

MALLESONS STEPHEN JAQUES

Mr Tom Fahy
Regional Director
Australian Competition and
Consumer Commission
Level 35 The Tower
360 Elizabeth Street
Melbourne Centre
Melbourne VIC 3000

12 July 2005

A Bodger
Direct line
+61 3 9643 4069

FILE No:
DOC:
MARS/PRISM:

Dear Mr Fahy

Sensis Pty Ltd - notification of third line forcing exclusive dealing

We act for Sensis Pty Ltd.

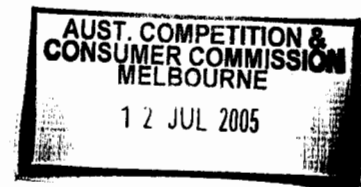
We enclose for lodgment an exclusive dealing notifications together with a cheque for the applicable lodgment fee of \$100.00.

Please do not hesitate to contact Amanda Bodger of this office on (03) 9643 4069 should you have any queries or comments.

Yours faithfully

Mallesons Stephen Jaques

Encls.



EXCLUSIVE DEALING NOTIFICATION

Commonwealth of Australia

Trade Practices Act 1974 — Subsection 93(1)

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 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.

1 (a) *Name of person giving notice*

Sensis Pty Ltd (ABN 30 007 423 912) (“Sensis”) of 222 Lonsdale Street, Melbourne, formerly known as Pacific Access.

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

Sensis is a wholly owned subsidiary of Telstra Corporation Limited (“Telstra”) and provides a range of services in its own right and for and on behalf of Telstra with respect to Telstra’s White Pages® directory and Yellow Pages® directory products and services.

In particular, Sensis provides advertising, contact, location and e-business web site and listing solutions to small and medium enterprises, corporates and government through the White Pages® directory and Yellow Pages® directory and online formats and related services.

Sales, compilation and marketing for the Yellow Pages® print directory is supplied by Sensis in its own right, however, sales, compilation and marketing for the White Pages® print directory, the White Pages® *OnLine* site, the Yellow Pages® *OnLine* site and all other related services are supplied by Sensis as agent for Telstra.

The Trading Post group (“Trading Post”) (described in more detail below) provides classified advertising services to consumers and small and medium enterprises through the Trading Post® online website and a range of Trading Post® print publications.

The entities comprising the Trading Post group are wholly owned subsidiaries of Sensis Pty Ltd.

Sensis promotes and procures Trading Post® print and online advertising and other related services as agent for Trading Post.

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

C/- Amanda Bodger
Mallesons Stephen Jaques
Level 50 Bourke Place
600 Bourke Street
Melbourne Vic 3000

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

- (i) White Pages® *OnLine* advertising supplied by Sensis as agent for Telstra;
- (ii) White Pages® print directory services supplied by Sensis as agent for Telstra;
- (iii) Yellow Pages® *OnLine* advertising supplied by Sensis as agent for Telstra; and
- (iv) Yellow Pages® print directory services supplied by Sensis,

collectively referred to as “Sensis Products”.

Print and online classified advertising services (“**Trading Post Products**”) supplied by one or more of the following members of the Trading Post group:

- (i) Trading Post Australia Pty Ltd;
- (ii) The Melbourne Trading Post Pty Ltd;
- (iii) The Personal Trading Post Pty Ltd;
- (iv) WA Auto Trader Pty Ltd;
- (v) Collectormania Australia Pty Ltd; and
- (vi) The National Trading Post Pty Ltd.

(b) *Description of the conduct or proposed conduct*

Sensis (whether in its own right or as agent for Telstra) proposes:

- (i) to supply or offer to supply a Sensis Product at a particular price; or
- (ii) to give or allow or offer a discount, allowance, rebate or credit in relation to a Sensis Product,

on the condition that the customer also acquires one or more Trading Post Products.

Sensis (whether in its own right or as agent for Telstra) proposes to refuse:

- (iii) to supply or offer to supply a Sensis Product at a particular price; or

- (iv) to give or allow or offer a discount, allowance, rebate or credit in relation to a Sensis Product,

for the reason that the customer has not acquired, or agreed to acquire, one or more Trading Post Products.

