

QANTAS AIRWAYS LIMITED
ABN 16 009 661 901

PRELIMINARY MONTHLY TRAFFIC AND CAPACITY STATISTICS
AUGUST 2004

Summary of Traffic and Capacity Statistics

Month of August 2004

Total Domestic (Qantas, QantasLink and Jetstar) traffic, measured in Revenue Passenger Kilometres (RPKs) increased by 13.0 per cent in August 2004 while capacity, measured in Available Seat Kilometres (ASKs) increased by 16.5 per cent. This resulted in a revenue seat factor of 78.6 per cent, 2.5 percentage points lower than for August 2003.

Total International (Qantas and Australian Airlines) RPKs increased by 9.8 per cent in August, while ASKs increased by 19.2 per cent over the same period. The resulting revenue seat factor of 72.0 per cent was 6.1 percentage points lower than the previous year.

August Group (comprising Qantas Domestic, QantasLink, Jetstar, Qantas International and Australian Airlines) passenger numbers increased by 12.0 per cent over the previous year. RPKs increased by 10.9 per cent, while ASKs were up 18.3 per cent, resulting in a revenue seat factor of 74.1 per cent, which was 4.9 percentage points lower than the previous year.

Financial Year to Date August 2004

Total Domestic revenue seat factor for the financial year to August 2004 decreased by 2.8 percentage points to 79.9 per cent when compared with year to date August 2003, while total Domestic yield excluding exchange decreased by 8.3 per cent over the same period. Total International yield excluding exchange for the financial year to August increased by 4.5 per cent when compared with the same period last year. Total International revenue seat factor decreased by 4.3 percentage points to 75.2 per cent over the same period.

Group passenger numbers for the year to August 2004 increased by 11.8 per cent from the previous year. RPKs increased by 12.4 per cent, while ASKs increased by 18.1 per cent, resulting in a revenue seat factor of 76.7 per cent, 3.8 percentage points lower than the previous year.

Recent Developments

The 2004 Annual General Meeting of Qantas Airways Limited was held on Thursday, 21 October 2004 in Brisbane. All Resolutions were passed by shareholders at the meeting on a Poll.

On 15 October 2004, Qantas announced that it would increase its fuel surcharge due to the continued escalation in the price of crude oil. The surcharge will increase by \$2, from \$10 to \$12 per sector for domestic travel and by \$7, from \$22 to \$29 per sector for international travel. The increased surcharges will be effective on tickets issued and travel commenced on or after 20 October 2004. With jet fuel now at more than US\$60 a barrel, an increase in the airline's fuel surcharge was unavoidable. The hedging Qantas has in place and the higher fuel surcharge will not cover all of the increased cost of jet fuel. Qantas will continue to absorb much of this increased cost and seek greater efficiencies across the business.

On 12 October 2004, Qantas said that the decision of the Australian Competition Tribunal to authorise a proposed alliance between Qantas and Air New Zealand raised significant questions for the future of aviation in the region. Despite the welcome decision, the whole proceedings over a three year period clearly represent a lost opportunity for much needed aviation reform. The conflicting outcomes of the separate Australian and New Zealand processes also highlights the significance of the Australian Productivity Commission's current review of how greater co-operation, co-ordination and integration of the two competition and consumer regimes can occur. Qantas will stand by its decision not to appeal the verdict of the New Zealand High Court. However, Qantas will continue to hold talks with Air New Zealand about opportunities to work together without breaching competition laws.

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	2004/05	Month 2003/04	Change	Financial Year to Date		
				2004/05	2003/04	Change
Qantas Domestic *						
Passengers carried ('000)	1,411	1,446	(2.4)%	2,852	2,922	(2.4)%
Revenue Passenger Kilometres (m)	1,979	1,942	1.9%	4,056	3,999	1.4%
Available Seat Kilometres (m)	2,468	2,377	3.8%	4,975	4,788	3.9%
Revenue Seat Factor (%)	80.2	81.7	(1.5) pts	81.5	83.5	(2.0) pts
QantasLink						
Passengers carried ('000)	266	283	(6.0)%	525	575	(8.7)%
Revenue Passenger Kilometres (m)	164	197	(16.8)%	326	402	(18.9)%
Available Seat Kilometres (m)	223	262	(14.9)%	439	534	(17.8)%
Revenue Seat Factor (%)	73.5	75.2	(1.7) pts	74.3	75.3	(1.0) pts
Jetstar *						
Passengers carried ('000)	321	-	na	594	-	na
Revenue Passenger Kilometres (m)	308	-	na	558	-	na
Available Seat Kilometres (m)	431	-	na	781	-	na
Revenue Seat Factor (%)	71.5	-	na	71.4	-	na
Total Domestic *						
Passengers carried ('000)	1,965	1,729	13.7%	3,899	3,497	11.5%
Revenue Passenger Kilometres (m)	2,417	2,139	13.0%	4,869	4,401	10.6%
Available Seat Kilometres (m)	3,075	2,639	16.5%	6,096	5,322	14.5%
Revenue Seat Factor (%)	78.6	81.1	(2.5) pts	79.9	82.7	(2.8) pts
Qantas International						
Passengers carried ('000)	686	644	6.5%	1,455	1,325	9.8%
Revenue Passenger Kilometres (m)	4,318	3,968	8.8%	9,124	8,179	11.6%
Available Seat Kilometres (m)	6,015	5,050	19.1%	12,095	10,176	18.9%
Revenue Seat Factor (%)	71.8	78.6	(6.8) pts	75.4	80.4	(5.0) pts
Australian Airlines						
Passengers carried ('000)	73	59	23.7%	146	99	47.5%
Revenue Passenger Kilometres (m)	349	281	24.2%	688	478	43.9%
Available Seat Kilometres (m)	470	392	19.9%	956	714	33.8%
Revenue Seat Factor (%)	74.3	71.7	2.6 pts	72.0	66.9	5.1 pts
Total International						
Passengers carried ('000)	759	703	8.0%	1,601	1,424	12.4%
Revenue Passenger Kilometres (m)	4,667	4,249	9.8%	9,812	8,657	13.3%
Available Seat Kilometres (m)	6,485	5,442	19.2%	13,051	10,890	19.8%
Revenue Seat Factor (%)	72.0	78.1	(6.1) pts	75.2	79.5	(4.3) pts
Total Group Operations						
Passengers carried ('000)	2,724	2,432	12.0%	5,500	4,921	11.8%
Revenue Passenger Kilometres (m)	7,084	6,388	10.9%	14,681	13,058	12.4%
Available Seat Kilometres (m)	9,559	8,081	18.3%	19,147	16,212	18.1%
Revenue Seat Factor (%)	74.1	79.0	(4.9) pts	76.7	80.5	(3.8) 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).

* Qantas Domestic and Jetstar statistics both include the effect of a codeshare between the two airlines. However the effect of this codeshare is only included once in the statistics for the Total Domestic and Total Group 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