

QANTAS AIRWAYS LIMITED
ACN 009 661 901

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

JANUARY 2001

Recent Developments

Geoff Dixon has been appointed Qantas Chief Executive Officer following the retirement of former Chief Executive, James Strong, on 5 March 2001. Mr Dixon has announced a new Executive Group which will lead the airline in the changed international and domestic environment. Direct reports to Mr Dixon will include the Chief Financial Officer, Peter Gregg, and seven Executive General Managers, each with specified areas of responsibility.

Qantas announced new and varied benefits to members of the airline's Frequent Flyer program including the immediate removal of the current five-year expiry period for Frequent Flyer points and the removal of the Account Service Fee. Other changes that will come into effect from 15 September include: full points for travel on discount Economy Class fare types; a guaranteed 1,000 points for travel on any Qantas designated Economy Class flights and 1,250 points on any Business or First Class flight; the ability to use Frequent Flyer points for upgrades to First or Business Class on international flights; five award redemption travel zones with no distinction between domestic and international travel; and newly branded four levels of Qantas Frequent Flyer membership levels – Platinum, Gold, Silver and Bronze.

Qantas announced the joint lead arrangers to underwrite an A\$1.4 billion, five-year syndicated bank facility on behalf of the airline, with settlement anticipated before the end of April. They are Barclays Capital, Citibank N.A., Commonwealth Bank of Australia and JP Morgan. A\$700 million will be a standby facility replacing an existing arrangement maturing in October this year and the remaining A\$700 million is a five-year term loan that will be used to re-finance maturing debt.

Qantas has added the fifteenth US destination to its network by announcing codeshare service to Oakland, California with American Airlines. Effective 1 April, Qantas will codeshare on American Airlines daily services between Los Angeles and Oakland, which will connect in Los Angeles with Qantas services.

Qantas announced the selection of engine manufacturers for the 31 new aircraft that the airline will be purchasing over 10 years as part of its long-term fleet plan. General Electric will supply engines for seven Airbus A330-200, six A330-300 and six Boeing 747-400 Longer-Range aircraft. Rolls Royce was chosen to supply engines for 12 Airbus A380 twin-deck aircraft.

Qantas announced a codeshare agreement with Alitalia effective this month. Alitalia will codeshare on four Qantas return services a week between Australia and Rome via Bangkok.

Total Group Operations	Month			Financial Year to Date		
	2000/01	1999/00	Change	2000/01	1999/00	Change
Passengers carried ('000) **#	1,909	1,695	12.6%	13,090	11,960	9.4%
Revenue Passenger Kilometres (m) #	6,459	5,560	16.2%	41,911	37,695	11.2%
Available Seat Kilometres (m)	8,086	7,264	11.3%	54,146	49,477	9.4%
Revenue Seat Factor (%)	79.9	76.5	3.4 pts	77.4	76.2	1.2 pts

Group Operations

Group (international, domestic and regional) passenger numbers increased by 12.6 percent compared to the same month last year. Total RPKs and ASKs for January increased by 16.2 percent and 11.3 percent respectively, resulting in a revenue seat factor of 79.9 percent, 3.4 percentage points higher than the previous year. For the year to date, passenger numbers increased by 9.4 percent from the previous year. RPKs and ASKs were up 11.2 percent and 9.4 percent respectively, resulting in a revenue seat factor of 77.4 percent, 1.2 percentage points higher 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