

Chief Executive Officer
Geoff Dixon

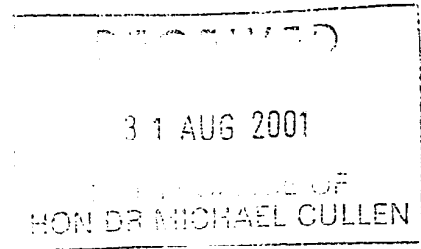
26 August 2001



FAXED

Hon Dr Michael Cullen
Minister of Finance
Executive Wing
Parliament House
Wellington
New Zealand

Fax 64 4 495 8442



Dear Dr Cullen

I had been hoping to contact you by telephone over the past week. However, on learning that you were unwell, I did not press the issue. I hope that you have made a full recovery.

Had we been able to speak, I would have expressed my sincere appreciation for the opportunity the New Zealand Government has given Qantas to develop fully its proposal for a partnership with Air New Zealand, and for the excellent cooperation we have received from Rob Cameron.

Rob and his team was always available and made every effort to ensure that all of the elements raised by our proposal were covered and fleshed out. We are most grateful for the hearing we received, and for the depth and rigour of their analysis.

We trust that you, and your Ministerial colleagues, will agree that the partnership we are proposing offers significant benefits, both for Air New Zealand and New Zealand's wider national interests. As indicated in our previous discussions, I am confident that it will lead to two financially stable, independent airlines, working in partnership to counter the forces of globalisation and consolidation sweeping this industry.

As requested, Qantas has maintained full confidentiality throughout our dealings with Rob and his team. One of the consequences of this is that some business and industry analysts, and sections of the media and the broader community, on both sides of the Tasman, do not necessarily know the significant benefits associated with our proposal. That is certainly a conclusion that could be reached on reading the New Zealand Herald's editorial of 23 August.

In light of this, I want to assure you that Qantas would move quickly, with all the resources available to it, in disseminating information and providing detailed briefings should your Government hold the view that our proposal represents the preferred way forward for Air New Zealand. I am confident that the benefits, when set out in detail, would be quickly and fully understood in the wider community.

Yours sincerely,

GEOFF DIXON

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