

QANTAS AIRWAYS LIMITED
ACN 009 661 901

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

SEPTEMBER 2000

Recent Developments

On 3 November 2000, each eligible employee in the Qantas Group was allocated 259 shares with a market value of approximately \$1,000 under the Qantas Profitshare Scheme (QPS). The issue price per share was \$3.86 and the total number of shares issued was 6,888,882.

Qantas announced the launch of a three year A\$200 million fixed rate domestic Medium Term Note issue. Commonwealth Bank of Australia is the Lead Manager for the issue. The pricing is 90 day BBSW plus 0.55%. Co-Managers are Australia and New Zealand Banking Group, UBS Warburg Australia Limited and Westpac Banking Corporation. The Notes are being issued under the Qantas A\$700m Debt Securities Program signed in March 1999.

Subject to regulatory approval, under an agreement with South African Airways (SAA), which begins on 15 January, Qantas will fly non-stop between Sydney and Johannesburg five times a week. SAA will codeshare on these services and discontinue its own services on the route. SAA will increase its services between Johannesburg and Perth from four to five a week and Qantas will codeshare on these, in place of operating its flights via Perth.

Qantas began codesharing on Alaska Airlines flights between Los Angeles and Vancouver effective 31 October. Qantas now offers a total of 19 services a week to Vancouver. The twice-daily Alaska Airlines flights from Los Angeles will connect with Qantas flights from Sydney and Melbourne. The new codeshare arrangement will provide increased frequency between Sydney and Vancouver and will offer passengers a choice of routes and aircraft types.

Qantas has expanded its codeshare with Air Tahiti Nui. Qantas will codeshare on Air Tahiti Nui services between Papeete and Los Angeles and return three days a week. The new services will provide the opportunity of a stop-over in French Polynesia on journeys between Australia and the United States. The new codeshare agreement began on 29 October 2000.

Total Group Operations	Month			Financial Year to Date		
	2000/01	1999/00	Change	2000/01	1999/00	Change
Passengers carried ('000) **#	1,855	1,732	7.1%	5,492	5,163	6.4%
Revenue Passenger Kilometres (m) #	5,720	5,391	6.1%	17,244	16,201	6.4%
Available Seat Kilometres (m)	7,487	6,862	9.1%	22,713	20,994	8.2%
Revenue Seat Factor (%)	76.4	78.6	(2.2) pts	75.9	77.2	(1.3) pts

Group Operations

Group (international, domestic and regional) passenger numbers increased by 7.1 percent compared to the same month last year. Total RPKs and ASKs for September increased by 6.1 percent and 9.1 percent respectively, resulting in a revenue seat factor of 76.4 percent, 2.2 percentage points lower than the previous year. For the year to date, passenger numbers increased by 6.4 percent from the previous year. RPKs and ASKs were up 6.4 percent and 8.2 percent respectively, resulting in a revenue seat factor of 75.9 percent, 1.3 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