

15 September 2004

Dear Shareholder

2004 ANNUAL GENERAL MEETING

The 2004 Annual General Meeting of Qantas Airways Limited is to be held at 2:00pm on Thursday, 21 October 2004 in the Great Hall of the Brisbane Convention and Exhibition Centre. The formal Notice of Meeting is attached.

Qantas has many shareholders around Australia. To provide an opportunity for the maximum number of shareholders to attend an AGM, Qantas holds it in a different State each year. The AGM was last held in Brisbane in 1998. The 2003 AGM was held in Adelaide and the 2005 AGM is to be held in Canberra.

Shareholders who are unable to attend the AGM and have access to the Internet will be able to hear a live webcast of the AGM on the Qantas website, www.qantas.com.

BUSINESS

1. Consideration of Reports

The Financial Report, the Directors' Report and the Independent Audit Report for the year ended 30 June 2004 will be presented for consideration.

Unless the Qantas Share Registry has been notified otherwise, each shareholder will have received an Annual Report which includes a Concise Financial Report for the year ended 30 June 2004. Any shareholder wishing to receive a copy of the full Financial Report, which will be presented at the AGM, should contact the Qantas Share Registry which will mail you a copy.

2. Questions and Comments

Following the Consideration of Reports, the Chairman will give shareholders a reasonable opportunity to ask questions about or comment on the management of Qantas.

The Chairman will also give shareholders a reasonable opportunity to ask the Auditor questions relevant to:

- a. the conduct of the audit;
- b. the preparation and content of the Independent Audit Report;
- c. the accounting policies adopted by Qantas in relation to the preparation of the financial statements; and
- d. the independence of the Auditor in relation to the conduct of the audit.

3. Election of Directors

3.1 Margaret Jackson

Margaret Jackson retires by rotation and, being eligible, offers herself for re-election as an Independent Non-Executive Director.

Ms Jackson was appointed to the Board in July 1992 and as Chairman in August 2000.

Ms Jackson is Deputy Chairman of Southcorp Limited. She is also a Director of Australia and New Zealand Banking Group Limited and Billabong International Limited. She is a Member of the Business Council of Australia Chairman's Panel, a Fellow of The Institute of Chartered Accountants in Australia and a Member of the Foreign Affairs Council. In addition, Ms Jackson is an Executive Committee Member of the Australia Japan Business Co-operation Committee and a Director of Howard Florey Institute of Experimental Physiology and Medicine.

Ms Jackson was a Partner of KPMG Peat Marwick's Management Consulting Division and National Chairman of the KPMG Micro Economic Reform Group until 30 June 1992, when she resigned to pursue a full-time career as a company director.

In 1982, Ms Jackson completed her MBA with distinction at Melbourne University.

Ms Jackson was formerly a Director of John Fairfax Holdings Limited, ANZ Grindlays Bank Limited, The Broken Hill Proprietary Company Limited, Pacific Dunlop Limited, Telecom Australia and the Australian Wool Corporation; Chairman of Victoria's Transport Accident Commission, the Victorian State Council of The Institute of Chartered Accountants in Australia, Playbox Theatre Company Pty Limited, Malthouse Pty Limited and a Member of the Pharmaceutical Remuneration Benefits Tribunal and The Asialink Centre.

On 9 June 2003, Ms Jackson was made a Companion of the Order of Australia.

The Directors (with Margaret Jackson absent and not voting) recommend that you vote in favour of this Ordinary Resolution.

3.2 Mike Codd

Mike Codd retires by rotation and, being eligible, offers himself for re-election as an Independent Non-Executive Director.

Mr Codd was appointed to the Board in January 1992. Mr Codd is Chairman of the Safety, Environment and Security Committee and a Member of the Audit Committee.

Mr Codd is Chancellor of the University of Wollongong and a Director of the Wealth Management Companies of the National Australia Group, Toogoolawa Consulting Pty Limited and INGEUS Ltd. He is a Member of the Advisory Boards of Spencer Stuart and Blake Dawson Waldron.

Mr Codd was formerly Deputy Chairman of Australian Nuclear Science and Technology Organisation (ANSTO) and The Menzies Foundation. He was also a Director of Telstra, IBM Australia and CitiPower Ltd.

From 1981 to 1986, Mr Codd held senior positions in the Commonwealth Government as Secretary of the Department of Employment and Industrial Relations, Chairman of the Industries Assistance Commission and Secretary of the Department of Community Services.

From 1986 to 1991, Mr Codd held the position of Head of Department of the Prime Minister and Cabinet, and Secretary to Cabinet.

