

# Series Supplement



Series No: [•]

Tranche No: [•]

## Issuer

**Qantas Airways Limited ABN 16 009 661 901**

**A\$2,000,000,000**

**Debt Securities Programme**

## Issue of

**A\$[Aggregate Principal Amount of Notes]**

**Fixed Rate Notes due [•]  
(Notes)**

The date of this Series Supplement is [•] September 2016.

This Series Supplement (as referred to in the Information Memorandum dated 13 September 2016) (**Information Memorandum**) in relation to the above Programme) relates to the Tranche of Notes referred to above. It is supplementary to, and should be read in conjunction with, the terms and conditions of the Notes contained in the Information Memorandum (**Conditions**), the Information Memorandum and the Deed Poll dated 13 September 2016 made by the Issuer. Unless otherwise indicated, terms defined in the Conditions have the same meaning in this Series Supplement.

This Series Supplement does not constitute, and may not be used for the purposes of, an offer or solicitation by anyone in any jurisdiction in which such offer or solicitation is not authorised or to any person to whom it is unlawful to make such offer or solicitation, and no action is being taken to permit an offering of the Notes or the distribution of this Series Supplement in any jurisdiction where such action is required.

The particulars to be specified in relation to the Tranche of Notes referred to above are as follows:

1	Issuer:	Qantas Airways Limited ABN 16 009 661 901
2	Type of Notes:	Fixed Rate Note

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3	Issued at:	[Par / Discount / Premium]
4	Settlement Price:	[●]%
5	Public Offer Test Compliant:	It is the Issuer's intention that this issue of Notes will be issued in a manner which will seek to satisfy the public offer test in section 128F of the Income Tax Assessment Act 1936 of Australia.
6	Lead Managers:	Australia and New Zealand Banking Group Limited (ABN 11 005 357 522)  Deutsche Bank AG, Sydney Branch (ABN 13 064 165 162)  The Hongkong and Shanghai Banking Corporation Limited, Sydney Branch (ABN 65 117 925 970)
7	Dealers:	Australia and New Zealand Banking Group Limited (ABN 11 005 357 522)  Deutsche Bank AG, Sydney Branch (ABN 13 064 165 162)  The Hongkong and Shanghai Banking Corporation Limited, Sydney Branch (ABN 65 117 925 970)
8	Registrar:	Austraclear Services Limited (ABN 28 003 284 419)
10	Number of Notes to be issued:	[●]
11	Issue Date:	[●] 2016
12	Total Principal Amount of Series:	A\$[●]
13	Currency:	A\$
14	Denomination:	[A\$10,000]  The aggregate consideration payable for the issue and transfer of Notes in or into Australia must be at least A\$500,000 (or its equivalent in an alternative currency, and in either case, disregarding moneys lent by the offerer or its associated) or the offer or invitation (including any resulting issue) must otherwise not be an

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		offer or invitation that requires disclosure to investors under Parts 6D.2 or 7.9 of the Corporations Act
15	Maturity Date:	[●]
16	Fixed Rate Note:	Yes
	Interest Rate:	[●]% per annum
	Fixed Coupon Amount:	A\$[●] payable semi-annually per A\$[10,000] in principal amount
	Interest Commencement Date:	Issue Date
	Interest Payment Dates:	[●] and [●] in each year, commencing on [●] 2017 up to, and including, the Maturity Date, subject to adjustment in accordance with the Business Day Convention
	Business Day Convention:	Modified Following
	Day Count Fraction:	RBA Bond Basis
	Redemption Amount:	[●]
17	Floating Rate Notes:	No
18	Amortised Note:	No
19	Indexed Note:	No
20	Structured Notes:	No
21	Zero Coupon Note:	No
22	Condition 6.4 (Issuer call) applies:	Not Applicable
23	Additional Conditions:	The following additional Conditions will apply to the Notes:  <b>1. Offer to Redeem upon Change of Control Triggering Event</b>  (a) Upon the occurrence of a Change of Control Triggering Event, unless the Issuer has exercised its rights to redeem the Notes in accordance with their terms, each Noteholder will have the right to require the Issuer to redeem all or a specified portion of such Noteholder's Notes pursuant to an offer in accordance with the

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following terms at a redemption price equal to 100% of the Outstanding Principal Amount thereof plus accrued and unpaid interest, if any, to the date of redemption, subject to the rights of Noteholders on the relevant payment date to receive interest due on the relevant payment date.

(b) Within 30 days following the date on which the Change of Control Triggering Event occurred, or at the option of the Issuer, prior to any Change of Control but after the public announcement of the pending Change of Control, the Issuer will be required to send written notice to each Noteholder (sent in accordance with clause 10.2 of the Conditions) and the Registrar, which notice will govern the terms of the Change of Control Offer. The notice, if mailed prior to the date of the consummation of the Change of Control, will state that the Change of Control Offer is conditional on the Change of Control being consummated on or prior to the Change of Control Payment Date.

(c) Noteholders electing to have their Notes redeemed pursuant to a Change of Control Offer will be required to give written notice to the Issuer of their election to do so (including whether all or a specified portion of such Noteholders' Notes are to be redeemed) no later than 30 days after the date of the Change of Control Offer ("**Acceptance Date**") and will be required to transfer their Notes to the Issuer in accordance with clause 4 of the Conditions prior to the close of business on the third Business Day prior to the Change of Control Payment Date.

(d) On the Change of Control Payment Date the Issuer will redeem the relevant number of Notes of the Noteholders from whom the Issuer has received written notice of their election to have all or a specified portion of their Notes redeemed in accordance with paragraph (c) of these Terms and Conditions above by paying the redemption price in accordance with clause 8 of the Conditions.

