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**QANTAS AIRWAYS LIMITED CAPITAL RAISING – ACTION IN RESPECT OF QANTAS AIRWAYS LIMITED INDIVIDUAL SHARE FUTURES CONTRACTS**

**1.0 Introduction**

- 1.1 On 21 August 2002, Qantas Airways Limited (QAN) announced their intention to raise approximately \$800 million, via a pro-rata non-renounceable rights issue (Rights Issue). QAN shares created via the Rights Issue will not qualify for the 9 cent per share final dividend announced 21 August 2002.
- 1.2 As a consequence of the Rights Issue, the Exchange will adjust all existing Qantas Airways Limited Individual Share Futures contracts (QAN ISF) with open interest. Subject to announcement of the entitlement price and issue ratio, the Rights Issue will become effective on 23 August 2002. As a consequence, **the Effective Date for adjustments to existing QAN ISF's will be Friday, 23 August 2002 (SYCOM® Trade Date 26 August 2002).**
- 1.3 The purpose of this Bulletin is to describe adjustments to be made in respect of existing QAN ISF's (commodity code 'QA') and the introduction of a new QAN ISF (commodity code 'QN') series, with a standard Contract Unit of 1,000 QAN shares per lot.

**2.0 Contract Changes**

- 2.1 In preparation for adjustment, all QAN ISF's (commodity code 'QA') have been suspended from trading since Wednesday, 21 August 2002. All QAN ISF's without open interest and where there are no further-dated contracts with open interest will be subsequently de-listed.
- 2.2 On the Effective Date, all remaining QAN ISF's will be adjusted by incorporating the value of the Rights Issue into the Contract Unit. This will occur by referencing the Volume Weighted Average Price (VWAP) of ex-entitlement QAN shares on the Effective Date.
- 2.3 **Participants are therefore advised that the final adjustment to the Contract Unit of QAN ISF's will not be known until after the close of trading on the Effective Date.** A further Bulletin describing the adjusted Contract Unit will be issued at this time.

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2.4 The adjustment will be made according to the following formula:

## **Implied QAN Rights Value**

$$R = S - C - X$$

Where:

R = Implied value of rights

S = Ex-entitlement share price (VWAP of QAN on Effective Date)

C = Value of entitlements not included (QAN final dividend of 9 cents)

X = Entitlement price of new QAN shares under rights issue

## **New Contract Unit**

$$NCU = ECU + \frac{N \cdot R}{S}$$

Where:

NCU = New Contract Unit

ECU = Existing Contract Unit

N = Number of rights per Contract Unit

2.5 All QAN ISF's to be adjusted will be made available for trading at the beginning of the first trading session following confirmation of the final adjustment. This is expected to be 5:10pm on the Effective Date.

2.6 No further QAN ISF's (commodity code 'QA') will be listed on and from the Effective Date.

## **3.0 Introduction of New QAN ISF's**

3.1 At 9:50am on the Effective Date, a new QAN ISF (commodity code 'QN') series will be listed with a standard Contract Unit of 1,000 QAN shares per lot. This QAN ISF will be listed concurrently with any QAN ISF (commodity code 'QA') in existence at the time.

3.2 The expiry months for QAN ISF's (commodity code 'QN') listed on the Effective Date will be August 2002, November 2002, February 2003 and May 2003.

## **4.0 Settlement & Delivery**

4.1 Settlement of QAN ISF's (commodity code 'QA') on and from the Effective Date will be satisfied by the delivery of an adjusted number of QAN shares per lot, in accordance with paragraph 2.4.

4.2 Settlement of QAN ISF's (commodity code 'QN') on and from the Effective Date will be satisfied by the delivery of 1,000 QAN shares per lot.

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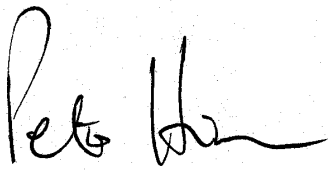
## 5. Further Information

5.1 Participants seeking further information in relation to this Bulletin should contact:

5.1.1 Martyn Wild in SFE Business Development (02 9256 0178) for issues relating to changes to contract specifications;

5.1.2 David Raper in SFE Trading Operations (02 9256 0554) for SYCOM® issues; or

5.1.3 Greg Fitzpatrick in SFE Clearing (02 9256 0642) for settlement and clearing issues.



**Peter Hiom**  
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