Mr Codd holds a Bachelor of Economics (Honours) from the University of Adelaide.

In 1991, Mr Codd was made a Companion of the Order of Australia.

The Directors (with Mike Codd absent and not voting) recommend that you vote in favour of this Ordinary Resolution.

3.3 Patricia Cross

Patricia Cross was appointed by the Directors as an Independent Non-Executive Director on 1 January 2004 pursuant to clause 6.5(a) of the Qantas Constitution, which allows the Board to appoint a Director to fill a casual vacancy.

Final – 2 September 2004

Mrs Cross retires as required by clause 6.5(b) of the Qantas Constitution and, being eligible, offers herself for election as an Independent Non-Executive Director.

Mrs Cross is a Director of Wesfarmers Limited and Chairman of Qantas Superannuation Limited.

She is also a Fellow of the Australian Institute of Company Directors, a Fellow of the Australian Institute of Management, a Fellow of the Finance and Treasury Association and a Member of Women Chiefs of Enterprise International. In 2003, she received a Centenary Medal for service to Australian society through the finance industry.

Mrs Cross was formerly Deputy Chairman of Victoria's Transport Accident Commission, a Member of the Financial Sector Advisory Council, a Member of the Companies and Securities Advisory Committee, Director of AMP Limited, Director of Suncorp-Metway Limited, a Member of the Merrill Lynch Australasia Advisory Board and an Advisory Member of the Deloitte Touche Board of Partners. Mrs Cross has served on a variety of not for profit boards, including the Murdoch Children's Research Institute, Opera Australia Capital Fund, the Heide Museum of Modern Art, Director and Councillor of RMIT University (Melbourne) and Governor of the American Chamber of Commerce in Australia.

Mrs Cross holds a Bachelor of Science (Honours) from Georgetown University (Washington, DC) and, after two years in the public service, gained extensive international experience in banking and finance from 1981 to 1996. She worked with Chase Manhattan Corporation, Banque Nationale de Paris and then National Australia Bank, where her last position was General Manager, Wholesale Banking and was a Member of the Executive Committee.

The Directors (with Patricia Cross absent and not voting) recommend that you vote in favour of this Ordinary Resolution.

3.4 James Packer

James Packer was also appointed by the Directors as an Independent Non-Executive Director on 1 March 2004 pursuant to clause 6.5(a) of the Qantas Constitution.

Mr Packer retires as required by clause 6.5(b) of the Qantas Constitution and, being eligible, offers himself for election as an Independent Non-Executive Director.

Mr Packer was appointed Executive Chairman of Publishing and Broadcasting Limited (PBL) in May 1998 having served as Chief Executive Officer of PBL from March 1996 until May 1998.

He is also Joint Chief Executive Officer of Consolidated Press Holdings Limited and a Director of Challenger Financial Services Group Limited, Foxtel and Hoyts Cinemas Limited. Mr Packer will be appointed Chairman of Burswood Limited after regulatory approval has been obtained from the Gaming and Wagering Commission of Western Australia.

The Directors (with James Packer absent and not voting) recommend that you vote in favour of this Ordinary Resolution.

4. Non-Executive Directors' Fees

The current maximum aggregate amount which shareholders have approved to be paid as fees to the Non-Executive Directors is \$1,500,000 per annum. This amount was approved by shareholders at the 2002 AGM.

Currently, the Chairman is paid an annual fee of \$400,000. Non-Executive Directors are each paid an annual fee of \$100,000. In addition, in recognition of the additional workload:

- i. Non-Executive Directors who act as a Chairman of any of the Qantas Committees are paid an additional annual fee of \$30,000; and
- ii. Non-Executive Directors who are Members of any of the Qantas Committees are paid an additional annual fee of \$20,000.

The Chairman receives no additional fees for Committee work.

Based on a full complement of 10 Non-Executive Directors, total annual fees payable to Non-Executive Directors would be \$1,520,000. The actual annual fees paid by Qantas for the 2003/04 financial year were \$1,456,583.

Non-Executive Directors also receive industry standard travel entitlements and the minimum statutory superannuation entitlement.

Details of Non-Executive Directors' fees and travel entitlements are disclosed on page [] of the 2004 Annual Report.

Clause 6.7(a) of the Qantas Constitution provides that the remuneration of Non-Executive Directors may not exceed in aggregate in any year the amount determined by shareholders. The Constitution also provides that this amount may be divided among the Non-Executive Directors in the manner and in the proportion determined by the Directors.

