



2008 Notice of Meeting



27 October 2008

Dear Shareholder

2008 Annual General Meeting

The 2008 Annual General Meeting (AGM) of Qantas Airways Limited (Qantas) is to be held at 11:00am on Friday, 28 November 2008 in the Plaza Terrace Room of the Brisbane Convention and Exhibition Centre, corner of Merivale and Glenelg Streets, South Bank, Brisbane. The formal Notice of Meeting is attached.

Shareholders who are unable to attend the AGM and have access to the Internet will be able to access a live webcast of the AGM on the Qantas website at www.qantas.com.au/info/about/investors/agms.

Business

1. Consideration of Reports

The Financial Report, the Directors' Report and the Independent Audit Report for the year ended 30 June 2008 (which are contained in the 2008 Annual Report) will be presented for consideration.

A printed copy of the 2008 Annual Report, or an email advising that the 2008 Annual Report is available on the Qantas website at www.qantas.com, has been sent to each shareholder who has requested it.

Following the Consideration of Reports, the Chairman will give shareholders a reasonable opportunity to ask questions about or comment on the management of Qantas.

The Chairman will also give shareholders a reasonable opportunity to ask the Auditor questions relevant to:

- (a) the conduct of the audit;
- (b) the preparation and content of the Independent Audit Report;
- (c) the accounting policies adopted by Qantas in relation to the preparation of the financial statements; and
- (d) the independence of the Auditor in relation to the conduct of the audit.

The Chairman will also give the Auditor a reasonable opportunity to answer written questions submitted by shareholders that are relevant to the content of the Independent Audit Report or the conduct of the audit. A list of written questions, if any, submitted by shareholders will be made available at the start of the AGM and any written answer tabled by the Auditor at the AGM will be made available as soon as practicable after the AGM.

2. Election of Directors

2.1 Alan Joyce

Alan Joyce was appointed by the Directors as an Executive Director on 28 July 2008 pursuant to clause 6.5(a) of the Qantas Constitution, which allows the Board to appoint a Director to fill a casual vacancy or as an addition to the existing Directors.

Mr Joyce retires as required by clause 6.5(b) of the Qantas Constitution and, being eligible, offers himself for election as an Executive Director.

Mr Joyce will succeed Geoff Dixon as Chief Executive Officer following his retirement at the conclusion of the 2008 AGM.

Mr Joyce is a former Director of Orangestar Investment Holdings Pte Limited (holding company of Singapore-based Jetstar Asia and Valair) and Jetstar Pacific Airlines Aviation Joint Stock Company (in Vietnam).

Mr Joyce was appointed Chief Executive Officer of Jetstar in October 2003. Prior to his appointment at Jetstar, Mr Joyce spent over 15 years in leadership positions for full service carriers Qantas, Ansett and Aer Lingus. At both Qantas and Ansett, he led the Network Planning, Schedules Planning and Network Strategy functions. Prior to that, Mr Joyce spent eight years at Aer Lingus, Ireland's national carrier, where he held a number of roles in Sales, Marketing, IT, Network Planning, Operations Research, Revenue Management and Fleet Planning.

Mr Joyce holds a Bachelor of Science in Applied Science (Physics and Mathematics) (Honours) and a Master of Science in Management Science. He is also a Fellow of the Royal Aeronautical Society.

The Board believes that Mr Joyce is an outstanding executive with wide experience in all facets of the airline industry. The Board considers him the best person to take Qantas forward and lead the management team in what is a very challenging environment.

Mr Joyce says "Qantas today is regarded as one of the world's best managed airlines. Qantas Board membership is an honour and I look forward to bringing both strategic continuity and effective new leadership to maintain the success of this great company."

The Directors (with Alan Joyce abstaining) recommend that you vote in favour of this Ordinary Resolution.

2.2 Colin Storrie

Colin Storrie was appointed by the Directors as an Executive Director and as Chief Financial Officer on 30 September 2008 pursuant to clause 6.5(a) of the Qantas Constitution, which allows the Board to appoint a Director to fill a casual vacancy or as an addition to the existing Directors.

Mr Storrie retires as required by clause 6.5(b) of the Qantas Constitution and, being eligible, offers himself for election as an Executive Director.

Mr Storrie has over 10 years experience in senior financial roles at Qantas. Previously he was Group Financial Controller, Group Treasurer and Deputy Chief Financial Officer with responsibility for the Group Finance function.

Mr Storrie has been a member of the Qantas Executive Committee since October 2005. He was formerly a Director of a number of controlled and associated entities to the Qantas Group, including, Australian air Express Pty Ltd, Star Track Express Pty Limited, Qantas Superannuation Limited and Jet Turbine Services Pty Limited. Prior to joining Qantas, Mr Storrie had several years experience in finance and accounting roles within investment banking and the NSW Government.

Mr Storrie is a Certified Practising Accountant and a Member of the Australian Institute of Company Directors. He holds a Bachelor of Commerce and a Graduate Diploma in Management.

The Board believes that Mr Storrie has made and will continue to make a significant contribution to the financial management of Qantas for its shareholders. He is a widely respected financial specialist, with considerable skill in the areas of Treasury and Financial Control.

