

**QANTAS AIRWAYS LIMITED
ABN 16 009 661 901**

PRELIMINARY* MONTHLY TRAFFIC AND CAPACITY STATISTICS

AUGUST / SEPTEMBER 2001

Summary of September 2001 Traffic and Capacity Statistics

For the year to date September 2001, both international and domestic yield continued their downward trend, although this was somewhat offset by higher passenger numbers. International yield excluding exchange for the financial year to September decreased by 4.5 percent, while international revenue seat factor increased by 3.5 percentage points over the same period. Domestic yield excluding exchange and domestic revenue seat factor for the year to September declined by 5.0 percent and 2.7 percentage points respectively.

Group (comprising international, domestic and regional) passenger numbers for the financial year to September increased by 14.3 percent compared to September 2000. Traffic for the year to September, measured in Revenue Passenger Kilometres (RPKs), increased by 9.3 percent, while capacity, measured in Available Seat Kilometres (ASKs), increased by 6.3 percent over the previous year. This resulted in a revenue seat factor of 78.1 percent, 2.2 percentage points higher than the previous year.

These figures include only a small increment of the impact of the events of September 11.

Recent Developments

Qantas announced it will reduce staff positions by between 1,500 and 2,000 as a result of the sharp and continuing deterioration in the international aviation market. The reductions in staff will take place before the end of December and will be achieved by redundancies, attrition and by not filling budgeted vacancies. Every effort will be made to keep compulsory redundancies to a minimum. A range of other initiatives will also be introduced immediately to meet the market downturn. These include the taking of annual and long service leave, job sharing by interested staff, and leave without pay.

Qantas will also make further reductions to its international flying, taking the reduction in capacity since the terrorist attacks on America to around 11 per cent. As part of this rationalisation, all flights to New York will be withdrawn from November 25. There will also be a reduction in flights to Rome, Johannesburg, Bangkok, Manila and Buenos Aires, and Paris services will be, from March, routed over Frankfurt.

In addition to the reduction in services, Qantas has also announced its decision to retire its fleet of five Boeing 747-200 aircraft from April next year. It was previously planned to phase the aircraft out from late 2003. Qantas will also make extensive internal changes, moving a significant number of people from its international operation to its domestic operation.

These moves are designed to bolster decisions made by Qantas last month to respond to the international aviation downturn resulting from the terrorist attack, to lower its cost base and to put it in a strong position to take advantage of the inevitable recovery of the international aviation market. These decisions included seeking a wages pause for 12 to 18 months from all staff, the purchase of new, more cost efficient Boeing 737-800 aircraft for domestic flying, and substantial changes to the domestic product offering.

The events of September 11 have affected services far beyond the United States. There has also been a significant downturn for travel to and from Europe, South East Asia and Japan. Bookings from Japan are down 25 per cent and from the United Kingdom 23 per cent. Some other markets are similarly affected and overall traffic levels have declined market by market between 10 per cent and 20 per cent. While Qantas needs to continue to monitor the international situation closely, it will make every effort to resume withdrawn services as quickly as possible to help arrest the downturn in inbound tourism.

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PRELIMINARY* MONTHLY TRAFFIC AND CAPACITY STATISTICS

AUGUST 2001

	Month			Financial Year to Date		
	2001/02	2000/01	Change	2001/02	2000/01	Change
Domestic						
Passengers carried ('000) **	985	938	5.0%	2,006	1,841	9.0%
Revenue Passenger Kilometres (m)	1,293	1,230	5.1%	2,664	2,414	10.3%
Available Seat Kilometres (m)	1,733	1,549	11.9%	3,508	3,029	15.8%
Revenue Seat Factor (%)	74.6	79.4	(4.8) pts	75.9	79.7	(3.8) pts
International						
Passengers carried ('000) **	744	622	19.6%	1,523	1,263	20.6%
Revenue Passenger Kilometres (m)	4,663	4,303	8.3%	9,701	8,753	10.8%
Available Seat Kilometres (m)	6,157	5,820	5.8%	12,350	11,679	5.7%
Revenue Seat Factor (%)	75.7	73.9	1.8 pts	78.6	74.9	3.6 pts
Core Airline						
Passengers carried ('000) **	1,729	1,560	10.8%	3,529	3,104	13.7%
Revenue Passenger Kilometres (m)	5,956	5,533	7.6%	12,365	11,167	10.7%
Available Seat Kilometres (m)	7,890	7,369	7.1%	15,858	14,708	7.8%
Revenue Seat Factor (%)	75.5	75.1	0.4 pts	78.0	75.9	2.1 pts
Average Passenger Journey Length	3,445	3,547	(2.9)%	3,504	3,597	(2.6)%
Total Group Operations						
Passengers carried ('000) **	2,018	1,831	10.2%	4,111	3,635	13.1%
Revenue Passenger Kilometres (m)	6,137	5,712	7.4%	12,729	11,524	10.5%
Available Seat Kilometres (m)	8,155	7,629	6.9%	16,385	15,227	7.6%
Revenue Seat Factor (%)	75.2	74.9	0.3 pts	77.7	75.7	2.0 pts

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PRELIMINARY* MONTHLY TRAFFIC AND CAPACITY STATISTICS

SEPTEMBER 2001

	Month			Financial Year to Date		
	2001/02	2000/01	Change	2001/02	2000/01	Change
Domestic						
Passengers carried ('000) **	1,116	978	14.1%	3,123	2,819	10.8%
Revenue Passenger Kilometres (m)	1,511	1,290	17.1%	4,175	3,704	12.7%
Available Seat Kilometres (m)	1,785	1,508	18.3%	5,292	4,537	16.6%
Revenue Seat Factor (%)	84.7	85.5	(0.8) pts	78.9	81.6	(2.7) pts
International						
Passengers carried ('000) **	721	603	19.6%	2,245	1,865	20.4%
Revenue Passenger Kilometres (m)	4,399	4,241	3.7%	14,100	12,994	8.5%
Available Seat Kilometres (m)	5,706	5,731	(0.4)%	18,056	17,410	3.7%
Revenue Seat Factor (%)	77.1	74.0	3.1 pts	78.1	74.6	3.5 pts
Core Airline						
Passengers carried ('000) **	1,837	1,581	16.2%	5,368	4,684	14.6%
Revenue Passenger Kilometres (m)	5,910	5,531	6.8%	18,275	16,698	9.4%
Available Seat Kilometres (m)	7,491	7,240	3.5%	23,349	21,947	6.4%
Revenue Seat Factor (%)	78.9	76.4	2.5 pts	78.3	76.1	2.2 pts
Average Passenger Journey Length	3,217	3,498	(8.0)%	3,404	3,565	(4.5)%
Total Group Operations						
Passengers carried ('000) **	2,167	1,858	16.6%	6,280	5,492	14.3%
Revenue Passenger Kilometres (m)	6,118	5,718	7.0%	18,847	17,242	9.3%
Available Seat Kilometres (m)	7,762	7,484	3.7%	24,147	22,710	6.3%
Revenue Seat Factor (%)	78.8	76.4	2.4 pts	78.1	75.9	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).

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