

## **QANTAS AIRWAYS LIMITED**

**ABN 16 009 661 901**

### **PRELIMINARY MONTHLY TRAFFIC AND CAPACITY STATISTICS**

**OCTOBER 2014**

#### **Summary of Traffic and Capacity Statistics**

##### **Month of October 2014**

Qantas Group passenger numbers for October 2014 increased by 1.6 per cent from the previous year. Group capacity (Available Seat Kilometres) decreased by 0.1 per cent and Group demand (Revenue Passenger Kilometres) increased by 2.9 per cent, resulting in a revenue seat factor of 80.1 per cent which was 2.4 percentage point higher than the previous year.

Group Domestic capacity in the month was marginally higher compared to the prior corresponding period. Capacity reductions at Qantas Domestic mainline and growth at QantasLink reflected the impact of the introduction of QantasLink operated B717 services on routes including Canberra and Hobart. The 4 percentage point increase in revenue seat factor at Jetstar International was driven by progressive demand growth into recent capacity additions to Bali and Japan.

For October 2014, Qantas Group yields were higher than the prior corresponding period, the second consecutive month of positive growth. Total Domestic (comprising Qantas Domestic, QantasLink and Jetstar Domestic) yields were higher than the prior corresponding period. Total International yields were higher than the prior corresponding period. Qantas International revenue per Available Seat Kilometre (RASK) continued the strong trajectory of the financial year to date, with both yield and Revenue Seat Factor higher than prior corresponding period.

##### **Financial Year 2015**

Qantas Group passenger numbers for the financial year to date increased by 2.7 per cent from the previous year. Group capacity increased by 0.8 per cent and demand increased by 2.9 per cent, resulting in a revenue seat factor of 80.1 per cent which was 1.6 percentage points higher than the previous year. Group Domestic capacity for financial year to date was marginally lower compared to the prior corresponding period.

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

##### **Recent Developments**

On 28 November 2014, Qantas announced it will fly daily to Tokyo's Haneda airport from August 2015. The new service will be in addition to the existing daily Qantas service to Tokyo's Narita airport. Qantas customers will also be able to travel from Narita on nine Jetstar Japan codeshare services from mid-January.

On 24 November 2014, Qantas and American Airlines announced the expansion of their joint business enabling Qantas customers to codeshare on additional American Airlines services. The Qantas codeshare will extend to include four new destinations - Kona, Lihue and Maui in Hawaii and Richmond, Virginia.

On 17 November 2014, Qantas and China Eastern announced a new joint venture. Subject to regulatory approval, it is anticipated that the five year joint agreement will commence in mid-2015. Through the new partnership, the airlines hope to ultimately open up new routes between Australia and mainland China.

##### **Hedging Update**

As at 28 November 2014, the Qantas Group has hedged 85 per cent of fuel requirement in the second half of financial year 2015. At current rates, Qantas retains a 70 per cent participation rate to lower fuel prices in the half. The Qantas Group has hedged 95 percent of its AUD/USD risk for the second half of financial year 2015 at a worst case exchange rate of 0.87 inclusive of option premium.

##### **Update on Foreign Ownership**

The Qantas Group has today received a reconciliation of foreign ownership in Qantas Airways Limited which disclosed the level as at 5 November 2014 to be 41.3 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
<b>QANTAS DOMESTIC (INCLUDING QANTASLINK) - SCHEDULED SERVICES</b>						
Passengers Carried ('000)	1,995	1,963	1.7%	7,579	7,530	0.6%
Revenue Passenger Kilometres (m)	2,532	2,508	1.0%	9,678	9,693	(0.2)%
Available Seat Kilometres (m)	3,274	3,283	(0.3)%	12,730	12,955	(1.7)%
Revenue Seat Factor (%)	77.4	76.4	1.0 pts	76.0	74.8	1.2 pts
<b>QANTAS DOMESTIC (EXCLUDING QANTASLINK) - SCHEDULED SERVICES</b>						
Passengers Carried ('000)	1,440	1,485	(3.0)%	5,438	5,700	(4.6)%
Revenue Passenger Kilometres (m)	2,177	2,196	(0.9)%	8,299	8,496	(2.3)%
Available Seat Kilometres (m)	2,746	2,806	(2.1)%	10,634	11,077	(4.0)%
Revenue Seat Factor (%)	79.3	78.3	1.0 pts	78.0	76.7	1.3 pts
<b>QANTASLINK - SCHEDULED SERVICES</b>						
Passengers Carried ('000)	555	478	16.2%	2,141	1,830	17.0%
Revenue Passenger Kilometres (m)	356	312	14.0%	1,379	1,196	15.2%
Available Seat Kilometres (m)	528	477	10.7%	2,096	1,878	11.6%
Revenue Seat Factor (%)	67.4	65.4	2.0 pts	65.8	63.7	2.1 pts
<b>JETSTAR DOMESTIC - SCHEDULED SERVICES</b>						
Passengers Carried ('000)	1,172	1,108	5.7%	4,450	4,129	7.8%
Revenue Passenger Kilometres (m)	1,378	1,348	2.3%	5,282	5,064	4.3%
Available Seat Kilometres (m)	1,633	1,613	1.3%	6,360	6,181	2.9%
Revenue Seat Factor (%)	84.4	83.6	0.8 pts	83.0	81.9	1.1 pts
<b>QANTAS INTERNATIONAL - SCHEDULED SERVICES</b>						
Passengers Carried ('000)	499	496	0.7%	1,969	1,993	(1.2)%
Revenue Passenger Kilometres (m)	4,064	3,900	4.2%	16,407	16,167	1.5%
Available Seat Kilometres (m)	4,998	5,021	(0.5)%	19,905	19,957	(0.3)%
Revenue Seat Factor (%)	81.3	77.7	3.6 pts	82.4	81.0	1.4 pts
<b>JETSTAR INTERNATIONAL - SCHEDULED SERVICES</b>						
Passengers Carried ('000)	437	454	(3.8)%	1,731	1,684	2.8%
Revenue Passenger Kilometres (m)	1,298	1,246	4.2%	5,204	4,765	9.2%
Available Seat Kilometres (m)	1,646	1,664	(1.1)%	6,606	6,391	3.4%
Revenue Seat Factor (%)	78.8	74.9	4.0 pts	78.8	74.6	4.2 pts
<b>JETSTAR ASIA - SCHEDULED SERVICES</b>						
Passengers Carried ('000)	321	333	(3.8)%	1,323	1,273	3.9%
Revenue Passenger Kilometres (m)	527	521	1.2%	2,187	1,985	10.2%
Available Seat Kilometres (m)	686	672	2.0%	2,813	2,553	10.2%
Revenue Seat Factor (%)	76.8	77.4	(0.6) pts	77.7	77.7	(0.0) pts
<b>QANTAS GROUP OPERATIONS</b>						
Passengers Carried ('000)	4,424	4,355	1.6%	17,051	16,610	2.7%
Revenue Passenger Kilometres (m)	9,800	9,521	2.9%	38,756	37,673	2.9%
Available Seat Kilometres (m)	12,237	12,252	(0.1)%	48,415	48,036	0.8%
Revenue Seat Factor (%)	80.1	77.7	2.4 pts	80.1	78.4	1.6 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