

Appendix 4B (rule 4.13(b))

Half yearly report

Introduced 1/7/2000.

Name of entity

QANTAS AIRWAYS LIMITED

ACN, ARBN or ARSN

16 009 661 901

Half yearly
(tick)

Preliminary
final (tick)

Half year ended
(‘current period’)

31 DECEMBER 2000

For announcement to the market

Extracts from this report for announcement to the market (see note 1).

\$Am

Revenues from ordinary activities (<i>item 1.1</i>)	up	13.1%	to	5,098.9
Profit (loss) from ordinary activities after tax (before amortisation of goodwill) attributable to members (<i>item 1.20</i>)	down	22.0%	to	264.1
Profit (loss) from ordinary activities after tax attributable to members (<i>item 1.23</i>)	down	22.2%	to	262.9
Profit (loss) from extraordinary items after tax attributable to members (<i>item 2.5(d)</i>)		-		-
Net profit (loss) for the period attributable to members (<i>item 1.11</i>)	down	22.2%	to	262.9

Dividends (distributions)	Amount per security	Franked amount per security at 34% tax (prior year: 36%)
Interim dividend (<i>item 15.6</i>)	11.0¢	11.0¢
Previous corresponding period (<i>item 15.7</i>)	11.0¢	11.0¢

Record date for determining entitlements to the dividend
(see *item 15.2*)

7 March 2001

Brief explanation of omission of directional and percentage changes to profit in accordance with Note 1 and short details of any bonus or cash issue or other item(s) of importance not previously released to the market:

Refer to attached Media Release and attachments to Half-Yearly Report.

Consolidated profit and loss account

		Current period \$Am	Previous corresponding period \$Am
1.1	Revenues from ordinary activities	5,098.9	4,508.7
1.2	Expenses from ordinary activities (<i>see items 1.24 + 12.5 + 12.6</i>)	(4,628.4)	(3,972.8)
1.3	Borrowing costs	(54.1)	(63.3)
1.4	Share of net profit (loss) of associates and joint venture entities (<i>see item 16.7</i>)	-	-
1.5	Profit (loss) from ordinary activities before tax	416.4	472.6
1.6	Income tax on ordinary activities	(152.0)	(134.6)
1.7	Profit (loss) from ordinary activities after tax	264.4	338.0
1.8	Profit (loss) from extraordinary items after tax (<i>see item 2.5</i>)	-	-
1.9	Net profit (loss)	264.4	338.0
1.10	Net profit (loss) attributable to outside equity interests	1.5	0.2
1.11	Net profit (loss) for the period attributable to members	262.9	337.8

Consolidated retained profits

		Current period \$Am	Previous corresponding period \$Am
1.12	Retained profits (accumulated losses) at the beginning of the financial period	926.8	1,124.1
1.13	Net profit (loss) attributable to members (<i>item 1.11</i>)	262.9	337.8
1.14	Net transfers to and from reserves	-	-
1.15	Net effect of changes in accounting policies	-	-
1.16	Dividends and other equity distributions paid or payable	(144.3)	(133.3)
1.17	Retained profits (accumulated losses) at end of financial period	1,045.4	1,328.6

Profit restated to exclude amortisation of goodwill

		Current period \$Am	Previous corresponding period \$Am
1.18	Profit (loss) from ordinary activities after tax before outside equity interests (<i>items 1.7</i>) and amortisation of goodwill	265.6	338.8
1.19	Less (plus) outside equity interests	1.5	0.2
1.20	Profit (loss) from ordinary activities after tax (before amortisation of goodwill) attributable to members	264.1	338.6

Profit (loss) from ordinary activities attributable to members

		Current period \$Am	Previous corresponding period \$Am
1.21	Profit (loss) from ordinary activities after tax (<i>item 1.7</i>)	264.4	338.0
1.22	Less (plus) outside equity interests	1.5	0.2
1.23	Profit (loss) from ordinary activities after tax, attributable to members	262.9	337.8

