QANTAS AIRWAYS LIMITED ABN 16 009 661 901

PRELIMINARY MONTHLY TRAFFIC AND CAPACITY STATISTICS AUGUST 2006

Summary of Traffic and Capacity Statistics

Month of August 2006

August Group (comprising Qantas Domestic, QantasLink, Jetstar and Qantas International) passenger numbers increased by 6.8 per cent over the previous year. RPKs increased by 5.9 per cent, while ASKs were up 4.2 per cent, resulting in a revenue seat factor of 76.5 per cent, which was 1.3 percentage points higher than the previous year.

Financial Year to Date August 2006

Total Domestic (Qantas, QantasLink and Jetstar domestic operations) yield excluding exchange for the financial year to August 2006 increased by 0.8 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 8.4 per cent over the same period.

Group passenger numbers for the financial year to August 2006 increased by 7.4 per cent from the previous year. RPKs increased by 6.8 per cent, while ASKs increased by 4.6 per cent, resulting in a revenue seat factor of 78.8 per cent, 1.7 percentage points higher than the previous year.

Recent Developments

The 2006 Annual General Meeting of Qantas Airways Limited will be held at 2.00pm on Thursday, 19 October 2006 in the City Recital Hall, Angel Place, Sydney. Shareholders who are unable to attend will be able to listen to a live webcast of the Annual General Meeting through the Qantas website.

On 22 September 2006, Qantas announced for the second consecutive year, it has been recognised as having the Best Overall Inflight Entertainment by the World Airline Entertainment Association (WAEA). Qantas also received two other honours at the awards, winning Best Inflight Entertainment Guide and Best Entertainment for inseat systems. The awards honour excellence in inflight entertainment and are chosen by an independent 23 member international judging panel that evaluates inflight audio, video, print and interactive media from 42 leading passenger airlines worldwide.

On 7 September 2006, Qantas said it was disappointed at the Productivity Commission's draft report on airport pricing and would make a further submission. Qantas said it was amazed that the Commission would continue to support the unfettered monopoly power of Australia's airports and that it was particularly concerning that the Commission completely rejected its request for binding arbitration where airlines and airports are in dispute over pricing and non-price terms and conditions.

On 24 August 2006, Qantas announced it signed a codeshare agreement with Air China effective as at 15 September 2006. Qantas said the arrangement would see Air China codeshare on three weekly return services between Sydney and Beijing. Qantas also said China is an extremely important market to the Group and that it expected to offer daily services between Australia and Beijing in the lead up to the 2008 Olympic Games.

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AUGUST 2006

		Month		Financial Year to Date		
Qantas Domestic	2006/07	2005/06	Change	2006/07	2005/06	Change
Passengers carried ('000)	1,351	1,336	1.1%	2,737	2,689	1.8%
Revenue Passenger Kilometres (m)	1,933	1,912	1.1%	3,973	3.875	2.5%
Available Seat Kilometres (m)	2,494	2,442	2.1%	5,003	4,872	2.7%
Revenue Seat Factor (%)	77.5	78.3	(0.8) pts	79.4	79.5	(0.1) pts
QantasLink						
Passengers carried ('000)	323	269	20.0%	640	534	19.8%
Revenue Passenger Kilometres (m)	215	167	29.0%	432	332	30.2%
Available Seat Kilometres (m)	295	239	23.0%	585	468	25.2%
Revenue Seat Factor (%)	73.1	69.7	3.4 pts	73.9	71.0	2.9 pts
Jetstar						
Passengers carried ('000)	599	405	47.9%	1,247	848	47.0%
Revenue Passenger Kilometres (m)	747	436	71.3%	1,562	901	73.5%
Available Seat Kilometres (m)	944	583	61.8%	1,932	1,198	61.3%
Revenue Seat Factor (%)	79.1	74.7	4.4 pts	80.8	75.2	5.6 pts
Qantas International *						
Passengers carried ('000)	703	776	(9.4)%	1,482	1,615	(8.2)%
Revenue Passenger Kilometres (m)	4,926	4,869	1.2%	10,331	10,149	1.8%
Available Seat Kilometres (m)	6,491	6,551	(0.9)%	13,162	13,240	(0.6)%
Revenue Seat Factor (%)	75.9	74.3	1.6 pts	78.5	76.7	1.8 pts
Total Group Operations						
Passengers carried ('000)	2,976	2,786	6.8%	6,106	5,686	7.4%
Revenue Passenger Kilometres (m)	7,821	7,384	5.9%	16,298	15,257	6.8%
Available Seat Kilometres (m)	10,224	9,815	4.2%	20,683	19,778	4.6%
Revenue Seat Factor (%)	76.5	75.2	1.3 pts	78.8	77.1	1.7 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