

QANTAS AIRWAYS LIMITED
ABN 16 009 661 901

PRELIMINARY MONTHLY TRAFFIC AND CAPACITY STATISTICS
OCTOBER 2006

Summary of Traffic and Capacity Statistics

Month of October 2006

October Group (comprising Qantas Domestic, QantasLink, Jetstar and Qantas International) passenger numbers increased by 7.8 per cent over the previous year. RPKs increased by 7.7 per cent, while ASKs were up 3.1 per cent, resulting in a revenue seat factor of 80.7 per cent, which was 3.5 percentage points higher than the previous year.

Financial Year to Date October 2006

Total Domestic (Qantas, QantasLink and Jetstar domestic operations) yield excluding exchange for the financial year to October 2006 increased by 2.0 per cent when compared to the same period last year. Total International (Qantas, Australian Airlines and Jetstar Trans-Tasman operations) yield excluding exchange increased by 7.9 per cent over the same period.

Group passenger numbers for the financial year to October 2006 increased by 7.0 per cent from the previous year. RPKs increased by 6.8 per cent, while ASKs increased by 3.8 per cent, resulting in a revenue seat factor of 79.7 per cent, 2.2 percentage points higher than the previous year.

Recent Developments

On 22 November 2006, Qantas said it would review over the next 12 months whether to commit investment to major in-house engineering and maintenance operations for its fleet of new aircraft. The review is about trying to create conditions for the necessary investment to bring the maintenance of the A330 aircraft fleet, which will soon number around 30, into Australia. Qantas said the review was also aimed at creating the conditions that would allow the B787, and even the A380, to be maintained in Australia. The review will include the 737 Narrow-Body Maintenance operations at Tullamarine and its operations at Avalon. Qantas said it had two options for its Engineering and Maintenance in the future: endeavour to create an onshore, in-house MRO that had the scale and efficiency to handle all its own and some third-party work in a competitive market; or commit to total maintenance solutions proposed by the aircraft manufacturers, or other providers, that would result in the progressive reduction of onshore maintenance activity. Qantas said it would prefer the onshore, in-house option and will work with its people to try and make it happen.

On 21 November 2006, Qantas announced it would retain its Boeing B737 heavy maintenance operation at its current base in Tullamarine. Qantas said the decision involves retaining 460 skilled jobs in Victoria.

On 16 November 2006, Qantas announced that the Group's value based airline Jetstar will replace Qantas Airways services from Cairns to Nagoya and Osaka from mid-2007. Qantas said the Jetstar cost structure and product offering was much better suited to the routes. Australia faces tough competition for the Japanese tourist, an issue exacerbated by the depreciation of the yen against the Australian dollar. Replacing daily Qantas B767 services with Jetstar A330 services between Cairns and Nagoya and Osaka will improve the economics of the route by around \$40 million, Qantas said. With Jetstar operating these flights in addition to its recently announced Osaka-Brisbane-Sydney services, which are scheduled to start 25 May 2007, the Qantas Group will increase capacity to Australia from western Japan by 30 per cent.

On 15 November 2006, Qantas announced that following the negative draft determination by the Australian Competition and Consumer Commission (ACCC) it would withdraw its application to the ACCC and New Zealand Minister of Transport for approval of an alliance with Air New Zealand on trans-Tasman routes.

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	Month			Financial Year to Date		
	2006/07	2005/06	Change	2006/07	2005/06	Change
Qantas Domestic						
Passengers carried ('000)	1,451	1,411	2.8%	5,549	5,468	1.5%
Revenue Passenger Kilometres (m)	2,144	2,042	5.0%	8,102	7,911	2.4%
Available Seat Kilometres (m)	2,624	2,471	6.2%	10,107	9,799	3.1%
Revenue Seat Factor (%)	81.7	82.6	(0.9) pts	80.2	80.7	(0.5) pts
QantasLink						
Passengers carried ('000)	340	279	21.7%	1,307	1,087	20.3%
Revenue Passenger Kilometres (m)	223	176	26.3%	870	678	28.3%
Available Seat Kilometres (m)	303	245	23.6%	1,178	955	23.4%
Revenue Seat Factor (%)	73.6	72.0	1.6 pts	73.9	71.0	2.9 pts
Jetstar						
Passengers carried ('000)	657	481	36.5%	2,538	1,788	42.0%
Revenue Passenger Kilometres (m)	785	511	53.6%	3,121	1,896	64.6%
Available Seat Kilometres (m)	959	646	48.4%	3,833	2,458	55.9%
Revenue Seat Factor (%)	81.8	79.0	2.8 pts	81.4	77.1	4.3 pts
Qantas International *						
Passengers carried ('000)	754	798	(5.5)%	2,960	3,204	(7.6)%
Revenue Passenger Kilometres (m)	5,155	4,980	3.5%	20,564	20,097	2.3%
Available Seat Kilometres (m)	6,410	6,620	(3.2)%	25,870	26,272	(1.5)%
Revenue Seat Factor (%)	80.4	75.2	5.2 pts	79.5	76.5	3.0 pts
Total Group Operations						
Passengers carried ('000)	3,202	2,969	7.8%	12,354	11,547	7.0%
Revenue Passenger Kilometres (m)	8,307	7,709	7.7%	32,657	30,582	6.8%
Available Seat Kilometres (m)	10,296	9,982	3.1%	40,988	39,484	3.8%
Revenue Seat Factor (%)	80.7	77.2	3.5 pts	79.7	77.5	2.2 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 prior year statistics for Australian Airlines which, effective 1 July 2006, provides wet lease services to Qantas mainline.

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