Revenue and expenses from ordinary activities

		Current period \$Am	Previous corresponding period \$Am
1.24	Details of revenue		
	Net Passenger Revenue	3,997.2	3,486.8
	Net Freight Revenue	310.5	271.6
	Tour and Travel Sales	304.9	281.4
	Other Sources	486.3	468.9
	Revenues from ordinary activities	5,098.9	4,508.7
	Details of expenditure		
	Manpower and Staff Related	1,279.0	1,154.1
	Selling and Marketing	563.0	509.3
	Aircraft Operating – Variable	965.6	837.4
	Fuel and Oil	654.3	390.2
	Property	116.6	107.5
	Computer and Communication	174.1	165.6
	Depreciation and Amortisation	345.0	308.0
	Non-cancellable Operating Lease Rentals	77.5	49.6
	Tour and Travel Cost Of Sales	268.2	246.1
	Capacity Hire, Insurance and Other	185.1	262.8
	Part sale of investment in EQUANT NV (previously shown as abnormal)	-	(57.8)
	Expenses from ordinary activities	4,628.4	3,972.8

Intangible and extraordinary items

		<i>Consolidated – current period</i>			
		Before tax \$Am (a)	Related tax \$Am (b)	Related outside equity interests \$Am (c)	Amount (after tax) attributable to members \$Am (d)
2.1	Amortisation of goodwill	1.2	-	-	1.2
2.2	Amortisation of other intangibles	-	-	-	-
2.3	Total amortisation of intangibles	1.2	-	-	1.2
2.4	Extraordinary items	-	-	-	-
2.5	Total extraordinary items	-	-	-	-

		<i>Consolidated – prior period</i>			
		Before tax \$Am (a)	Related tax \$Am (b)	Related outside equity interests \$Am (c)	Amount (after tax) attributable to members \$Am (d)
2.6	Amortisation of goodwill	0.8	-	-	0.8
2.7	Amortisation of other intangibles	-	-	-	-
2.8	Total amortisation of intangibles	0.8	-	-	0.8
2.9	Extraordinary items	-	-	-	-
2.10	Total extraordinary items	-	-	-	-

Comparison of half year profits

(Preliminary final report only)

		Current year \$Am	Previous year \$Am
3.1	Consolidated profit (loss) from ordinary activities after tax attributable to members reported for the 1st half year (item 1.23 in the half yearly report)	n/a	n/a
3.2	Consolidated profit (loss) from ordinary activities after tax attributable to members for the 2nd half year	n/a	n/a

Consolidated balance sheet

		At end of current period \$Am	As shown in last annual report \$Am	As in last half yearly report \$Am
Current assets				
4.1	Cash	172.3	118.2	16.7
4.2	Receivables	1,758.1	1,742.5	1,371.1
	Net receivables under hedge/swap contracts	271.4	200.9	185.1
4.3	Investments	-	-	-
4.4	Inventories	318.9	267.9	266.3
4.5	Other	158.9	108.3	109.4
4.6	Total current assets	2,679.6	2,437.8	1,948.6
Non-current assets				
4.7	Receivables	576.4	603.0	619.4
	Net receivables under hedge/swap contracts	2,065.7	1,758.4	1,666.3
4.8	Investments (equity accounted)	-	-	-
4.9	Other investments	48.1	43.0	35.1
4.10	Inventories	-	-	-
4.11	Exploration and evaluation expenditure capitalised	-	-	-
4.12	Development properties (mining entities)	-	-	-
4.13	Other property, plant and equipment (net)	7,053.4	7,108.7	6,998.9
4.14	Intangibles (net)	21.5	25.0	26.0
4.15	Other	50.8	31.2	42.9
4.16	Total non-current assets	9,815.9	9,569.3	9,388.6
4.17	Total assets	12,495.5	12,007.1	11,337.2
Current liabilities				
4.18	Payables	1,976.3	1,869.2	1,662.0
4.19	Interest bearing liabilities	822.1	582.4	303.3
	Net payables under hedge/swap contracts	292.9	233.5	219.8
4.20	Provisions	601.6	1,046.6	643.0
4.21	Revenue received in advance	1,201.8	1,181.0	1,025.8
	Deferred lease benefits/income	41.3	41.6	42.7
4.22	Total current liabilities	4,936.0	4,954.3	3,896.6
Non-current liabilities				
4.23	Payables	-	-	-
4.24	Interest bearing liabilities	2,487.6	2,530.8	2,558.4
	Net payables under hedge/swap contracts	589.0	419.5	418.2
4.25	Provisions	842.3	747.0	730.7
4.26	Revenue received in advance	410.6	439.0	433.4
	Deferred lease benefits/income	14.0	52.1	34.2
4.27	Total non-current liabilities	4,343.5	4,188.4	4,174.9

