



Media Release

QANTAS GROUP: FREIGHT JOINT VENTURES WITH AUSTRALIA POST

SYDNEY, 2 October 2012: Qantas today announced it had reached an agreement to sell its 50 per cent stake in StarTrack to Australia Post and acquire 100 per cent of the air freight business Australian air Express.

Qantas expects to receive net proceeds of \$408 million plus completion adjustments of approximately \$5 million from the transaction. It is estimated that the transaction will result in a profit of approximately \$30 million.

Under joint venture arrangements between Qantas and Australia Post, each party currently owns 50 per cent of Australian air Express and StarTrack in an arrangement that has existed since 2003.

The transaction is subject to a number of conditions, namely Australian Competition and Consumer Commission approval for Australia Post's acquisition of StarTrack and final approval from Australia Post's shareholder.

Qantas Group CEO Alan Joyce said the 100 per cent acquisition of Australian air Express would significantly strengthen the Group's air cargo network.

"Through this acquisition we will be able to offer an integrated air freight product across domestic and international networks," Mr Joyce said.

"By leveraging the best from both businesses and delivering efficiencies, we will provide a market-leading service to our customers.

"This transaction is consistent with the goals of the Qantas Group's strategy. It enables us to improve a core business area while divesting a non-core asset, StarTrack.

"We have enjoyed a constructive working relationship with Australia Post under the joint venture arrangements.

"We will continue to have a close commercial relationship with Australia Post and StarTrack remaining major customers of Australian air Express and Qantas Freight," added Mr Joyce.

Subject to the approvals, the transaction is expected to be completed in the fourth quarter of the 2012 calendar year.

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About Australian air Express: Australian air Express was created in 1992 as a 50:50 joint venture between Qantas and Australia Post. The joint venture relationship was expanded via the purchase of StarTrack in 2003.

Australian air Express is principally an air freight business.

It operates a fleet of eight fully containerised aircraft – including Boeing, BAE, Saab and Fairchild Metro aircraft – with 156 flights per week across a network of 13 major terminals and a wide range of smaller regional ports.

In addition to dedicated freighter services, Australian air Express sells freight capacity on Qantas Group domestic passenger flights and provides international cargo handling services to third-party airlines.

About Qantas Freight: Qantas has been carrying freight since its inaugural service in 1922, and uplifting international airmail since the airline's first overseas flight in 1935.

Freight is carried on all Qantas and Jetstar aircraft. Combined with alliance and interline agreements, Qantas Freight can deliver to almost any airport in the world. In addition to its passenger fleet, the Qantas Group also operates three B747-400 and one B767-300 freighter aircraft.

Freight products and services include airmail, courier, express, general cargo and customs clearance.

For personal