

## Annexure 1

### Overview of Consortium Members

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The principal members of APA are:

- Allco Finance Group
  - Allco Equity Partners
  - Texas Pacific Group
  - ONEX
  - Macquarie Bank
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Allco Finance Group (“Allco”) is a fully integrated global financial services business, listed on the Australian Stock Exchange and specialising in structured asset finance, specialised funds management and debt funding.

Allco commenced operations in Australia as a private structured finance business in 1979. The Group has evolved significantly from its origins as a leveraged lease packager and underwriter and is now a diversified finance group with a global network of operations.

Throughout its history, Allco has recognised that with change comes opportunity, and has positioned itself at the forefront of structured finance through product innovation.

Allco’s business has grown rapidly as access to capital has facilitated the origination of more transactions. Headquartered in Sydney, Allco’s growth prospects are augmented by its network of offices in key markets throughout UK/Europe, Asia and North America.

Allco has established a global presence in the Aviation industry by focusing on long term aircraft leasing to mainly tier 1 airlines, such as Qantas, British Airways, Emirates, Singapore Airlines and Eva.

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Equity Partners



Allco Equity Partners (AEP) is an Australian investment company which provides its shareholders with the ability to invest in private equity transactions and public market opportunities through an ASX-listed security. As a publicly-listed vehicle AEP has several advantages over a traditional private equity fund including the ability to use its stock to fund acquisitions; the provision of liquidity to its investors; and the adoption of more flexible investment strategies.

The Company is managed by Allco Equity Partners Management Pty Limited as trustee of AEP Management Trust (Manager). The Manager has been appointed to source and analyse opportunities, present investment proposals to AEP and manage those investments that AEP elects to pursue. The relationship between AEP and the Manager has been structured to ensure a strong alignment of interests.



Texas Pacific Group ("TPG") is a top 5 global Private Equity investment firm, with more than US\$30 billion of committed equity capital under management. It is firmly established as a substantial economic entity. Portfolio companies controlled by TPG currently have combined revenues of more than US\$79 billion, operate in more than 120 countries and employ more than 340,000 employees. Fully aggregated, the TPG portfolio companies would create the 18th largest business of the Fortune 500.

TPG has had a presence in Asia Pacific since 1994 operating as TPG Newbridge. Earlier this year TPG made its first key acquisition in Australia with the purchase of Myer department stores for US\$1.4 billion.

TPG is the most experienced private equity player in the Airlines sector, with a strong track record of completing successful transactions across a wide range of industry sub-sectors. By partnering with strong management teams, TPG helps to drive transformational change.

- Continental Airlines: In 1993 TPG, in partnership with Air Canada, brought Continental Airlines out of a Chapter 11 bankruptcy proceeding and helped drive the turnaround of the airline, resulting in expanded routes and increased employment. Continental Airlines is now the fifth largest carrier in the US.
- America West Airlines: In 1994, TPG, in partnership with Continental, brought America West out of Chapter 11. In 2005, America West merged with US Airways and today is the sixth largest airline in the United States.
- Ryanair: In 1996, TPG principals acquired a 20% stake and three board seats in Ryanair, then a family owned airline with eight aircraft. Today Ryanair has 107 aircraft and is the largest and most successful low cost carrier in Europe.
- AerFi: In 1998, TPG acquired GPA Leasing (subsequently renamed AerFi Group), a major aircraft lessor. In 2000, AerFi was acquired by Debis AirFinance.

- Hotwire: In 2000, TPG, in partnership with most major US Airlines, founded Hotwire, an online retailer of unpublished fares for travel products, Hotwire was subsequently sold to Expedia, Inc., for US\$680 million.
  - Gate Gourmet: In 2002, TPG acquired Gate Gourmet, a leading global airline catering company, out of the Swiss Air liquidation proceedings.
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## ONEX PARTNERS

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Onex Corporation, a leading private equity firm with a long, established track record, has consolidated annual revenues of A\$21 billion, assets of A\$17 billion and 136,000 employees worldwide. Over its 22 years of private equity investing, Onex has generated top-tier investment returns while building businesses to global scale.

Onex operates through autonomous subsidiaries in a variety of industries, including electronics manufacturing services, aerostructures manufacturing, healthcare, financial services, theatre exhibition, customer management services, personal care products, and communications infrastructure.

Onex has A\$4.5 billion of funding commitments through Onex Partners. It also manages Oncap, a dedicated small-cap fund, a real estate fund and a public market fund. Onex's key investments in the aviation industry include Spirit Aerosystems, the world's largest supplier of commercial airplane assemblies and components, and, formerly, Sky Chefs, the world's largest in-flight caterer.



MACQUARIE

Macquarie Bank is an Australian-based diversified international provider of financial and investment banking services, headquartered in Sydney.

Macquarie's aviation experience includes aircraft and engine leasing, the ownership or management of six airports and aircraft ownership.

