

# MALLESONS STEPHEN JAQUES

The Manager  
Company Announcements  
Office  
Australian Securities Exchange  
Level 4 20 Bridge Street  
SYDNEY NSW 2000  
Fax 1900 999 279

Qantas Airways Limited  
c/- Allens Arthur Robinson  
Level 28 Deutsche Bank  
Place  
Cnr Hunter & Phillip Streets  
SYDNEY NSW 2000  
By email

4 May 2007

Dear Sir/Madam

**Airline Partners Australia Limited takeover offer ("Offer") for Qantas Airways Limited ("Qantas") - Update on Relevant Interests and Institutional Acceptance Facility ("IAF")**

Airline Partners Australia confirms that, as at 3 May 2007:

- the number of Qantas shares the subject of acceptance instructions held under the IAF;<sup>1</sup> and
- the number of Qantas shares in which APA has a relevant interest,

in relation to the Offer are as follows:

	Number of Qantas shares		Percentage of Qantas Shares	
	Previous Update	Current	Previous Update	Current
Instructions held under IAF	102,930,607	28,511,902	5.19%	1.44%
Relevant interests	551,334,842	686,563,314	27.78%	34.59%

The terms and other details of the IAF were set out in Airline Partners Australia's Second Supplementary Bidder's Statement dated 13 February 2007.

A Form 604 (Notice of change of interests of substantial holder) is attached.

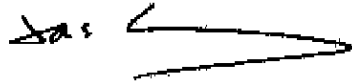
<sup>1</sup> The figures in relation to the IAF are as at 5.00 pm on the relevant day.

# MALLESONS STEPHEN JAQUES

Company Announcements Office

4 May 2007

Yours sincerely

A handwritten signature in black ink, appearing to read 'Jas', followed by a long, horizontal, slightly curved line that tapers at both ends, resembling a stylized arrow or a signature flourish.

Jason Lang  
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**Form 604**Corporations Act 2001  
Section 671B**Notice of change of interests of substantial holder**To Company Name/Scheme Qantas Airways LimitedACN/ARSN 009 661 901**1. Details of substantial holder**Name Airline Partners Australia Limited (ACN 123 058 917), Aurora Holdco Pty Ltd (ACN 123 058 891), APA New Zealand No 1 Limited (Company Number 1939921), APA New Zealand No 2 Limited (Company Number 1939920) and Allco Equity Partners Limited (ACN 111 554 360) and its related bodies corporate as listed in Annexure A ("AEP Group").ACN/ARSN (if applicable) See above

There was a change in the interests of the substantial holder on

3 / 05 / 2007

The previous notice was given to the company on

3 / 05 / 2007

The previous notice was dated

3 / 05 / 2007**2. Previous and present voting power**

The total number of votes attached to all the voting shares in the company or voting interests in the scheme that the substantial holder or an associate had a relevant interest in when last required, and when now required, to give a substantial holding notice to the company or scheme, are as follows:

Class of securities	Previous notice		Present notice	
	Person's votes	Voting power	Person's votes	Voting power
Ordinary Shares	551,334,842	27.78%	686,563,314	34.59%

The Airline Partners Australia Limited Investor Group comprises Allco Equity Partners Limited, Allco Finance Group Limited, Macquarie Bank Limited, TPG Partners V, L.P., Newbridge Asia IV, LP, and Onex Partners II LP ("Investor Group"). The Investor Group entered into a Subscription Deed dated 14 December 2006 in relation to the establishment and capitalisation of Airline Partners Australia Limited, a copy of which was attached to the notice dated 6 February 2007.

The following members of the Investor Group have relevant interests in the following additional Qantas securities. Further details of the relevant interests of the Investor Group members are contained in Annexure B.

Investor Group member	Class of securities	Number of securities	Percentage of shares currently on issue
Macquarie Bank Limited	Ordinary Shares	17,551,135 <sup>1</sup>	0.89%

**3. Changes in relevant interests**

Particulars of each change in, or change in the nature of, a relevant interest of the substantial holder or an associate in voting securities of the company or scheme, since the substantial holder was last required to give a substantial holding notice to the company or scheme are as follows:

Date of change	Person whose relevant interest changed	Nature of change	Consideration given in relation to change	Class and number of securities affected	Person's votes affected
3 May 2007	Airline Partners Australia Limited, Aurora HoldCo	Acquisition of a relevant interest in Qantas	\$5.45 <sup>2</sup>	138,307,482 Ordinary Shares	138,307,482

<sup>1</sup> Excluding shares which have been sold but in respect of which the sale has not yet settled.<sup>2</sup> Following adjustment for the Qantas dividend announced on 8 February 2007.