Consolidated Balance Sheet continued

	At end of current period \$Am	As shown in last annual report \$Am	As in last half yearly report \$Am
4.28 Total liabilities	9,279.5	9,142.7	8,071.5
4.29 Net assets	3,216.0	2,864.4	3,265.7
Equity			
4.30 Capital/contributed equity	2,107.3	1,882.0	1,882.0
4.31 Reserves	55.4	54.0	53.8
4.32 Retained profits (accumulated losses)	1,045.4	926.8	1,328.6
4.33 Equity attributable to members of the parent entity	3,208.1	2,862.8	3,264.4
4.34 Outside equity interests in controlled entities	7.9	1.6	1.3
4.35 Total equity	3,216.0	2,864.4	3,265.7
4.36 Preference capital included as part of 4.33	-	-	-

Exploration and evaluation expenditure capitalised

Not applicable

Development properties

Not applicable

Consolidated statement of cash flows

		Current period \$Am	Previous corresponding period \$Am
Cash flows related to operating activities			
7.1	Receipts from customers	4,912.5	4,362.9
7.2	Payments to suppliers and employees	(4,265.8)	(3,556.4)
7.3	Dividends received from associates	17.7	9.1
7.4	Other dividends received	-	-
7.5	Interest and other items of similar nature received	34.9	42.4
7.6	Interest and other costs of finance paid	(84.2)	(94.1)
7.7	Income taxes paid	(130.9)	(158.0)
7.8	Other	-	-
7.9	Net operating cash flows	484.2	605.9
Cash flows related to investing activities			
7.10	Payment for purchases of property, plant and equipment	(357.7)	(650.0)
	Receipt/(payment) for aircraft security deposits	34.2	(8.1)
	Total payment for purchases of property, plant and equipment and aircraft security deposits	(323.5)	(658.1)
7.11	Proceeds from sale of property, plant and equipment	5.8	5.9
7.12	Payment for purchases of equity investments	(10.4)	-
7.13	Proceeds from sale of equity investments	-	58.0
7.14	Loans to other entities	-	-
7.15	Loans repaid by other entities	-	-
7.16	Proceeds from sale and leaseback of property, plant and equipment	147.5	477.2
7.17	Net investing cash flows	(180.6)	(117.0)
Cash flows related to financing activities			
7.18	Proceeds from issues of securities (shares, options, etc.)	18.9	-
7.19	Proceeds from borrowings/swaps	439.8	50.1
7.20	Repayment of borrowings/swaps	(513.3)	(404.8)
	Debt prepayments	-	(477.2)
	Total debt repayments	(513.3)	(882.0)
7.21	Dividends paid	(377.5)	(296.6)
7.22	Other	-	-
7.23	Net financing cash flows	(432.1)	(1,128.5)
7.24	Net increase (decrease) in cash held	(128.5)	(639.6)
7.25	Cash at beginning of period (see Reconciliation of cash)	688.8	893.7
7.26	Exchange rate adjustments to item 7.25.	-	-
7.27	Cash at end of period (see Reconciliation of cash)	560.3	254.1

Non-cash financing and investing activities

Details of financing and investing transactions which have had a material effect on consolidated assets and liabilities but did not involve cash flows are as follows.

During the half-year 63,062,220 shares were issued under the Dividend Reinvestment Plan. Dividends settled in shares rather than cash during the half year totalled \$206.2 million (1999: Nil).

