



AUST. COMPETITION &
CONSUMER COMMISSION
SYDNEY

29 SEP 2008

Life's Good

LG Electronics Australia Pty. Ltd.
A.C.N. 064 531 264 A.B.N. 98 064 531 264
2 Wonderland Drive
Eastern Creek NSW 2766
PO Box 212 Horsley Park NSW 2175
Corporate Phone: 02 8805 4000 Fax: 02 8805 4201

29 September 2008

The General Manager
Australian Competition and Consumer Commission
Level 7, Angel Place
123 Pitt Street
SYDNEY NSW 2000

FILE No:

DOC:

MARS/PRISM:

And by Facsimile: 02 6243 1211

Dear Sir/Madam

From G - Notification of Exclusive Dealing

Please find enclosed Form G – Notification of Exclusive Dealing relating to proposed conduct by LG Electronics Australia Pty Ltd ("LGEAP") which may amount to **third line forcing** and cheque payable to Australian Competition and Consumer Commission in the amount of \$100.00 on account of notification fees.

LGEAP proposes to offer customers a gift with purchase. Customers who purchase a Blu-Ray DVD player have the option of applying for a gift, which will be 4 months access to BigPond Movie services. Each of these gifts have been pre-purchased by LGEAP from BigPond prior to commencement of the promotion. Customers will be given a promotional code which will entitle the customer, subject to agreeing to the terms and conditions imposed by service provider to sign up and access the BigPond Movie Service for 4 months. At the end of this time customers will be given an option to pay to continue with the service. This will be provided on an opt-in basis.

Yours faithfully

Richelle Fitzgerald
Acting General Counsel

{00561366}
CG Solicitors Pty Ltd ABN 73 125 176 230

Queensland 23 Terrace Place Murarrie QLD 4172 Tel: (07) 3908 9000 Fax: (07) 3399 4179
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Newcastle PO Box 265 Bonnells Bay NSW 2264 Tel: 0419 464 524 Fax: (02) 4973 6909

Form G

Commonwealth of Australia
Trade Practices Act 1974 — subsection 93 (1)
NOTIFICATION OF EXCLUSIVE DEALING

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 subsections 47 (2), (3), (4), (5), (6), (7), (8) or (9) of that Act in which the person giving notice engages or proposes to engage.

PLEASE FOLLOW DIRECTIONS ON BACK OF THIS FORM

1. Applicant

- (a) Name of person giving notice:
(Refer to direction 2)

LG Electronics Australia Pty Ltd ACN 064 531 264 ("LGEAP") N93605

- (b) Short description of business carried on by that person:
(Refer to direction 3)

LGEAP manufactures and distributes electrical appliances, mobile phones, white goods and air conditioners. Such goods are sold through retailers and authorised dealers.

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

General Counsel
LG Electronics Australia Pty Ltd
2 Wonderland Drive
EASTERN CREEK NSW 2766

2. Notified arrangement

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

The proposed arrangement relates to LGEAP Blu-Ray BD 300 DVD Players ("Participating Product").

- (b) Description of the conduct or proposed conduct:
(Refer to direction 4)

LGEAP proposes to offer customers a gift with purchase. Customers who purchase a Participating Product have the option of applying for a gift, which will be 4 months access to BigPond Movie services. Customers will be given a promotional code which will entitle the customer, subject to agreeing to the terms and conditions imposed by service provider to sign up and access the BigPond Movie Service for 4 months. At the end of this time

customers will be given an option to pay to continue with the service. This will be provided on an opt in basis.

3. Persons, or classes of persons, affected or likely to be affected by the notified conduct

- (a) Class or classes of persons to which the conduct relates:
(Refer to direction 5)

Customers who purchase a Participating Product from authorised retailers and distributors.

- (b) Number of those persons:
(i) At present time:

Unknown

- (ii) Estimated within the next year:
(Refer to direction 6)

LGEAP estimates that 2000 customers will be affected by the notified conduct which will run from 13 October 2008 until 31 January 2009.