Mr Storrie says "I value the opportunity to serve on the Qantas Board as Chief Financial Officer and to continue to apply my skills and experience in working with my Board and Management colleagues toward Qantas' ongoing success."

The Directors (with Colin Storrie abstaining) recommend that you vote in favour of this Ordinary Resolution.

2.3 Richard Goodmanson

Richard Goodmanson was appointed by the Directors as an Independent Non-Executive Director on 19 June 2008 pursuant to clause 6.5(a) of the Qantas Constitution, which allows the Board to appoint a Director to fill a casual vacancy or as an addition to the existing Directors.

Mr Goodmanson retires as required by clause 6.5(b) of the Qantas Constitution and, being eligible, offers himself for election as an Independent Non-Executive Director.

Mr Goodmanson is a Member of the Qantas Remuneration Committee.

Mr Goodmanson has served as Executive Vice President & Chief Operating Officer of E.I. du Pont de Nemours and Company, Inc. since May 1999. He is a Director of Rio Tinto plc, Rio Tinto Limited and the United Way of Delaware (as Past Chair) and is an economic advisor to the Governor of Guangdong Province.

From 1996 to 1999, he was President & Chief Executive Officer of America West Airlines. Mr Goodmanson was previously Senior Vice President of Operations for Frito-Lay Inc. and was a Principal at McKinsey & Company Inc. He previously spent 10 years in heavy civil engineering project management, principally in South East Asia.

Mr Goodmanson was born in Australia and is a citizen of both Australia and the United States. He holds Bachelor degrees in Civil Engineering, Commerce, Economics and an MBA.

The Board believes Mr Goodmanson's extensive international, operational and management experience, including in the aviation industry, enables him to make a valuable contribution to the Board and Remuneration Committee.

Mr Goodmanson says "I am privileged by the opportunity to serve the Board of Qantas, and look forward with great anticipation to the opportunity to contribute my extensive international and airline experience to what is an outstanding Board and Management Team."

The Directors (with Richard Goodmanson abstaining) recommend that you vote in favour of this Ordinary Resolution.

2.4 Paul Rayner

Paul Rayner was appointed by the Directors as an Independent Non-Executive Director on 16 July 2008 pursuant to clause 6.5(a) of the Qantas Constitution, which allows the Board to appoint a Director to fill a casual vacancy or as an addition to the existing Directors.

Mr Rayner retires as required by clause 6.5(b) of the Qantas Constitution and, being eligible, offers himself for election as an Independent Non-Executive Director.

Mr Rayner is a Member of the Qantas Audit Committee.

Mr Rayner is a Director of Boral Limited and Centrica plc (a company listed in the top 30 of the UK's FTSE 100, with energy businesses in the UK, North America and Europe, including British Gas). He also serves as a Member of Boral's Audit Committee and as Chairman of Centrica's Audit Committee.

From 2002 to April 2008, Mr Rayner was Finance Director of British American Tobacco plc, based in London. Mr Rayner joined Rothmans Holdings Limited in 1991 as its Chief Financial Officer and held other senior executive positions within the group, including Chief Operating Officer of British American Tobacco Australasia Limited from 1999 to 2001.

Previously Mr Rayner worked for 17 years in various finance and project roles with General Electric, Rank Industries and the Elders IXL Group.

Mr Rayner holds a Bachelor of Economics and a Master of Administration.

The Board believes that Mr Rayner's significant financial, operational and international experience enables him to make a valuable contribution to the Qantas Board and Audit Committee.

Mr Rayner says "I am privileged to join the Board of Qantas, where my skills in consumer marketing and finance and my extensive international business experience, should enable me to serve shareholders well."

The Directors (with Paul Rayner abstaining) recommend that you vote in favour of this Ordinary Resolution.

2.5 Barbara Ward

Barbara Ward was appointed by the Directors as an Independent Non-Executive Director on 19 June 2008 pursuant to clause 6.5(a) of the Qantas Constitution, which allows the Board to appoint a Director to fill a casual vacancy or as an addition to the existing Directors.

Ms Ward retires as required by clause 6.5(b) of the Qantas Constitution and, being eligible, offers herself for election as an Independent Non-Executive Director.

Ms Ward is a Member of the Qantas Safety, Environment & Security Committee.

Ms Ward is the Chairman of Country Energy (a New South Wales Government-owned energy services corporation) and a Director of Lion Nathan Limited and Brookfield Multiplex Funds Management Limited. She is also a Trustee of the Sydney Opera House Trust. Ms Ward has previously served on the Board of a number of public companies including the Commonwealth Bank of Australia, Multiplex Limited, Allco Finance Group Limited, Record Investments Limited and Data Advantage Limited.

She has also served on the Board of a range of public sector entities including NorthPower as Chairman, Rail Infrastructure Corporation and Delta Electricity. Ms Ward was also previously on the Board of law firm Allens Arthur Robinson, as well as a number of not for profit organisations.

Prior to becoming a professional company director in 1998, Ms Ward was Chief Executive Officer of Ansett Worldwide Aviation Services from 1993 to 1998. Before that, Ms Ward held various positions in the finance department of TNT Limited, including General Manager Finance, and also served as a Senior Ministerial Adviser to The Hon PJ Keating.

Ms Ward holds a Bachelor of Economics and a Master of Political Economy.

