

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

**PRELIMINARY MONTHLY TRAFFIC AND CAPACITY STATISTICS**  
**MAY 2006**

**Summary of Traffic and Capacity Statistics**

**Month of May 2006**

May Group (comprising Qantas Domestic, QantasLink, Jetstar, Qantas International and Australian Airlines) passenger numbers increased by 6.1 per cent when compared to the previous year. RPKs and ASKs for the Group increased by 6.5 per cent and 5.2 per cent respectively, resulting in a revenue seat factor of 71.9 per cent, up 0.8 percentage point when compared with the previous year.

**Financial Year to Date May 2006**

Total Domestic (Qantas, QantasLink and Jetstar domestic operations) yield excluding exchange for the financial year to May 2006 increased by 4.5 per cent when compared to the same period last year. Total International (Qantas, Australian Airlines and Jetstar Trans-Tasman operations) yield excluding exchange increased by 7.9 per cent over the same period.

Group passenger numbers for the financial year to May 2006 increased by 4.0 per cent from the previous year. RPKs increased by 4.2 per cent, while ASKs increased by 3.4 per cent, resulting in a revenue seat factor of 77.0 per cent, 0.6 percentage point higher than the previous year.

**Recent Developments**

On 21 June 2006, Qantas said its full year profit for 2005/06 would be at the lower end of analysts' forecasts. Qantas said that after restructuring costs of approximately \$153 million, the profit before tax would be around \$670 million. Qantas had previously advised that it would not achieve the same level of profitability this year that it did last year. That position had been reinforced by a \$1 billion increase in fuel costs for 2005/06 after hedging, a significant amount of which will not be recovered by surcharges.

On 21 June 2006, Qantas announced it will retain its catering business and substantially restructure the operation. Qantas said the decision followed a review of operations that had included major restructuring opportunities and a potential sale of the business. The prices that were available from the market did not represent good value when compared with restructure plans. Qantas said the first stage of the restructure will provide a 45 per cent increase on current Earnings Before Interest and Tax forecasts of \$34 million. The restructure will initially focus on the two Sydney catering facilities, QFCL and Caterair, but will also include the restructure of flight catering centres in Melbourne, Brisbane, Perth, Adelaide and Cairns.

On 14 June 2006, Qantas said it will hold discussions with Airbus after a thorough internal review of the implications for Qantas of the delay of the Airbus A380 aircraft. Qantas said discussions with Airbus will centre around the new delivery timetable, competitive issues, compensation and possible short-term replacement aircraft. Qantas also said it hoped to alleviate some of the difficulties by deferring the retirement of aircraft, redirecting capacity and securing replacement capacity.

On 8 June 2006, Qantas announced it has been named the world's number two airline in the Skytrax Awards for the second consecutive year. Qantas also won the Best Airline-Australasia and Best Airline-Trans Pacific awards, for the third and second years respectively. Qantas said international aviation is one of the most competitive businesses in the world and it is a testament to Qantas' standards that it has held the number two ranking in both 2005 and 2006. The 2006 Skytrax awards involved a nine-month worldwide survey of over 13.6 million air travellers who submitted nominations for the key Airline of the Year category, plus a wide range of regional and product and service categories.

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**MAY 2006**

	Month			Financial Year to Date		
	2005/06	2004/05	Change	2005/06	2004/05	Change
<b>Qantas Domestic *</b>						
Passengers carried ('000)	1,291	1,281	0.8%	14,512	14,904	(2.6)%
Revenue Passenger Kilometres (m)	1,811	1,767	2.5%	20,674	20,737	(0.3)%
Available Seat Kilometres (m)	2,375	2,332	1.8%	26,016	25,800	0.8%
Revenue Seat Factor (%)	76.3	75.8	0.5 pts	79.5	80.4	(0.9) pts
<b>QantasLink</b>						
Passengers carried ('000)	303	258	17.6%	3,019	2,803	7.7%
Revenue Passenger Kilometres (m)	193	156	23.7%	1,899	1,725	10.1%
Available Seat Kilometres (m)	287	220	30.5%	2,770	2,381	16.3%
Revenue Seat Factor (%)	67.2	70.9	(3.7) pts	68.6	72.5	(3.9) pts
<b>Jetstar *</b>						
Passengers carried ('000)	486	380	28.1%	5,260	4,005	31.4%
Revenue Passenger Kilometres (m)	571	391	46.3%	5,754	3,949	45.7%
Available Seat Kilometres (m)	862	567	51.9%	7,761	5,440	42.7%
Revenue Seat Factor (%)	66.3	68.9	(2.6) pts	74.1	72.6	1.5 pts
<b>Qantas International</b>						
Passengers carried ('000)	622	627	(0.8)%	7,775	7,925	(1.9)%
Revenue Passenger Kilometres (m)	4,334	4,131	4.9%	51,646	50,265	2.7%
Available Seat Kilometres (m)	6,045	5,911	2.3%	66,732	66,294	0.7%
Revenue Seat Factor (%)	71.7	69.9	1.8 pts	77.4	75.8	1.6 pts
<b>Australian Airlines</b>						
Passengers carried ('000)	49	61	(19.7)%	695	746	(6.8)%
Revenue Passenger Kilometres (m)	234	281	(16.9)%	3,302	3,611	(8.6)%
Available Seat Kilometres (m)	359	435	(17.5)%	4,927	5,204	(5.3)%
Revenue Seat Factor (%)	65.1	64.6	0.5 pts	67.0	69.4	(2.4) pts
<b>Total Group Operations</b>						
Passengers carried ('000)	2,751	2,593	6.1%	31,261	30,064	4.0%
Revenue Passenger Kilometres (m)	7,143	6,709	6.5%	83,275	79,955	4.2%
Available Seat Kilometres (m)	9,928	9,437	5.2%	108,206	104,632	3.4%
Revenue Seat Factor (%)	71.9	71.1	0.8 pts	77.0	76.4	0.6 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