling for business purposes as well as those generated by the Group's ground transport vehicles. All contributions will go towards Australia-based Greenhouse Friendly™ approved abatement programs, which may include energy efficiency measures, generation of renewable energy and tree planting projects. The Qantas Group is focused on achieving a carbon dioxide savings target of more than two million tonnes by June 2011 through a range of environmental initiatives.

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	2007/08	Month 2006/07	Change	Financial Year to Date 2007/08	2006/07	Change
Qantas Domestic						
Passengers carried ('000)	1,474	1,351	9.1%	2,988	2,737	9.2%
Revenue Passenger Kilometres (m)	2,125	1,933	9.9%	4,355	3,973	9.6%
Available Seat Kilometres (m)	2,629	2,494	5.4%	5,253	5,003	5.0%
Revenue Seat Factor (%)	80.8	77.5	3.3 pts	82.9	79.4	3.5 pts
QantasLink						
Passengers carried ('000)	364	323	12.8%	720	640	12.5%
Revenue Passenger Kilometres (m)	239	215	11.1%	476	432	10.1%
Available Seat Kilometres (m)	317	295	7.7%	624	585	6.6%
Revenue Seat Factor (%)	75.4	73.1	2.3 pts	76.3	73.9	2.4 pts
Jetstar*						
Passengers carried ('000)	727	599	21.4%	1,467	1,247	17.7%
Revenue Passenger Kilometres (m)	1,211	747	62.1%	2,413	1,562	54.5%
Available Seat Kilometres (m)	1,584	944	67.8%	3,085	1,932	59.6%
Revenue Seat Factor (%)	76.5	79.1	(2.6) pts	78.2	80.8	(2.6) pts
Qantas International						
Passengers carried ('000)	672	703	(4.4)%	1,401	1,482	(5.5)%
Revenue Passenger Kilometres (m)	4,900	4,926	(0.5)%	10,196	10,331	(1.3)%
Available Seat Kilometres (m)	6,098	6,491	(6.1)%	12,364	13,162	(6.1)%
Revenue Seat Factor (%)	80.4	75.9	4.5 pts	82.5	78.5	4.0 pts
Total Group Operations						
Passengers carried ('000)	3,237	2,976	8.8%	6,576	6,106	7.7%
Revenue Passenger Kilometres (m)	8,475	7,821	8.4%	17,440	16,298	7.0%
Available Seat Kilometres (m)	10,628	10,224	3.9%	21,326	20,683	3.1%
Revenue Seat Factor (%)	79.7	76.5	3.2 pts	81.8	78.8	3.0 pts

Notes

Any adjustments to preliminary statistics will be included in the year to date results next month. Where figures have been rounded, discrepancies 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).

* Includes Jetstar domestic, trans-Tasman and international operations

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