The Board believes that Ms Ward's substantial business skills and experience, including in the aviation and transport industries and as a professional director, are a valued addition to the Board and Safety, Environment & Security Committee.

Ms Ward says "It is an honour to serve as a Director of Qantas. I look forward to using my skills and experience to contribute to its ongoing success."

The Directors (with Barbara Ward abstaining) recommend that you vote in favour of this Ordinary Resolution.

2.6 Patricia Cross

Patricia Cross retires by rotation and, being eligible, offers herself for re-election as an Independent Non-Executive Director.

Mrs Cross was appointed to the Qantas Board in January 2004.

She is a Member of the Qantas Audit Committee and the Qantas Remuneration Committee.

Mrs Cross is a Director of Wesfarmers Limited, National Australia Bank Limited and the Murdoch Childrens Research Institute. Mrs Cross was previously Chairman of Qantas Superannuation Limited and Deputy Chairman of Victoria's Transport Accident Commission. She was a Director of AMP Limited and Suncorp-Metway Limited. Mrs Cross was a Member of the Financial Sector Advisory Council, the Companies and Securities Advisory Committee, the Merrill Lynch Australasia Advisory Board and an Advisory Member of the Deloitte Touche Board of Partners. She has also served on a variety of not for profit boards.

Prior to becoming a professional company director in 1996, Mrs Cross held various senior executive positions with Chase Manhattan Bank, Banque Nationale de Paris and National Australia Bank in New York, Europe and Australia.

Mrs Cross holds a Bachelor of Science (Honours) from Georgetown University.

She is also a Fellow of the Australian Institute of Company Directors, a Fellow of the Australian Institute of Management and a Fellow of the Finance and Treasury Association.

In 2003, Mrs Cross received a Centenary Medal for service to Australian society through the finance industry.

The Board believes that Mrs Cross' considerable experience in the banking and finance industries brings strength to the Board and its Audit and Remuneration Committees.

Mrs Cross says "Since I last stood for re-election, the Qantas team has successfully dealt with substantial challenges. The current environment will be even more testing, and I hope to be able to continue to make a contribution based on my executive financial background as well as my wide range of board experience."

The Directors (with Patricia Cross abstaining) recommend that you vote in favour of this Ordinary Resolution.

2.7 John Schubert

John Schubert retires by rotation and, being eligible, offers himself for re-election as an Independent Non-Executive Director.

Dr Schubert, BE, PhD, FIEAust, CPEng, FTS, FICHEM, was appointed to the Qantas Board in October 2000.

He is Chairman of the Qantas Safety, Environment & Security Committee and a Member of the Qantas Nominations Committee.

He is Chairman of the Commonwealth Bank of Australia and a Director of BHP Billiton Limited and BHP Billiton plc. He is also Chairman of G2 Therapies Limited and the Great Barrier Reef Foundation. Dr Schubert is an Honorary Member of the Business Council of Australia.

Dr Schubert commenced his career with Esso Australia Ltd as a professional engineer and held various positions with Esso in Australia and overseas. In 1983, he was appointed to the Board of Esso Australia. In 1985, Dr Schubert became Esso's Deputy Managing Director and in 1988 he became Esso's Chairman and Managing Director.

Dr Schubert was Managing Director and Chief Executive Officer of Pioneer International Limited from 1993 until 2000. From 2001 to 2003, he was the President of the Business Council of Australia. He was also previously Chairman of WorleyParsons Limited.

The Board believes that Dr Schubert makes significant contributions to the Board due to his extensive management and board experience. Dr Schubert, as a Member of the Safety, Environment & Security Committee, has helped to drive material improvements in employee safety at Qantas and will continue to make a strong contribution as Chairman of that Committee.

Dr Schubert says "My experience at CEO and board level in companies based and with operations in Australia, Europe, Asia and the Americas provides a background from which to make input to the Qantas Board across the range of its deliberations. I believe that long-term shareholder value requires excellent governance, open communications, impeccable business values, superior strategy and implementation and, most importantly, outstanding people. Safety must come first."

The Directors (with John Schubert abstaining) recommend that you vote in favour of this Ordinary Resolution.

3. Qantas Deferred Share Plan – Executive Director Participation

Approval Sought

Qantas seeks shareholder approval for Executive Directors Alan Joyce and Colin Storrie to participate in the Qantas Deferred Share Plan. The Deferred Share Plan was approved by shareholders at the 2002 AGM and again at the 2006 AGM. Previous Executive Director participation in the Deferred Share Plan under various awards was also approved by shareholders at the 2002, 2003, 2004, 2006 and 2007 AGMs.

Details of the Qantas Executive Remuneration Philosophy and Objectives can be found from page 60 of the 2008 Annual Report and on the Corporate Governance section of the Qantas website at www.qantas.com.

Background – Performance Share Plan

The Performance Share Plan (PSP) is a medium-term deferred share incentive designed to reward Executives when a Balanced Scorecard of key Qantas Group measures is achieved over the year and to encourage retention through a two year deferral period. The equity benefits under the PSP are delivered under the Terms & Conditions of the Deferred Share Plan.

For each participating Executive, the target reward under the plan is set as a percentage of Fixed Annual Remuneration (FAR). This percentage varies according to the Executive's level of responsibility.

