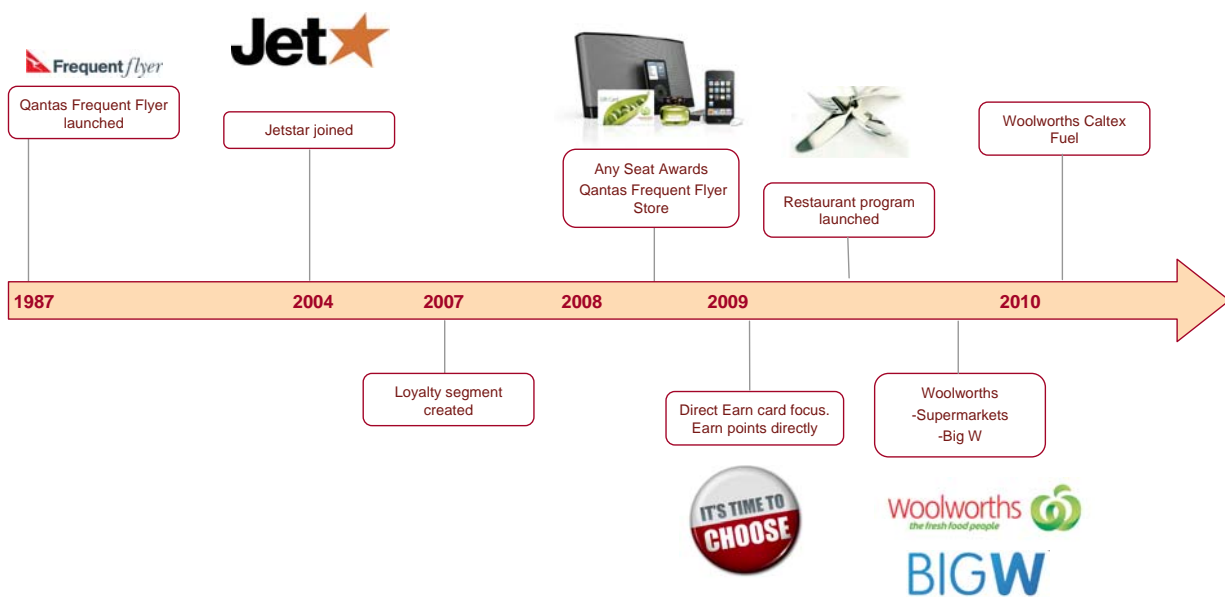


Qantas Frequent Flyer Supplementary Information

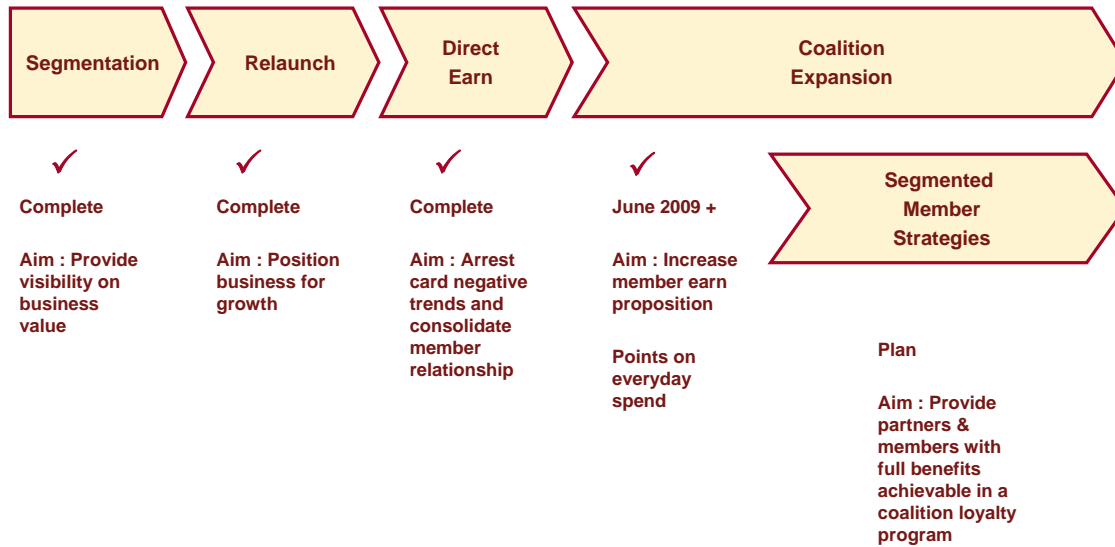


The Qantas Frequent Flyer Story



Timeline not to scale

Business Strategy



3

Qantas Frequent Flyer

- Australia's premier coalition Loyalty program
- More than 6 million members
- First mover in broad based coalition Loyalty
- Access to a large range of great value awards
- Strong and stable cash flows and margins
- Deep understanding of member segments and behaviours
- Scalable business model