	Pty Ltd, APA New Zealand No 1 Limited, APA New Zealand No 2 Limited and the AEP Group	Ordinary Shares arising upon acceptance of the takeover offer set out in the Bidder's Statement dated 2 February 2007			
3 May 2007	Airline Partners Australia Limited, Aurora HoldCo Pty Ltd, APA New Zealand No 1 Limited, APA New Zealand No 2 Limited and the AEP Group	Reduction of relevant interest in Qantas Airways Limited arising from withdrawal of acceptance of takeover offer by accepting shareholders	N/a	3,079,010 Ordinary Shares	3,079,010

#### 4. Present relevant interests

Particulars of each relevant interest of the substantial holder in voting securities after the change are as follows:

Item	Holder of relevant interest	Registered holder of securities	Person entitled to be registered as holder	Nature of relevant interest (5)	Class and number of securities	Person's votes
1	Airline Partners Australia Limited	Pacific Custodians Pty Limited (wholly owned by Link Market Services Limited) as trustee of the Qantas Deferred Share Plan	Not applicable	Relevant interest arises under section 608(1)(c) as a result of control over disposal of shares under the Pre-bid Agreements entered into by Airline Partners Australia, the forms of which were attached to the notice dated 6 February 2007	4,801,307 Ordinary Shares	4,801,307
2	Airline Partners Australia Limited	Geoff Dixon	Not applicable	Relevant interest arises under section 608(1)(c) as a result of control over disposal of shares under the Pre-bid Agreement entered into by Airline Partners Australia, the form of which was attached to the notice dated 6 February 2007	100,232 Ordinary Shares	100,232
3	Airline Partners Australia Limited	Peter Gregg	Not applicable	Relevant interest arises under section 608(1)(c) as a result of control over disposal of shares under the Pre-bid Agreement entered into by Airline Partners Australia, the form of which was attached to the notice dated 6 February 2007	485,029 Ordinary Shares	485,029
4	Airline Partners Australia Limited	Accepting ordinary shareholders	Airline Partners Australia Limited	Relevant interest arises under section 608(1)(c) as a result of acceptances of the takeover offer set out in the Bidder's Statement dated 2 February 2007	681,176,746 Ordinary Shares	681,176,746
5	Aurora Holdco Pty Ltd	As above for items 1 to 4	Not applicable	Relevant interest arises under section 608(3)(b) as a result of Aurora Holdco Pty Ltd controlling Airline Partners Australia Limited	686,563,314 Ordinary Shares	686,563,314
6	APA New Zealand No 1 Limited	As above for items 1 to 4	Not applicable	Relevant interest arises under section 608(3)(a) as a result of APA New Zealand No 1 Limited being controlled by, and an associate of, Aurora Holdco Pty Ltd	686,563,314 Ordinary Shares	686,563,314

7	APA New Zealand No 2 Limited	As above for Items 1 to 4	Not applicable	Relevant interest arises under section 608(3)(a) as a result of APA New Zealand No 2 Limited being controlled by, and an associate of, Aurora Holdco Pty Ltd	686,563,314 Ordinary Shares	686,563,314
8	AEP Aurora Pty Limited	As above for Items 1 to 4	Not applicable	Relevant interest arises under section 608(3)(a) as a result of AEP Aurora Pty Limited having voting power in Aurora Holdco Pty Ltd of more than 20%	686,563,314 Ordinary Shares	686,563,314
9	The AEP Group (other than AEP Aurora Pty Limited)	As above for Items 1 to 4	Not applicable	Relevant interest arises under section 608(3)(a) as a result of AEP Group members being related bodies corporate of AEP Aurora Pty Limited and, therefore, having voting power in Aurora Holdco Pty Ltd of more than 20%	686,563,314 Ordinary Shares	686,563,314

#### 5. Changes in association

The persons who have become associates of, ceased to be associates of, or have changed the nature of their association with, the substantial holder in relation to voting interests in the company or scheme are as follows:

Name and ACN/ARSN (if applicable)	Nature of association
Not applicable	Not applicable

#### 6. Addresses

The addresses of persons named in this form are as follows:

Name	Address
Airline Partners Australia Limited	Level 60, Governor Phillip Tower, 1 Farrer Place, Sydney NSW 2000
Aurora Holdco Pty Ltd	Level 60, Governor Phillip Tower, 1 Farrer Place, Sydney NSW 2000
AEP Aurora Pty Limited	Level 35, 101 Collins Street, Melbourne VIC 3000
Allco Equity Partners Limited	Level 35, 101 Collins Street, Melbourne VIC 3000
Other AEP Group entities	See Annexure A
Allco Finance Group Limited	Level 24, 1 Macquarie Pl, Sydney, NSW 2000
Macquarie Bank Limited	No 1 Martin Place, Sydney, NSW 2000
TPG Partners V, L.P.	301 Commerce Street, Suite 3300, Fort Worth, TX 76102, USA
Newbridge Asia IV, L.P.	301 Commerce Street, Suite 3300, Fort Worth, TX 76102, USA
Onex Partners II LP	c/- Onex Partners Advisor L.P., 161 Bay Street, 49 <sup>th</sup> Floor, Toronto, Ontario, Canada 2S1
Pacific Custodians Pty Limited	Level 12, 68C George Street, Sydney NSW 2000