Listing Rule 10.17 provides that a listed company must not, without shareholder approval, increase the total amount of non-executive directors' fees.

For the purposes of clause 6.7(a) of the Qantas Constitution and Listing Rule 10.17, shareholder approval is sought to increase the maximum aggregate amount which can be paid as fees to the Non-Executive Directors from \$1,500,000 to \$2,500,000 per annum. Directors will also continue to receive industry standard travel entitlements.

Qantas undertakes an annual review of the fees paid to non-executive directors by other major Australian listed companies to ensure that the fees paid by Qantas are competitive to enable Qantas to attract and retain high calibre Directors.

Increasing the maximum amount of Non-Executive Directors' fees payable will give the Board the ability over the next two to three years to increase Non-Executive Directors' fees in line with market conditions. It will also allow the Board to possibly expand the membership of Committees.

In addition, the increase permits future Non-Executive Directors' fees to be paid on a "fixed annual remuneration" or FAR basis. Under a FAR arrangement, Directors will receive an agreed remuneration which will be inclusive of base fee and superannuation.

The Directors have decided that the only changes to Non-Executive Directors' fees for the year ended 30 June 2005 are to be the payment of fees on a FAR basis, that is including superannuation, and an increase in the annual fee payable to Chairmen of Committees from \$30,000 to \$40,000. Increasing the fees paid to Chairmen of Committees recognises the significant increase in workload required by these Directors given the complexity of Qantas' operations.

Voting on the Ordinary Resolution

In accordance with the Listing Rules, Qantas will disregard any votes cast on Ordinary Resolution 4 by the Directors and their associates.

However, Qantas need not disregard a vote if it is cast by:

- i. a person as proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form; or
- ii. the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

5. Qantas Deferred Share Plan – Executive Director Participation

Approval Sought

Qantas seeks shareholder approval for the Executive Directors (Geoff Dixon and Peter Gregg) to participate in the Qantas Deferred Share Plan (Plan). The Plan was approved by

shareholders at the 2002 AGM. Executive Director Participation in the Plan under the 2003 Award was also approved by shareholders at the 2003 AGM.

Details of the Qantas Executive Remuneration Philosophy and Objectives can be found from page [] of the 2004 Annual Report and on the Corporate Governance section of the Qantas website, www.qantas.com. Details of all awards of equity made to the Executive Directors appear in the 2004 Annual Report.

Background – 2004 Award of Deferred Shares to Qantas Executives

Qantas includes a medium term incentive in executive remuneration delivered via the offer of deferred shares (Shares).

In relation to the year ended 30 June 2004, Shares will be offered to approximately 920 Qantas executives because Qantas achieved certain “balanced scorecard” targets set by the Board in 2003. The balanced scorecard targets for the 2004 Award related to:

- financial performance measured by reductions in labour unit cost per ASK;
- network punctuality improvements;
- customer satisfaction; and
- sustainable future cost reduction targets.

The Board has approved the award of Shares to Qantas Executive General Managers. The Board has delegated to the Chief Executive Officer authority to determine how many Shares are to be offered to each other participating executive from an approved “pool”. Each executive is entitled to an “at target” number of Shares which may be increased or decreased depending on their individual performance and contribution during the year. No consideration is payable by participating executives.

Shares will be purchased on-market at the prevailing market price and will be held on behalf of each participant by the Qantas Deferred Share Plan Trustee (Trustee) until the expiry of a specified holding lock period. The holding lock expires on the tenth anniversary from the date of allocation. However, executives can “call” for the Shares prior to the expiration of the holding lock, but not before 1 July 2005 in relation to one-half of the Shares and 1 July 2006 in relation to the other half of the Shares. Upon call or the expiry of the relevant holding lock, Shares will be transferred from the Trustee and registered in the relevant executive’s name.

Any dividends paid on the Shares will be distributed to the relevant executive.

Generally, any Shares which remain subject to the holding lock will be forfeited if the relevant executive ceases employment with the Qantas Group. Shares will also be forfeited if the executive is guilty of gross misconduct in relation to the Qantas Group.

Background – 2004 Award of Performance Rights to Qantas Executives

Qantas includes a long term incentive in executive remuneration delivered via the grant of performance rights (Rights). This is also a key element of the Qantas executive retention strategy.

Subject to achievement of a Board set Performance Hurdle, Rights may be converted (on a one-for-one basis) to ordinary Qantas shares up to ten years after award at no cost. Once the Performance Hurdle is satisfied, executives can “call” for the Rights to be converted.