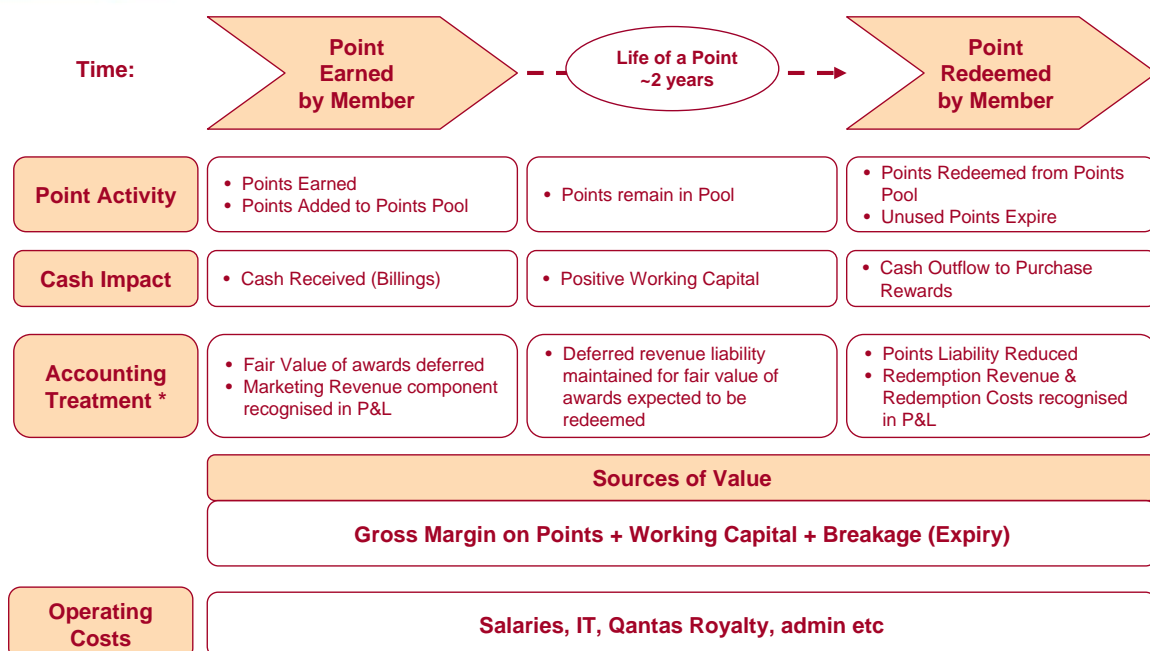


4

FY09 Financial Highlights

- Record PBT up 64% at \$384 million
- Record EBIT up 142% at \$310 million
- Record billings of QFF points up 35% at \$1,255 million
- Total cost per point redeemed has reduced by 2.9%

Business Model



* After interim period when points in existence on 1 January 2009 are extinguished

