



3 November 2008

Company Announcements Office
Australian Securities Exchange Limited
20 Bridge Street
Sydney NSW 2000

Dear Sir/Madam

Qantas Contract Details for Incoming Chief Executive Officer

Qantas wishes to inform the market of the contract arrangements for Alan Joyce in the role of Chief Executive Officer of Qantas. He will assume this role after Geoff Dixon steps down at the conclusion of Qantas' Annual General Meeting on 28 November 2008.

The key contract and other terms related to Mr Joyce's employment are set out below:

Effective Date: 29 November 2008.

Term: Ongoing.

Fixed Annual Remuneration (FAR): FAR of \$2.0 million per annum.

FAR can be taken as cash or non-cash components such as superannuation and motor vehicles. The next review of FAR will be in 2010.

Incentives:

Short Term Incentive – Performance Cash Plan Target award under the Performance Cash Plan is 75% of FAR – subject to Qantas and Mr Joyce achieving Board-approved targets.

Medium Term Incentive – Performance Share Plan Awards of Deferred Shares (Shares) are made each year under the Performance Share Plan, subject to Qantas and Mr Joyce achieving Board-approved targets against a Balanced Scorecard of measures. The Balanced Scorecard of measures set by the Board includes annual numerical targets for:

- (a) People (Safety);
- (b) Customer Experience;
- (c) Financial Performance; and
- (d) Operational Performance.

The Board is seeking shareholder approval to award Mr Joyce Shares for each of the 2008/09, 2009/10 and 2010/11 financial years. It is proposed that up to 750,000 Shares may be awarded in total (that is, an average of 250,000 Shares per annum).

Qantas Airways Limited

ABN 16 009 661 901

203 Coward Street Mascot New South Wales 2020 Australia
Telephone 61 (2) 9691 3636 Facsimile 61 (2) 9691 3339

For personal use only

Long Term Incentive –
Performance Rights Plan

The Board is seeking shareholder approval to award Mr Joyce Rights under the Performance Rights Plan for each of the 2008/09, 2009/10 and 2010/11 financial years. It is proposed that up to 750,000 Rights may be awarded in total (that is, an average of 250,000 Rights per annum).

Half of these Rights are subject to a relative TSR hurdle, and half to achieving a challenging EPS target.

Subject to achievement against the above three year performance hurdles relating to each grant, the Rights may be converted (on a one-for-one basis) to ordinary Qantas shares.

Mr Joyce's participation in the incentive plans is subject to the terms and conditions and rules of each plan as approved by the Board.

Termination Provisions:

Resignation by Mr Joyce

Mr Joyce may terminate his employment at any time by giving Qantas 12 months' written notice. Qantas may elect to pay in lieu all or part of the notice period.

Termination by Qantas with
Notice

Qantas may terminate Mr Joyce's employment at any time by giving Qantas 12 months' written notice. Qantas may elect to pay in lieu all or part of the notice period.

Termination by Qantas
Without Notice

Qantas may terminate Mr Joyce's contract with immediate effect for cause.

Travel Entitlements:

Mr Joyce and his eligible beneficiaries are entitled to four international and 12 domestic trips each calendar year whilst employed, and two international and six domestic trips each calendar year post employment.

Qantas has agreed to pay the reasonable expenses of Mr Joyce involved in relocating from his current base in Melbourne to Sydney to take up the role of Chief Executive Officer of Qantas.

Yours faithfully



Cassandra Hamlin

For personal use only