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

Not applicable

4. Public benefit claims

- (a) Arguments in support of notification:
(Refer to direction 7)

Customers will benefit from the proposed conduct as they have the option of receiving a gift with the purchase of a Participating Product.

LGEAP is of the opinion that there are a number of other manufacturers and distributors of DVD Players and that the market for such products is competitive.

As a result of LGEAP's promotion, other manufacturers may also consider implementing a similar promotion or other promotions to encourage customers to buy their products and this will benefit the end consumers and encourage competition in the market.

- (b) Facts and evidence relied upon in support of these claims:

There are a number of other manufacturers who manufacture similar products to the Participating Product annexed hereto and marked with the letter A is a list of alternative manufacturers in the market.

5. Market definition

Provide a description of the market(s) in which the goods or services described at 2 (a) are supplied or acquired and other affected markets including: significant suppliers and acquirers; substitutes available for the relevant goods or services; any restriction on the supply or acquisition of the relevant goods or services (for example geographic or legal restrictions):

(Refer to direction 8)

The relevant market to be affected by the promotion is the market for the provision of the Participating Product. The suppliers in this market include:

- (a) department stores;
- (b) retail appliance stores; and
- (c) other small outlets.

6. Public detriments

- (a) Detriments to the public resulting or likely to result from the notification, in particular the likely effect of the notified conduct on the prices of the goods or services described at 2 (a) above and the prices of goods or services in other affected markets:

(Refer to direction 9)

LGEAP considers that no public detriment will result out of the proposed conduct as:

- (a) customers are not forced to take up the offer of a gift with purchase and the price of the Participating Product has not been adversely affected by the offer;
 - (b) customers are required to opt-in should they wish to enter into any commercial arrangements with BigPond on expiry of the gift period;
 - (c) there are a number of alternative suppliers in the market.
- (b) Facts and evidence relevant to these detriments:

The terms and conditions of the promotion will indicate that the customer is not obliged to accept the offer and if they do accept the offer they must take positive steps to redeem that offer.

7. Further information

- (a) Name, postal address and contact telephone details of the person authorised to provide additional information in relation to this notification;

General Counsel
LG Electronics Australia Pty Ltd
2 Wonderland Drive
EASTERN CREEK NSW 2766

Dated..... 26.09.2008

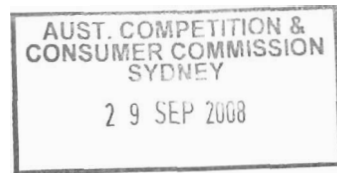
Signed by/on behalf of the applicant

.....
(Signature)

.....
(Full Name)

.....
(Organisation)

.....
(Position in Organisation)



DIRECTIONS

1. In lodging this form, applicants must include all information, including supporting evidence that they wish the Commission to take into account in assessing their notification.

Where there is insufficient space on this form to furnish the required information, the information is to be shown on separate sheets, numbered consecutively and signed by or on behalf of the applicant.

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. Describe that part of the business of the person giving the notice in the course of the which the conduct is engaged in.
4. If particulars of a condition or of a reason of the type referred to in section 47 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. Describe the business or consumers likely to be affected by the conduct.
6. State an estimate of the highest number of persons with whom the entity giving the notice is likely to deal in the course of engaging in the conduct at any time during the next year.
7. Provide details of those public benefits claimed to result or to be likely to result from the proposed conduct including quantification of those benefits where possible.
8. Provide details of the market(s) likely to be affected by the notified conduct, in particular having regard to goods or services that may be substitutes for the good or service that is the subject matter of the notification.
9. Provide details of the detriments to the public which may result from the proposed conduct including quantification of those detriments where possible.

Annexure A – Competitors

Sony
Panasonic
Samsung
Sharp

This is Annexure A referred to in Form G – Exclusive Dealing Notification lodged by LG Electronics Australia Pty Ltd

Signed by/on behalf of Applicant

..... *W Kim*
(Signature)

..... *WARREN KIM*
(Full Name)

..... *LG ELECTRONICS AUSTRALIA PTY. LTD*
(Organisation)

Dated: *26. 09. 08*