Reconciliation of cash

Reconciliation of cash at the end of the period (as shown in the consolidated statement of cash flows) to the related items in the accounts is as follows.

	Current period \$Am	Previous corresponding period \$Am
8.1 Cash on hand and at bank	79.9	15.8
8.2 Deposits at call	-	-
8.3 Bank overdraft	-	(1.5)
8.4 Cash on call	92.4	0.9
Short term money market securities and term deposits	388.0	238.9
8.5 Total cash at end of period (item 7.27)	560.3	254.1

Ratios

	Current period	Previous corresponding period
Profit before tax / revenue		
9.1 Consolidated profit (loss) from ordinary activities before tax (item 1.5) as a percentage of revenue (item 1.1)	8.2%	10.5%
Profit after tax / equity interests		
9.2 Consolidated net profit (loss) from ordinary activities after tax attributable to members (item 1.11) as a percentage of equity (similarly attributable) at the end of the period (item 4.33)	8.2%	10.3%

Earnings per security (EPS)

		Current period	Previous corresponding period
10.1	Calculation of the following in accordance with <i>AASB 1027: Earnings per Share</i>		
	(a) Basic EPS	21.5¢	28.0¢
	(b) Diluted EPS (if materially different from (a))	n/a	n/a
	(c) Weighted average number of ordinary shares outstanding during the period used in the calculation of the Basic EPS	1,220.4m	1,207.5m

NTA backing

		Current period	Previous corresponding period
11.1	Net tangible asset backing per ordinary security	\$2.48	\$2.67

Details of specific receipts/outlays, revenues/ expenses

		Current period \$Am	Previous corresponding period \$Am
12.1	Interest revenue included in determining item 1.5	35.1	41.6
12.2	Interest revenue included in item 12.1 but not yet received (if material)	-	-
12.3	Interest costs excluded from borrowing costs, capitalised in asset values	2.0	7.2
12.4	Outlays (except those arising from the acquisition of an existing business) capitalised in intangibles (if material)	-	-
12.5	Depreciation and amortisation (excluding amortisation of intangibles)	343.8	307.2
12.6	Other specific relevant items not shown in item 1.24		
	<i>Expenses</i>		
	Non cancellable operating lease payments	77.5	49.6
	Cancellable operating lease payments	61.7	72.4
	<i>Revenues</i>		
	Profit on disposal of land and buildings	41.2	-
	Profit on part sale of investment in EQUANT NV (previously classified as abnormal)	-	57.8
	Tax credit relating to change in corporate tax rate (previously classified as abnormal)	-	45.0

Reports for industry and geographical segments

Qantas operates predominantly in one industry segment, being the transportation of passengers and freight on services within and to or from Australia.

Passenger, freight and other services revenue from domestic services within Australia is attributed to the Australian area. Passenger, freight and other services revenue from inbound and outbound services between Australia and overseas is allocated proportionately to the area in which the sale was made. Other operating revenue is not allocated to a geographic area as it is impractical to do so.

For the half-year ended 31 December 2000, the principal assets of the business comprised the aircraft fleet, all (except one) of which were registered and domiciled in Australia. These assets are used flexibly across the route network. Accordingly there is no suitable basis of allocating such assets and the related liabilities between geographic areas.

Operating profit resulting from turnover generated in each geographic area according to origin of sale is not disclosed as it is neither practical nor meaningful to allocate the Group's operating expenditure on that basis.

Disclosure is made of a more appropriate measure of profit contributions in accordance with the internal reporting system of Qantas, between the earnings before interest and tax contributed by the international and domestic airline operations and subsidiary operations (refer attachments).