Sensis (as agent for Trading Post) proposes:

- (v) to supply or offer to supply a Trading Post Product at a particular price; or
(vi) to give or allow or offer a discount, allowance, rebate or credit in relation to a Trading Post Product,

on the condition that the customer also acquires one or more Sensis Products.

Sensis (as agent for Trading Post) proposes to refuse:

- (vii) to supply or offer to supply a Trading Post Product at a particular price; or
(viii) to give or allow or offer a discount, allowance, rebate or credit in relation to a Trading Post Product,

for the reason that the customer has not acquired, or agreed to acquire, one or more Sensis Products.

Examples of the proposed conduct are set out below:

- Sensis (as agent for Trading Post) may offer a discount to customers who purchase Trading Post® online advertising on the condition that they also purchase Yellow Pages® *OnLine* advertising; and
- Sensis (as agent for Telstra) may offer a discount to customers who purchase White Pages® *OnLine* or Yellow Pages® *OnLine* advertising on the condition that they also purchase Trading Post® online advertising.

The proposed conduct will be of benefit to the public as it will:

- provide advertisers with a real saving on current online advertising and marketing solutions offered by Sensis (whether in its own right or as agent for Telstra or Trading Post);
- provide advertisers with complementary advertising services to more effectively meet their marketing needs;
- allow new businesses, particularly small and medium enterprises (SMEs), to enter into online advertising and gain online advertising exposure at a reduced cost;
- further stimulate competition for the supply of online website and classified listing services, by encouraging both new and established businesses to initiate an online presence and utilise the potential of the internet; and

- increase the number of businesses advertising online so as to provide consumers with more comprehensive online search facilities that enable them to quickly and easily access a wide range of services and information through a variety of mediums and entry points.

The proposed conduct will not substantially lessen competition in the markets for the relevant services as:

- there are a significant number of effective competitors and potential competitors for the supply of print and online advertising and marketing services;
- Sensis will continue to offer all Sensis Products and Trading Post Products to businesses as individual products on a stand-alone basis, at the applicable standard rates. That is, businesses are not required to acquire Trading Post Products in order to obtain a Sensis Product (and vice versa); and
- online and print classified advertising is non-exclusive and the same advertiser can continue to advertise in multiple online advertising products and services with other suppliers of online advertising and website solutions. The proposed conduct does not diminish these options.

The applicant believes that the benefits from the proposed conduct outlined above will outweigh any possible detriment considered to arise from the conduct.

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

- Advertisers and potential advertisers using Yellow Pages® print directory services including Yellow Pages® directory and the Yellow Pages® *OnLine* site.
- Advertisers and potential advertisers using White Pages® print directory services including White Pages® directory and the White Pages® *Online* site.
- Advertisers and potential advertisers using the Trading Post® print publications and the Trading Post® online site.

(b) *Number of those persons —*

(i) *At present time*

Approximately 350,000 businesses currently acquire Sensis Products.

Approximately 29,862 businesses currently acquire Trading Post Products.

(ii) *Estimated within the next year*

Offers will be made to potential and existing customers who acquire Sensis Products and Trading Post Products. Sensis' target is to supply the initial package to approximately 1200 customers in the first 6 months.

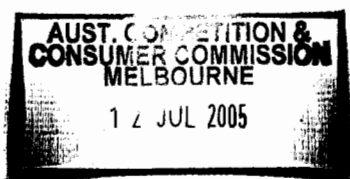
(c) *Where number of persons stated in item 3(b)(i) is less than 50, their names and addresses*

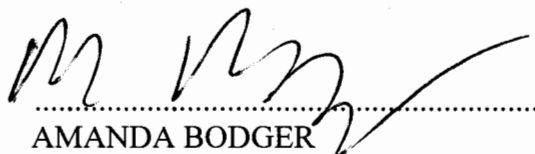
Not applicable

4 *Name and address of person authorized by the person giving this notice to provide additional information in relation to this notice*

Dated 12 July 2005

Signed on behalf of the applicant




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AMANDA BODGER
Mallesons Stephen Jaques

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 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 authorized 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.