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Date: 3 August 2007

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Application for Authorisation A91058

Office Choice Limited

I refer to our telephone conversation yesterday and provide the following further information in relation to my client's application.

Membership of BPGI

Office Choice Limited ("OC") has been a member of BPGI for approximately 11 years.

Office Products Depot Limited ("OPD") has been a member of BPGI for approximately 9 years.

OC was the only Australian based member of BPGI until Office National Limited ("ON") joined in 2004.

Currently ON, OC and OPD negotiate separately with Suppliers.

Benefits of BPGI membership have been largely confined to discounts negotiated by BPGI in foreign markets primarily for the benefit of other members of BPGI. ON, OC and OPD as members of BPGI are entitled to the benefit of such agreements.

It was not until ON joined BPGI (i.e now two members in Australia) that there has been the potential for BPGI to negotiate on behalf of more than one entity in Australia.

Fees payable to BGPI

An annual membership fee (dependent on purchasing volume) is paid by each of OC, OPD and ON to be a member of BGPI. No other fees are paid by them for BPGI's services.

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Discounts and Rebates in the Market

The level of discount or rebate offered by a Supplier in most instances depends on the turnover/potential buying power of the buying group/entity.

Rebates received from Suppliers are generally broken into three categories;

1. Volume based;
2. Marketing; and
3. BPGI.

All rebates (including the BPGI component) are paid back to the relevant franchisor (OC, OPD or ON). A portion of the rebate is retained by the relevant franchisor for marketing purposes (i.e brochures, media advertising etc.) with the balance being directed back to the relevant franchisee.

Operation of Office Products Depot in Australia

OPD does not operate in Australia as stated in the Supporting Submission. ON has licensed the use of the name Office Products Depot ("Brand") from OPD. ON has various franchisees operating under the Brand in Australia.

The website www.officeproductsdepot.com.au is owned and operated by ON as licensee of the Brand.

Number of Franchisees as at 3 August 2007

| | |
|--------------------------------|----------------------------|
| Office National Limited | 31 (Office Products Depot) |
| | 142 (Office National) |
| Office Choice Limited | 104 (Office Choice) |
| | 19 (Office Connexions) |
| Office Products Depot | 38 (in New Zealand only) |

Please do not hesitate to contact me with any further queries you may have.


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