

MALLESONS STEPHEN JAQUES

~~Confidential communication~~

Mr Scott Gregson
Acting General Manager
Adjudication Branch
Australian Competition and Consumer Commission
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Melbourne VIC 3000
Fax (02) 6243 1211

20 September 2005

Dear Mr Gregson

Third line forcing notifications N40890 and N40908 lodged by Sensis Pty Ltd ("Sensis")
Your ref: C2005/1138

We refer to your letter dated 6 September 2005 and our subsequent telephone call to Michael Green on 12 September 2005 regarding the lodgment of the above third line forcing notifications ("notifications").

We have considered your request for further information in relation to the notified conduct. Following discussions with our client, we wish to provide you with some examples of the possible offers intended to be covered by the notifications. As requested, these examples provide you with a more detailed description of the nature and level of discounts of our client's potential offers. The examples are set out below.

More generally, our client believes that the notified conduct will not substantially lessen competition in the markets for the relevant services as:

- all offers involving the notified conduct are intended to be short-term offers, designed to provide to consumers who elect to take up an offer added benefits and features; and
- all products referred to in the notifications will continue to be available to business as individual products on a stand-alone basis, at standard rates. A business will not be required to acquire one product in order to obtain another product.

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Examples of notified conduct

All products and services included in the examples below are described in more detail in the notifications.

- 1 Sensis (as agent for Telstra) may offer a free Yellow Pages® *OnLine* site email listing on the condition that a customer also purchases a Yellow Pages® directory display advertisement and a CitySearch® product.
- 2 Sensis (as agent for Trading Post) may offer a 10% discount for a Trading Post display advertisement on the condition that a customer also purchases a Yellow Pages® directory display advertisement.
- 3 Sensis (as agent for Telstra) may offer a free White Pages® directory in-column listing on the condition that a customer purchases a Yellow Pages® directory in-column listing and a Yellow Pages® *OnLine* gold solution.
- 4 Sensis (as agent for Invizage) may offer \$100 worth of Invizage technology Help Desk services at no charge on the condition that a customer upgrades their existing Yellow Pages® directory listing to a Yellow Pages® directory display advertisement.
- 5 Sensis (as agent for Telstra) may offer a 15% discount for the first six months of a Sensis® 1234 National coverage product on the condition that a customer purchases advertising in the Australian Accommodation Finder.
- 6 Sensis (as agent for Trading Post) may offer a 50% discount off any Trading Post publication display advertisement on the condition that a customer also purchases a Yellow Pages® directory display advertisement and a Sensis® 1234 product.
- 7 Sensis (as agent for Trading Post) may offer free of charge a Trading Post display advertising product for two weeks on the condition that a customer buys two weeks of Trading Post display advertising and a Yellow Pages® product.
- 8 Sensis (as agent for Telstra) may offer a 20% discount on either the cost of the first 6 months of advertising with Sensis 1234 or the cost of an Australian Accommodation Finder advertisement on the condition that a customer maintains or increases their current Yellow Pages® directory spend and buys either a Sensis® 1234 product or an Australian Accommodation Finder display advertisement.
- 9 Sensis (as agent for Telstra) may offer \$10 off the first purchase of a sensis.com.au listing on the condition that a customer purchases bold listings in both the White Pages® and Yellow Pages® directories.

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- 10 Sensis (as agent for Telstra) may offer a free Sensis® 1234 product for one suburb on the condition that a customer purchases a Yellow Pages® directory in-column listing and Yellow Pages® *OnLine* enhanced listing.
- 11 Sensis (as agent for Telstra) may offer a free listing on sensis.com.au for six months on the condition that a customer purchases a Yellow Pages® display advertisement and a Yellow Pages® *OnLine* product.
- 12 Sensis (as agent for Telstra) may offer a 10% discount for a Sensis® 1234 home suburbs listing on the condition that a customer purchases a Citysearch® product.
- 13 Sensis (as agent for Telstra) may offer 20% off a White Pages® Duo product on the condition that a customer purchases a Yellow Pages® directory target advertisement.
- 14 Sensis (as agent for Trading Post) may offer a third week free advertising upgrade in the Trading Post on the condition that a customer advertises for two weeks in Trading Post and purchases a sensis.com.au listing.
- 15 Sensis (as agent for Telstra) may offer a free Yellow Pages® *OnLine* / Trading Post link on the condition that a customer buys a Yellow Pages® *OnLine* Listing and a Trading Post Power Page.
- 16 Sensis may offer 25% off a Yellow Pages® directory display advertisement on the condition that a customer subscribes to a Trading Post print / Trading Post *OnLine* bundle for at least 26 weeks.
- 17 Sensis (as agent for Telstra) may offer a free Whereis® *MapLink* product for 12 months on the condition that a customer purchases a Yellow Pages® print display advertisement and a Yellow Pages® *OnLine* gold solution.
- 18 Sensis (as agent for Telstra) may offer a free annual licence to use the Whereis® image on the condition that a customer purchases at least 400 UBD directories per year.

Companies for which Sensis acts as agent

As you are aware, the notifications lodged by Sensis were intended to cover both conduct by Sensis in its own right and conduct by Sensis acting in its capacity as agent for a number of other entities. However, in your letter dated 6 September 2005, you suggested that there may be some legal doubt as to whether the immunity afforded to Sensis by the notification extends to all companies for which Sensis is acting as an agent. Please can you confirm whether or not the

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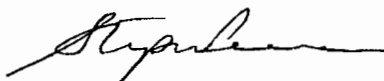
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notifications will provide immunity in respect of the notified conduct relating to each of the specified entities, as set out in the notifications.

We trust that our responses above sufficiently address your concerns. Please contact Katrina Howie on (03) 9643 4390 should you require further clarification of any of the points raised in your letter.

Yours sincerely



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