



Investment Update

for September 2007 Quarter

Availability
of Member Benefit
Statements

Trustee News

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QANTAS
SUPERANNUATION PLAN

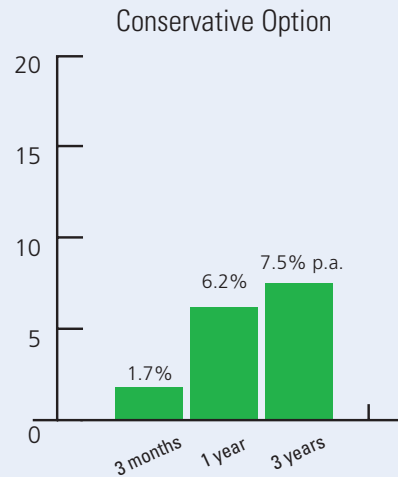
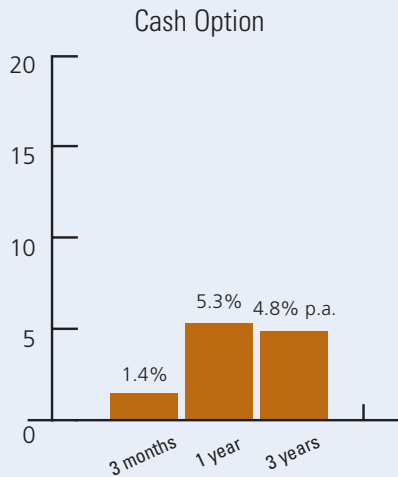
INVESTMENT UPDATE



INVESTMENT UPDATE

For the 3 months to 30 September 2007

Credited interest rates



Note: The Credited Interest Rates shown in the above graphs are the actual rates credited since Investment Choice was introduced from 1 April 2005. Prior to that, the rates are simulations only, based on index returns for the assets contained in each investment option. **Investment returns can go up or down. Past performance and simulations of this type may not be a reliable indicator of future performance.**

Market update

Recent performance by the Plan's asset sectors (before tax) were as follows:

Asset Class	Quarter	Year	3 Years (p.a.)
Australian Shares	3.8%	31.3%	27.0%
International Shares	-0.3%	12.2%	16.5%
Direct Property	5.4%	20.0%	16.2%
Listed Property	-0.9%	8.6%	16.9%
Private Capital	10.1%	32.0%	22.0%
Hedge Funds	-8.3%	-3.9%	4.7%
Emerging Markets and High Yield Debt	-0.6%	6.2%	n/a
Australian Fixed Interest	1.4%	3.2%	4.7%
Australian Indexed Bonds	3.4%	2.7%	5.3%
International Fixed Interest	2.9%	5.0%	5.5%
Cash	1.6%	6.4%	5.7%

Although the returns in many sectors were lower than in earlier quarters, the overall investment performance was again strong in the September quarter, despite some volatility in weekly returns during the first two months. For the entire Plan in aggregate, the net performance to 30 September 2007 was:

- 1.6% for the quarter;
- 13.6% for the 12 months;
- 14.9% p.a. for the 3 years.

Credited Interest Rates (CIRs)

The CIRs since 1 July 2007 have been:

Quarter ending	Cash Option	Conservative Option	Balanced Option	Growth Option	Aggressive Option
30 Sep 07	1.35%	1.66%	1.63%	1.36%	1.15%

From 1 July 2007 Member Investment Choice became available to members of Division 9 – Flexible Income Benefit. Different CIRs apply for members of Division 9 due to the different tax treatment of investment returns in this Division. Since 1 July 2007 they have been:

Quarter ending	Cash Option	Conservative Option	Balanced Option	Growth Option	Aggressive Option
30 Sep 07	1.61%	1.95%	1.88%	1.54%	1.27%

Volatility in investment markets

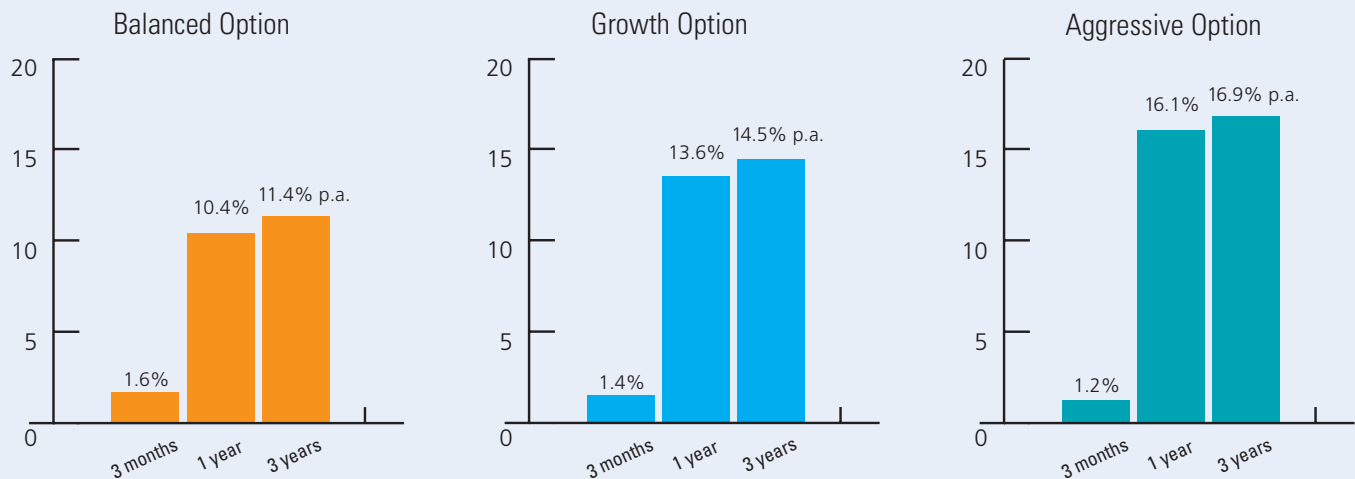
Early in the quarter there was considerable volatility in the investment markets, mainly arising from weakness in the sub-prime lending markets in the US.

