

ASX/Media Release

QANTAS STRENGTHENS BALANCE SHEET WITH SALE OF SURPLUS MASCOT LAND

- Sale of land to generate gross proceeds of \$802 million.
- Accelerates progress towards reaching net debt target range by end of FY22.
- Additional land sale and development proposals by LOGOS under consideration.

15 October 2021: The Qantas Group has entered into binding agreements with a consortium led by LOGOS Property Group for the sale of 13.8 hectares of land in Mascot for \$802 million.

Settlement of the vast majority of the lots is expected in the first half of this financial year, with the funds to be used to reduce debt and accelerate the airline's recovery.

The transaction remains subject to some conditions being met and further detail on the expected financial benefit of the sale will be provided with the Qantas Group's financial results in February 2022.

The national carrier has also entered into discussions with LOGOS about potential future development options for the sites they are acquiring, including creation of a dedicated precinct for the airline, as well as the sale of an additional 3 hectares of land that adjoins some of the lots being sold.

Qantas expects to complete the evaluation of these proposals in early 2022, and if an agreement is reached, this has the potential to raise the total value of the deal to more than \$1 billion.

The sale of the largely underdeveloped land follows a three-month expression of interest process, which resulted in 18 bids from a range of Australian and international syndicates.

A review of the Qantas Group's national property footprint earlier this year made clear there is no long-term need for Qantas to develop the land, which is largely surplus to its operations.

Qantas will lease back portions of the land for a period of time while arrangements are made to relocate some of the functions that the land is currently used for and while LOGOS progresses its broader development plans.

COMMENTS FROM QANTAS GROUP CEO, ALAN JOYCE

"We went into this process open-minded about whether we'd sell some, all, or none of this land depending on the response from the market. That response was extremely strong and it has resulted in the sale of all the land.

"We'll use these funds to help pay down debt that we've built up during the pandemic. The strength of this sale and its impact on our balance sheet means we can get back to investing in core parts of our business sooner.

"The extended lockdowns and border closures of the past few months have been extremely tough, but this transaction adds to the growing momentum around our recovery.



“The restart date for international travel has been brought forward and the thresholds for domestic borders opening in most states should be reached in the next two months. We know there is a lot of pent-up demand that we’re ready to capitalise on, with some strong signs already.

“LOGOS has put forward a number of proposals on how we could unlock further value from our land holdings in Mascot, which we will now explore in detail.

“Beyond the deal we’re announcing today, there’s potential for us to work with LOGOS on creating a Qantas Precinct as part of their redevelopment plans for the site. It could see a new headquarters combined with a relocated training centre and distribution hub, right next to the airport, rather than being spread across different parts of Mascot as they are now.

“This would take several years to deliver but it’s something we’re actively considering given we lease our current head office. It would need to drive efficiencies in how we operate and make a material contribution towards lowering our emissions footprint through its design.”

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Authorised for release by the Group General Counsel and Company Secretary