On an annual basis, the Qantas Board approves awards under the PSP based on the achievement by the Qantas Group against a Balanced Scorecard of Customer, Financial, Operational and People measures. Each measure is assessed separately for performance against target and threshold. There is also differentiated distribution of the pool to Executives based on each Executive's Individual Performance Factor.

Deferred shares (Shares) are purchased on-market or issued and are held subject to a holding lock for 10 years. However, Executives can call for the Shares prior to the expiration of the holding lock, but not before the end of one year from the completion of the performance period for up to half of the Shares and the end of two years in relation to the remaining Shares. The mandatory minimum holding lock periods provide this Plan with its medium-term focus on share price. Any dividends paid on the Shares during the holding lock period will be distributed to the relevant Executive.

Generally, any Shares which remain subject to the holding lock will be forfeited if the relevant Executive ceases employment with the Qantas Group.

Background – Performance Rights Plan

The Performance Rights Plan (PRP) has been implemented as a long-term reward program that aligns the interests of participating Executives with the longer-term interests of shareholders. It also helps to retain participating Executives. The equity benefits under the PRP are delivered under the Terms & Conditions of the Deferred Share Plan.

Annual grants of Rights are awarded to selected individuals. Subject to achievement against the three year performance hurdle relating to each grant, the Rights may be converted (on a one-for-one basis) to ordinary Qantas shares. The ordinary shares may be purchased on-market or issued.

Executive Director Participation in the Deferred Share Plan

3.1 Participation in the Deferred Share Plan by Alan Joyce

The Board has received professional advice from PricewaterhouseCoopers on the appropriate level of remuneration to be made available to Alan Joyce. Based on this advice, the Board believes it is appropriate and has resolved that (with Alan Joyce abstaining), subject to shareholder approval, Alan Joyce participates in the Deferred Share Plan as set out below.

Performance Share Plan

The Board seeks shareholder approval to offer Alan Joyce, as incoming Chief Executive Officer of Qantas, awards of Shares for each of the 2008/09, 2009/10 and 2010/11 financial years. This is a three year approval. It is proposed that up to 750,000 Shares may be awarded in total for the 2008/09, 2009/10 and 2010/11 financial years (that is, an average of 250,000 Shares per annum). It is the Board's current intention that the Shares will be purchased on-market.

The target set in relation to these Shares will remain the same as for other Qantas Executives – the achievement of the Balanced Scorecard targets referred to earlier. The Board will measure the performance of Qantas Executives against these targets. The number of Shares actually offered will be dependent on the Board's assessment of achievement against the specific targets and Alan Joyce's performance against his individual Key Performance Indicators (KPIs).

The 2008/09 balanced scorecard targets set by the Board will relate to:

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

Similar Balanced Scorecard targets will be set by the Board for the 2009/10 and 2010/11 financial years and these will be disclosed in the relevant Annual Reports.

Performance Rights Plan

Shareholders are also requested to approve the award of up to 750,000 Rights to Alan Joyce. This is a three year approval.

It is proposed that the Board will offer Alan Joyce up to 750,000 Rights in total for the 2008/09, 2009/10 and 2010/11 financial years (that is, an average of 250,000 Rights per annum). Each tranche of Rights will be subject to separate Performance Hurdles.

It is proposed that the Performance Hurdles will be the same as that applied to any offer of Rights to Qantas Executives.

The Board has retained the discretion to review the Performance Hurdles applicable to each offer of Rights, however it is the Board's current intention that the Performance Hurdles relevant to each offer will be:

- (a) the Total Shareholder Return (TSR) of Qantas in comparison to companies with ordinary shares included in the S&P/ASX100 Index in relation to 50% of the Rights; and
- (b) an Earnings Per Share target for the other 50%.

These Performance Hurdles will be disclosed in the relevant Annual Report.

The Performance Hurdles will be tested three years after the start of the financial year to which the grant was made (that is, in relation to the 2008 Award for the 2008/09 financial year, the Performance Hurdles will be tested as at 30 June 2011). No further testing will occur.

To the extent the Performance Hurdles are met, Rights may be converted into ordinary Qantas shares which may be issued or purchased on-market and registered in Alan Joyce's name. It is the Board's current intention that the shares will be acquired on-market.

Further Information

Under ASX Listing Rule 10.14, no director can acquire securities under an employee incentive scheme without shareholder approval. Whilst this requirement does not apply in respect of securities purchased on-market (and although it is the Board's current intention that the shares will be acquired on-market), the Board nevertheless wishes to seek approval for the acquisition of securities for both the Deferred Shares and Performance Rights awarded to Alan Joyce.

