

QANTAS AIRWAYS LIMITED

ABN 16 009 661 901

PRELIMINARY MONTHLY TRAFFIC AND CAPACITY STATISTICS OCTOBER 2008

Summary of Traffic and Capacity Statistics

Month of October 2008

October Group (comprising Qantas Domestic, QantasLink, Jetstar Domestic, Qantas International and Jetstar International) passenger numbers increased by 0.3 per cent over the previous year. RPKs decreased by 3.1 per cent, and ASKs were up 0.4 per cent, resulting in a revenue seat factor of 79.9 per cent, which was 2.8 percentage points lower than the previous year.

Financial Year to Date October 2008

Group passenger numbers for the financial year to October 2008 were unchanged from the previous year. RPKs decreased by 1.7 per cent, while ASKs increased by 1.0 per cent, resulting in a revenue seat factor of 79.9 per cent, which was 2.2 percentage points lower than the previous year.

Total Domestic (Qantas, QantasLink and Jetstar domestic operations) yield excluding exchange for the financial year to October 2008 was 1.6 per cent lower when compared to the same period last year. Total International (Qantas and Jetstar international operations) yield excluding exchange increased by 5.8 per cent compared with the same period the prior year.

Recent Developments

On 10 November, Qantas launched 'Travel Insider' on qantas.com, a travel planning resource with content from the "The Australian Way" inflight magazine as well as a forum for Qantas Frequent Flyer reviews and comments on their own travel experiences.

On 24 November, Qantas became the first airline to operate non-stop services between Australia and South America with the inaugural Sydney to Buenos Aires flight.

On 25 November, Qantas said it would further cut capacity as the global financial crisis continued to affect passenger demand. The capacity reductions would be equivalent to grounding 10 aircraft. Qantas said that by taking this action now it would have the flexibility to switch growth back on as soon as market conditions improve. It said that, as a result of the slower demand, it now expected its profit before tax for the 2008/09 financial year to be around \$500 million, which was within the current range of analysts' forecasts.

On 27 November, Qantas announced that it would reduce its Australian domestic fuel surcharges by up to \$5.

On 3 December, Qantas confirmed that it is exploring a potential merger with British Airways plc via a dual-listed company structure. There is no guarantee that any transaction will be forthcoming and a further announcement will be made in due course, if appropriate. Any transaction would also comply fully with Qantas' obligations under the Qantas Sale Act and Australia's international Air Services Agreements.

On 12 December, Woolworths and Qantas announced an exclusive Heads of Agreement to create a loyalty alliance. From mid-2009, the new relationship will allow Woolworth's customers who participate in the Everyday Rewards program to earn Qantas Frequent Flyer points when they shop for groceries, fuel, packaged liquor, general merchandise or consumer electronics at a participating Woolworths group business.

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	Month			Financial Year to Date		
	2008/09	2007/08	Change	2008/09	2007/08	Change
Qantas Domestic						
Passengers carried ('000)	1,524	1,570	(2.9)%	5,746	6,009	(4.4)%
Revenue Passenger Kilometres (m)	2,203	2,305	(4.4)%	8,407	8,776	(4.2)%
Available Seat Kilometres (m)	2,675	2,689	(0.5)%	10,430	10,533	(1.0)%
Revenue Seat Factor (%)	82.3	85.7	(3.4) pts	80.6	83.3	(2.7) pts
QantasLink						
Passengers carried ('000)	386	376	2.6%	1,460	1,442	1.3%
Revenue Passenger Kilometres (m)	282	249	13.2%	1,070	952	12.4%
Available Seat Kilometres (m)	382	325	17.4%	1,483	1,250	18.7%
Revenue Seat Factor (%)	73.9	76.7	(2.8) pts	72.1	76.1	(4.0) pts
Jetstar Domestic						
Passengers carried ('000)	723	653	10.8%	2,808	2,513	11.7%
Revenue Passenger Kilometres (m)	828	735	12.6%	3,242	2,883	12.5%
Available Seat Kilometres (m)	985	856	15.1%	3,982	3,419	16.4%
Revenue Seat Factor (%)	84.0	85.9	(1.9) pts	81.4	84.3	(2.9) pts
Qantas International						
Passengers carried ('000)	659	704	(6.4)%	2,589	2,783	(7.0)%
Revenue Passenger Kilometres (m)	4,686	4,971	(5.7)%	18,929	20,095	(5.8)%
Available Seat Kilometres (m)	5,917	6,032	(1.9)%	23,534	24,274	(3.1)%
Revenue Seat Factor (%)	79.2	82.4	(3.2) pts	80.4	82.8	(2.4) pts
Jetstar International						
Passengers carried ('000)	157	137	14.5%	624	479	30.3%
Revenue Passenger Kilometres (m)	623	635	(2.0)%	2,632	2,151	22.3%
Available Seat Kilometres (m)	835	850	(1.7)%	3,470	3,006	15.4%
Revenue Seat Factor (%)	74.6	74.8	(0.2) pts	75.9	71.6	4.3 pts
Total Group Operations						
Passengers carried ('000)	3,449	3,440	0.3%	13,227	13,226	0.0%
Revenue Passenger Kilometres (m)	8,623	8,896	(3.1)%	34,281	34,858	(1.7)%
Available Seat Kilometres (m)	10,794	10,752	0.4%	42,898	42,484	1.0%
Revenue Seat Factor (%)	79.9	82.7	(2.8) pts	79.9	82.1	(2.2) 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).

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