

QANTAS AIRWAYS LIMITED

ABN 16 009 661 901

PRELIMINARY MONTHLY TRAFFIC AND CAPACITY STATISTICS

SEPTEMBER 2013

Summary of Traffic and Capacity Statistics

Month of September 2013

Qantas Group passenger numbers for September 2013 decreased by 0.1 per cent from the previous year. Group Available Seat Kilometres (ASKs) increased by 0.2 per cent and Revenue Passenger Kilometres (RPKs) decreased by 2.3 per cent, resulting in a Revenue Seat Factor of 78.5 per cent which was 2 percentage points lower than the previous year.

ASKs for Qantas Domestic (including QantasLink) were 0.9 per cent higher in the month, however the number of passengers carried declined 2.8 per cent as a result of weaker market demand.

Financial Year 2014

Qantas Group passenger numbers for the financial year to date (September 2013) increased by 0.8 per cent from the previous year. Group ASKs were flat and RPKs decreased by 1.2 per cent, resulting in a revenue seat factor of 78.7 per cent which was 1 percentage point lower than the previous year.

For the financial year to date, Qantas Group yields were lower than the prior corresponding period, reflecting continued challenging market conditions on domestic and international routes. Total Domestic (comprising Qantas Domestic, QantasLink and Jetstar Domestic) yields were lower as a result of continued market capacity growth and weak demand in the leisure and regional segments.

Qantas International yields were lower than the prior corresponding period due to high levels of competitor capacity growth, and an increase in Qantas' available capacity to Asia.

Qantas Loyalty Quarterly Update

For the financial year to date (September 2013), Qantas Frequent Flyer (QFF) billings increased by 7.1 per cent from the previous year. Awards redeemed by QFF members increased by 8 per cent from the same period in the previous year. Approximately 180,000 new members have joined the QFF program since 30 June 2013.

Recent Developments

On 31 October 2013, Qantas provided an equity injection to Jetstar Japan to support the airline's growth. A combined equity injection of ¥11 billion (equivalent to approximately A\$120 million), in the form of non-voting shares, will be equally shared by the two major shareholders, Qantas and Japan Airlines. The investment will increase Qantas' and Japan Airlines' economic interest to 45.7 per cent each.

On 24 October 2013, Qantas completed an on-market share buy-back of up to \$100 million announced in November 2012. Approximately 68.8 million shares were bought back at an average price of \$1.447 per share for a total consideration of \$99.6 million.

At its 2013 Annual General Meeting on 18 October 2013, Qantas announced that Group yields are expected to decline in the first half of financial year 2014 by between 2 and 3 per cent compared to the first half of financial year 2013, reflecting weak underlying demand and competitive pressures.

On 8 October 2013, Qantas and the Victorian Government signed a \$12 million, three-year tourism cooperative agreement. The deal takes the total joint investment in tourism between Qantas and Australian states and territories to \$72 million over three years.

On 7 October 2013, Jetstar Group took delivery of its first Boeing 787 Dreamliner. The B787 will initially operate domestic services, which are on sale for travel from 13 November 2013, before launching international services in December 2013 (subject to regulatory approval).

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PRELIMINARY MONTHLY TRAFFIC AND CAPACITY STATISTICS - SCHEDULED SERVICES
SEPTEMBER 2013

	Month			Financial Year to Date		
	2013/14	2012/13	Change	2013/14	2012/13	Change
QANTAS DOMESTIC (INCLUDING QANTASLINK)						
Passengers Carried ('000)	1,793	1,844	(2.8)%	5,568	5,695	(2.2)%
Revenue Passenger Kilometres (m)	2,311	2,385	(3.1)%	7,185	7,416	(3.1)%
Available Seat Kilometres (m)	3,156	3,129	0.9%	9,672	9,771	(1.0)%
Revenue Seat Factor (%)	73.2	76.2	(3.0) pts	74.3	75.9	(1.6) pts
QANTAS DOMESTIC (EXCLUDING QANTASLINK)						
Passengers Carried ('000)	1,353	1,393	(2.9)%	4,215	4,350	(3.1)%
Revenue Passenger Kilometres (m)	2,027	2,093	(3.1)%	6,301	6,540	(3.7)%
Available Seat Kilometres (m)	2,698	2,706	(0.3)%	8,271	8,480	(2.5)%
Revenue Seat Factor (%)	75.1	77.4	(2.2) pts	76.2	77.1	(0.9) pts
QANTASLINK						
Passengers Carried ('000)	440	451	(2.5)%	1,352	1,345	0.5%
Revenue Passenger Kilometres (m)	284	293	(3.0)%	884	876	0.9%
Available Seat Kilometres (m)	458	424	8.1%	1,401	1,290	8.6%
Revenue Seat Factor (%)	62.0	69.1	(7.1) pts	63.1	67.9	(4.8) pts
JETSTAR DOMESTIC						
Passengers Carried ('000)	1,023	1,006	1.7%	3,021	2,894	4.4%
Revenue Passenger Kilometres (m)	1,258	1,221	3.0%	3,716	3,550	4.7%
Available Seat Kilometres (m)	1,579	1,514	4.2%	4,568	4,423	3.3%
Revenue Seat Factor (%)	79.7	80.7	(1.0) pts	81.3	80.3	1.1 pts
QANTAS INTERNATIONAL						
Passengers Carried ('000)	494	484	2.2%	1,497	1,430	4.7%
Revenue Passenger Kilometres (m)	4,064	4,169	(2.5)%	12,267	12,292	(0.2)%
Available Seat Kilometres (m)	4,856	4,853	0.1%	14,936	14,796	0.9%
Revenue Seat Factor (%)	83.7	85.9	(2.2) pts	82.1	83.1	(0.9) pts
JETSTAR INTERNATIONAL						
Passengers Carried ('000)	405	418	(3.1)%	1,230	1,287	(4.4)%
Revenue Passenger Kilometres (m)	1,140	1,225	(6.9)%	3,519	3,771	(6.7)%
Available Seat Kilometres (m)	1,571	1,639	(4.1)%	4,727	4,935	(4.2)%
Revenue Seat Factor (%)	72.6	74.8	(2.2) pts	74.5	76.4	(2.0) pts
JETSTAR ASIA						
Passengers Carried ('000)	302	269	12.6%	939	852	10.2%
Revenue Passenger Kilometres (m)	474	460	3.1%	1,464	1,473	(0.6)%
Available Seat Kilometres (m)	616	617	(0.2)%	1,881	1,859	1.1%
Revenue Seat Factor (%)	77.0	74.5	2.5 pts	77.8	79.2	(1.4) pts
QANTAS GROUP OPERATIONS						
Passengers Carried ('000)	4,017	4,020	(0.1)%	12,255	12,159	0.8%
Revenue Passenger Kilometres (m)	9,248	9,461	(2.3)%	28,152	28,501	(1.2)%
Available Seat Kilometres (m)	11,777	11,753	0.2%	35,784	35,784	0.0%
Revenue Seat Factor (%)	78.5	80.5	(2.0) pts	78.7	79.6	(1.0) pts
Qantas Frequent Flyer						
	Quarter Ended			Financial Year to Date		
	Sep-13	Sep-12	Change	2013/14	2012/13	Change
Billings (\$m)	325	303	7.1%	325	303	7.1%
Awards Redeemed (m)	1.5	1.4	8.1%	1.5	1.4	8.1%
Total Members (m)	9.6	8.8	8.1%	9.6	8.8	8.1%

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