

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

**PRELIMINARY MONTHLY TRAFFIC AND CAPACITY STATISTICS**

**JANUARY 2011**

**Summary of Traffic and Capacity Statistics**

**Month of January 2011**

Qantas Group passenger numbers for January 2011 were up 9.5 percent from the previous year. RPKs increased by 8.5 percent and ASKs increased by 8.9 percent, resulting in a revenue seat factor of 80.9 percent, which was 0.3 percentage point lower than the previous year.

**Financial Year to Date January 2011**

Group passenger numbers for the financial year to January 2011 were up 9.1 percent from the previous year. RPKs increased by 6.4 percent, and ASKs increased by 7.2 percent, resulting in a revenue seat factor of 81.6 percent, which was 0.7 percentage point lower than the previous year.

Total Domestic (Qantas, QantasLink and Jetstar Domestic operations) yield excluding foreign exchange for the financial year to January 2011 was 0.1 percent higher when compared to the corresponding prior year period. Total International (Qantas and Jetstar International operations) yield excluding foreign exchange for the financial year to January 2011 increased by 11.1 percent when compared to the corresponding prior year period.

As outlined in the 2011 interim results released on 17 February, a number of significant weather events are currently impacting trading conditions including the Queensland floods (estimated to impact 2H11 Underlying PBT by up to \$55m) and Cyclone Yasi in North Queensland (estimated to impact 2H11 Underlying PBT by up to \$15m). In addition to this the Qantas Group estimates the A380 disruptions will have an impact of \$25m in 2H11 in addition to the \$55m impact in 1H11. Domestic and International yields and loads in January have been impacted by these events.

**Recent Developments**

On 17 February, Qantas Group announced it will add to its domestic, resources charter and international fleets to support ongoing growth and to take advantage of new market opportunities, particularly in the domestic and Asian markets.

On 16 February, Qantas announced it will deploy internationally configured wide-body aircraft, including its Boeing 747 aircraft, to services operating into and out of Perth in order to target growing demand from business travellers.

On 11 February, Qantas announced a new collaboration with US-based renewable energy company Solazyme to investigate opportunities for algae-based sustainable aviation fuel. Alongside a similar arrangement with the Solena Group for waste-based sustainable fuel, the collaboration forms part of the Qantas Group's long-term strategy to help accelerate the commercialisation of 'drop-in' alternative jet fuels as a means of significantly reducing greenhouse gas emissions and the Group's fuel costs.

On 3 February, Qantas announced it will increase international fuel surcharges and on 11 February, Qantas announced it will increase domestic, regional and Tasman air fares by up to five per cent in response to high oil and jet fuel prices.

On 14 January, Qantas announced it will launch direct services from Sydney to Dallas/Fort Worth International Airport (DFW) from 16 May 2011. Qantas also announced it would seek to expand its commercial relationship with American Airlines.

## **Update on Hedging**

Qantas has hedged 96 percent of its remaining fuel requirement in financial year 2011 at a worst-case crude oil price of USD99.48 per barrel including option premium. As at 2 March 2011, underlying fuel costs for 2H11 are estimated to be \$2.0bn. Qantas has hedged 35 percent of its remaining fuel requirement in financial year 2012 at a worst-case crude oil price of USD105.65 per barrel including option premium. The majority of hedging is in Brent crude oil or refined products.

Qantas has hedged 96 percent of its remaining operational foreign exchange exposure in financial year 2011 at a worst case AUD/USD equivalent exchange rate of 0.9164 inclusive of option premium. Qantas has hedged 7 percent of its operational foreign exchange exposure in financial year 2012 at a worst case AUD/USD equivalent exchange rate of 0.8220 inclusive of option premium.

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	Month			Financial Year to Date		
	2010/11	2009/10	Change	2010/11	2009/10	Change
<b>Qantas Domestic</b>						
Passengers carried ('000)	1,251	1,250	0.1%	10,265	9,803	4.7%
Revenue Passenger Kilometres (m)	1,904	1,905	(0.1)%	14,995	14,297	4.9%
Available Seat Kilometres (m)	2,500	2,430	2.8%	18,469	17,363	6.4%
Revenue Seat Factor (%)	76.2	78.4	(2.2) pts	81.2	82.3	(1.1) pts
<b>QantasLink</b>						
Passengers carried ('000)	352	308	14.2%	2,853	2,470	15.5%
Revenue Passenger Kilometres (m)	236	215	9.7%	1,923	1,715	12.2%
Available Seat Kilometres (m)	370	346	6.9%	2,748	2,496	10.1%
Revenue Seat Factor (%)	63.8	62.2	1.6 pts	70.0	68.7	1.3 pts
<b>Jetstar Domestic</b>						
Passengers carried ('000)	962	746	29.0%	5,883	5,045	16.6%
Revenue Passenger Kilometres (m)	1,097	820	33.8%	6,808	5,704	19.4%
Available Seat Kilometres (m)	1,435	1,002	43.2%	8,453	6,844	23.5%
Revenue Seat Factor (%)	76.5	81.8	(5.3) pts	80.5	83.3	(2.8) pts
<b>Qantas International</b>						
Passengers carried ('000)	560	542	3.3%	3,612	3,548	1.8%
Revenue Passenger Kilometres (m)	4,701	4,439	5.9%	30,522	30,173	1.2%
Available Seat Kilometres (m)	5,436	5,252	3.5%	36,338	35,854	1.4%
Revenue Seat Factor (%)	86.5	84.5	2.0 pts	84.0	84.2	(0.2) pts
<b>Jetstar International</b>						
Passengers carried ('000)	377	358	5.3%	2,446	2,331	4.9%
Revenue Passenger Kilometres (m)	1,153	1,047	10.2%	7,327	6,579	11.4%
Available Seat Kilometres (m)	1,447	1,334	8.5%	9,329	8,459	10.3%
Revenue Seat Factor (%)	79.7	78.5	1.2 pts	78.5	77.8	0.7 pts
<b>Jetstar Asia</b>						
Passengers carried ('000)	219	193	13.3%	1,609	1,239	29.9%
Revenue Passenger Kilometres (m)	341	267	27.8%	2,450	1,720	42.4%
Available Seat Kilometres (m)	475	344	38.1%	3,147	2,169	45.1%
Revenue Seat Factor (%)	71.8	77.6	(5.8) pts	77.8	79.3	(1.5) pts
<b>Total Group Operations</b>						
Passengers carried ('000)	3,720	3,397	9.5%	26,668	24,435	9.1%
Revenue Passenger Kilometres (m)	9,433	8,693	8.5%	64,025	60,188	6.4%
Available Seat Kilometres (m)	11,663	10,709	8.9%	78,485	73,185	7.2%
Revenue Seat Factor (%)	80.9	81.2	(0.3) pts	81.6	82.2	(0.7) 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, 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