



**QANTAS AND AUSTRALIA POST ANNOUNCE
RECONFIGURATION OF EXPRESS JOINT VENTURES**

Sydney, 18 May 2011: Australia Post and Qantas today announced a reconfiguration of their joint venture businesses Australian Air Express and Star Track Express.

The reconfiguration, which follows a detailed and wide-ranging review, will leverage the strengths of the two leading express freight brands, consolidating common functions to create two new businesses with distinct capabilities.

The changes, to be rolled out over the next 12 months, will be overseen by AUX Investments, a holding company established last year to guide the review and provide streamlined governance across the businesses.

Key changes under the reconfiguration include:

- The retail division of Australian air Express (AaE) will be merged with Star Track Express. Star Track Express will therefore be a solely retail-focused business offering a market leading service via road and air;
- AaE will solely focus on domestic air linehaul and cargo terminal operations, leveraging Australia's largest airport-to-airport air linehaul network;
- AaE's express sales, customer service and marketing functions will be integrated into Star Track Express to support this expanded logistics offering. A shared support model that services both businesses will also be implemented across IT, finance and procurement; and
- The appointment of Kevin Turnbull as Chief Financial Officer of Star Track Express business, following the recent appointment of Stephen Cleary as Chief Executive Officer.

Australia Post Managing Director and CEO, Ahmed Fahour, and Qantas Chief Executive Officer, Alan Joyce, said the businesses remained strategically important joint venture investments.

Mr Fahour said the changes would provide clarity of focus for both businesses, with each focusing on their existing strengths.

"The Australian air Express and Star Track Express businesses have always had great potential," he said. "These changes set them on a clear path of focusing on their respective strengths and capabilities, and we believe they will allow us to unlock the true value of our investments."

Mr Joyce said the reconfiguration would improve the value and competitiveness of both businesses and position them for growth.

"Establishing what is now a clear strategic direction represents an exciting and strong future for both AaE and Star Track Express," he said. "They operate in a highly competitive environment and, supported by a range of shared services, they will now be positioned to better meet customer needs and offer market leading domestic air linehaul and integrated express freight solutions."

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