(e) For the purposes of this additional condition

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*(Offer to Redeem upon Change of Control Triggering Event):*

**"Change in Control"** means the occurrence of one of the following events:

(i) if an entity which does not control the Issuer at the Issue Date gains control of or the capacity to control the Issuer; or

(ii) if an entity which does control the Issuer at the Issue Date loses control of the Issuer, where the question of whether an entity controls another is to be determined in accordance with section 50AA of the Corporations Act.

**"Change of Control Payment Date"** means the earlier of:

(i) the Maturity Date; and

(ii) the date six months after the Acceptance Date.

**"Change of Control Triggering Event"** means if both Rating Agencies do not or cease to rate the Notes Investment Grade on any date during the Trigger Period, provided however, that no Change of Control Triggering Event will be deemed to have occurred in connection with any particular Change in Control unless and until such Change of Control has actually been consummated.

**"Investment Grade"** means, a rating of Baa3 or better by Moody's Investor Services, Inc. (or its equivalent under any successor rating category), or a rating of BBB- or better by S&P Ratings Group (or its equivalent under any successor rating category), as applicable.

**"Rating Agencies"** means Moody's Investor Services, Inc. and S&P Ratings Group, a division of Standard & Poor's Financial Services LLC and their respective successors.

**"Trigger Period"** means a period commencing 60 days prior to the first public announcement by the Issuer of any Change in Control (or pending Change in Control) and ending 60 days following

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consummation of such Change in Control (which Trigger Period will be extended following consummation of a Change in Control for so long as either of the Rating Agencies) has publicly announced that it is considering a possible ratings change)."

## **2. Interest Rate adjustment based on rating events**

The Interest Rate payable on the Notes will be subject to adjustment from time to time if either Rating Agency downgrades (or subsequently upgrades) the Debt Rating as set forth below.

If the rating from Moody's is decreased to a rating set forth in the immediately following table, the Interest Rate on the Notes will increase from the initial Interest Rate by the percentage set out opposite that rating.

<b>Moody's Debt Rating</b>	<b>Percentage (per annum)</b>
Ba2 or above	0.00%
Ba3	0.25%
B1	0.50%
B2 or below	0.75%

If the rating from S&P is decreased to a rating set forth in the immediately following table, the Interest Rate on the Notes will increase from the initial Interest Rate by the percentage set out opposite that rating.

<b>S&amp;P Debt Rating</b>	<b>Percentage (per annum)</b>
BB+ or above	0.00%
BB	0.25%
BB-	0.50%
B+ or below	0.75%

If a Rating Agency subsequently increases its rating to any of the threshold ratings set forth

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above, the Interest Rate on the Notes will be decreased such that the Interest Rate for the Notes equals [●]% per annum plus the percentages set opposite the ratings from the tables above in effect immediately following the increase. If Moody's increases its rating to Ba2 or higher and S&P increases its rating to BB+ or higher, the Interest Rate on the Notes will be decreased to [●]% per annum.

Each adjustment required by any decrease or increase in a rating set forth above, whether occasioned by the action of either Rating Agency, shall be made independent of any and all other adjustments. In no event shall (1) the Interest Rate for the Notes be reduced to below [●]% per annum, and (2) the total increase in the Interest Rate on the Notes exceed [1.50]% above [●]% per annum.

If either Rating Agency ceases to provide a rating, any subsequent increase or decrease in the Interest Rate of the Notes necessitated by a reduction or increase in the rating by the Rating Agency continuing to provide the rating shall be twice the percentage set forth in the applicable table above. No adjustments in the Interest Rate of the Notes shall be made solely as a result of either Rating Agency ceasing to provide a rating. If both Rating Agencies cease to provide a rating, the interest rate on the Notes will increase to, or remain at, as the case may be, [1.50]% above [●]% per annum.

Any Interest Rate increase or decrease, as described above, will take effect from the first day of the Interest Period during which a rating change requires an adjustment in the Interest Rate.

For the purposes of this additional condition (*Interest Rate adjustment based on rating events*), the following definitions will apply:

**"Debt Rating"** means the senior unsecured debt rating of the Issuer.

**"Moody's"** means Moody's Investor Services, Inc. and its successors.

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**"Rating Agency"** means S&P and/or Moody's.

**"S&P"** means S&P Ratings Group, a division of Standard & Poor's Financial Services LLC and its successors."

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| 24 | ISIN:  | [•]                               |
| 25 | [Common Code]:                               | [•]                               |
| 26 | Selling Restrictions:                        | See <i>Information Memorandum</i> |
| 27 | [Conforming for lodgement with Austraclear:] | [Yes / No]                        |
| 28 | [Credit ratings]:                            | [[Specify]                        |

*A credit rating is not a recommendation to buy, sell or hold Notes and may be subject to revision, suspension or withdrawal at any time by the assigning rating agency.*

*Credit ratings are for distribution only to a person (a) who is not a "retail client" within the meaning of section 761G of the Corporations Act and is also a sophisticated investor, professional investor or other investor in respect of whom disclosure is not required under Parts 6D.2 or 7.9 of the Corporations Act, and (b) who is otherwise permitted to receive credit ratings in accordance with applicable law in any jurisdiction in which the person may be located. Anyone who is not such a person is not entitled to receive this Series Supplement and anyone who receives this Series Supplement must not distribute it to any person who is not entitled to receive it.]*

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| 29 | Additional Information: | Not applicable |
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The Issuer accepts responsibility for the information contained in this Series Supplement.

**CONFIRMED**

For and on behalf of  
Qantas Airways Limited ABN 16 009 661 901

By: .....

Date: .....