

QANTAS AIRWAYS LIMITED
ACN 009 661 901

**RECENT DEVELOPMENTS AND
PRELIMINARY* MONTHLY TRAFFIC AND CAPACITY STATISTICS**

AUGUST 2000

Recent Developments

Qantas announced an expansion of its codeshare agreement with American Airlines. The expanded agreement, which comes into effect on 1 November, includes services between Los Angeles and Toronto and between several other United States cities. Under the expanded agreement, Qantas will codeshare on American Airlines daily services between Los Angeles and Toronto and will discontinue its service between Sydney and Toronto via Honolulu. At the same time, Qantas flights between Sydney and Vancouver via Honolulu will be increased from four per week to five. Qantas will also codeshare on American Airlines services between Los Angeles and Phoenix, Los Angeles and San Jose, Honolulu and San Jose, Honolulu and San Francisco, Honolulu and Los Angeles, Honolulu and Dallas Fort Worth and between Honolulu and Chicago O'Hare. American Airlines will codeshare on Qantas services between Sydney and Christchurch, between Sydney and Honolulu and between Sydney and Vancouver, via Honolulu.

Qantas Defence Services (QDS), a wholly-owned subsidiary of Qantas Airways announced its intention to purchase the Bankstown facilities of engine overhaul and repair company, Pacific Turbine, dependant on a number of conditions, including the completion of due diligence. QDS intends to purchase selected assets of Pacific Turbine, including fixed assets, inventories, licences and patents which will enable QDS to centralise all defence-related engine work in one facility.

The Qantas Annual General Meeting will be held in Sydney this year on Thursday, 16 November 2000.

The ANZ Bank joined the Qantas Frequent Flyer Portfolio of Financial Services - the third financial institution to offer Qantas Frequent Flyer points with banking products. The Qantas Portfolio of Financial Services was launched with founding partners Citibank and Macquarie Bank on 4 September. Qantas is continuing discussions with a number of other financial institutions and expects to expand the products offered through the Qantas Portfolio of Financial Services in coming months.

Total Group Operations	Month			Financial Year to Date		
	2000/01	1999/00	Change	2000/01	1999/00	Change
Passengers carried ('000) **#	1,811	1,716	5.5%	3,617	3,431	5.4%
Revenue Passenger Kilometres (m) #	5,712	5,374	6.3%	11,524	10,812	6.6%
Available Seat Kilometres (m)	7,629	7,066	8.0%	15,226	14,132	7.7%
Revenue Seat Factor (%)	74.9	76.1	(1.2) pts	75.7	76.5	(0.8) pts

Group Operations

Group (international, domestic and regional) passenger numbers increased by 5.5 percent compared to the same month last year. Total RPKs and ASKs for August increased by 6.3 percent and 8.0 percent respectively, resulting in a revenue seat factor of 74.9 percent, 1.2 percentage points lower than the previous year. For the year to date, passenger numbers increased by 5.4 percent from the previous year. RPKs and ASKs were up 6.6 percent and 7.7 percent respectively, resulting in a revenue seat factor of 75.7 percent, 0.8 percentage points lower than the previous year.

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 and the total, and in 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 1 July 2000 a new definition for international RPKs and passenger numbers is being used. All international fare paying passengers will be included in both RPKs and number of passengers carried. Previously only international passengers who paid greater than 25% of the published fare were included. There has been no change in the domestic definition which already includes all fare paying passengers. Comparative information has not been adjusted.

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