Analysis of total revenue by geographic region

	Current period \$Am	Previous period \$Am
Passenger, freight and services revenue		
Australia	2,452.1	2,338.5
United Kingdom and Europe	479.3	403.0
Japan	401.0	314.2
South East Asia/North East Asia	407.9	321.7
America and the Pacific	500.8	366.2
Other regions	183.1	160.9
	4,424.2	3,904.5
Other operating revenue		
Tours and travel	304.9	281.4
Miscellaneous revenue	369.8	322.8
	5,098.9	4,508.7
Total sales and operating revenue	5,098.9	4,508.7
Other revenue		
Interest revenue	35.1	41.6
Proceeds from sale of property, plant and equipment	5.8	5.9
Proceeds from sale of investments	-	-
Proceeds from sale of investments (abnormal item)	-	58.0
Proceeds from sale and leaseback transactions	147.5	477.2
	188.4	582.7
Total other revenue	188.4	582.7
Total revenue	5,287.3	5,091.4

Control gained over entities having material effect

During the period Qantas gained control of Caterair Airport Services Pty Limited. This acquisition did not have a material impact on the financial results for the half-year.

Loss of control over entities having material effect

Control lost over entities during the period has not had a material effect on the financial results for the half-year.

Dividends (in the case of a trust, distributions)

15.1	Date the dividend (distribution) is payable	4 April 2001
15.2	Record date to determine entitlements to the dividend (distribution) (ie, on the basis of registrable transfers received by 5.00 pm if securities are not CHES approved, or security holding balances established by 5.00 pm or such later time permitted by SCH Business Rules if securities are CHES approved)	7 March 2001
15.3	If it is a final dividend, has it been declared? <i>(Preliminary final report only)</i>	n/a

Amount per security

		Amount per security	Franked amount per security at 34% tax (prior year: 36% tax)	Amount per security of foreign source dividend
15.4	<i>(Preliminary final report only)</i> Final dividend: Current year	n/a	n/a	n/a
15.5	Previous year	n/a	n/a	n/a
15.6	<i>(Half yearly and preliminary final reports)</i> Interim dividend: Current year	11.0¢	11.0¢	-
15.7	Previous year	11.0¢	11.0¢	-

Total dividend (distribution) per security (interim plus final)

(Preliminary final report only)

		Current year	Previous year
15.8	Ordinary securities	n/a	n/a
15.9	Preference securities	n/a	n/a

**Half yearly report - interim dividend (distribution) on all securities *or*
Preliminary final report - final dividend (distribution) on all securities**

	Current period \$Am	Previous corresponding Period \$Am
15.10 Ordinary securities	141.5	133.3
15.11 Preference securities	-	-
15.12 Other equity instruments	-	-
15.13 Total	141.5	133.3

The dividend or distribution plans shown below are in operation.

The Dividend Reinvestment Plan (DRP) was reinstated from 13 December 2000. Under the DRP, shareholders reinvest the dividend payable on participating shares in newly issued Qantas shares, which are issued at a discount of 2.5 percent to the volume weighted average price of Qantas shares.

The last date(s) for receipt of election notices for the dividend or distribution plans

7 March 2001

Any other disclosures in relation to dividends (distributions)

None

Details of aggregate share of profits (losses) of associates and joint venture entities

		Current period \$Am	Previous corresponding period \$Am
16.1	Profit (loss) from ordinary activities before income tax	-	-
16.2	Income tax on ordinary activities	-	-
16.3	Profit (loss) from ordinary activities after income tax	-	-
16.4	Extraordinary items net of tax	-	-
16.5	Net profit (loss)	-	-
16.6	Outside equity interests	-	-
16.7	Net profit (loss) attributable to members	-	-

Material interests in entities which are not controlled entities

The economic entity has an interest (that is material to it) in the following entities.

