

QANTAS AIRWAYS LIMITED
ABN 16 009 661 901

PRELIMINARY MONTHLY TRAFFIC AND CAPACITY STATISTICS

SEPTEMBER 2010

Summary of Traffic and Capacity Statistics

Month of September 2010

Qantas Group passenger numbers for September 2010 were up 9.5 percent from the previous year. RPKs increased by 6.4 percent and ASKs increased by 7.7 percent, resulting in a revenue seat factor of 82.6 percent, which was 1.0 percentage point lower than the previous year.

Financial Year to Date September 2010

Group passenger numbers for the financial year to September 2010 were up 8.9 percent from the previous year. RPKs increased by 6.7 percent, and ASKs increased by 7.8 percent, resulting in a revenue seat factor of 81.5 percent, which was 0.8 percentage points lower than the previous year.

Total Domestic (Qantas, QantasLink and Jetstar Domestic operations) yield excluding foreign exchange for the financial year to September 2010 was 1.3 percent higher when compared to the corresponding prior year period. Total International (Qantas and Jetstar International operations) yield excluding foreign exchange for the financial year to September 2010 increased by 13.6 percent when compared to the corresponding prior year period.

Total Group capacity is currently expected to be 8.4 percent higher in the first half of financial year 2011 compared to the first half of financial year 2010.

Qantas Frequent Flyer Quarterly Update

Qantas Frequent Flyer (QFF) billings for the quarter ending September 2010 were up 10.1 percent from the previous year. Over 200,000 members have joined the QFF program since June 2010. Awards redeemed by members increased 7.0 percent from the same period in the previous year.

Recent Developments

On October 29, Qantas held its Annual General Meeting in Adelaide. Chairman, Leigh Clifford made the following comments regarding the operating context:

“Globally we are seeing a recovery and that is flowing through to our international business. But it is early days and it is patchy. There remain challenges for two of our biggest markets, the US and the UK.

Domestically Qantas has an unrivalled network connecting the major cities and regional and rural Australia. Here too the recovery is underway. The business market is certainly returning, while the leisure market has been affected by significant capacity increases.

While the Australian dollar's strength has a positive impact on the Group's US dollar costs, this has been partially offset by a fall in the value of foreign currency revenues and the increases in fuel prices of late. A strong Australian dollar also has an impact on inbound and outbound travel patterns.”

Alan Joyce, CEO Qantas highlighted future opportunities for the Group in Asia:

“Looking ahead, there are many challenges, but also one unmistakable opportunity. In 2009, according to the International Air Transport Association (IATA) the Asia Pacific became the world's biggest aviation market, five years earlier than predicted. By 2013, IATA predicts that Asia-Pacific's market share will grow to almost one-third of total global passenger traffic. Significant opportunities will be unleashed, and the Qantas Group will be there to participate.”

On October 20, Qantas announced that Next Generation Check-in, including the ground-breaking QBag Tag, will launch in Sydney on 10 November.

On October 14, Jetstar announced commercial agreements with American Airlines (subject to regulatory approval).

Update on Hedging

Qantas has hedged 60 percent of its remaining fuel requirement in 2010/11 at a worst-case crude oil price of USD89.05 per barrel including option premium. At current rates, Qantas has 85 percent participation in falling oil prices for the remainder of the financial year.

Qantas has hedged 31 percent of its remaining operational foreign exchange exposure in 2010/11 at a worst case AUD/USD equivalent exchange rate of 0.7750 inclusive of option premium. At current rates, Qantas has 80 percent participation in favourable foreign exchange movements for the remainder of the financial year.

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	Month			Financial Year to Date		
	2010/11	2009/10	Change	2010/11	2009/10	Change
Qantas Domestic						
Passengers carried ('000)	1,507	1,426	5.7%	4,489	4,266	5.2%
Revenue Passenger Kilometres (m)	2,207	2,079	6.1%	6,598	6,233	5.9%
Available Seat Kilometres (m)	2,677	2,487	7.6%	8,065	7,504	7.5%
Revenue Seat Factor (%)	82.5	83.6	(1.1) pts	81.8	83.1	(1.3) pts
QantasLink						
Passengers carried ('000)	410	358	14.5%	1,232	1,082	13.8%
Revenue Passenger Kilometres (m)	279	246	13.3%	843	756	11.5%
Available Seat Kilometres (m)	385	348	10.9%	1,180	1,066	10.7%
Revenue Seat Factor (%)	72.3	70.7	1.6 pts	71.4	71.0	0.4 pts
Jetstar Domestic						
Passengers carried ('000)	805	712	13.1%	2,344	2,140	9.5%
Revenue Passenger Kilometres (m)	936	820	14.2%	2,751	2,459	11.9%
Available Seat Kilometres (m)	1,138	971	17.2%	3,377	2,943	14.7%
Revenue Seat Factor (%)	82.2	84.4	(2.2) pts	81.5	83.5	(2.0) pts
Qantas International						
Passengers carried ('000)	505	487	3.7%	1,517	1,473	3.0%
Revenue Passenger Kilometres (m)	4,320	4,241	1.9%	13,032	12,878	1.2%
Available Seat Kilometres (m)	5,100	4,936	3.3%	15,665	15,313	2.3%
Revenue Seat Factor (%)	84.7	86.0	(1.3) pts	83.2	84.1	(0.9) pts
Jetstar International						
Passengers carried ('000)	339	328	3.2%	1,029	957	7.6%
Revenue Passenger Kilometres (m)	1,031	953	8.1%	3,112	2,656	17.2%
Available Seat Kilometres (m)	1,281	1,195	7.2%	3,960	3,435	15.3%
Revenue Seat Factor (%)	80.5	79.8	0.7 pts	78.6	77.3	1.3 pts
Jetstar Asia						
Passengers carried ('000)	215	143	50.5%	678	452	50.0%
Revenue Passenger Kilometres (m)	316	202	56.1%	1,000	636	57.4%
Available Seat Kilometres (m)	424	279	52.2%	1,279	851	50.3%
Revenue Seat Factor (%)	74.4	72.6	1.8 pts	78.2	74.7	3.5 pts
Total Group Operations						
Passengers carried ('000)	3,781	3,454	9.5%	11,289	10,370	8.9%
Revenue Passenger Kilometres (m)	9,089	8,541	6.4%	27,337	25,617	6.7%
Available Seat Kilometres (m)	11,005	10,216	7.7%	33,526	31,113	7.8%
Revenue Seat Factor (%)	82.6	83.6	(1.0) pts	81.5	82.3	(0.8) pts

Qantas Frequent Flyer	Quarter Ended			Financial Year to Date		
	Sep-10	Sep-09	Change	Sep-10	Sep-09	Change
Billings (\$m)	259	235	10.1%	259	235	10.1%
Awards Redeemed ('000)	1,139	1,064	7.0%	1,139	1,064	7.0%
Total Members ('000) as at	Sep-10	7,365	Jun-10	7,158	Change	2.9%

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

Awards include Qantas & Partner Classic Awards on Qantas, oneworld@Alliance Airlines and partner airlines, Qantas & Jetstar Any Seat Awards, upgrades on Qantas flights with selected fares, and non-flight awards including products, vouchers and experiences available from the Qantas Frequent Flyer Store