The Performance Hurdle set by the Board for the 2004 grant of Rights is the Total Shareholder Return (TSR) of Qantas in comparison to:

- companies with ordinary shares included in the S&P/ASX100 Index in relation to 50% of the Rights; and
- a basket of global listed airlines in relation to the other 50% of the Rights.

The TSR will be first tested as at 30 June 2007 and, if required, re-tested every three months over the subsequent two years.

The Performance Hurdle will be considered satisfied in accordance with the following table:

Qantas TSR Performance Compared to the Relevant Target	Satisfaction of Performance Hurdle
0 to 25 th percentile	Nil
25 th to 49 th percentile	Default nil, but subject to Board discretion
50 th to 74 th percentile	50% to 99% satisfied
75 th to 100 th percentile	100% satisfied

Generally, any Rights which have not vested will lapse if the relevant executive ceases employment with the Qantas Group. Rights will also lapse if the executive is guilty of gross misconduct in relation to the Qantas Group.

Once Rights vest, Qantas shares will be purchased on-market on a one-for-one basis and registered in the name of the relevant executive.

The detailed conditions of the offers of Shares and Rights under the Plan will be contained in specific Plan Rules, which will be approved by the Board.

Executive Director Participation in the Plan

The Executive Directors, Geoff Dixon and Peter Gregg, are eligible to participate in the Plan and shareholder approval is sought to permit their participation in the award of Shares and Rights.

5.1 Participation in the Plan by Geoff Dixon

Under Listing Rule 10.14, no director may acquire securities under an employee incentive scheme (such as the Plan), without shareholder approval.

The Board has received independent advice from PricewaterhouseCoopers on the appropriate level of remuneration to be made available to the current Executive Directors. Based on this advice, the Board (with Geoff Dixon and Peter Gregg absent and not voting) believes it is appropriate and has resolved that, subject to shareholder approval, the Chief Executive Officer, Geoff Dixon, participates in the Plan as set out below.

Deferred Shares

In August 2004, Geoff Dixon signed a new Employment Agreement with Qantas and has agreed to continue as Chief Executive Officer until 1 July 2007. As such, the Board considers it appropriate to seek shareholder approval to offer the Chief Executive Officer an equal number of Shares for each of the 2004, 2005 and 2006 financial years. It is proposed that this will be up to 150,000 Shares for each financial year.

In relation to the 2004 financial year, the target set for the Chief Executive Officer was the same as for other Qantas executives, the achievement of the “balanced scorecard” targets referred to earlier. As with the other Qantas executives, this target has been met. As such, the Board seeks shareholder approval to offer the Chief Executive Officer 150,000 Shares in relation to the 2004 financial year (2004 Award).

In relation to the 2005 and 2006 financial years, the Board will set appropriate targets – again, achievement of satisfactory results on a “balanced scorecard” basis. The Board will measure the performance of Qantas executives and the Chief Executive Officer against these targets. No Shares will be offered unless a minimum of 75% of the balanced scorecard targets are achieved. Once 75% has been achieved, the Board has discretion to offer up to 150,000 Shares for each year. The amount actually offered will be dependent on the Board’s assessment of achievement against the specific targets and the Chief Executive Officer’s performance against individual Key Performance Indicators (KPIs), particularly in light of the conditions prevailing in the airline industry during that year.

The 2005 Balanced Scorecard set by the Board relates to:

- financial performance measured by reductions in labour unit cost per ASK;
- network punctuality improvements;
- customer satisfaction; and
- reduction in employee injury rates.

Similar Balanced Scorecard targets will be set by the Board for the 2006 financial year and these will be disclosed in the relevant Annual Report.

As such, the Board seeks shareholder approval to offer the Chief Executive Officer up to 150,000 Shares in 2005 (2005 Award) and 2006 (2006 Award) dependent on satisfactory achievement of the balanced scorecard targets set each year by the Board.

Performance Rights

Shareholders are also requested to approve the award of 450,000 Rights to the Chief Executive Officer. This will be the last award of Rights sought in relation to Geoff Dixon's tenure as Chief Executive Officer (unless his contract is renewed in 2007).

Vesting of these Rights will be subject to the same TSR based Performance Hurdle as the Rights offered to Qantas executives referred to earlier.

It is proposed that the Chief Executive Officer's Performance Hurdle will be tested initially as at 30 June 2007 (the same date as the first testing of the Hurdle for Qantas executives). However, given Mr Dixon's contract expiry date of 1 July 2007, it is proposed that, should the Performance Hurdle not be achieved as at 30 June 2007, it will be tested again once each quarter over the 2008 financial year, with the last test to occur, if required, as at 30 June 2008. These tests will occur regardless of whether Mr Dixon is an employee during the 2008 financial year. It is considered this is appropriate as strategy implemented by Mr Dixon during his tenure as Chief Executive Officer may take some time to be reflected in Qantas' TSR.