Macquarie Bank evolved from Hill Samuel Australia Limited, which was established in 1969 with three employees. In 1985 a banking licence was granted and operations began under the name Macquarie Bank. In 1996, Macquarie Bank listed on the Australian Stock Exchange, where it is now among Australia's top 20 companies, with a market capitalisation of approx \$A18 billion and over \$153 billion in assets under management.

Macquarie has reported successive years of record profits and growth since 1992, and now employs over 9000 people operating in over 24 countries. Macquarie's approach is characterised by a commitment to the chosen markets in which it operates and a clear focus on achieving outstanding results.

## Annexure 2

### Air Pacific Australia – Consortium Ownership

Voting interests below refer to the equity securities held by investors in Airline Partners Australia, whereas economic interests take into account those securities together with special warrants held by investors.

Investor	Voting Interest	Economic Interest
Allco Equity Partners	35%	27%
Allco Finance Group	11%	8%
Macquarie Bank	<15%	<15%
TPG	<15%	25%
Onex Partners	9%	12.5%
Other foreign investors	<15%	11.5%
Qantas Management	-	1%

## Annexure 3

### Offer Conditions

The offer is subject to the fulfilment of the following conditions.

**1. 90% minimum acceptance**

During, or at the end of, the Offer Period the number of Qantas Shares in which APA and its associates together have relevant interests (disregarding any relevant interest that APA has merely because of the operation of section 608(3) of the Corporations Act) is at least 90% of all the Qantas Shares (even if that number later becomes less than 90% of all the Qantas Shares as a result of the issue of further Qantas Shares).

**2. No injunction**

Before the end of the Offer Period, there is not in effect any order of a Court or final decision of a Public Authority (other than a determination by ASIC or the Takeovers Panel in exercise of the powers and discretions conferred by the Corporations Act) that would be recognised as enforceable by an Australian Court that restrains or prohibits the making or implementation of the Offer or the transfer of Qantas Shares under the Offer.

**3. Material adverse change**

That no event or series of related events occurs during the Offer Period which has or is likely to have the effect of reducing the consolidated net profits after tax of the Qantas Group by at least A\$100 million (after taking into account any matters which offset the impact of the events giving rise to the adverse effect).

This condition will not be breached by any events, changes, effects, developments, conditions or occurrences to the extent resulting from:

- (a) changes in general economic or political conditions or the securities, credit or financial markets in general (excluding acts of terrorism against any airline or airport);
- (b) changes in generally accepted accounting principles or the interpretation of them;
- (c) a change in the price of jet fuel;
- (d) normal seasonal changes in Qantas's results of operations; or
- (e) any weather-related event or natural disaster.

**4. No termination**

There is no breach of the Implementation Deed by Qantas which entitles APA to terminate the Implementation Deed and APA has terminated the Implementation Deed within 5 Business Days of becoming aware of that entitlement.

**5. No prescribed occurrence**

Except with the prior written consent of APA or as disclosed to APA prior to the date of the Implementation Deed or in connection with a solvent winding-up, reconstruction or amalgamation of a subsidiary of Qantas, none of the following events happens during the period beginning on the date the Bidder's Statement is given to Qantas and ending at the end of the Offer Period:

- (a) Qantas converts all or any of its shares into a larger or smaller number of shares;
- (b) Qantas or a subsidiary of Qantas resolves to reduce its share capital in any way;
- (c) Qantas or a subsidiary of Qantas:

- (i) enters into a buy-back agreement; or
  - (ii) resolves to approve the terms of a buy-back agreement under section 257C(1) or 257D(1) of the Corporations Act;
- (d) Qantas or a subsidiary of Qantas issues shares or grants an option over its shares, or agrees to make such an issue or grant such an option, other than Qantas Shares issued:
  - (i) following the conversion of Performance Rights under the Qantas Deferred Share Plan;
  - (ii) as a result of exercise of Qantas options; or
  - (iii) under Qantas's dividend reinvestment plan;
- (e) Qantas or a subsidiary of Qantas issues, or agrees to issue, convertible notes;
- (f) Qantas or a subsidiary of Qantas disposes, or agrees to dispose, of the whole, or a substantial part, of its business or property;
- (g) Qantas or a subsidiary of Qantas charges, or agrees to charge, the whole, or a substantial part, of its business or property;
- (h) Qantas or a subsidiary of Qantas resolves to be wound up;
- (i) a liquidator or provisional liquidator of Qantas or of a subsidiary of Qantas is appointed;
- (j) a court makes an order for the winding up of Qantas or of a subsidiary of Qantas;
- (k) an administrator of Qantas, or of a subsidiary of Qantas, is appointed under section 436A, 436B or 436C of the Corporations Act;
- (l) Qantas, or a subsidiary of Qantas, executes a deed of company arrangement; or
- (m) a receiver, or a receiver and manager, is appointed in relation to the whole, or substantial part, of the property of Qantas or of a subsidiary of Qantas.