

QANTAS AIRWAYS LIMITED
ABN 16 009 661 901

PRELIMINARY MONTHLY TRAFFIC AND CAPACITY STATISTICS
JANUARY 2006

Summary of Traffic and Capacity Statistics

Month of January 2006

January Group (comprising Qantas Domestic, QantasLink, Jetstar, Qantas International and Australian Airlines) passenger numbers increased by 5.2 per cent over the previous year. RPKs increased by 3.7 per cent, while ASKs were up 2.5 per cent, resulting in a revenue seat factor of 80.4 per cent, which was 0.9 percentage points higher than the previous year.

Financial Year to Date January 2006

Total Domestic yield excluding exchange for the financial year to January 2006 increased by 5.4 per cent when compared to the same period last year. Total International yield excluding exchange increased by 7.6 per cent over the same period.

Group passenger numbers for the financial year to January 2006 increased by 4.4 per cent from the previous year. RPKs increased by 4.2 per cent, while ASKs increased by 2.8 per cent, resulting in a revenue seat factor of 78.0 per cent, 1.1 percentage points higher than the previous year.

Recent Developments

On 9 March 2006, Qantas announced it would close its Sydney B747 heavy maintenance operations as part of a major review of all its aircraft engineering operations. Qantas said it would initially invest in, and retain, its wide body heavy maintenance facilities in Australia. A longer term commitment to retaining the operations in Australia will depend upon Qantas achieving competitive benchmarks with the larger global Maintenance Repair and Overhaul providers now dominating world aviation. Qantas said it had to be competitive in every area in which it invested as the company moved toward a cost base that could ensure profitable operations with an oil price above US\$60 a barrel.

On 21 February 2006, Qantas welcomed the Federal Government's decision not to grant trans-Pacific access to Singapore Airlines. Qantas said the decision recognised the many factors that distorted the regulatory environment in international aviation. Liberalisation of market access is essential and must continue. However, this requires equal opportunity for Australian carriers which is not now available in many instances. Qantas also said the removal of foreign ownership limits would have helped it reduce its cost of capital, as well as provide parity with other international carriers, allowing it to operate competitively while not in any way endangering its role as a major Australian company.

On 16 February 2006, Qantas announced its financial results for the six months ended 31 December 2005. Highlights included a profit before tax of \$483.5 million, a net profit after tax of \$352.6 million, revenue of \$6.8 billion, earnings per share of 18.4 cents and a fully franked interim dividend of 11 cents per share.

On 16 February 2006, Qantas also announced a new executive structure to lead it through the next stage of its business transformation program. Qantas said the changes centred on a significantly smaller top team with broader responsibilities, in keeping with the efficiency drive throughout the Qantas Group. Under the new structure, the management of each of the businesses will have the freedom to pursue independent business development initiatives, with accountability for the results. At the same time collaboration between the segments will be a key focus, reflecting the importance of the links between the various businesses in driving value for the Group. Qantas said the new structure has been organised around three key groupings - flying businesses, non-flying businesses and corporate support.

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	2005/06	Month 2004/05	Change	Financial Year to Date		
				2005/06	2004/05	Change
Qantas Domestic *						
Passengers carried ('000)	1,261	1,258	0.2%	9,394	9,662	(2.8)%
Revenue Passenger Kilometres (m)	1,854	1,802	2.9%	13,518	13,595	(0.6)%
Available Seat Kilometres (m)	2,301	2,287	0.6%	16,775	16,814	(0.2)%
Revenue Seat Factor (%)	80.6	78.8	1.8 pts	80.6	80.9	(0.3) pts
QantasLink						
Passengers carried ('000)	243	223	8.9%	1,873	1,784	5.0%
Revenue Passenger Kilometres (m)	159	141	13.2%	1,175	1,107	6.2%
Available Seat Kilometres (m)	242	206	17.4%	1,700	1,528	11.2%
Revenue Seat Factor (%)	65.8	68.2	(2.4) pts	69.1	72.5	(3.4) pts
Jetstar *						
Passengers carried ('000)	560	428	30.9%	3,282	2,414	35.9%
Revenue Passenger Kilometres (m)	625	420	48.8%	3,520	2,326	51.3%
Available Seat Kilometres (m)	774	549	41.0%	4,598	3,169	45.1%
Revenue Seat Factor (%)	80.6	76.4	4.2 pts	76.6	73.4	3.2 pts
Qantas International						
Passengers carried ('000)	749	794	(5.7)%	5,113	5,179	(1.3)%
Revenue Passenger Kilometres (m)	5,141	5,164	(0.4)%	33,456	32,572	2.7%
Available Seat Kilometres (m)	6,277	6,367	(1.4)%	42,798	42,766	0.1%
Revenue Seat Factor (%)	81.9	81.1	0.8 pts	78.2	76.2	2.0 pts
Australian Airlines						
Passengers carried ('000)	68	68	0.0%	480	495	(3.0)%
Revenue Passenger Kilometres (m)	346	344	0.7%	2,251	2,397	(6.1)%
Available Seat Kilometres (m)	506	492	2.9%	3,299	3,345	(1.4)%
Revenue Seat Factor (%)	68.4	69.9	(1.5) pts	68.2	71.7	(3.5) pts
Total Group Operations *						
Passengers carried ('000)	2,881	2,738	5.2%	20,142	19,286	4.4%
Revenue Passenger Kilometres (m)	8,125	7,836	3.7%	53,920	51,743	4.2%
Available Seat Kilometres (m)	10,100	9,853	2.5%	69,170	67,256	2.8%
Revenue Seat Factor (%)	80.4	79.5	0.9 pts	78.0	76.9	1.1 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 and Jetstar prior year statistics include the effect of a domestic codeshare agreement between the two airlines. However the effect of this codeshare is only included once in the prior year statistics for the 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