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24 May, 2005

Attn: Regional Director  
Australian Competition & Consumer Commission  
PO Box 1199  
DICKSON  
ACT 2602

Dear Sir or Madam

**THRID LINE FORCING NOTIFICATION**

Optus Internet Pty Limited ('Optus Internet') & Optus Networks Pty Limited ('Optus Networks') are undertaking a joint marketing initiative with American Express Australia Limited ('American Express') whereby certain American Express cardholders who sign up to an Optus Internet & Home Phone service for 12 months and use their card for the initial payment will receive either \$0 broadband installation plus 3,000 reward points, or 1,000 rewards points for the rewards program applicable to their card.

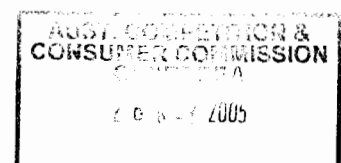
Please find enclosed payment of \$100 and the Exclusive Dealing Notification Form for Optus Internet & Optus Networks relating to the above promotion.

If you have any queries please contact me on (02) 9342 8439.

Yours faithfully,

Trudi Bean  
Corporate Counsel

encls.:



**FORM G**  
**[Front of Form]**

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

**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 sub-section 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 engaged or proposes to engage.

(PLEASE READ DIRECTIONS AND NOTICE ON BACK OF FORM)

1. (a) **Name of person giving notice**

Optus Internet Pty Limited ACN 083 164 532 (“**Optus Internet**”).  
Optus Networks Pty Limited ACN 008 370 336 (“**Optus Networks**”).
- (b) **Short description of business carried on by that person**

Optus Internet conducts the business of supplying internet services.  
Optus Networks conducts the business of supplying fixed line telephony services.
- (c) **Address in Australia for service of documents on that person**

Trudi Bean, Corporate Counsel, Singtel Optus Pty Limited, Level 29, 101 Miller Street, North Sydney, NSW 2060.
2. (a) **Description of the goods or services in relation to the supply or acquisition of which this notice relates**

Broadband & Dial-Up internet access services & fixed line telephony services.
- (b) **Description of the conduct or proposed conduct:**

Optus Internet is a supplier of broadband & dial-up internet access services. American Express Australia Limited (“**American Express**”) is a supplier of credit card services. Optus Internet and American Express are undertaking a joint marketing initiative whereby:

  - (i) certain American Express cardholders will receive \$0 broadband installation plus 3,000 bonus points for the rewards program applicable to their card, when the cardholder:
    - enters into a minimum 12 month contract with Optus Internet for the supply of broadband internet access services;
    - connects to Optus Local & Long distance for 12 months; and
    - makes initial payment for these services using their eligible American Express card.

OR

(ii) certain American Express cardholders will receive 1,000 bonus points for the rewards program applicable to their card, when the cardholder:

- connects to Optus Internet for the supply of dial-up internet access services;
- connects to Optus Local and Long Distance for 12 months; and
- makes initial payment for these services using their eligible American Express card.

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

American Express cardholders who are eligible to receive this offer.

(b) **Number of those persons**

Approximately 750,000

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

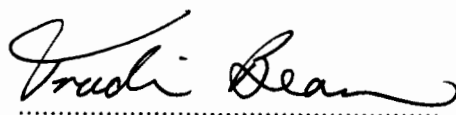
Not applicable.

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

Trudi Bean  
Corporate Counsel  
Optus Internet Pty Ltd  
Level 29, 101 Miller Street  
North Sydney, NSW 2060.

Dated this 23rd day of May 2005.

Signed by/on behalf of the applicant



Trudi Bean  
Corporate Counsel  
Optus Internet Pty Ltd

## TRADE PRACTICES REGULATIONS

### [Back of Form]

#### 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.

**SUBMISSION BY OPTUS INTERNET  
IN SUPPORT OF NOTIFICATIONS UNDER SECTION 93  
OF THE TRADE PRACTICES ACT 1974**

**1. Background**

Optus Internet Pty Limited ("**Optus Internet**") is a wholly owned subsidiary of SingTel Optus Pty Ltd, and is a supplier of internet products and services. Optus Networks Pty Limited ("**Optus Networks**") is a wholly owned subsidiary of SingTel Optus Pty Ltd, and is a supplier of fixed line telephony services. American Express Australia Limited ("**American Express**") is a supplier of credit card services.

Under a joint marketing initiative, Optus Internet and American Express will provide to consumers the opportunity to purchase (i) certain Optus Internet broadband access services and receive \$0 Broadband Installation plus 3,000 reward points when they make initial payment for these services using eligible American Express credit cards. OR (ii) certain Optus Internet dial-up access services and receive 1,000 reward points when they make initial payment for these services using eligible American Express credit cards.

**2. Lack of anti-competitive effect**

In broad terms the market which the proposed offer is likely to affect is the market for the provision of internet services. Optus Internet wishes to enhance its competitive position in that market and has therefore developed initiatives to make its internet broadband access services attractive to consumers, one such initiative being the above joint marketing initiative with American Express.

Although the conduct described in Form G may be exclusive dealing within the meaning of section 47(6) of the Act, Optus Internet holds the view that the proposed conduct will have a negligible effect on competition in the market noted above.

In Australia there are a large number of companies which offer both broadband and dial-up internet services, including Optus Internet, Telstra, and iPrimus. They all compete vigorously for customers. Consequently, there are a very large number of competitive offers available to the public in respect of internet services at any given time. The proposed conduct is one such example of a competitive offer.

The proposed conduct is pro-competitive. The reward points to be provided to customers will help to maintain or increase the level of competition in the already highly competitive market for internet services.

**3. Public benefit**

In addition, the proposed conduct offers public benefits to the class of consumers to which it relates. For the price of a 12-month OptusNet broadband & home phone contract (of 12 months or more) a substantial number of American Express cardholders will also receive 3,000 bonus points for the rewards program applicable to their American Express card (for which they would usually need to spend at least \$3,000 on purchases using their card to accrue).

For the price of an OptusNet dial-up internet service, & home phone contract (of 12 months or more) a substantial number of American Express cardholders will also receive 1,000 bonus points for the rewards program applicable to their American Express card (for which they would usually need to spend at least \$1,000 on purchases using their card to accrue).