

QANTAS AIRWAYS LIMITED

ABN 16 009 661 901

PRELIMINARY MONTHLY TRAFFIC AND CAPACITY STATISTICS

MAY 2016

Summary of Traffic and Capacity Statistics

Month of May 2016

Qantas Group capacity (Available Seat Kilometres) increased by 3.4 per cent and Group demand (Revenue Passenger Kilometres) increased by 4.2 per cent in May, resulting in a Group revenue seat factor of 76.3 per cent which was 0.6 percentage points higher than in the prior corresponding period.

Qantas Group Revenue per Available Seat Kilometre (RASK) declined in the month, with an increase in Group Domestic RASK offset by a decline in Group International RASK.

Group Domestic (comprising Qantas Domestic and Jetstar Domestic) capacity in the month was 4.2 per cent lower than in May 2015, reflecting capacity reductions announced in April 2016. As a result of these targeted capacity reductions, Group Domestic RASK recovered from the negative trends of March and April to be positive in the month of May. The positive Group Domestic RASK performance continued through the month of June.

Qantas International capacity rose by 8.4 per cent, reflecting the annualisation of new services to San Francisco, Tokyo, Hong Kong and Singapore added earlier in the financial year.

Jetstar International capacity increased by 13.2 per cent in the month due to the higher seat count of the B787 Dreamliner aircraft compared to the A330 aircraft they have replaced, and year-on-year growth on routes including Thailand and Bali.

Group International (comprising Qantas International, Jetstar International and Jetstar Asia) RASK in May was lower compared to the prior corresponding period.

Financial Year 2016

For the financial year to date, Group capacity increased by 4.7 per cent and demand increased by 6.0 per cent, resulting in a Group revenue seat factor of 80.1 per cent which was 0.9 percentage points higher than the previous year.

Qantas Group RASK for financial year to date was lower compared to the prior corresponding period. Group Domestic RASK was flat compared to the prior year, and Group International RASK was lower.

Recent Developments

On 28 June 2016, Qantas announced a 'triple points' offer for bookings on Qantas services between Australia and London. The offer is available in both directions, with triple Qantas Frequent Flyer points on selected booking and travel dates. Please see Qantas.com for more details.

On 25 June 2016, the Qantas Group and American Airlines launched the inaugural Auckland-Los Angeles service opening up more choice for New Zealanders travelling to the United States and for Americans travelling directly to and from New Zealand and Australia. The new daily non-stop service, operated by American's state-of-art Boeing 787-8 Dreamliner, expands the partnership between American and Qantas. The partnership has provided customers with more options across the Pacific, including American's Sydney-Los Angeles service and Qantas' Sydney-San Francisco service – both of which began operating in December last year.

On 14 June 2016, the Qantas Group announced that it had completed the \$500 million on market share buy-back announced at its half year results in February 2016. Combined with the \$505 million capital return and associated share consolidation completed on 6 November 2015, the number of ordinary shares on issue for Qantas Airways Limited has decreased by 12.6% since 30 June 2015.

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| | Month | | | Financial Year to Date | | |
|---|---------|---------|-----------|------------------------|---------|---------|
| | 2015/16 | 2014/15 | Change | 2015/16 | 2014/15 | Change |
| QANTAS DOMESTIC* - SCHEDULED SERVICES | | | | | | |
| Passengers Carried ('000) | 1,777 | 1,748 | 1.6% | 20,078 | 19,778 | 1.5% |
| Revenue Passenger Kilometres (m) | 2,175 | 2,181 | (0.3)% | 25,110 | 24,995 | 0.5% |
| Available Seat Kilometres (m) | 2,921 | 3,077 | (5.1)% | 33,355 | 33,572 | (0.6)% |
| Revenue Seat Factor (%) | 74.5 | 70.9 | 3.6 pts | 75.3 | 74.5 | 0.8 pts |
| JETSTAR DOMESTIC - SCHEDULED SERVICES | | | | | | |
| Passengers Carried ('000) | 927 | 931 | (0.4)% | 12,297 | 11,878 | 3.5% |
| Revenue Passenger Kilometres (m) | 1,078 | 1,087 | (0.9)% | 14,409 | 13,856 | 4.0% |
| Available Seat Kilometres (m) | 1,328 | 1,359 | (2.3)% | 17,255 | 16,765 | 2.9% |
| Revenue Seat Factor (%) | 81.2 | 80.0 | 1.2 pts | 83.5 | 82.6 | 0.9 pts |
| QANTAS INTERNATIONAL - SCHEDULED SERVICES | | | | | | |
| Passengers Carried ('000) | 479 | 449 | 6.7% | 5,857 | 5,375 | 9.0% |
| Revenue Passenger Kilometres (m) | 3,978 | 3,758 | 5.8% | 47,776 | 44,338 | 7.8% |
| Available Seat Kilometres (m) | 5,317 | 4,905 | 8.4% | 58,403 | 54,382 | 7.4% |
| Revenue Seat Factor (%) | 74.8 | 76.6 | (1.8) pts | 81.8 | 81.5 | 0.3 pts |
| JETSTAR INTERNATIONAL - SCHEDULED SERVICES | | | | | | |
| Passengers Carried ('000) | 481 | 387 | 24.5% | 5,280 | 4,639 | 13.8% |
| Revenue Passenger Kilometres (m) | 1,409 | 1,222 | 15.2% | 16,007 | 14,240 | 12.4% |
| Available Seat Kilometres (m) | 1,799 | 1,589 | 13.2% | 19,961 | 18,147 | 10.0% |
| Revenue Seat Factor (%) | 78.3 | 76.9 | 1.4 pts | 80.2 | 78.5 | 1.7 pts |
| JETSTAR ASIA - SCHEDULED SERVICES | | | | | | |
| Passengers Carried ('000) | 350 | 338 | 3.7% | 3,889 | 3,617 | 7.5% |
| Revenue Passenger Kilometres (m) | 538 | 560 | (4.0)% | 6,290 | 5,995 | 4.9% |
| Available Seat Kilometres (m) | 668 | 708 | (5.7)% | 7,810 | 7,731 | 1.0% |
| Revenue Seat Factor (%) | 80.5 | 79.1 | 1.4 pts | 80.5 | 77.5 | 3.0 pts |
| QANTAS GROUP OPERATIONS | | | | | | |
| Passengers Carried ('000) | 4,014 | 3,852 | 4.2% | 47,401 | 45,287 | 4.7% |
| Revenue Passenger Kilometres (m) | 9,177 | 8,809 | 4.2% | 109,592 | 103,423 | 6.0% |
| Available Seat Kilometres (m) | 12,032 | 11,638 | 3.4% | 136,784 | 130,597 | 4.7% |
| Revenue Seat Factor (%) | 76.3 | 75.7 | 0.6 pts | 80.1 | 79.2 | 0.9 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).

*From January 2015 Qantas Domestic and QantasLink are reported on a combined basis.

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