

Chief Executive Officer
Geoff Dixon

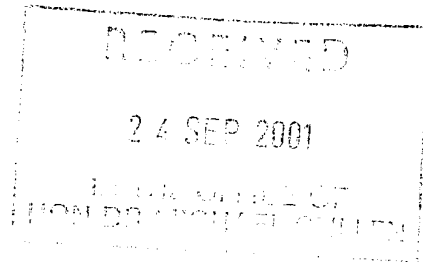


17 September 2001

REF: GD1709E

The Hon Michael Cullen
Treasurer and Minister of Finance
Executive Wing
Parliament House
Wellington
New Zealand

FAXED



Dear Minister

I am writing to thank you and your Government for your professional response to our recent submissions on a Air New Zealand/Qantas partnership.

While we were, naturally, disappointed at the result, we understand the difficulties presented by the Qantas proposal when Singapore Airlines declined to sell their shares. However, we still believe our proposal had much merit.

I should add that we are saddened by the rhetoric that has erupted on both sides of the Tasman, following the demise of Ansett. It is counterproductive for all concerned although I am sure it will soon subside.

The industry is still in a very fluid and, some would say, dangerous state. Very much so in Australia and New Zealand.

We expect another competitor in the Australian market, either a new airline or from the remnants of Ansett. What form it will take is hard to access at this stage.

From what we can see the proposal from Air New Zealand to go forward may have some difficulty. If this proves to be the case, we still believe the best outcome for aviation in the region is an Air New Zealand/Qantas tie up that delivers worldwide tourists to both countries. In short, do not forget Qantas if you need to seek a different independent future for Air New Zealand.

Yours sincerely

GEOFF DIXON

Qantas Airways Limited
ABN 16 009 661 901

Sir Fergus McMaster Building 203 Coward Street Mascot New South Wales 2020 Australia
Telephone 61 (2) 9691 3536 Facsimile 61 (2) 9691 3510