Link Market Services Limited	Level 12, 680 George Street, Sydney NSW 2000
Geoff Dixon	Level 9, Qantas Building A, 203 Coward Street, Mascot, Sydney NSW 2000
Peter Gregg	Level 9, Qantas Building A, 203 Coward Street, Mascot, Sydney NSW 2000

**Signature**

print name Michael Barker

Capacity: Authorised Attorney, Airline Partners Australia Limited and Allco Equity Partners Limited

sign here *Michael Barker*

date 4 / 05 / 2007

The following is Annexure "A", consisting of 1 page (inclusive) referred to in Form 604 (Notice of change of interests of substantial holder)

Signed for and on behalf of Airline Partners Australia Limited:

*Michael Baker*

Date: 4 May 2007

**ANNEXURE A**

**(AEP Group)**

Entity	ACN	Address
Alco Equity Partners Limited	111 554 360	Level 35 101 Collins St Melbourne VIC 3000
AEP Financial Investments Pty Ltd	116 351 641	Level 35, 101 Collins St Melbourne VIC 3000
AEP Financial Services Holdings Pty Ltd	114 762 551	Level 35, 101 Collins St Melbourne VIC 3000
AEP Signature Holdings Pty Ltd	117 645 815	Level 35, 101 Collins St Melbourne VIC 3000
Signature Holding Company Pty Ltd	117 651 364	Level 35, 101 Collins St Melbourne VIC 3000
Signature Security Group Holdings Pty Ltd	080 850 460	Suite 901, Level 9 615 Pacific Hwy Chatswood NSW 2067
Signature Security Group Pty Limited	076 836 416	Suite 901, Level 9 615 Pacific Hwy Chatswood NSW 2067
Signature Security Group Limited	N/A	Suite 901, Level 9 615 Pacific Hwy Chatswood NSW 2067
AEP Holdings NZ Limited	N/A	C/- Chapman Tripp 23 Albert Street Auckland, New Zealand
CATD Investments Pty Limited	121 352 650	C/- Mallesons Stephen Jaques 600 Bourke Place Melbourne VIC 3000
AEP Aurora Pty Ltd	123 089 010	Level 35, 101 Collins St Melbourne VIC 3000

The following is Annexure "B", consisting of 2 pages (inclusive) referred to in Form 604 (Notice of change of interests of substantial holder)

Signed for and on behalf of Airline Partners Australia Limited:



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Date: 4 May 2007

## ANNEXURE B

### (Relevant interests of Investor Group)

Details of the relevant interests of the members of the Airline Partners Australia Limited Investor Group, comprising Allico Equity Partners Limited, Allico Finance Group Limited, Macquarie Bank Limited, TPG Partners V, L.P., Newbridge Asia IV, LP. and Onex Partners II LP, in Qantas shares are set out below. Except as set out below, none of the members of the Investor Group has a relevant interest in any Qantas shares.

#### **Allico Equity Partners Limited**

Allico Equity Partners Limited and AEP Aurora Pty Limited have relevant interests in the securities of Qantas as set out in paragraph 4 of this notice.

#### **Macquarie Bank Limited**

As at 2 May 2007, Macquarie Bank Limited had a relevant interest in 17,551,135 Qantas shares (representing 0.89% of Qantas shares).<sup>3</sup>

Schedule 1 to this Annexure sets out the beneficial and registered holders of these securities as at 2 May 2007.

<sup>3</sup> Excluding shares which have been sold but in respect of which the sale has not yet settled.



**Annexure B - Schedule 1  
(MBL relevant interests)**

<b>Beneficial holder</b>	<b>Registered holder (where different from beneficial holder)</b>	<b>No. of Qantas shares</b>
Macquarie Equities Australia Limited ("MEAL")		3,196,305
Macquarie Private Portfolio Management Limited ("MPPM")		3,122
Macquarie Life Limited ("MLL")		395,809
Macquarie Investment Management Limited ("MIML")	Bond Street Custodians	3,447,247
	JP Morgan	5,057,914
	National Nominees	2,048,526
	State Trustees	194,189
MQ Specialist Investment Management Limited		131,335
Macquarie Bank Limited ("MBL")		2,319,956
Macquarie Bank Limited (derivatives)		756,732
<b>TOTAL</b>		<b>17,551,135</b>