

FORM G

COMMONWEALTH OF AUSTRALIA  
Trade Practices Act 1974 - Sub-section 93(1)

FILE No:
DOC:
MARS/PRISM:

EXCLUSIVE DEALING: NOTIFICATION

To the Australian Competition and Consumer Commission:

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

(PLEASE READ DIRECTIONS AND NOTICE ON BACK OF FORM)

1. (a) Name of person giving notice:

AOL |7 Pty Limited ACN 092 063 691 ("AOL |7")

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

Internet service and content provider

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

Locked Bag 7500

Chatswood DC NSW 2067

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

- (1) Broadband Internet subscription services
- (2) Credit Cards

(b) Description of the conduct or proposed conduct:

- (1) AOL |7 currently offers 1 month free AOL Dial-Up Internet subscriptions to new customers. If, however, a customer acquires a Virgin Money Credit Card and registers for AOL Dial-Up using their Virgin Money Credit Card, the customer receives up to 3 months free Dial-Up Internet subscription. There is no obligation on a customer to continue to acquire Dial-Up Internet services from AOL |7 after the expiry of their chosen contract term.

Competition analysis and benefits of proposed conduct

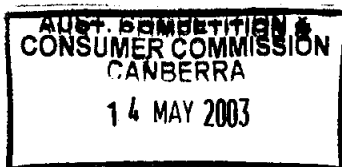
The conduct is unlikely to have any anticompetitive detriment on any market.

AOL |7 faces strong competition in the market for provision of Dial-Up Internet services in Australia. In terms of market share, AOL |7 was ranked behind Big Pond, OzEmail, Optus and iPrimus by Nielsen Consult's 13<sup>th</sup> Australian Online User Survey.

Similarly, the credit card market in Australia is extremely competitive. There are over 9.5 million credit cards in Australia dominated by the four largest banks: ANZ, National Bank, Commonwealth Bank and Westpac. Virgin Money Credit Card is new to the market and at present has no market share.

Consumers are free to acquire a Virgin Money Credit Card without acquiring services from AOL |7. Similarly, consumers can register with AOL |7 without having a Virgin Money Credit Card.

The conduct allows AOL |7 and Virgin Money to provide an improved offering to consumers of Dial-Up Internet subscription services and credit cards. It is a competitive response to high level of competition in those markets.



3. (a) Class or classes of persons to which the conduct relates:

Holders of Virgin Money Credit Cards seeking to acquire Dial-Up Internet services from AOL|7.

(b) Number of those persons –

(i) At present time:.....

(ii) Estimated within the next year:.....

Refer to answer to item 2, above.

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

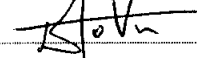
Not applicable

4. Name and address of person authorised by the person giving this notice to provide additional information in relation to this notice:

Ms Valentina Josifovski  
AOL|7 Pty Limited  
Level 12, 1-5 Railway Street  
Chatswood NSW 2067  
Telephone: (02) 9410 5790; Fax: (02) 9410 5055

Dated 13 May 2003

Signed by/on behalf of the person giving this notice



Signature

VALENTINA JOSIFOVSKI

Full Name

General Counsel

Description

## DIRECTIONS

1. If there is insufficient space on this form for the required information, the information is to be shown on separate sheets, numbered consecutively and signed by or on behalf of the person giving the notice.
2. If the notice is given by or on behalf of a corporation, the name of the corporation is to be inserted in item 1 (a), not the name of the person signing the notice, and the notice is to be signed by a person authorised by the corporation to do so.
3. In item 1 (b), describe that part of the business of the person giving the notice in the course of which the conduct is engaged in.
4. If particulars of a condition or of a reason of the type referred to in subsection 47 (2), (3), (4), (5), (6), (7), (8) or (9) of the *Trade Practices Act 1974* have been reduced in whole or in part to writing, a copy of the writing is to be provided with the notice.
5. In item 3 (a), describe the nature of the business carried on by the persons referred to in that item.
6. In item 3 (b) (ii), state an estimate of the highest number of persons with whom the person giving the notice is likely to deal in the course of engaging in the conduct at any time during the next year.

## NOTICE

If this notification is in respect of conduct of a kind referred to in subsection 47 (6) or (7), or paragraph 47 (8) (c) or (9) (d), of the *Trade Practices Act 1974* ("the Act"), it comes into force at the end of the period prescribed for the purposes of subsection 93 (7A) of the Act ("the prescribed period") unless the Commission gives a notice under subsection 93A (2) of the Act within the prescribed period, or this notification is withdrawn.

The prescribed period is 21 days (if this notification is given on or before 30 June 1996) or 14 days (if this notification is given after 30 June 1996), starting on the day when this notification is given.

If the Commission gives a notice under subsection 93A (2) of the Act within the prescribed period, this notification will not come into force unless the Commission, after completing the procedures in section 93A of the Act, decides not to give a notice under subsection 93 (3A) of the Act. The notification comes into force when that decision is made.

If this notification is in respect of conduct of a kind referred to in subsection 47 (2), (3), (4) or (5), or paragraph 47 (8) (a) or (b) or (9) (a), (b) or (c), of the Act, it comes into force when it is given.