

QANTAS AIRWAYS LIMITED
ABN 16 009 661 901

PRELIMINARY MONTHLY TRAFFIC AND CAPACITY STATISTICS

MAY 2011

Summary of Traffic and Capacity Statistics

Month of May 2011

Qantas Group passenger numbers for May 2011 were up 8.4 percent from the previous year. RPKs increased by 8.6 percent and ASKs increased by 6.2 percent, resulting in a revenue seat factor of 76.7 percent, which was 1.7 percentage points higher than the previous year.

Jetstar International's operating statistics remain impacted by the Japan earthquake.

Jetstar Asia commenced daily A330 services from Singapore to Auckland in mid-March 2011. The revenue seat factor for this service is in line with expectations for a new route. The relatively long sector length of the route has had a significant impact on Jetstar Asia's operating statistics.

Financial Year to Date May 2011

Group passenger numbers for the financial year to May 2011 were up 8.1 percent from the previous year. RPKs increased by 6.5 percent and ASKs increased by 7.4 percent, resulting in a revenue seat factor of 80.1 percent, which was 0.7 percentage points lower than the previous year.

Total Domestic (Qantas, QantasLink and Jetstar Domestic operations) yield excluding foreign exchange for the financial year to May 2011 was 2.5 percent higher when compared to the corresponding prior year period. Total International (Qantas International, Jetstar International and Jetstar Asia operations) yield excluding foreign exchange for the financial year to May 2011 was 8.4 percent higher when compared to the corresponding prior year period.

Recent Developments

On 24 June, Qantas Frequent Flyer announced members will soon be able to choose to automatically convert some of their Qantas Frequent Flyer points into Woolworths Gift Cards once a quarter.

On 23 June, Qantas announced a new domestic fare structure providing customers with greater simplicity, flexibility and further Qantas Frequent Flyer benefits when travelling with Qantas.

On 22 June, Qantas Group announced it expects to report Underlying Profit Before Tax ("Underlying PBT") for the 12 months ending 30 June 2011 in the range of \$500 million to \$550 million. Disruption from the Chilean volcano remains a material variable to the Group's final FY11 result. As at Monday 20 June 2011, the disruptions caused by volcanic ash were estimated to have cost the Group \$21 million. The total financial impact of significant weather events and natural disasters which have impacted the current year results (including the disruptions caused by ash from the Chilean volcano up to 20 June 2011) is now estimated to be \$206 million, compared with previous guidance of \$140 million.

On 22 June, Qantas Group announced it had reached an agreement with Rolls-Royce plc in relation to the disruption incurred as a result of the QF32 uncontained IP disc failure of a Rolls-Royce Trent 900 engine on 4 November 2010 and the subsequent temporary grounding of Qantas' entire A380 fleet. The profit and loss impact of the settlement, which will be recognised in Qantas' financial results for FY11, is A\$95 million.

On 16 June, the Chairman of Qantas, Mr Leigh Clifford, announced the appointment of Ms Corinne Namblard as a Non-Executive Director of the Board of Qantas Airways Limited, with immediate effect.

On 15 June, Qantas Group announced an adjustment in planned domestic capacity growth and a corresponding reduction in capital expenditure for the next two years. In response to slower overall growth rates in the domestic market, the Qantas Group is now targeting 5.5 percent domestic capacity growth for 2011/12 compared with the 8 percent planned previously. Capital investment will be reduced significantly, as follows:

- Reduction in capital expenditure for the second half of 2010/11 of \$100 million.
- Reduction in capital expenditure for 2011/12 of \$300 million.
- Reduction in planned leased aircraft commitments for 2011/12 of \$300 million.

On 8 June, Qantas Frequent Flyer announced the launch of "Qantas epiQure", a Frequent Flyer member-only on-line premium food and wine community. The benefits that will be available to members of the community include exclusive access to award-winning wine, invitation to dinners with globally renowned chefs, and new points-earning opportunities.

Update on Hedging

Qantas has hedged 55 percent of its fuel requirement in 2011/12 at a worst-case crude oil price of USD114.25 per barrel including option premium. The majority of hedging is in Brent crude oil or refined products.

Qantas has hedged 18 percent of its operational foreign exchange exposure in 2011/12 at a worst case AUD/USD equivalent exchange rate of 0.8690 inclusive of option premium.

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	MAY 2011			Financial Year to Date		
	2010/11	2009/10	Change	2010/11	2009/10	Change
Qantas Domestic						
Passengers carried ('000)	1,396	1,357	2.9%	15,777	15,272	3.3%
Revenue Passenger Kilometres (m)	2,012	1,962	2.6%	22,834	22,102	3.3%
Available Seat Kilometres (m)	2,611	2,603	0.3%	28,513	27,244	4.7%
Revenue Seat Factor (%)	77.1	75.4	1.7 pts	80.1	81.1	(1.0) pts
QantasLink						
Passengers carried ('000)	416	376	10.6%	4,458	3,938	13.2%
Revenue Passenger Kilometres (m)	271	248	9.2%	2,960	2,682	10.3%
Available Seat Kilometres (m)	413	388	6.6%	4,315	3,990	8.1%
Revenue Seat Factor (%)	65.5	63.9	1.6 pts	68.6	67.2	1.4 pts
Jetstar Domestic						
Passengers carried ('000)	761	617	23.3%	9,029	7,713	17.1%
Revenue Passenger Kilometres (m)	901	690	30.6%	10,487	8,696	20.6%
Available Seat Kilometres (m)	1,150	928	24.0%	13,151	10,654	23.4%
Revenue Seat Factor (%)	78.3	74.4	3.9 pts	79.7	81.6	(1.9) pts
Qantas International						
Passengers carried ('000)	461	443	4.1%	5,534	5,422	2.1%
Revenue Passenger Kilometres (m)	4,054	3,853	5.2%	46,889	45,766	2.5%
Available Seat Kilometres (m)	5,148	5,062	1.7%	56,968	55,632	2.4%
Revenue Seat Factor (%)	78.8	76.1	2.7 pts	82.3	82.3	0.0 pts
Jetstar International						
Passengers carried ('000)	343	303	13.3%	3,820	3,599	6.2%
Revenue Passenger Kilometres (m)	913	847	7.8%	11,062	10,167	8.8%
Available Seat Kilometres (m)	1,281	1,185	8.1%	14,507	13,190	10.0%
Revenue Seat Factor (%)	71.3	71.4	(0.1) pts	76.3	77.1	(0.8) pts
Jetstar Asia						
Passengers carried ('000)	218	221	(1.7)%	2,476	2,062	20.1%
Revenue Passenger Kilometres (m)	449	317	41.4%	4,080	2,900	40.7%
Available Seat Kilometres (m)	610	395	54.5%	5,307	3,620	46.6%
Revenue Seat Factor (%)	73.5	80.3	(6.8) pts	76.9	80.1	(3.2) pts
Total Group Operations						
Passengers carried ('000)	3,595	3,317	8.4%	41,094	38,005	8.1%
Revenue Passenger Kilometres (m)	8,600	7,918	8.6%	98,312	92,314	6.5%
Available Seat Kilometres (m)	11,214	10,561	6.2%	122,761	114,330	7.4%
Revenue Seat Factor (%)	76.7	75.0	1.7 pts	80.1	80.7	(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