QANTAS AIRWAYS LIMITED ACN 009 661 901

RECENT DEVELOPMENTS AND PRELIMINARY* MONTHLY TRAFFIC AND CAPACITY STATISTICS

JULY 2000

Recent Developments

The Board of Qantas announced a series of changes in relation to senior management of the airline including succession plans on the retirement next year of Chief Executive, James Strong. Chairman, Margaret Jackson, announced that Deputy Chief Executive Officer and Chief Financial Officer, Gary Toomey, had resigned from Qantas and Peter Gregg, formerly Deputy Chief Financial Officer, had been appointed Chief Financial Officer, reporting to the CEO. Peter Gregg had also been appointed an Executive Director of Qantas Airways Limited effective 13 September 2000. Deputy Chief Executive Officer, Geoff Dixon, will become Chief Executive when Mr Strong retires next year.

Dr John Schubert has also been appointed as a non-executive Director of the Board of Qantas, effective 23 October 2000.

Qantas Frequent Flyers can now earn Frequent Flyer points on banking products, through the new Qantas Portfolio of Financial Services. The financial services, offered by Citibank and Macquarie Bank, include home loans, investment loans, personal loans and term deposits. The new portfolio of financial services is one of several initiatives Qantas has planned in relation to broadening the range of products offered to the 2.4 million Frequent Flyers.

Qantas Freight is trialing an innovative e-Commerce facility, enabling customers to view their allocations, including booked and unused capacity and unit load devices, via the Internet, 24 hours a day, from anywhere in the world.

Qantas announced plans for one additional return flight between Australia and Rome, taking the total number of services to four per week. The B747-300 two-class service is scheduled to commence in early December and will operate via Bangkok, departing Melbourne on Saturday and Rome on Sunday. With the new service, Qantas will offer a daily return flight between Melbourne and Bangkok, three of which continue to Frankfurt and four to Rome. The service is subject to approval by regulatory authorities.

Total Group Operations	Month			Financial Year to Date		
	2000/01	1999/00	Change	2000/01	1999/00	Change
Passengers carried ('000) **#	1,791	1,715	4.4%	1,791	1,715	4.4%
Revenue Passenger Kilometres (m) #	5,812	5,437	6.9%	5,812	5,437	6.9%
Available Seat Kilometres (m)	7,598	7,067	7.5%	7,598	7,067	7.5%
Revenue Seat Factor (%)	76.5	76.9	(0.4) pts	76.5	76.9	(0.4) pts

Group Operations

Group (international, domestic and regional) passenger numbers increased by 4.4 percent compared to the same month last year. Total RPKs and ASKs for July increased by 6.9 percent and 7.5 percent respectively, resulting in a revenue seat factor of 76.5 percent, 0.4 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