

NON-BINDING MEMORANDUM OF UNDERSTANDING

Between **Air New Zealand Limited ("ANZ")** of Auckland New Zealand
And **Qantas Airways Limited ("QF")** of Sydney Australia

Following an approach by the Board of ANZ, ANZ and QF hereby agree that QF will purchase and ANZ will sell all of the shares of Ansett Holdings Limited (AHL) for the sum of A\$1.00 subject to the following conditions:

1. Australian Government, NZ Government and regulatory (incl ACCC) approvals of the above transaction ("Transaction").
2. Due diligence to the satisfaction of QF in its absolute discretion.
3. Approval of the shareholders of ANZ of the Transaction if required and/or the waiver by the NZSE of that requirement.
4. QF shall indicate to ANZ no later than 4.00pm NZ time on 12 September 2001 whether it wishes, on a good faith basis, to proceed with the Transaction.
5. The parties agree that if the indication from QF referred to in paragraph 4 above is in favour of proceeding with the Transaction, QF will, or shall procure that the Australian Government will, indemnify ANZ in respect of all cash payments and liabilities incurred after 4.00 pm on 12 September 2001 and monies received from ticket sales for travel in the future, up to the time there is a liquidator or administrator appointed in respect of AHL or any of its subsidiaries.

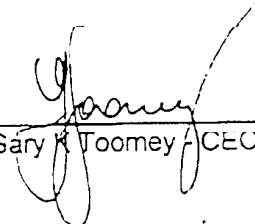
Settlement will occur within 48 hours of the Transaction becoming unconditional.

This memorandum of understanding is not intended to be legally binding and shall not create any legal commitment between the parties.


The parties agree to the release by Air New Zealand immediately of the attached announcement initialled for identification.

SIGNED by AIR NEW ZEALAND LTD by:

SIGNED by QANTAS AIRWAYS LIMITED by:



Gary K Toomey - CEO



Peter A Gregg - CFO

Dated: 10 September 2001