

MEDIA RELEASE

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AUSTRALIAN AIRLINES ANNOUNCES EXPANSION

Australian Airlines said today it was ready to launch its first major expansion, with the addition of two Boeing 767-300s to its fleet. With six aircraft, the airline would:

- commence services to Bali from Sydney and Melbourne by the end of July;
- introduce international services between Cairns and Sydney from the middle of the year;
- increase services on some existing routes; and
- consider services to destinations such as Shanghai in China and Sabah in Malaysia.

Australian Airlines Chief Executive Officer Denis Adams said the response to the Australian Airlines concept since the carrier commenced flying in October last year had been extremely positive.

"We are currently operating nearly 30 flights a week between Cairns and six Asian destinations as well as connecting services for international passengers between Cairns and the Gold Coast," Mr Adams said.

"Following recent discussions with Indonesian and Balinese government representatives on ways in which the Qantas Group can assist the recovery of Bali's tourism industry, we have decided that the time is right to add Denpasar to our schedule, and fly from Sydney and Melbourne for the first time.

"By the end of July, Australian Airlines will operate three services per week from Sydney to Bali, and one service per week from Melbourne. We also hope to further increase the number of services next year."

Australian Airlines expects to announce full details and Bali schedules by the end of the month.

Mr Adams said Australian Airlines would also commence return services six times a week between Cairns and Sydney from the middle of this year.

"These flights will enable us to offer seamless transits at Cairns International Airport for our inbound passengers travelling from Asia and Japan," he said.

"The services will be international flights, arriving and departing from the International Terminals at Cairns and Sydney Airports."

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Mr Adams said the airline was also in preliminary discussions with Sabah authorities and was considering the commencement of services from Cairns to Kota Kinabalu and then on to Singapore.

"Sabah is a beautiful, unspoiled destination in East Malaysia featuring tropical rainforests and pristine beaches. Flights to Sabah and its capital Kota Kinabalu are expected to significantly increase tourism between Australia and East Malaysia," he said.

Australian Airlines is also considering the introduction of services between Cairns and Shanghai from October this year. Qantas withdrew from China in 2001.

Australian Airlines is a full service, international leisure carrier which is wholly owned by Qantas Airways Limited but operated independently and managed separately.

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