Generally, any Rights which have not vested will lapse if the Chief Executive Officer ceases employment with the Qantas Group. Rights will also lapse if the executive is guilty of gross misconduct in relation to the Qantas Group.

To the extent the performance hurdles are met, Rights will be converted into Qantas shares which will be purchased on-market and registered in Mr Dixon's name.

Listing Rule Information

In accordance with the Listing Rules, the following information is provided for shareholders:

- shareholders are requested to approve the acquisition for the Chief Executive Officer, Geoff Dixon, under the Plan, of up to 450,000 Shares and the award of up to 450,000 Rights (which Rights, subject to satisfaction of relevant Performance Hurdles, convert one-for-one into Qantas shares);
- under the Terms & Conditions and Rules of the Plan, the Shares will be purchased at no cost to Mr Dixon on-market at the prevailing market price;
- subject to the Terms & Conditions and Rules of the Plan, Shares to be offered under the 2004 Award, will not generally be able to be sold or otherwise dealt with until after:
 - 30 June 2005 in respect of 75,000 Shares; and
 - 30 June 2006 in respect of 75,000 Shares;
- subject to the Terms & Conditions and Rules of the Plan, any Shares to be offered under the 2005 Award, will not generally be able to be sold or otherwise dealt with until after:
 - 30 June 2006 in respect of up to half of the Shares; and
 - 30 June 2007 in respect of up to half of the Shares;

Final – 2 September 2004

- v. subject to the Terms & Conditions and Rules of the Plan, any Shares to be offered under the 2006 Award, will not generally be able to be sold or otherwise dealt with until after 30 June 2007;
- vi. upon satisfaction of the Performance Hurdles set by the Board and the expiration of the Holding Lock Period, the Rights will vest and the Chief Executive Officer will be entitled to convert each vested Right for one Qantas share;
- vii. no loan will be made by Qantas in connection with the acquisition of Shares or Rights by the Chief Executive Officer;
- viii. the following Shares and Rights have been awarded to the Executive Directors under the Plan since shareholder approval at the 2003 AGM:
 - (a) Chief Executive Officer, Geoff Dixon:
 - (i) 125,000 Shares allocated on 5 March 2004 with 62,500 of the Shares having a Holding Lock Period until 30 June 2004 and 62,500 of the Shares having a Holding Lock Period until 30 June 2005; and
 - (ii) 125,000 Rights granted on 27 January 2004 which may vest on 30 June 2006 subject to the satisfaction of specific Performance Hurdles; and
 - (b) Chief Financial Officer, Peter Gregg:
 - (i) 80,000 Shares allocated on 5 March 2004 with 40,000 of the Shares having a Holding Lock Period until 30 June 2004 and 40,000 of the Shares having a Holding Lock Period until 30 June 2005; and
 - (ii) 80,000 Rights granted on 27 January 2004 which may vest on 30 June 2006 subject to the satisfaction of specific Performance Hurdles.

The Shares referred to in paragraphs (a) and (b) above were purchased at the prevailing market price on the Australian Stock Exchange at no cost to Geoff Dixon or Peter Gregg;

- ix. details of any Shares or Rights purchased, issued or granted under the Plan to Geoff Dixon or Peter Gregg will be published in each Qantas Annual Report relating to the period in which the securities have been purchased, issued or granted and that approval for the purchase, issue or grant of securities was obtained under Listing Rule 10.14;
- x. Shares for the Chief Executive Officer will be acquired under this approval by 30 September 2007 except for shares purchased upon the conversion of any Rights. No Shares will be purchased and no Rights granted under this approval later than three years after the date of the Meeting; and
- xi. any additional persons (for whom shareholder approval is required) who become entitled to participate in the Plan after the Resolution is approved and who are not named in the Notice of Meeting, will not participate in the Plan until approval is obtained under Listing Rule 10.14.

5.2 Participation in the Plan by Peter Gregg

Under Listing Rule 10.14, no director may acquire securities under an employee incentive scheme (such as the Plan), without shareholder approval.

The Board has received independent advice from PricewaterhouseCoopers on the appropriate level of remuneration to be made available to the current Executive Directors. Based on this advice, the Board (with Geoff Dixon and Peter Gregg absent and not voting) believes it is appropriate and has resolved, subject to shareholder approval, that the Chief Financial Officer, Peter Gregg, participates in the Plan as set out below.