It is important to note that the crediting rates applied to member accumulation balances are generally much less volatile than published indices. This is because:

- The volatility in growth assets such as shares is normally more pronounced than the volatility of risk controlling assets, such as fixed interest and cash. Most investment options (other than the aggressive option) contain risk controlling assets which act to reduce the impact of share market volatility;

Important note

The items in this newsletter have been provided for information only. Any decisions you may make on any of these matters should have regard for your personal circumstances and tax position, and we strongly recommend you seek financial planning advice to assist you making decisions about your options in the Plan.



■ Credited Interest Rates are determined on a quarterly basis for each investment option. As a result, much of the volatility that occurs within a quarter gets incorporated in the quarter's CIR. There is always some variability in CIRs from quarter to quarter (and CIRs can be negative). However, the quarterly Credited Interest Rate volatility is usually much lower than if performance and crediting rates were determined more frequently such as weekly; and

■ If CIRs are calculated over an even longer period, such as 3, 5 or 10 years, the volatility of average returns reduces further. As superannuation is a long term investment, it is important to consider the performance of your investments over a reasonably long timeframe.

More information on the characteristics of your investment options are contained in your Product Disclosure Statement or from the Plan's website www.qantassuper.com.au

Trustee matters

Captain Ian Woods has appointed an alternate to his position as the Member Elected Trustee of the Plan for Group A - Pilots. This is a result of work being undertaken by AIPA, for which Captain Woods believed there may be a perceived or potential conflict of interest between his role as Chairman of AIPA and as Trustee of the Plan. This decision took effect from 25 October 2007 and will apply for up to six months.

At the Trustee meeting of 25 October 2007, Mark Thorpe was accepted by the Trustee as an alternate nominated by Captain Woods. Mark Thorpe has no executive roles with AIPA. In addition to being a Pilot, he is a qualified Actuary with

previous experience in superannuation, and the Trustee welcomes him to this role.

Secondly, congratulations to John Sipek who was recently re-elected as a Member-Elected Director for Group C, Aircraft Industry Unions.

New Chief Executive

The Trustee is pleased to announce the appointment of Janet Torney as the new Chief Executive for Qantas Superannuation Limited (QSL).

Janet is a qualified economist with considerable experience in the investment industry. She has held senior roles at Westpac Investment Management, UBS Warburg, Macquarie Bank, Citibank, the Reserve Bank of Australia, and most recently as Principal and Practice Leader of Investment Consulting at Aon Consulting Pty Ltd.

We welcome Janet who commenced in this role on 27 August 2007.

Administration Services and Member Statements

Over the past few months, members have been experiencing delays in administration services while the implementation of these services is being transitioned to our outsourced provider, Russell. These delays were compounded by the significant lift in member enquiries about the 'Simplified Super' reforms which were introduced from 1 July, which the Government described as the biggest ever change to superannuation.



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Qantas Superannuation Plan

The transition of these services has taken longer than expected as considerable care is being taken to ensure that these enhanced benefits can be delivered to members.

Consequently, the annual Member Benefit Statements will be delayed this year. They will be posted to members in the first week in December 2007.

When fully implemented, the new administration services will provide greater access to information for members. Additional features which will be available on the Plan's website from December 2007 will include:

- live benefit quotations (real time);
- the ability to make MIC switches online; and
- the ability to download a PDF copy of your Annual Benefit Statement

We apologise for any inconvenience these delays have caused. The Trustee is committed to ensuring that the administration systems deliver safe and accurate benefit payments and provide enhanced access to information for members.

Nomination of beneficiaries

It is important for members to provide the Trustee with information about whom (and in what proportion) they would like any death benefits paid.

As personal circumstances change over time (for example getting married, divorced or having children) it is important to keep this information up to date.

To check your current nominated beneficiaries, you can view these online at the Plan's website. Changes can be made online or by completing the form (available on the website or by calling the Plan).

Remember, your nomination is not legally binding as the Trustee must ultimately decide, subject to the Trust Deed and rules and relevant legislation, who should receive this benefit.

More information about beneficiaries is available from the Product Disclosure Statement or on the Plan's website. You may review your nominated beneficiaries on line, and change these via the website or by completing a Nomination of Beneficiaries form (also available on the website).

Changes to superannuation

Details of the changes that apply to superannuation from 1 July 2007 were contained in the Simplified Super brochure sent to members at the end of June. A copy of this brochure is contained on the Website at www.qantassuper.com.au/d_documents.asp.



This brochure contains important information about the new contribution limits that apply from 1 July 2007. We encourage all members to read this document.

For members entitled to defined benefits (Division 1, 2, 3, 4 and 12) the value of the Company contributions for your defined benefit count towards the maximum levels of concessional contributions you can make. These contributions

are known as notional taxed contributions.

For members of other Divisions, where some expenses or insurances are funded by the Company, a notional taxed contribution will also apply in respect of this funding.

Clarifications to the legislation have recently been provided by the Government. The notional taxed contributions are now being calculated by the Plan Actuary and will be advised to members as soon as they become available.

Qantas Superannuation Plan

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