In accordance with the Listing Rules, the following information is provided for shareholders:

- i. shareholders are requested to approve the acquisition for the incoming Chief Executive Officer, Alan Joyce, under the Deferred Share Plan, of up to 750,000 Shares (subject to the satisfaction of the relevant Balanced Scorecard targets described above) and the award of up to 750,000 Rights (which Rights, subject to satisfaction of relevant Performance Hurdles, convert one-for-one into ordinary Qantas shares);
- ii. under the Terms & Conditions and Rules of the Deferred Share Plan, the Rights will be granted to Alan Joyce and the Shares will be issued or purchased on-market at the prevailing market price, in each case at no cost to Alan Joyce;
- iii. subject to the Terms & Conditions and Rules of the Deferred Share Plan, any Shares to be offered under the 2009 Award, will not generally be able to be sold or otherwise dealt with until after:
 - (a) 30 June 2010 in respect of up to half of the Shares; and
 - (b) 30 June 2011 for the remainder of the Shares;
- iv. subject to the Terms & Conditions and Rules of the Deferred Share Plan, any Shares to be offered under the 2010 Award, will not generally be able to be sold or otherwise dealt with until after:
 - (a) 30 June 2011 in respect of up to half of the Shares; and
 - (b) 30 June 2012 for the remainder of the Shares;
- v. subject to the Terms & Conditions and Rules of the Deferred Share Plan, any Shares to be offered under the 2011 Award, will not generally be able to be sold or otherwise dealt with until after:
 - (a) 30 June 2012 in respect of up to half of the Shares; and
 - (b) 30 June 2013 for the remainder of the Shares;

- vi. for Rights, upon satisfaction of the Performance Hurdles set by the Board and the expiration of a holding lock period (which is determined by the Terms & Conditions of the Deferred Share Plan and each relevant Award), the Rights will vest and Alan Joyce will be entitled to convert each vested Right to one ordinary Qantas share;
- vii. no loan will be made by Qantas in connection with the acquisition of Shares or Rights by Alan Joyce;
- viii. details of any Shares or Rights purchased, issued or granted under the Deferred Share Plan to Alan Joyce will be published in each Qantas Annual Report relating to the period in which the securities have been purchased, issued or granted and that approval for the purchase, issue or grant of securities was obtained under Listing Rule 10.14;
- ix. currently Geoff Dixon, Alan Joyce and Colin Storrie are entitled to participate in the Deferred Share Plan. Any additional persons (for whom shareholder approval is required) who become entitled to participate in the Deferred Share Plan after the Ordinary Resolution 3.1 is approved and who are not named in the Notice of Meeting, will not participate in the Plan until approval is obtained under Listing Rule 10.14;
- x. the following Shares and Rights have been awarded to past and current Executive Directors under the Deferred Share Plan since shareholder approval was last obtained at the 2007 AGM:
 - (a) Geoff Dixon:
 - (i) the award of 287,000 Shares was approved by shareholders on 19 October 2006 (the acquisition price for the purchase of these Shares was \$3.45);
 - (ii) the award of 300,000 Rights was approved by shareholders on 19 October 2006;
 - (iii) the award of 1,000,000 Shares was approved by shareholders on 14 November 2007 (the acquisition price for the purchase of these Shares was \$5.82);
 - (b) Peter Gregg:
 - (i) the award of 96,000 Shares was approved by shareholders on 19 October 2006 (the acquisition price for the purchase of these Shares was \$3.45);
 - (ii) the award of 100,000 Rights was approved by shareholders on 19 October 2006;
 - (iii) the award of 400,000 Shares was approved by shareholders on 14 November 2007 (the acquisition price for the purchase of these Shares was \$5.82);
 - (c) Alan Joyce:
 - (i) the award of 100,000 Shares was approved by the Board on 20 August 2008 (the acquisition price for the purchase of these Shares was \$3.45). These Shares were purchased on-market and related to performance in the period before Alan Joyce became a Director of Qantas, and therefore did not require shareholder approval;
 - (ii) the award of 65,000 Rights was approved by the Board on 12 December 2007; and
 - (d) Colin Storrie:
 - (i) the award of 52,000 Shares was approved by the Board on 20 August 2008 (the acquisition price for the purchase of these Shares was \$3.45). These Shares were awarded to Colin Storrie prior to his appointment as a Director of Qantas and therefore did not require shareholder approval;
 - (ii) the award of 44,000 Rights was approved by the Board on 12 December 2007; and
- xi. no Shares will be acquired and no Rights granted under this approval later than three years after the date of the 2008 AGM.

3.2 Participation in the Qantas Deferred Share Plan by Colin Storrie

The Board has received professional advice from PricewaterhouseCoopers on the appropriate level of remuneration to be made available to Colin Storrie. Based on this advice, the Board believes it is appropriate and has resolved that (with Colin Storrie abstaining), subject to shareholder approval, Colin Storrie participates in the Plan as set out below.

Performance Share Plan

Qantas seeks shareholder approval to offer Colin Storrie, as Chief Financial Officer of Qantas, awards of Shares for each of the 2008/09, 2009/10 and 2010/11 financial years. This is a three year approval. It is proposed up to 270,000 Shares may be awarded in total for the 2008/09, 2009/10 and 2010/11 financial years (that is, an average of 90,000 Shares per annum). It is the Board's current intention that the Shares will be purchased on-market.

The target set in relation to these Shares will remain the same as for other Qantas Executives – the achievement of the Balanced Scorecard targets referred to earlier. The Board will measure the performance of Qantas Executives against these targets. The number of Shares actually offered will be dependent on the Board's assessment of achievement against the specific targets and Colin Storrie's performance against his individual KPIs.

The 2008/09 Balanced Scorecard targets set by the Board will relate to:

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

Similar Balanced Scorecard targets will be set by the Board for the 2009/10 and 2010/11 financial years and these will be disclosed in the relevant Annual Reports.