Earnings

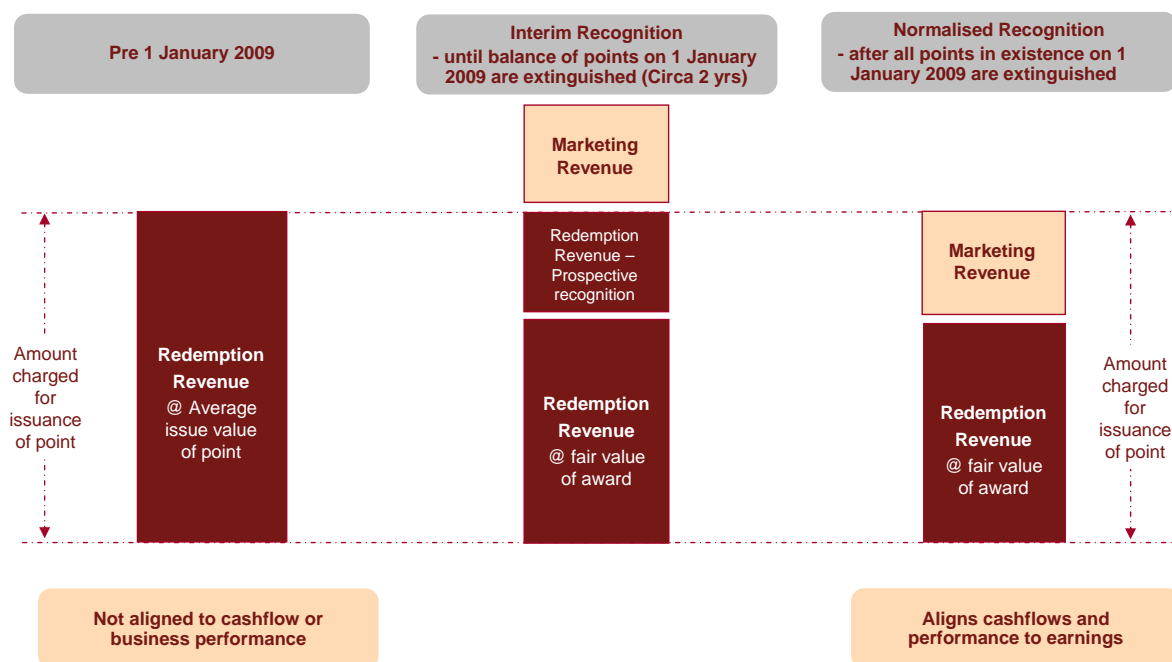
	FY 08	1H 09	2H 09	FY 09
Reported EBIT	128	73	237	310
Less: Estimated one off impact of direct earn point 'rush'			(84)	(84)
Underlying EBIT			153	226
Revenue recognition adjustment			(63)	(63)
			90	163

- On the 1st of January 2009 Qantas Frequent Flyer changed the way revenue is recognised for frequent flyer points. Revenue will be recognised:
 - When points are sold for the 'marketing' element
 - When points are redeemed for the fair value of the award element
- Under accounting standards existing points at 1 January 2009 will continue to recognise revenue at the higher value until all these points are extinguished. This will result in higher earnings for approximately 2 years.



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Revenue Recognition - Points



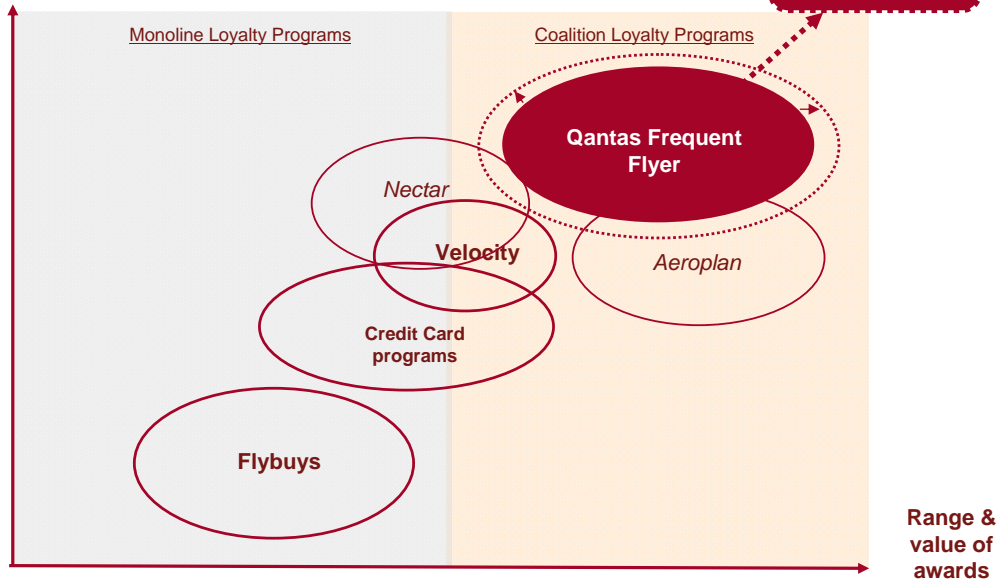
Redemption

Issuance

8

Loyalty Landscape

Speed of earning a reward
'the coalition'



