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## *Media Release*

### **QANTAS AND AUSTRALIA POST BUY STAR TRACK EXPRESS**

**SYDNEY, 19 December 2003:** Australia Post and Qantas said today they had been successful in their joint bid to acquire express road freight operator, Star Track Express for \$750 million.

The companies said the purchase would be made through a 50:50 joint venture and funded from net cash reserves and undrawn credit facilities.

The Chief Executive Officer of Qantas, Geoff Dixon, and The Managing Director of Australia Post, Graeme John, said they were delighted to buy such an outstanding business.

"Star Track Express is a high quality operation that provides superior service levels and has achieved consistent revenue and profit growth. It also comes with an experienced management team that has a proven track record," Mr Dixon said.

"This acquisition is consistent with the Qantas strategy of growing its non-airline businesses.

"Star Track Express adds to the portfolio of freight businesses in which Qantas is involved, including Australian air Express, a domestic express freight business that has been successfully operated by Australia Post and Qantas for many years."

Graeme John said Qantas and Australia Post would operate Star Track Express as a separate joint venture to ensure its brand, management, operational focus and customer relationships are maintained.

"Our aim is to grow the business to business market for express logistics. The business potential, both in Australia and overseas, means that the market will provide plenty of scope for future opportunities," Mr John said.

The founder and owner of Star Track Express, Greg Poche, said he was extremely pleased that Qantas and Australia Post, two leading Australian companies, had acquired his business and would now take it forward and grow it further.

The current Chief Executive Officer of Star Track Express, Derek Lightfoot, and his management team will continue to run the business. Mr Lightfoot and Mr Poche will continue on the Board of Star Track Express.

### About Star Track Express

Star Track Express was founded in 1974 and employs more than 2,400 people nationally. It distributes packaged goods in the high value, express/time sensitive business-to-business market, offering a “one stop” end-to-end service.

For the year to June 2004, Star Track Express is forecast to achieve normalised earnings before interest, tax, depreciation and amortisation of \$84 million. Over the past five years, revenue and profit growth has averaged 10 per cent per annum. It is expected that revenue and profit growth will continue.

Star Track Express has made significant investment in infrastructure and information technology and has developed market leading freight management systems, providing a more efficient and accurate delivery for customers. Star Track Express currently achieves on-time delivery rates above 99 per cent.

Over the past four years, Star Track Express has invested in excess of \$150 million in the business, including distribution facilities and sorting equipment, with new or expanded depots in Sydney, Melbourne, Perth, Brisbane and Adelaide. This significant investment in infrastructure will support growth in the business over the coming years.

The majority of Star Track Express’ business is in express road freight, which accounts for around 90 per cent of revenue. The air express and warehousing businesses have demonstrated significant growth over the past five years and it is expected that these businesses will continue to make an increasing contribution.

It has a national distribution network and services international delivery destinations through third parties. The packaged goods that Star Track Express distributes typically include cartons, parcels, pallets and document satchels.

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