

QANTAS AIRWAYS LIMITED

ABN 16 009 661 901

PRELIMINARY MONTHLY TRAFFIC AND CAPACITY STATISTICS

JULY 2014

Summary of Traffic and Capacity Statistics

Month of July 2014

Qantas Group passenger numbers for July 2014 increased by 3.2 per cent from the previous year. Group capacity (Available Seat Kilometres) increased by 2.1 per cent and Group demand (Revenue Passenger Kilometres) increased by 3.4 per cent, resulting in a revenue seat factor of 80.8 per cent which was 1 percentage point higher than the previous year.

Group Domestic capacity in the month was marginally lower compared to the prior corresponding period. Capacity growth at QantasLink was driven by the introduction of B717 services on routes including Canberra and Hobart.

Jetstar Asia (Singapore) capacity increases in the month of July were primarily driven by changes to flying between Jetstar Australia and Jetstar Asia, and was well above expected capacity growth for the first half of financial year 2015. Combined Jetstar Australia and Jetstar Asia narrowbody capacity growth in South East Asia in the first half of financial year 2015 is expected to be flat on the prior corresponding period.

Financial Year 2015

For the financial year to date, Qantas Group yields were lower than the prior corresponding period. Total Domestic (comprising Qantas Domestic, QantasLink and Jetstar Domestic) yields were lower than the prior corresponding period as a result of weak underlying demand. Total International yields were higher than the prior corresponding period, with improvements seen across the majority of routes.

Recent Developments

On 28 August 2014, Qantas announced an update on its fleet and network strategy. Orders for 21 A320 classics have been deferred by four years and converted to orders for more fuel-efficient A320neos. The Group has also pushed back 50 B787 options and purchase rights to 2017, in line with the completion of the accelerated Qantas Transformation program. Two Qantas B737-800s and five Jetstar A320neos on order will be sold during FY15. Additionally, two A330-200s leases will not be renewed.

On 26 August 2014, Qantas announced the launch of a new codeshare agreement with China Airlines. From 15 October 2014 (subject to regulatory approval), customers will be able to travel on codeshare services operated by China Airlines from Sydney and Brisbane to Taipei. The new codeshare services operated by China Airlines will be available for booking from 1 September.

On 22 August 2014, Qantas announced new services to the US and South America. Qantas will boost services between Melbourne and Los Angeles, and between Sydney and Santiago, from early 2015. The new schedule provides morning, midday and evening departures between Australia and the US.

On 18 August 2014, Qantas was named the most punctual airline for financial year 2013/14. Qantas recorded the best on-time performance in departures and arrivals every month, ahead of any other major domestic airline. This is the fifth consecutive year the airline has succeeded its competitors in both arrivals and departures and the eighth consecutive year more Qantas passengers have arrived on-time.

On 31 July 2014, Qantas announced the refresh of its Boeing 737 fleet. The refresh will increase the fleet's capacity by three per cent without changing the seating space of each customer and will provide enhanced in-flight entertainment options. The refresh will commence in mid-2015 and be completed within 12 months.

On 31 July 2014, Qantas announced greater travel options through South America as part of an expanded codeshare relationship with oneworld partner LAN. Qantas customers will be able to travel on codeshare services operated by LAN from Santiago, Chile to six destinations across South America. In turn, LAN will codeshare on Qantas services across the Tasman, and across Qantas' extensive domestic network.

Update on Foreign Ownership

The Qantas Group has received the 31 July 2014 reconciliation of foreign ownership in Qantas Airways Limited which disclosed the level to be 43.7 per cent. Qantas Airways Limited remains subject to an aggregate foreign ownership limit of 49 per cent under the Qantas Sale Act.

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	Month			Financial Year to Date		
	2014/15	2013/14	Change	2014/15	2013/14	Change
QANTAS DOMESTIC (INCLUDING QANTASLINK) - SCHEDULED SERVICES						
Passengers Carried ('000)	1,899	1,915	(0.9)%	1,899	1,915	(0.9)%
Revenue Passenger Kilometres (m)	2,453	2,499	(1.8)%	2,453	2,499	(1.8)%
Available Seat Kilometres (m)	3,197	3,287	(2.7)%	3,197	3,287	(2.7)%
Revenue Seat Factor (%)	76.7	76.0	0.7 pts	76.7	76.0	0.7 pts
QANTAS DOMESTIC (EXCLUDING QANTASLINK) - SCHEDULED SERVICES						
Passengers Carried ('000)	1,357	1,454	(6.7)%	1,357	1,454	(6.7)%
Revenue Passenger Kilometres (m)	2,100	2,193	(4.3)%	2,100	2,193	(4.3)%
Available Seat Kilometres (m)	2,660	2,813	(5.4)%	2,660	2,813	(5.4)%
Revenue Seat Factor (%)	78.9	78.0	1.0 pts	78.9	78.0	1.0 pts
QANTASLINK - SCHEDULED SERVICES						
Passengers Carried ('000)	541	461	17.6%	541	461	17.6%
Revenue Passenger Kilometres (m)	353	306	15.6%	353	306	15.6%
Available Seat Kilometres (m)	538	475	13.2%	538	475	13.2%
Revenue Seat Factor (%)	65.7	64.4	1.3 pts	65.7	64.4	1.3 pts
JETSTAR DOMESTIC - SCHEDULED SERVICES						
Passengers Carried ('000)	1,135	1,041	9.0%	1,135	1,041	9.0%
Revenue Passenger Kilometres (m)	1,356	1,290	5.2%	1,356	1,290	5.2%
Available Seat Kilometres (m)	1,624	1,552	4.7%	1,624	1,552	4.7%
Revenue Seat Factor (%)	83.5	83.1	0.4 pts	83.5	83.1	0.4 pts
QANTAS INTERNATIONAL - SCHEDULED SERVICES						
Passengers Carried ('000)	509	516	(1.4)%	509	516	(1.4)%
Revenue Passenger Kilometres (m)	4,263	4,208	1.3%	4,263	4,208	1.3%
Available Seat Kilometres (m)	5,116	5,078	0.8%	5,116	5,078	0.8%
Revenue Seat Factor (%)	83.3	82.9	0.5 pts	83.3	82.9	0.5 pts
JETSTAR INTERNATIONAL - SCHEDULED SERVICES						
Passengers Carried ('000)	441	422	4.5%	441	422	4.5%
Revenue Passenger Kilometres (m)	1,328	1,186	12.0%	1,328	1,186	12.0%
Available Seat Kilometres (m)	1,682	1,569	7.2%	1,682	1,569	7.2%
Revenue Seat Factor (%)	79.0	75.6	3.4 pts	79.0	75.6	3.4 pts
JETSTAR ASIA - SCHEDULED SERVICES						
Passengers Carried ('000)	358	314	14.1%	358	314	14.1%
Revenue Passenger Kilometres (m)	590	484	21.9%	590	484	21.9%
Available Seat Kilometres (m)	742	622	19.4%	742	622	19.4%
Revenue Seat Factor (%)	79.5	77.8	1.7 pts	79.5	77.8	1.7 pts
QANTAS GROUP OPERATIONS						
Passengers Carried ('000)	4,341	4,207	3.2%	4,341	4,207	3.2%
Revenue Passenger Kilometres (m)	9,990	9,666	3.4%	9,990	9,666	3.4%
Available Seat Kilometres (m)	12,362	12,108	2.1%	12,362	12,108	2.1%
Revenue Seat Factor (%)	80.8	79.8	1.0 pts	80.8	79.8	1.0 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