<i>Name of entity</i>	Percentage of ownership interest held at end of period or date of disposal		Contribution to net profit (loss) (<i>item 1.9</i>)	
	Current period	Previous corresponding period	Current period \$Am	Previous corresponding period \$Am
17.1 Equity accounted associates and joint venture entities	-	-	-	-
17.2 Total	-	-	-	-
17.3 Other material interests	-	-	-	-
17.4 Total	-	-	-	-

Issued and quoted securities at end of current period

Category of securities	Total number	Number quoted	Issue price per security (cents)	Amount paid up per security (cents)
18.1 Preference securities	-	-	-	-
18.2 Changes during current period				
(a) Increases through issues	-	-	-	-
(b) Decreases through returns of capital, buybacks, redemptions	-	-	-	-
18.3 Ordinary securities	1,286,677,876	1,286,677,876	n/a	n/a
18.4 Changes during current period				
(a) Increases through issues	75,618,594	75,618,594	n/a	n/a
(b) Decreases through returns of capital, buybacks	-	-	-	-
18.5 Convertible debt securities	-	-	-	-
18.6 Changes during current period				
(a) Increases through issues	-	-	-	-
(b) Decreases through securities matured, converted	-	-	-	-
18.7 Options	See * below	-	<i>Exercise price</i>	<i>Expiry date (if any)</i>
18.8 Issued during current period	See * below	-	See * below	See * below
18.9 Exercised during current period	See * below	-	See * below	See * below
18.10 Expired during current period	See * below	-	See * below	See * below
18.11 Debentures (totals only)	-	-		
18.12 Unsecured notes (totals only)	-	-		

*During the half-year Qantas awarded 40,550,000 Entitlements to be issued ordinary shares to Eligible Executives under the Qantas Long-Term Executive Incentive Plan which was approved by shareholders at the 1999 Annual General Meeting. These Entitlements may vest and be convertible into shares between three and five years following award date, conditional on the Executive remaining a Qantas Group employee and on the achievement of specific performance hurdles set by the Board. To the extent that any Entitlements vest, they may be converted into shares within eight years of award in proportion to the gain in share price from the date the Entitlements are awarded to the date they are converted to shares. Entitlements not converted to shares within eight years of award will expire. The Market Price on Award of the Entitlements was \$3.44. The number of Entitlements still available for vesting at 31 December 2000 is as follows:

Entitlements available for vesting at 1 July 2000	9,965,000
Entitlements issued during the period	40,550,000
Entitlements lapsed during the period	(4,626,500)
Entitlements vested during the period	-
Entitlements available for vesting at 31 December 2000	45,888,500

Comments by directors

Refer to the attached Media Release and attachments to the ASX Half-Yearly Report.

Basis of accounts preparation

This half-yearly report is a general purpose financial report prepared in accordance with Australian Stock Exchange Listing Rules and AASB 1029: Interim Financial Reporting. It should be read in conjunction with the annual report for the year ended 30 June 2000 and any announcements made by Qantas Airways Limited during the half-year to 31 December 2000.

Material factors affecting the revenues and expenses of the economic entity for the current period:

Refer to the attached Media Release and attachments to the ASX Half-Yearly Report.

A description of each event since the end of the current period which has had a material effect and is not related to matters already reported, with financial effect quantified (if possible):

None.

Franking credits available and prospects for paying fully or partly franked dividends for at least the next year:

The interim dividend of 11.0 cents per share will be fully franked. It is anticipated that the final dividend for the financial year ending 30 June 2001 will be fully franked.

Changes in accounting policies since the last annual report are disclosed as follows:

(Disclose changes in the half yearly report in accordance with AASB 1029: Half-Year Accounts and Consolidated Accounts. Disclose changes in the preliminary final report in accordance with AASB 1001: Accounting Policies-Disclosure.)

None.

Additional disclosure for trusts

Not applicable.

Annual meeting

(Preliminary final report only)

The annual meeting will be held as follows:

Place

Date

Time

Approximate date the annual report will be available

Compliance statement

- 1 This report has been prepared under accounting policies which comply with accounting standards as defined in the Corporations Law or other standards acceptable to ASX.
- 2 This report, and the accounts upon which the report is based (if separate), use the same accounting policies.
- 3 This report does give a true and fair view of the matters disclosed.
- 4 This report is based on accounts which have been subject to review.
- 5 The auditors' independent review report is attached to this report.
- 6 The entity has a formally constituted Audit Committee.

Sign here: Date: 22 February 2001
(General Counsel & Company Secretary)

Print name: Brett Stuart Johnson