

MEDIA RELEASE

Australia Post moves to secure outright ownership of StarTrack

2 October 2012

Australia Post announced today it will acquire Qantas' 50 per cent interest in StarTrack, making Australia Post the sole shareholder in Australia's leading express freight and logistics provider. This investment is subject to final shareholder and regulatory approval.

As part of the transaction, Australia Post will divest its 50 per cent interest in Australian air Express to Qantas as this business is no longer considered a core investment for Australia Post. Australian air Express currently provides air freight services to StarTrack and Australia Post, and this relationship will continue.

Australia Post's net cash consideration is \$408 million plus completion adjustments.

Australia Post already owns 50 per cent of StarTrack and has been involved in the joint venture with Qantas since 2003.

StarTrack is a key strategic investment for Australia Post, offering significant complementary express freight capabilities and products to those offered by our international and domestic parcels network. Together, Australia Post and StarTrack will offer a broad range of products to consumers, small-and-medium enterprises and larger businesses.

Australia Post has no plans to make any changes to the current management or operations of StarTrack, and it is anticipated that the StarTrack company and brand will remain standalone within the Australia Post group.

Australia Post Managing Director and CEO Ahmed Fahour said:

"The growth in online shopping in Australia is increasing demand for flexible, timely and cost effective delivery solutions for businesses and consumers.

"StarTrack also provides infrastructure capabilities that are of strategic and commercial benefit to Australia Post, including access to a fully automated network, track and trace technology and line-haul services options. Under single ownership, both Australia Post and StarTrack will have a far more comprehensive offer to customers and the potential to unlock further value for our customers in the future.

"We have enjoyed a close working relationship with Qantas under the joint venture arrangements and we anticipate an even closer commercial relationship going forward.

"I look forward to continuing to work with StarTrack CEO Stephen Cleary and the team to deliver superior service to StarTrack customers."

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For further information, please contact:

Australia Post Media 03 9106 6666