Performance Rights Plan

Shareholders are also requested to approve the award of up to 270,000 Rights to Colin Storrie. This is a three year approval.

It is proposed that the Board will offer Colin Storrie up to 270,000 Rights in total for the 2008/09, 2009/10 and 2010/11 financial years (that is, an average of 90,000 Rights per annum). Each tranche of Rights will be subject to separate Performance Hurdles.

It is proposed that the Performance Hurdles will be the same as that applied to any offer of Rights to Qantas Executives.

The Board has retained the discretion to review the Performance Hurdles applicable to each offer of Rights, however, it is the Board's current intention that the Performance Hurdles relevant to each offer will be:

- (a) the Total Shareholder Return (TSR) of Qantas in comparison to companies with ordinary shares included in the S&P/ASX100 Index in relation to 50% of the Rights; and
- (b) an Earnings Per Share target for the other 50%.

These Performance Hurdles will be disclosed in the relevant Annual Report.

The Performance Hurdles will be tested three years after the start of the financial year to which the grant relates (that is, in relation to the 2008 Award for the 2008/09 financial year, the Performance Hurdles will be tested as at 30 June 2011). No further testing will occur.

To the extent the Performance Hurdles are met, Rights may be converted into ordinary Qantas shares which may be issued or purchased on-market and registered in Colin Storrie's name. It is the Board's current intention that the shares will be acquired on-market.

Further Information

Under ASX Listing Rule 10.14, no director can acquire securities under an employee incentive scheme without shareholder approval. Whilst this requirement does not apply in respect of securities purchased on-market (and although it is the Board's current intention that the shares will be acquired on-market), the Board nevertheless wishes to seek approval for the acquisition of securities for both the Shares and Rights awarded to Colin Storrie.

In accordance with the Listing Rules, the following information is provided for shareholders:

- i. shareholders are requested to approve the acquisition for Chief Financial Officer, Colin Storrie, under the Deferred Share Plan, of up to 270,000 Shares subject to the satisfaction of the relevant Balanced Scorecard targets and the award of up to 270,000 Rights (which Rights, subject to satisfaction of relevant Performance Hurdles, convert one-for-one into ordinary Qantas shares);
- ii. under the Terms & Conditions and Rules of the Deferred Share Plan, the Rights will be granted to Colin Storrie and the Shares will be issued or purchased on-market at the prevailing market price, in each case at no cost to Colin Storrie;

- iii. subject to the Terms & Conditions and Rules of the Deferred Share Plan, any Shares to be offered under the 2009 Award, will not generally be able to be sold or otherwise dealt with until after:
 - (a) 30 June 2010 in respect of up to half of the Shares; and
 - (b) 30 June 2011 for the remainder of the Shares;
- iv. subject to the Terms & Conditions and Rules of the Deferred Share Plan, any Shares to be offered under the 2010 Award, will not generally be able to be sold or otherwise dealt with until after:
 - (a) 30 June 2011 in respect of up to half of the Shares; and
 - (b) 30 June 2012 for the remainder of the Shares;
- v. subject to the Terms & Conditions and Rules of the Deferred Share Plan, any Shares to be offered under the 2011 Award, will not generally be able to be sold or otherwise dealt with until after:
 - (a) 30 June 2012 in respect of up to half of the Shares; and
 - (b) 30 June 2013 for the remainder of the Shares;
- vi. for Rights, upon satisfaction of the Performance Hurdles set by the Board and the expiration of the holding lock period (which is determined by the Terms & Conditions of the Deferred Share Plan and each relevant Award), the Rights will vest and Colin Storrle will be entitled to convert each vested Right to one ordinary Qantas share;
- vii. no loan will be made by Qantas in connection with the acquisition of Shares or Rights by Colin Storrle;
- viii. details of any Shares or Rights purchased, issued or granted under the Deferred Share Plan to Alan Joyce or Colin Storrle will be published in each Qantas Annual Report relating to the period in which the securities have been purchased, issued or granted and that the approval for the purchase, issue or grant of securities was obtained under Listing Rule 10.14;
- ix. currently Geoff Dixon, Alan Joyce and Colin Storrle are entitled to participate in the Deferred Share Plan. Any additional persons (for whom shareholder approval is required) who become entitled to participate in the Deferred Share Plan after Ordinary Resolution 3.2 is approved and who are not named in the Notice of Meeting, will not participate in the Plan until approval is obtained under Listing Rule 10.14;
- x. the following Shares and Rights have been awarded to past and current Executive Directors under the Deferred Share Plan since shareholder approval was last obtained at the 2007 AGM:
 - (a) Geoff Dixon:
 - (i) the award of 287,000 Shares was approved by shareholders on 19 October 2006 (the acquisition price for the purchase of these Shares was \$3.45);
 - (ii) the award of 300,000 Rights was approved by shareholders on 19 October 2006;
 - (iii) the award of 1,000,000 Shares was approved by shareholders on 14 November 2007 (the acquisition price for the purchase of these Shares was \$5.82);
 - (b) Peter Gregg:
 - (i) the award of 96,000 Shares was approved by shareholders on 19 October 2006 (the acquisition price for the purchase of these Shares was \$3.45);
 - (ii) the award of 100,000 Rights was approved by shareholders on 19 October 2006;
 - (iii) the award of 400,000 Shares was approved by shareholders on 14 November 2008 (the acquisition price for the purchase of these Shares was \$5.82);
 - (c) Alan Joyce:
 - (i) the award of 100,000 Shares was approved by the Board on 20 August 2008 (the acquisition price for the purchase of these shares was \$3.45). These Shares were purchased on-market and related to performance in the period before Alan Joyce became a Director of Qantas and therefore did not require shareholder approval;
 - (ii) the award of 65,000 Rights was approved by the Board on 12 December 2007; and
 - (d) Colin Storrle:
 - (i) the award of 52,000 Shares was approved by the Board on 20 August 2008 (the acquisition price for the purchase of these Shares was \$3.45). These Shares were awarded to Colin Storrle prior to his appointment as a Director of Qantas, and therefore did not require shareholder approval;
 - (ii) the award of 44,000 Rights was approved by the Board on 12 December 2007; and
- xi. no Shares will be purchased and no Rights granted under this approval later than three years after the date of the 2008 AGM.

