

FILE No
DOC.
MARS/PRISM

Valentina Josifovski
Lawyer

PO Box 841
JAMISON CENTRE ACT 2614

Telephone: 02 6253 3563
Facsimile: 02 6253 0192

15 September 2005

Mr Scott Gregson
A/g General Manager, Adjudication
Australian Competition and Consumer Commission
470 Northbourne Ave
DICKSON ACT 2602

Dear Mr Gregson

Notification of Exclusive Dealing

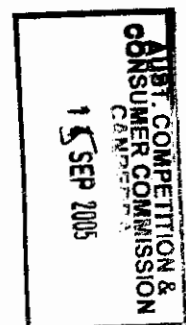
On behalf of Primus Online Pty Limited (ACN 092 063 691), I **enclose**:

- a notification relating to third line forcing – Primus-AOL and Dynalink; and
- a cheque in the amount of \$100 as payment of the required fee.

Please let me know if you need any additional information.

Yours sincerely


Valentina Josifovski



FORM G

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 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:

Primus Online Pty Limited ACN 092 063 691 trading as "Primus-AOL" ("PAOL")

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

PAOL provides a range of telecommunications services and related services, primarily Internet services but including fixed line telephony services (local, national and international).

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

Mr Gerald Miller
c/- Primus Telecom
Level 3, 538 Collins Street
MELBOURNE VIC 3000

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

- (1) Internet subscription services and associated products and services supplied by PAOL from time to time (Internet Services).
- (2) Telephony services and associated products and services supplied by PAOL from time to time (Telephony Services).
- (3) Modems.

(b) Description of the conduct or proposed conduct:

- (1) PAOL currently offers a range of Broadband Internet plans to new customers with varying features, monthly fees, contract terms, and set up fees. The monthly fee depends on the chosen plan and the set up fees depend upon the chosen contract term. If, however, a customer acquires a Dynalink branded modem from a computer hardware store that stocks Dynalink branded modems and registers for PAOL Broadband using the registration code that came with the Dynalink branded modem, the customer may receive savings up to a retail value of \$300 depending upon how the savings are packaged in any

given promotional period ("**Broadband Savings**"). Savings may be off the set-up fees, a waiver of a given number of monthly fees, an increase in download allowances or cash back. There is no obligation on a customer to continue to acquire Broadband Internet Services from PAOL after the expiry of their chosen contract term.

- (2) PAOL also currently offers Telephony Services to new customers, primarily to customers who also acquire Internet Services from PAOL. If, however, a customer acquires a Dynalink branded modem from a computer hardware store that stocks Dynalink branded modems and registers for PAOL Broadband using the registration code that came with the Dynalink branded modem, the customer may receive savings off their Broadband Internet plan in addition to the Broadband Savings ("**Telephony Savings**"), with both the Broadband Savings and Telephony Savings being up to a retail value of \$300 depending upon how the savings are packaged in any given promotional period. Savings may be off the set-up fees, a waiver of a given number of monthly fees, an increase in download allowances or cash back. There is no obligation on a customer to continue to acquire Broadband Internet Services or Telephony Services from PAOL 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.

PAOL faces strong competition in the market for provision of Internet services in Australia, even more so in respect of Broadband Internet services where PAOL has not been able to gain any significant market share. There are over 689 Internet Service Providers in Australia supplying Internet Access (both Dial-Up and Broadband) to over 5.98 million Australians.

PAOL only provides Telephony Services as an added benefit to its Internet Services customers. The market for the provision of Telephony services in Australia is large and characterised by a large number of competitors.

Similarly, the retail modem market in Australia is extremely competitive. The Dynalink brand, owned by Askey Australia Pty Limited, a small company based in Chatswood, Sydney, competes with a number of major international and domestic players including D-Link, Swann and NetComm.

Consumers are free to purchase a Dynalink branded modem without acquiring services from PAOL. Similarly, consumers can register with PAOL without acquiring a Dynalink branded modem.

The conduct allows PAOL and Dynalink to provide an improved offering to consumers of Broadband Internet subscription services, together with Telephony services (if chosen by the customer,) and modems. It is a competitive response to high level of competition in those markets.

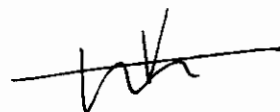
3. (a) **Class or classes of persons to which the conduct relates:**

Purchasers of Dynalink branded modems seeking to acquire Broadband Internet services, together with Telephony Services (if chosen by the customer) from PAOL.

(b) **Number of those persons -**

- (i) At present time:

In excess of 50.



(ii) Estimated within the next year:

In excess of 50.

(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

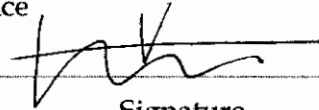
PO Box 841

Jamison Centre ACT 2614

Telephone: (02) 6253 3563; Fax: (02) 6253 0192

Dated *15 SEPTEMBER* 2005

Signed by/on behalf of the person giving
this notice



Signature

VALENTINA JOSIFOVSKI

Full Name

LAWYER

Description