



Qantas Airways Limited 7yr MTN Terms Sheet

Issuer:	Qantas Airways Limited
Program:	A\$1 billion Debt Securities Program
Dealer:	Deutsche Bank AG, Sydney Branch
Issuer rating	Ba1(Neg) by Moody's Investor Services BB+ (Neg) by Standard & Poor's
Issue rating:	Ba2 (Neg) by Moody's Investor Services BB+ by Standard & Poor's
Structure:	Fixed Rate Medium Term Note
Issue Amount	A\$400 000 000
Status of MTNs:	Direct, unconditional, unsubordinated and unsecured
Currency:	AUD
Trade Date:	4 June 2014
Settlement date:	11 June 2014
Maturity date:	11 June 2021
Excluded offer:	Minimum subscription consideration A\$500,000
Denominations:	Minimum A\$500,000 with A\$10,000 increments
Benchmark:	Semi-Quarterly, Coupon Matched, Asset swap
Re-offer Spread to Benchmark	+385bps
Re-offer Yield	7.605%
Re-offer Price	99.438%
Coupon:	7.50% per annum (to be paid semi-annually in arrears)
Coupon payment dates:	11 June, 11 December each year up to and including maturity, commencing 11 December 2014
Business Day convention:	Sydney, Following
Day count basis:	RBA Bond Basis
Termination event:	A change in control termination event will be included as per the Issuer's A\$1.28 billion syndicated loan note facility, adapted for the context of the Program
GST:	For the account of the Issuer
Governing Law:	Laws of the State of New South Wales, Australia
Registrar	Austraclear
Other Terms And Conditions	A step-up in coupon in the event of an issuer downgrade will be provided as detailed below. Please refer to Program documentation for full Terms and Conditions. Program documentation prevails in the event of any inconsistency.
Step-up	The notes will include a step-up in coupon of 25bps per notch down grade of the senior unsecured debt rating of the Issuer by either Moody's or S&P, or 50bps per notch for both. The step-up will be subject to a maximum of 75bps per rating agency and a cumulative cap of 150bps. The relevant step-up will only operate while the relevant ratings downgrade or downgrades subsist.