Voting on Ordinary Resolutions 3.1 and 3.2

Qantas will disregard any votes cast on Ordinary Resolutions 3.1 and 3.2 by the Directors (except those who are ineligible to participate in any Qantas employee incentive scheme) and their associates.

However, Qantas need not disregard a vote if it is cast by:

- i. a person as a proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form; or
- ii. the person chairing the AGM as a proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

The Directors (with Alan Joyce and Colin Storrle abstaining) recommend that you vote in favour of Ordinary Resolutions 3.1 and 3.2.

4. Remuneration Report

The 2008 Remuneration Report is contained in the Directors' Report set out from page 60 of the 2008 Qantas Annual Report.

The Report:

- explains Qantas' Executive Remuneration Philosophy and Objectives and the link between the remuneration of employees and Qantas' performance;
- sets out remuneration details for each Director and for each named Executive; and
- makes clear that the basis for remunerating Non-Executive Directors is distinct from the basis for remunerating Executives, including Executive Directors.

The Chairman will give shareholders a reasonable opportunity to ask questions about or comment on the Remuneration Report. An Advisory Resolution that the Remuneration Report is adopted will then be put to shareholder vote.

While there is no legal requirement to abstain from voting, Qantas believes it appropriate that neither the Directors, the named Executives nor their associates should vote their shares on this Advisory Resolution, except as directed by any proxies.

The Directors recommend that you vote in favour of this Advisory Resolution.

If you have any questions relating to any issue to be considered at the AGM, please call me on (02) 9691 4262 prior to the AGM.

Yours sincerely



Cassandra Hamlin
Company Secretary

Enclosures

Enclosed with this letter are:

- i. the Notice of Meeting;
- ii. a Proxy Form to be completed if you would like to be represented at the AGM by proxy. An electronic proxy facility is also available to shareholders via the Qantas website at www.qantas.com.au/info/about/investors/agms;
- iii. an AGM Question Form to be completed if you would like a specific question to be addressed by the Chairman or Auditor at the AGM; and
- iv. a reply paid envelope for you to return either or both the Proxy Form and AGM Question Form.

Notice of Annual General Meeting

Notice is given that the Annual General Meeting of Qantas Airways Limited will be held:

Date: Friday, 28 November 2008

Time: 11:00am

Venue: Plaza Terrace Room, Brisbane Convention and Exhibition Centre, corner of Merivale and Glenelg Streets, South Bank, Brisbane

Please refer to the attached map

Business

1. Consideration of Reports

To receive and consider the Financial Report, the Directors' Report and the Independent Audit Report of Qantas Airways Limited for the financial year ended 30 June 2008.

Shareholders will be given a reasonable opportunity to ask questions about or comment on the management and audit of Qantas.

2. Election of Directors

2.1 Alan Joyce

To consider and, if thought appropriate, pass the following Ordinary Resolution:

"That, Alan Joyce, an Executive Director appointed by the Directors on 28 July 2008 pursuant to clause 6.5(a) of the Constitution and retiring in accordance with the Constitution, being eligible, is elected as an Executive Director of Qantas Airways Limited."

2.2 Colin Storrie

To consider and, if thought appropriate, pass the following Ordinary Resolution:

"That, Colin Storrie, an Executive Director appointed by the Directors on 30 September 2008 pursuant to clause 6.5(a) of the Constitution and retiring in accordance with the Constitution, being eligible, is elected as an Executive Director of Qantas Airways Limited."

2.3 Richard Goodmanson

To consider and, if thought appropriate, pass the following Ordinary Resolution:

"That, Richard Goodmanson, a Non-Executive Director appointed by the Directors on 19 June 2008 pursuant to clause 6.5(a) of the Constitution and retiring in accordance with the Constitution, being eligible, is elected as a Non-Executive Director of Qantas Airways Limited."

2.4 Paul Rayner

To consider and, if thought appropriate, pass the following Ordinary Resolution:

"That, Paul Rayner, a Non-Executive Director appointed by the Directors on 16 July 2008 pursuant to clause 6.5(a) of the Constitution and retiring in accordance with the Constitution, being eligible, is elected as a Non-Executive Director of Qantas Airways Limited."