Deferred Shares

As with the request for the Chief Executive Officer, the Board considers it appropriate to request shareholders to approve a three year award of Shares to the Chief Financial Officer. The Board

Final – 2 September 2004

seeks shareholder approval to offer Peter Gregg an equal number of Shares for each of the 2004, 2005 and 2006 financial years. It is proposed that this will be up to 90,000 Shares for each financial year.

In relation to the 2004 financial year, the target set for the Chief Financial Officer was the same as for other Qantas executives, the achievement of the “balanced scorecard” targets referred to earlier. As with the other Qantas executives, this target has been met. As such, the Board seeks shareholder approval to offer the Chief Financial Officer 90,000 Shares in relation to the 2004 financial year (2004 Award).

In relation to the 2005 and 2006 financial years, the Board will set appropriate targets – again, achievement of satisfactory results on a “balanced scorecard” basis. The Board will measure the performance of Qantas executives and the Chief Financial Officer against these targets. No Shares will be offered unless a minimum of 75% of the balanced scorecard targets are achieved. Once 75% has been achieved, the Board has discretion to offer up to 90,000 Shares for each year. The amount actually offered will be dependent on the Board’s assessment of achievement against the specific targets and the Chief Financial Officer’s performance against individual Key Performance Indicators (KPIs), particularly in light of the conditions prevailing in the airline industry during that year.

The 2005 Balanced Scorecard set by the Board was detailed earlier.

Similar Balanced Scorecard targets will be set by the Board for the 2006 financial year and these will be disclosed in the relevant Annual Report.

As such, the Board seeks shareholder approval to offer the Chief Financial Officer up to 90,000 Shares in 2005 (2005 Award) and 2006 (2006 Award) dependent on satisfactory achievement of the balanced scorecard targets set each year by the Board.

Performance Rights

Shareholders are also requested to approve the award of up to 270,000 Rights to the Chief Financial Officer. This is also a three year approval.

It is proposed that the Board will offer Peter Gregg up to 90,000 Rights at the beginning of the 2005, 2006 and 2007 financial years. Each tranche will be subject to separate Performance Hurdles.

It is proposed that the Performance Hurdle will be the same as that applied to any offer of Rights to Qantas executives. The TSR based Performance Hurdle for the 2005 Award was detailed earlier.

It is intended that the Performance Hurdle for the 2006 and 2007 offers will also be TSR based. These Hurdles will be disclosed in the relevant Annual Report.

Each Performance Hurdle will be first tested as at 30 June, three years after grant and, if required, re-tested every three months over the subsequent two years.

Generally, any Rights which have not vested will lapse if the Chief Financial Officer ceases employment with the Qantas Group. Rights will also lapse if the executive is guilty of gross misconduct in relation to the Qantas Group.

To the extent the performance hurdles are met, Rights will be converted into Qantas shares which will be purchased on-market and registered in Mr Gregg’s name.

Listing Rule Information

In accordance with the Listing Rules, the following information is provided for shareholders:

- i. shareholders are requested to approve the acquisition for the Chief Financial Officer, Peter Gregg, under the Plan, of up to 270,000 Shares and the award of up to 270,000 Rights (which Rights, subject to satisfaction of relevant Performance Hurdles, convert one-for-one into Qantas shares);

