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26 October 2015

Stephen Small
ASX Derivatives
Level 6, 20 Bridge Street
Sydney NSW 2000

Dear Stephen,



For announcement to the market:

**Macquarie Instalments – Qantas Airways Limited (QAN) (the “Listed Entity”)
Capital Return and Consolidation**

Macquarie Bank Limited (“Macquarie”) is the issuer of the following Instalment over securities in the Listed Entity:

	ASX Code(s):
Self Funding Instalments:	QANSMX

The Listed Entity has announced a capital return and a share consolidation. Eligible security holders in the Listed Entity will receive a capital reduction by way of a return of capital for the amount of \$0.23 per share. Security holders will also have their holdings of the Listed Entity consolidated on a 1 to 0.939 basis (the “Consolidation”) fractions rounded up to the nearest whole share.

The Listed Entity shares, Instalments will trade on a deferred settlement basis from 27 October 2015 to 06 November 2015 resuming normal trading on 09 November 2015.

Further information about the announcement can be found in announcements made to the ASX by the Listed Entity.

Adjustments to the above Instalments

Macquarie advises that pursuant to the relevant Terms of Issue, the following adjustments have been made to the above Instalments:

- The Capital Distribution together with a refund of prepaid interest has been applied to reduce the outstanding Loan Amount of the Instalment.
- The consolidation ratio has been applied to Macquarie Instalments mentioned above with the effect that the number of Instalments held by an eligible Holder will be reduced by a factor of 0.939 and the outstanding Loan Amount of each Instalment will increase by the same factor (as shown in the table below).

ASX Code	Current Loan Amount	Less: Capital Distribution	Less: Interest Refund*	Adjusted Loan Amount	New Loan Amount (post consolidation)
QANSMX	\$3.6096	\$0.23	\$0.0046	\$3.3750	\$3.5942

This letter assumes no other adjustments will be made to any series of Instalments before the adjustments described are made. The above mentioned Instalments will commence trading on an adjusted basis on Tuesday 27 October 2015.

If you have any questions regarding this matter please contact your Stockbroker or Financial Adviser. Alternatively, Ask Macquarie on 1800 803 010.

Yours Sincerely,

Client Service Team
Macquarie Securities Group
Macquarie Bank Limited

* Where your Instalment has a fixed and variable interest structure, the interest refund represents a refund of the Variable Interest Amount.