

QANTAS AIRWAYS LIMITED
ABN 16 009 661 901

PRELIMINARY MONTHLY TRAFFIC AND CAPACITY STATISTICS
JULY 2004

Summary of Traffic and Capacity Statistics

Month of July 2004

Total Domestic (Qantas, QantasLink and Jetstar) traffic, measured in Revenue Passenger Kilometres (RPKs) increased by 8.4 per cent in July 2004 while capacity, measured in Available Seat Kilometres (ASKs) increased by 12.6 per cent. This resulted in a revenue seat factor of 81.1 per cent, 3.2 percentage points lower than for July 2003. Total Domestic yield excluding exchange decreased by 9.4 per cent over the same period.

Total International (Qantas and Australian Airlines) RPKs increased by 16.7 per cent in July, while ASKs increased by 20.5 per cent over the same period. The resulting revenue seat factor of 78.4 per cent was 2.5 percentage points lower than the previous year. Total International yield excluding exchange for the month of July increased by 3.9 per cent when compared with the same period last year.

July Group (comprising Qantas Domestic, QantasLink, Jetstar, Qantas International and Australian Airlines) passenger numbers increased by 11.5 per cent over the previous year. RPKs increased by 13.9 per cent, while ASKs were up 17.9 per cent, resulting in a revenue seat factor of 79.2 per cent, which was 2.8 percentage points lower than the previous year.

Recent Developments

On 19 August 2004, Qantas announced its financial results for the year ended 30 June 2004. Highlights included a profit before tax of \$964.6 million, a net profit after tax of \$648.4 million, revenue of \$11.4 billion, earnings per share of 35.7 cents and a fully franked final dividend of nine cents per share, taking total fully franked dividends for the year to 17 cents per share.

On 19 August 2004, Qantas also announced that the Chief Executive Officer of Qantas, Geoff Dixon, had agreed to continue in his role until 1 July 2007. The Board believes it is important that Mr Dixon continue to provide leadership stability over the next three years while Qantas faces the ongoing challenges of the global aviation industry, implements a range of growth and efficiency programs and completes an internal restructure.

On 8 September 2004, Qantas announced it had been informed by British Airways of its intention to sell its 18.25 per cent shareholding in Qantas. Qantas said that British Airways had been a supportive shareholder over a period of some ten years and that both airlines had formed a strong and constructive commercial relationship. Neither airline now believes the shareholding is necessary for the ongoing conduct of that relationship. Qantas has stated publicly for some time that the airline industry was headed towards consolidation. The 'tyranny of distance' between Australia and the United Kingdom rules out such consolidation, but not cooperation, between Qantas and British Airways. Qantas will, however, seek to further strengthen its commercial position to enable the airline to take a leading role in any suitable consolidation opportunities that may arise in the Asia Pacific region.

On 8 September 2004, Qantas also announced that it would change its travel agent base commission structure for international, domestic Australian and domestic New Zealand travel sold in Australia. Under the new structure Australian domestic base commissions would be reduced from five per cent to one per cent from July 2005, trans-Tasman and New Zealand domestic base commissions would be reduced from five per cent to one per cent from January 2005, and international base commissions would be reduced from nine per cent to seven per cent from January 2005. Airfares have never been more competitive, however, distribution costs remain high and the current base commission structure is simply not sustainable in such a low fare environment.

QANTAS AIRWAYS LIMITED
ABN 16 009 661 901

PRELIMINARY MONTHLY TRAFFIC AND CAPACITY STATISTICS

JULY 2004

	2004/05	Month 2003/04	Change	2004/05	Financial Year to Date 2003/04	Change
Qantas Domestic *						
Passengers carried ('000)	1,441	1,476	(2.4)%	1,441	1,476	(2.4)%
Revenue Passenger Kilometres (m)	2,077	2,057	1.0%	2,077	2,057	1.0%
Available Seat Kilometres (m)	2,506	2,411	4.0%	2,506	2,411	4.0%
Revenue Seat Factor (%)	82.8	85.3	(2.5) pts	82.8	85.3	(2.5) pts
QantasLink						
Passengers carried ('000)	259	292	(11.3)%	259	292	(11.3)%
Revenue Passenger Kilometres (m)	162	205	(21.0)%	162	205	(21.0)%
Available Seat Kilometres (m)	217	272	(20.2)%	217	272	(20.2)%
Revenue Seat Factor (%)	74.7	75.4	(0.7) pts	74.7	75.4	(0.7) pts
Jetstar *						
Passengers carried ('000)	273	-	na	273	-	na
Revenue Passenger Kilometres (m)	250	-	na	250	-	na
Available Seat Kilometres (m)	350	-	na	350	-	na
Revenue Seat Factor (%)	71.4	-	na	71.4	-	na
Total Domestic *						
Passengers carried ('000)	1,933	1,768	9.4%	1,933	1,768	9.4%
Revenue Passenger Kilometres (m)	2,451	2,262	8.4%	2,451	2,262	8.4%
Available Seat Kilometres (m)	3,021	2,683	12.6%	3,021	2,683	12.6%
Revenue Seat Factor (%)	81.1	84.3	(3.2) pts	81.1	84.3	(3.2) pts
Qantas International						
Passengers carried ('000)	769	681	12.9%	769	681	12.9%
Revenue Passenger Kilometres (m)	4,806	4,210	14.2%	4,806	4,210	14.2%
Available Seat Kilometres (m)	6,080	5,125	18.6%	6,080	5,125	18.6%
Revenue Seat Factor (%)	79.1	82.1	(3.0) pts	79.1	82.1	(3.0) pts
Australian Airlines						
Passengers carried ('000)	73	40	82.5%	73	40	82.5%
Revenue Passenger Kilometres (m)	338	197	71.9%	338	197	71.9%
Available Seat Kilometres (m)	485	322	50.7%	485	322	50.7%
Revenue Seat Factor (%)	69.7	61.1	8.6 pts	69.7	61.1	8.6 pts
Total International						
Passengers carried ('000)	842	721	16.8%	842	721	16.8%
Revenue Passenger Kilometres (m)	5,145	4,407	16.7%	5,145	4,407	16.7%
Available Seat Kilometres (m)	6,565	5,448	20.5%	6,565	5,448	20.5%
Revenue Seat Factor (%)	78.4	80.9	(2.5) pts	78.4	80.9	(2.5) pts
Total Group Operations						
Passengers carried ('000)	2,775	2,489	11.5%	2,775	2,489	11.5%
Revenue Passenger Kilometres (m)	7,596	6,669	13.9%	7,596	6,669	13.9%
Available Seat Kilometres (m)	9,586	8,131	17.9%	9,586	8,131	17.9%
Revenue Seat Factor (%)	79.2	82.0	(2.8) pts	79.2	82.0	(2.8) 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