- ii. under the Terms & Conditions and Rules of the Plan, the Shares will be purchased on-market at the prevailing market price;
- iii. subject to the Terms & Conditions and Rules of the Plan, Shares to be offered under the 2004 Award, will not generally be able to be sold or otherwise dealt with until after:
 - (a) 30 June 2005 in respect of up to 45,000 Shares; and
 - (b) 30 June 2006 in respect of up to 45,000 Shares;
- iv. subject to the Terms & Conditions and Rules of the Plan, any Shares to be offered under the 2005 Award, will not generally be able to be sold or otherwise dealt with until after:
 - (a) 30 June 2006 in respect of up to half of the Shares; and
 - (b) 30 June 2007 in respect of up to half of the Shares;
- v. subject to the Terms & Conditions and Rules of the Plan, any Shares to be offered under the 2006 Award, will not generally be able to be sold or otherwise dealt with until after:
 - (a) 30 June 2007 in respect of up to half of the Shares; and
 - (b) 30 June 2008 in respect of up to half of the Shares;
- vi. upon satisfaction of the Performance Hurdles set by the Board and the expiration of the Holding Lock Period, the Rights will vest and, provided the Chief Financial Officer is still an employee of Qantas, he will be entitled to convert each vested Right for one Qantas share;
- vii. no loan will be made by Qantas in connection with the acquisition of Shares or Rights by the Chief Financial Officer;
- viii. the following Shares and Rights have been awarded to the Executive Directors under the Plan since shareholder approval at the 2003 AGM:
 - (a) Chief Executive Officer, Geoff Dixon:
 - (i) 125,000 Shares allocated on 5 March 2004 with 62,500 of the Shares having a Holding Lock Period until 30 June 2004 and 62,500 of the Shares having a Holding Lock Period until 30 June 2005; and
 - (ii) 125,000 Rights granted on 27 January 2004 which may vest on 30 June 2006 subject to the satisfaction of specific Performance Hurdles; and
 - (b) Chief Financial Officer, Peter Gregg:
 - (i) 80,000 Shares allocated on 5 March 2004 with 40,000 of the Shares having a Holding Lock Period until 30 June 2004 and 40,000 of the Shares having a Holding Lock Period until 30 June 2005; and
 - (ii) 80,000 Rights granted on 27 January 2004 which may vest on 30 June 2006 subject to the satisfaction of specific Performance Hurdles.

The Shares referred to in paragraphs (a) and (b) above were purchased at the prevailing market price on the Australian Stock Exchange at no cost to Geoff Dixon or Peter Gregg;

- ix. details of any Shares or Rights purchased, issued or granted under the Plan to Geoff Dixon or Peter Gregg will be published in each Qantas Annual Report relating to the period in which the securities have been purchased, issued or granted and that approval for the purchase, issue or grant of securities was obtained under Listing Rule 10.14;
- x. Shares for the Chief Financial Officer will be acquired under this approval by 30 September 2007 except for shares purchased upon the conversion of any Rights. No Shares will be purchased and no Rights granted under this approval later than three years after the date of the Meeting; and

Final – 2 September 2004

- xi. any additional persons (for whom shareholder approval is required) who become entitled to participate in the Plan after the Resolution is approved and who are not named in the Notice of Meeting, will not participate in the Plan until approval is obtained under Listing Rule 10.14.

Voting on the Ordinary Resolutions

Ordinary Resolutions 5.1 and 5.2

In accordance with the Listing Rules, Qantas will disregard any votes cast on Ordinary Resolutions 5.1 and 5.2 by the Directors (except those who are ineligible to participate in any Qantas employee incentive scheme) and their associates.

However, Qantas need not disregard a vote if it is cast by:

- i. a person as proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form; or
- ii. the person chairing the AGM as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

The Directors (with Geoff Dixon and Peter Gregg absent and not voting) recommend that you vote in favour of these Ordinary Resolutions.

If you have any questions relating to any issue to be considered at the AGM, please call Janine Smith, Assistant Company Secretary, on (02) 9691 4262 prior to the AGM.

Yours sincerely

Brett Johnson
General Counsel & Company Secretary

ENCLOSURES

Enclosed with this letter are:

- i. Notice of Meeting;

Final – 2 September 2004

- ii. Proxy Form to be completed if you would like to be represented at the AGM by proxy, together with a reply paid envelope;
- iii. AGM Question Form to be completed if you would like a specific question to be addressed by the Chairman or Auditor at the AGM; and
- iv. Attendance and Poll Card which we request you bring if you are attending the AGM.



NOTICE OF ANNUAL GENERAL MEETING

Notice is given that the Annual General Meeting of Qantas Airways Limited will be held:

Date: Thursday 21 October 2004
Time: 2:00pm
Venue: The Great Hall of the Brisbane Convention and Exhibition Centre

Please refer to the attached map.

BUSINESS

1. Consideration of Reports

To receive and consider the Financial Report, the Directors' Report and the Independent Audit Report of Qantas Airways Limited for the financial year ended 30 June 2004.

2. Questions and Comments

Shareholders will be given a reasonable opportunity to ask questions about or comment on the management and audit of Qantas.

3. Election of Directors

3.1 Margaret Jackson

To consider and, if thought appropriate, pass the following Ordinary Resolution:

"That, Margaret Jackson, a Non-Executive Director retiring in accordance with the Constitution, being eligible, is re-elected as a Non-Executive Director of Qantas Airways Limited."

3.2 Mike Codd

To consider and, if thought appropriate, pass the following Ordinary Resolution:

"That, Mike Codd, a Non-Executive Director retiring in accordance with the Constitution, being eligible, is re-elected as a Non-Executive Director of Qantas Airways Limited."