2.5 Barbara Ward

To consider and, if thought appropriate, pass the following Ordinary Resolution:

"That, Barbara Ward, a Non-Executive Director appointed by the Directors on 19 June 2008 pursuant to clause 6.5(a) of the Constitution and retiring in accordance with the Constitution, being eligible, is elected as a Non-Executive Director of Qantas Airways Limited."

2.6 Patricia Cross

To consider and, if thought appropriate, pass the following Ordinary Resolution:

"That, Patricia Cross, a Non-Executive Director retiring in accordance with the Constitution, being eligible, is re-elected as a Non-Executive Director of Qantas Airways Limited."

2.7 John Schubert

To consider and, if thought appropriate, pass the following Ordinary Resolution:

"That, John Schubert, a Non-Executive Director retiring in accordance with the Constitution, being eligible, is re-elected as a Non-Executive Director of Qantas Airways Limited."

3. Qantas Deferred Share Plan – Executive Director Participation

3.1 Participation in the Qantas Deferred Share Plan by Alan Joyce

To consider and, if thought appropriate, pass the following Ordinary Resolution:

“That, Alan Joyce, the Chief Executive Officer Designate, is permitted to participate in the Qantas Deferred Share Plan as is contemplated by the explanatory letter accompanying the 2008 Notice of Meeting.”

3.2 Participation in the Qantas Deferred Share Plan by Colin Storrie

To consider and, if thought appropriate, pass the following Ordinary Resolution:

“That, Colin Storrie, the Chief Financial Officer, is permitted to participate in the Qantas Deferred Share Plan as is contemplated by the explanatory letter accompanying the 2008 Notice of Meeting.”

4. Remuneration Report

To consider and, if thought appropriate, pass the following Advisory Resolution:

“That the Remuneration Report for the year ended 30 June 2008 (set out in the Directors’ Report) is adopted.”

Dated: 27 October 2008

By Order of the Board



Cassandra Hamlin

Company Secretary

Notes:

1. A shareholder entitled to attend and vote is entitled to appoint not more than two proxies. Shareholders can appoint a body corporate as well as an individual as their proxy. A body corporate may appoint an individual as its representative to exercise any of the powers the body may exercise at general meetings of Qantas or in the capacity of a shareholder's proxy at general meetings of Qantas. The appointment may be a standing one. Unless the appointment states otherwise, the representative may exercise all of the powers that the appointing body could exercise at a general meeting or in voting on a resolution.
2. A shareholder who appoints two proxies may state on the Proxy Form what proportion or number of the shareholder's votes each proxy is being appointed to exercise. If a shareholder appoints two proxies and does not specify the proportion or number of votes each proxy may exercise, each of the proxies may exercise half the shareholder's votes.
3. If a shareholder has appointed two proxies and a resolution is decided on a show of hands, only the first person named on the Proxy Form may vote. If two Proxy Forms have been completed, the person whose name is earlier in alphabetical sequence may vote.
4. A proxy need not be a shareholder of Qantas.
5. The original, facsimile or electronic transmission of the Proxy Form(s) and any Power of Attorney or authority under which they are signed must be received at least 48 hours prior to the AGM (ie by no later than 11:00am (Australian Eastern Daylight Saving Time) on Wednesday 26 November 2008) or any adjournment. Any Proxy Form received after this deadline, including at the AGM, will be invalid.
6. A Proxy Form accompanies this Notice of Meeting.
7. Additional Proxy Forms will be supplied by Qantas' Share Registry, Link Market Services, on request.
8. An electronic proxy facility is also available to Shareholders via the Qantas website at www.qantas.com.au/info/about/investors/agms.
9. If a corporate representative is to attend the AGM on behalf of a corporation, a formal Notice of Appointment must be brought to the AGM.
10. In accordance with Regulation 7.11.37 of the Corporations Regulations, the Board has determined that a person's entitlement to vote at the AGM will be the entitlement of that person set out in the register of shareholders as at 7:00pm (Australian Eastern Daylight Saving Time) on Wednesday 26 November 2008. Accordingly, transactions registered after that time will be disregarded in determining shareholders entitled to attend and vote at the AGM.
11. If you wish a question to be put to the Chairman or Auditor and you are not able to attend the AGM, please complete the AGM Question Form which accompanies this Notice of Meeting.
12. Either the original or a facsimile transmission of the AGM Question Form must be received at least five business days prior to the AGM (ie by no later than 5:00pm on Friday 21 November 2008) or any adjournment. This is to allow time to collate questions and to prepare answers.



This notice of meeting is printed on PEFC certified paper, meaning that it originates from forests that are managed sustainably. PEFC is an international certification program which assures consumers that a forest product can be tracked from a certified, managed forest through all steps of processing and production in the supply chain by a Chain of Custody process.

Registered Office

Qantas Airways Limited
Qantas Centre
Level 9, Building A
203 Coward Street
Mascot NSW 2020
Australia
Phone: 61 2 9691 3636
Facsimile: 61 2 9691 3339

Qantas Share Registry

Link Market Services
Level 12, 680 George Street
Sydney NSW 2000
Australia
Locked Bag A14
Sydney South NSW 1235
Australia
Free call: 1800 177 747
International: 61 2 8280 7390
Facsimile: 61 2 9287 0309
Email: registry@qantas.com

