

QANTAS AIRWAYS LIMITED
ABN 16 009 661 901

PRELIMINARY MONTHLY TRAFFIC AND CAPACITY STATISTICS

February 2012

Summary of Traffic and Capacity Statistics

Month of February 2012

Qantas Group passenger numbers for February 2012 were up 7.9 per cent from the previous year. RPKs increased by 9.4 per cent and ASKs increased by 9.8 per cent, resulting in a revenue seat factor of 77.6 per cent, which was 0.2 percentage points lower than the previous year.

Financial Year 2012

Qantas Group passenger numbers for the financial year to date February 2012 were up 4.4 per cent from the previous year. RPKs increased by 5.1 per cent, and ASKs increased by 5.8 per cent, resulting in a revenue seat factor of 80.6 per cent, which was 0.6 percentage points lower than the previous year. Capacity growth in the domestic market is forecast to increase in the remaining months of FY12, largely driven by substantial domestic capacity growth by competitors. In this context, the Group remains focussed on its profit-maximising 65 per cent domestic market share.

The Group expects to increase total capacity, across domestic and international, by 5-6 per cent in 2H FY12 compared to 2H FY11.

Total Domestic (Qantas Domestic, QantasLink and Jetstar Domestic networks) yield excluding foreign exchange for the financial year to date February 2012 was 5.5 per cent higher when compared to the corresponding prior year period. Total International (Qantas International, Jetstar International and Jetstar Asia networks) yield excluding foreign exchange for the financial year to date February 2012 was 2.0 per cent higher when compared to the corresponding prior year period.

The Group expects 2H FY12 total yield (excluding the impact of foreign exchange movements) to increase by 1.5-2.5 per cent, compared to 2H FY11.

Recent Developments

On 22 February 2012, Qantas Group announced that it had welcomed a new partnership structure to strengthen and grow the Vietnam-based Jetstar Pacific. In addition, the Group's existing 27 per cent share in Jetstar Pacific increased to 30 per cent, in-line with long-term commitments.

On 6 March 2012, Qantas announced the commencement of an eight-week A380 connectivity trial, offering passengers travelling between Australia and the United States access to the internet and emails in the sky.

On 22 March 2012, Qantas announced that the fourth newly fitted B747 aircraft would enter into service in late March 2012. Qantas will have a fleet of nine newly-fitted B747 aircraft by the end of this year.

On 26 March 2012, Qantas Group announced the launch of a new strategic alliance with China Eastern Airlines, to form Jetstar Hong Kong. Subject to regulatory approval, Jetstar Hong Kong services will start in 2013 with a fleet of three A320 aircraft, growing to 18 A320 aircraft by 2015.

On 26 March 2012, Qantas commenced flying the Sydney-Santiago route, opening up new travel opportunities between Australia and South America. Qantas offers three return services a week, operated by a refurbished B747-400 with award-winning A380-style cabins, seats and inflight entertainment. This service will replace Qantas's direct flights between Sydney and Buenos Aires. In addition, Qantas has ceased operating the Bangkok-London and Hong Kong-London routes, with these sectors now operated by British Airways. These network changes were announced in August 2011 and form part of Qantas International's five year strategy to build a modern, customer-focussed and competitive global airline business.

On 26 March 2012, Qantas announced it will operate Australia's first commercial flights powered by sustainable aviation fuel on 13 April 2012.

On 30 March 2012, Qantas announced further increases to international fuel surcharges and domestic fares in response to high global jet fuel prices.

Update on Hedging and Foreign Ownership

Qantas Group has hedged 93 per cent of its remaining operational foreign exchange exposure in FY12 at a worst-case AUD/USD equivalent exchange rate of 0.9855 including option premium. At current rates, the Group has 85 per cent participation in foreign exchange movements for the remainder of FY12.

The Group has hedged 100 per cent of its remaining fuel requirement in FY12 at a worst-case crude oil price of US\$123.59 per barrel including option premium. The majority of the hedging is in Brent crude oil or refined products. At current prices, the Group expects underlying fuel costs to increase by approximately \$300 million from \$1.95 billion in 2H FY11 to approximately \$2.25 billion¹ in 2H FY12, due to higher forward market jet fuel prices and increased flying.

While not required under ASX Listing Rule 3.19, the Group confirms that the most recent reconciliation found the level of foreign ownership to be 33.4 per cent as at 29 February 2012. The Qantas Group remains subject to an aggregate foreign ownership limit of 49 per cent.

¹ As at 26 March 2012.

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	Month			Financial Year to Date		
	2011/12	2010/11	Change	2011/12	2010/11	Change
Qantas Domestic						
Passengers Carried ('000)	1,292	1,254	3.0%	11,298	11,519	(1.9)%
Revenue Passenger Kilometres (m)	1,854	1,739	6.6%	16,693	16,734	(0.2)%
Available Seat Kilometres (m)	2,490	2,269	9.7%	20,853	20,737	0.6%
Revenue Seat Factor (%)	74.5	76.6	(2.2) pts	80.0	80.7	(0.6) pts
QantasLink						
Passengers Carried ('000)	408	351	16.1%	3,428	3,204	7.0%
Revenue Passenger Kilometres (m)	262	228	15.2%	2,279	2,151	5.9%
Available Seat Kilometres (m)	407	352	15.7%	3,342	3,101	7.8%
Revenue Seat Factor (%)	64.4	64.6	(0.3) pts	68.2	69.4	(1.2) pts
Jetstar Domestic						
Passengers Carried ('000)	773	728	6.2%	7,192	6,611	8.8%
Revenue Passenger Kilometres (m)	876	828	5.8%	8,606	7,636	12.7%
Available Seat Kilometres (m)	1,068	1,064	0.4%	10,119	9,517	6.3%
Revenue Seat Factor (%)	82.0	77.8	4.2 pts	85.1	80.2	4.8 pts
Qantas International						
Passengers Carried ('000)	495	467	6.0%	4,135	4,079	1.4%
Revenue Passenger Kilometres (m)	4,150	3,902	6.4%	34,964	34,424	1.6%
Available Seat Kilometres (m)	5,188	4,860	6.8%	42,524	41,198	3.2%
Revenue Seat Factor (%)	80.0	80.3	(0.3) pts	82.2	83.6	(1.3) pts
Jetstar International						
Passengers Carried ('000)	379	326	16.3%	3,133	2,772	13.0%
Revenue Passenger Kilometres (m)	1,077	945	14.0%	8,876	8,271	7.3%
Available Seat Kilometres (m)	1,452	1,258	15.4%	11,713	10,587	10.6%
Revenue Seat Factor (%)	74.2	75.1	(0.9) pts	75.8	78.1	(2.3) pts
Jetstar Asia						
Passengers Carried ('000)	258	215	20.1%	2,138	1,824	17.2%
Revenue Passenger Kilometres (m)	510	336	51.6%	4,225	2,786	51.6%
Available Seat Kilometres (m)	638	442	44.4%	5,353	3,589	49.1%
Revenue Seat Factor (%)	79.9	76.1	3.8	78.9	77.6	1.3 pts
Total Group Operations						
Passengers Carried ('000)	3,606	3,342	7.9%	31,324	30,010	4.4%
Revenue Passenger Kilometres (m)	8,729	7,977	9.4%	75,642	72,002	5.1%
Available Seat Kilometres (m)	11,243	10,244	9.8%	93,903	88,729	5.8%
Revenue Seat Factor (%)	77.64	77.86	(0.22) pts	80.55	81.15	(0.59) 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, the total and 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