3.3 Patricia Cross

To consider and, if thought appropriate, pass the following Ordinary Resolution:

"That, Patricia Cross, a Non-Executive Director appointed by the Directors on 1 January 2004 pursuant to clause 6.5(a) of the Constitution and retiring in accordance with the Constitution, being eligible, is elected as a Non-Executive Director of Qantas Airways Limited."

3.4 James Packer

To consider and, if thought appropriate, pass the following Ordinary Resolution:

“That, James Packer, a Non-Executive Director appointed by the Directors on 1 March 2004 pursuant to clause 6.5(a) of the Constitution and retiring in accordance with the Constitution, being eligible, is elected as a Non-Executive Director of Qantas Airways Limited.”

4. Non-Executive Directors’ Fees

To consider and, if thought appropriate, pass the following Ordinary Resolution:

“That, the maximum aggregate amount payable to Non-Executive Directors by way of Directors’ fees be increased from \$1,500,000 to \$2,500,000 per annum.”

5. Qantas Deferred Share Plan – Executive Director Participation

5.1 Participation in the Qantas Deferred Share Plan by Geoff Dixon

To consider and, if thought appropriate, pass the following Ordinary Resolution:

“That, pursuant to Listing Rule 10.14 and under the Terms & Conditions of the Qantas Deferred Share Plan, Geoff Dixon, the Chief Executive Officer, is permitted to participate in the Qantas Deferred Share Plan as is contemplated by the explanatory letter accompanying the 2004 Notice of Meeting.”

5.2 Participation in the Qantas Deferred Share Plan by Peter Gregg

To consider and, if thought appropriate, pass the following Ordinary Resolution:

“That, pursuant to Listing Rule 10.14 and under the Terms & Conditions of the Qantas Deferred Share Plan, Peter Gregg, the Chief Financial Officer, is permitted to participate in the Qantas Deferred Share Plan as is contemplated by the explanatory letter accompanying the 2004 Notice of Meeting.”

Dated: 15 September 2004

By Order of the Board

Brett Johnson
General Counsel & Company Secretary

Notes:

1. A shareholder entitled to attend and vote is entitled to appoint not more than two proxies. Shareholders can appoint a body corporate as well as an individual as their proxy. A body corporate may appoint an individual as its representative to exercise any of the powers the body may exercise at general meetings of Qantas or in the capacity of a shareholder's proxy at general meetings of Qantas. The appointment may be a standing one. Unless the appointment states otherwise, the representative may exercise all of the powers that the appointing body could exercise at a general meeting or in voting on a resolution.
2. A shareholder who appoints two proxies may state on the Proxy Form what proportion or number of the shareholder's votes each proxy is being appointed to exercise. If a shareholder appoints two proxies and does not specify the proportion or number of votes each proxy may exercise, each of the proxies may exercise half the shareholder's votes.
3. If a shareholder has appointed two proxies, when a resolution is decided on a show of hands, only the first person named on the Proxy Form may vote. If two Proxy Forms have been completed, the person whose name is earlier in alphabetical sequence may vote.
4. A proxy need not be a shareholder of Qantas.
5. Either the original or a facsimile transmission of the Proxy Form(s) and any Power of Attorney or authority under which they are signed **must** be received at least 48 hours prior to the AGM (ie by no later than 2:00pm on

Final – 2 September 2004

- Tuesday 19 October 2004) or any adjournment. Any Proxy Form received after this deadline, including at the AGM, will be invalid.
6. The Proxy Form accompanies this Notice of Meeting.
 7. Additional Proxy Forms will be supplied by the Qantas Share Registry on request.
 8. If a corporate representative is to attend the AGM on behalf of a corporation, a formal Notice of Appointment **must** be brought to the AGM.
 9. In accordance with Regulation 7.11.37 of the Corporations Regulations, the Board has determined that a person's entitlement to vote at the AGM will be the entitlement of that person set out in the register of shareholders as at 7:00pm (Sydney time), on Tuesday 19 October 2004. Accordingly, transactions registered after that time will be disregarded in determining shareholders entitled to attend and vote at the AGM.
 10. If you wish a question to be put to the Chairman or Auditor and you are not able to attend the AGM, please complete the Question Form which is attached to this Notice of Meeting.
 11. Either the original or a facsimile transmission of the Question Form **must** be received at least 5 business days prior to the AGM (ie by no later than 2:00pm on Thursday 14 October 2004) or any adjournment. (This is to allow time to collate questions and to prepare answers.)

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