



American Express Australia Limited

American Express House
12 Shelley Street
Sydney NSW 2000 Australia

11 September 2012

BY HAND

Dr Richard Chadwick
General Manager
Adjudication Branch
Australian Competition & Consumer Commission
Level 20, 175 Pitt Street
Sydney NSW 2000

FILE No:
DOC:
MARS/PRISM:

Dear Mr Chadwick,

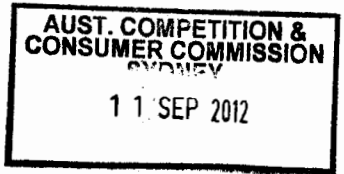
Third line forcing notification

We enclose for lodgement, a notification relating to third line forcing and a cheque of \$100.

Should you have any questions in relation to this notification, please do not hesitate to contact me on (02) 9271 2778.

Yours faithfully

Darshika Bandaranayake
Attorney
General Counsel's Office
+61 2 9271 2778
Darshika.S.Bandaranayake1@aexp.com



Form G

Commonwealth of Australia
Competition and Consumer Act 2010 — 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 *Competition and Consumer Act 2010*, 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:

N96144

American Express Australia Limited
ABN 92 108 952 085

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

American Express Australia Limited (**American Express**) conducts a payment services business, predominantly as an issuer of credit and charge cards and provider of merchant acquiring services.

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

Darshika Bandaranayake
Attorney, General Counsel's Office
American Express Australia Limited
12 Shelley St
Sydney NSW 2000
Fax (02) 9271 2393

2. Notified arrangement

(a) This notice relates to the provision of:

- the supply of credit cards and related services by American Express; and
- health and fitness centres operated by Fitness First Australia Pty Limited (**Fitness First**).

(b) Description of the conduct or proposed conduct:

American Express intends to offer newly acquired American Express Platinum Edge Credit Card (**Platinum Card**) members 20% off their Fitness First gym membership Fee for the first twelve months of their Platinum Card membership.

American Express will offer the benefits described above to its Platinum Card members on the condition that the customer spends \$500 and pays for their Fitness First membership fee using their Platinum Card.

The offer will be made available to both new and existing Fitness First members.

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:

Newly acquired American Express Platinum Edge Card members.

- (b) Number of those persons:

- (i) At present time:

Nil

- (ii) Estimated within the next year:

2985 persons

- (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

The promotion will benefit new Platinum Card members in the form of a 20% discount of their Fitness First membership.

There is no compulsion for Platinum members to acquire a Fitness First membership and conversely, there is no compulsion for Fitness First members to take up a Platinum Card.

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):

In the market for the provision of payment card services, customers have a significant number of product options available to them, including charge and credit cards provided by Diners Club and American Express and credit or debit cards offered by financial institutions on the MasterCard and Visa networks.

The fitness industry is highly competitive with many providers such as personal trainers, chain fitness centres, and local gyms providing similar or identical services to those provided by Fitness First. As a result, consumers are able to make choices based on price, value, quality of products and services and locality.

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:

American Express submits that there is no likely detriment to the public resulting from the proposed conduct

- (b) Facts and evidence relevant to these detriments:

The proposed conduct:

- in no way limits the genuine choice of customers in choosing whether to obtain a payment card from American Express or any other payment card issuer, and the proposed conduct does not otherwise affect other qualities of the card, such as pricing.
- will not lessen competition as customers will be under no obligation to acquire card services from American Express and customers will be able to purchase goods and services from independently from Fitness First without acquiring any products or services from American Express.

7. Further information

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

Darshika Bandaranayake
Attorney, General Counsel's Office
American Express Australia Limited
Level 1, 12 Shelley Street
Sydney NSW 2000
Tel: (02) 9271 12778
Fax: (02) 9271 2393
Email: Darshika.S.Bandaranayake1@aexp.com

Dated.....11.09.2012.....

Signed by/on behalf of the applicant

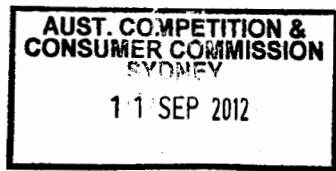
Darshika Bandaranayake

(Signature)

Darshika Bandaranayake
(Full Name)

American Express
(Organisation)

Attorney
(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 *Competition and Consumer Act 2010* 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.