

Kristy Randall
Project Officer
Australian Competition and Consumer Commission
GPO 3131
Canberra
ACT 2601

15 September 2008

FILE No:
DOC:
MARS/PRISM:

Dear Ms Randall,

Notification of exclusive dealing

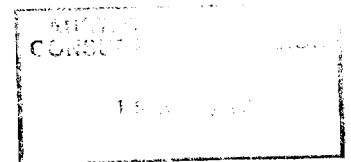
Please find enclosed a notification of exclusive dealing under section 93(1) of the *Trade Practices Act 1974* (Cth) lodged by British Airways ABN 74 725 650 354.

We also enclose a cheque in the amount of \$100, being the required lodgement fee.

Yours sincerely



Tommy Lindblad
British Airways
Marketing Executive
Direct line +61 2 9927 4832
Direct fax +61 2 9927 4854
Email tommy.lindblad@ba.com



Form G

Commonwealth of Australia

Trade Practices Act 1974 — subsection 93 (1)

NOTIFICATION OF EXCLUSIVE DEALING

To the Australian Competition and Consumer Commission:

Notice is hereby given, in accordance with subsection 93 (1) of the *Trade Practices Act 1974*, of particulars of conduct or of proposed conduct of a kind referred to subsections 47 (2), (3), (4), (5), (6), (7), (8) or (9) of that Act in which the person giving notice engages or proposes to engage.

PLEASE FOLLOW DIRECTIONS ON BACK OF THIS FORM

1. Applicant

- (a) Name of person giving notice:

(Refer to direction 2)

N93586

British Airways ABN 74 725 650 354 ("BA").

- (b) Short description of business carried on by that person:

(Refer to direction 3)

BA operates an international airline service.

- (c) Address in Australia for service of documents on that person:

Level 7, 141 Walker Street, North Sydney NSW 2060, Australia

2. Notified arrangement

- (a) Description of the goods or services in relation to the supply or acquisition of which this notice relates:

Offer of reduced airfares on BA operated flights, as part of a promotional campaign to persons who book their flight through a closed user group on the BA website(ba.com) using a MasterCard credit card. The offer is a \$250 discount off airfares from Australia when booked on ba.com/mastercard

- (b) Description of the conduct or proposed conduct:

(Refer to direction 4)

BA proposes to run a promotional campaign from 15 October to 15 November 2008, offering reduced airfares for certain flights to consumer for travel originating in Australia from 1 December 2008 to 31 January 2009 on the condition that the consumer books such flights through the BA website (ba.com/mastercard) using a MasterCard credit card ("BA Campaign").

BA may refuse to offer the reduced airfares to customers who do not wish to book the flights through the BA website using a MasterCard credit card.

3. Persons, or classes of persons, affected or likely to be affected by the notified conduct

- (a) Class or classes of persons to which the conduct relates:
(Refer to direction 5)

Persons who are or may be booking BA flights to which the BA campaign applies.

- (b) Number of those persons:

- (i) At present time:

Not applicable.

- (ii) Estimated within the next year:
(Refer to direction 6)

1000

- (c) Where number of persons stated in item 3 (b) (i) is less than 50, their names and addresses:

Not applicable.

4. Public benefit claims

- (a) Arguments in support of notification:
(Refer to direction 7)

BA submits that its proposed conduct does not give rise to any public detriment and, moreover, will result in clear public benefits.

- (b) Facts and evidence relied upon in support of these claims:

The conduct will not lessen competition in the markets for the relevant product and services or result in any conceivable detriment to the public because:

- The BA Campaign will only be available for a short and limited period of 4 weeks.
- The BA campaign will only apply to flights to certain destination during a limited period.
- There is substantial competition in the international airline markets;
and
- It will promote competition in the relevant markets by exerting pressure on competitors to offer similar reduced prices.

5. Market definition

Provide a description of the market(s) in which the goods or services described at 2 (a) are supplied or acquired and other affected markets including: significant suppliers and acquirers; substitutes available for the relevant goods or services; any restriction on the supply or acquisition of the relevant goods or services (for example geographic or legal restrictions):
(Refer to direction 8)

BA considers the relevant markets to be the Australian markets for the sale of air transport and consumer credit card products.

6. Public detriments

- (a) Detriments to the public resulting or likely to result from the notification, in particular the likely effect of the notified conduct on the prices of the goods or services described at 2 (a) above and the prices of goods or services in other affected markets:
(Refer to direction 9)

BA submits that the likely public benefits from the conduct, as outlined above, will outweigh any possible public detriment and that the conduct will not result in a substantial lessening of competition in relation to any of the relevant markets for the services in question.

- (b) Facts and evidence relevant to these detriments:

Competition in the relevant markets for the services in question is vigorous and intense. There are a large number of alternative participants who compete with BA to provide customers with air travel , and a large number of alternative participants who compete with MasterCard to provide consumer credit products, to whom consumers could readily turn.

7. Further information

- (a) Name, postal address and contact telephone details of the person authorised to provide additional information in relation to this notification:

Nicky Morello
British Airways
Level 7, 141 Walker Street
North Sydney
NSW 2060
Phone: 02 9927 4850

Dated.....*15/09/08*.....

Signed by/on behalf of the applicant



.....
(Signature)

RISURIZ

.....
(Full Name)

RICIOM AIRWAYS

.....
(Organisation)

Regional Field Manager - SLA

.....
(Position in Organisation)