Illustrative Only



9

Partner Value Proposition

- Attract new customers
- Increase customer retention and tenure
- Increase frequency of visits
- Increase propensity to spend
- Increase spend per customer
- Reduce cost to serve
- Understand customer behaviour



10

Interaction with Airline

Reward Program



Qantas Frequent
Flyer

Airline Recognition



Controlled by Qantas
Airlines



11

Business Development

- Key categories of the coalition now in place
 - Airline
 - Credit Card spend
 - Supermarkets, retail & fuel
 - Travel & Entertainment – Hotels, car hire, restaurants
- Expansion into more consumer spend categories



12

Credit Cards

- The Direct Earn strategy successfully executed
 - Participation of all major banks and charge card companies
 - Over 1 million Qantas Frequent Flyer members with a Direct Earn card in Australia and New Zealand
 - The majority of Indirect Earn members have taken up a Direct Earn card
- Immediate focus
 - Increase penetration
 - Launch new targeted products
 - Expand banking relationship



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Woolworths Alliance

- Earn points on everyday spend at
 - Woolworths and Safeway supermarkets
Launched 22 June 2009
 - Woolworths and Safeway Liquor
Launched 22 June 2009
 - Big W
Launched 16 July 2009
- Since launch
 - Over 1.1 million Qantas Frequent Flyer members have linked to earn points at Woolworths

To come....

- Tandy, Dick Smith, BWS
- Woolworths and Safeway Caltex Fuel

"The alliance between Woolworths Everyday Rewards and Qantas Frequent Flyer will provide us with substantial competitive advantage, and is already resulting in a noticeable change in the behaviour of our shoppers"

Richard Umbers, General Manager Customer Engagement at Woolworths Limited.



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Member Award Enhancements

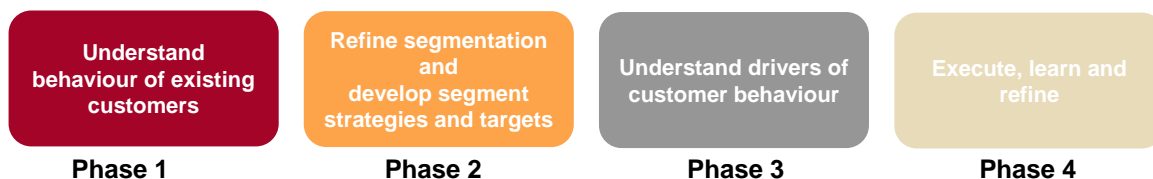
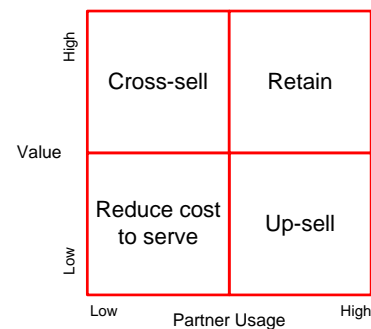
- New reward options introduced 1 July 2008.
 - Total points redeemed up 18%.
 - Qantas and Jetstar Any Seat Awards
 - Over 280,000 award seats redeemed
 - Qantas Frequent Flyer Store
 - Choice of over 1,200 products, including over 100 vouchers in Australia
 - Over 330,000 products redeemed
- Enhancements nearing completion
 - Qantas Any Seat Awards is being expanded to include 100 new destinations
 - Qantas and Jetstar Any Seat Awards will be merged into a single product in Q4, 2009, providing an improved customer experience



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Segmented Member Strategies

- Focus on member attributes including transactions, demographics and attitudes
- Advanced analytics are employed to find groups of members with common attributes
- Segmented member strategies are then developed to increase value to the program
- Testing, learning and refining strategies



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Operations

- Customer satisfaction at record highs
- e Newsletter now produced with up to 8,000 variations
- Investment planned in improved data warehouse
- Investment planned in new generation CRM platform

People

- High calibre Loyalty professionals
- High engagement levels
- Organisation design structured on key market verticals
- Focused project teams drive rapid business change