

QANTAS AIRWAYS LIMITED
ABN 16 009 661 901

PRELIMINARY MONTHLY TRAFFIC AND CAPACITY STATISTICS
JULY 2007

Summary of Traffic and Capacity Statistics

Month of July 2007

July Group (comprising Qantas Domestic, QantasLink, Jetstar and Qantas International) passenger numbers increased by 6.7 per cent over the previous year. RPKs increased by 5.8 per cent, while ASKs were up 2.3 per cent, resulting in a revenue seat factor of 83.8 per cent, which was 2.7 percentage points higher than the previous year.

Total Domestic (Qantas, QantasLink and Jetstar domestic operations) yield excluding exchange for the month of July 2007 increased by 10.7 per cent when compared to the same period last year. Total International (Qantas and Jetstar international operations) yield excluding exchange increased by 7.4 per cent over the same period. The reported yield variances have not been calculated in accordance with the accounting requirements of IFRIC 13 Customer Loyalty Programmes. Qantas is currently in the process of applying this Interpretation and does not expect that the reported yield variances would be materially different if calculated in accordance with IFRIC 13.

Recent Developments

On 31 August 2007, Qantas announced that it had acquired 100 per cent of the Asia-based express freight operator, DPEX Worldwide. The investment in DPEX, whose worldwide network includes 18 countries across Asia, represents an important development for Qantas Freight Enterprises. The purchase of DPEX Worldwide follows the successful acquisition of 37.5 per cent of the DPEX franchisee in China on 30 May 2007. The CEO of DPEX Worldwide, Mr Donald Tay will continue to lead the business as it develops and grows.

On 21 August 2007, Qantas announced that an audit had been conducted of all licensed aircraft maintenance workers after discovering irregularities in documentation relating to the qualifications of one of its engineering employees. The Group's Engineering department retraced the work carried out by this individual and found no anomalies.

On 16 August 2007, Qantas announced a record profit before tax of \$1,032 million for the year ended 30 June 2007, a 53.8 per cent increase on the prior comparative year to 30 June 2006. The net profit after tax of \$720 million was also a record, and the company generated a return above the cost of capital invested in all the businesses. The profit included a provision of A\$47 million announced on Monday, 13 August, against liabilities Qantas may incur in the United States for involvement in an alleged freight cartel. The Directors declared a fully franked ordinary dividend of 15 cents per share, bringing the full-year dividend to 30 cents per share – an increase of 36 per cent and equivalent to a payout ratio of 82.7 per cent.

Also on 16 August 2007, Qantas announced that the Board had approved an on-market buy-back of up to approximately 10 per cent of Qantas shares which would, when completed, amount to a reduction of capital of over \$1 billion. Qantas will fund the buy-back from cash reserves and does not expect it to have an impact on Qantas' current BBB+/Baa1 (negative outlook) unsecured credit ratings. Qantas subsequently announced that it had appointed Citigroup Global Markets Australia Pty Limited and UBS AG, Australia Branch to undertake the on-market buy-back. The duration of the buy-back will depend on market conditions and any governance issues that might arise during the buy-back. The buy-back commenced on 6 September 2007.

On 9 August 2007, Qantas announced that Leigh Clifford would replace Ms Margaret Jackson as Chairman when she retired at the conclusion of the Qantas AGM in November 2007. Mr Clifford will fill a casual non-executive Director vacancy on the Qantas Board with immediate effect.

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	Month			Financial Year to Date		
	2007/08	2006/07	Change	2007/08	2006/07	Change
Qantas Domestic						
Passengers carried ('000)	1,514	1,386	9.2%	1,514	1,386	9.2%
Revenue Passenger Kilometres (m)	2,230	2,040	9.3%	2,230	2,040	9.3%
Available Seat Kilometres (m)	2,624	2,509	4.6%	2,624	2,509	4.6%
Revenue Seat Factor (%)	85.0	81.3	3.7 pts	85.0	81.3	3.7 pts
QantasLink						
Passengers carried ('000)	356	317	12.4%	356	317	12.4%
Revenue Passenger Kilometres (m)	237	217	9.2%	237	217	9.2%
Available Seat Kilometres (m)	307	290	5.7%	307	290	5.7%
Revenue Seat Factor (%)	77.2	74.8	2.4 pts	77.2	74.8	2.4 pts
Jetstar*						
Passengers carried ('000)	740	648	14.2%	740	648	14.2%
Revenue Passenger Kilometres (m)	1,202	815	47.5%	1,202	815	47.5%
Available Seat Kilometres (m)	1,501	988	51.9%	1,501	988	51.9%
Revenue Seat Factor (%)	80.1	82.5	(2.4) pts	80.1	82.5	(2.4) pts
Qantas International						
Passengers carried ('000)	729	779	(6.4)%	729	779	(6.4)%
Revenue Passenger Kilometres (m)	5,296	5,405	(2.0)%	5,296	5,405	(2.0)%
Available Seat Kilometres (m)	6,266	6,671	(6.1)%	6,266	6,671	(6.1)%
Revenue Seat Factor (%)	84.5	81.0	3.5 pts	84.5	81.0	3.5 pts
Total Group Operations						
Passengers carried ('000)	3,339	3,130	6.7%	3,339	3,130	6.7%
Revenue Passenger Kilometres (m)	8,965	8,477	5.8%	8,965	8,477	5.8%
Available Seat Kilometres (m)	10,698	10,458	2.3%	10,698	10,458	2.3%
Revenue Seat Factor (%)	83.8	81.1	2.7 pts	83.8	81.1	2.7 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 Jetstar domestic, trans-Tasman and international 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