

FILE No:
DOC:
MARS/PRISM:



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:
(Refer to direction 2)

N96406

Petals Network Pty Ltd

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

Petals Network Pty Ltd is a floral relay service. Petals has a network of florists throughout Australia and overseas providing for delivery of flowers and related gifts within these countries.

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

86a Beardy Street Armidale NSW 2350

2. Notified arrangement

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

Flower and related gift deliveries.

- (b) Description of the conduct or proposed conduct:

Petals proposes to enter into an arrangement with the NRMA in respect of the More4Members program, whereby Petals offers More4Members participants a discount on flowers and gifts purchased from Petals Network HQ for delivery throughout Australia and internationally.

(Refer to direction 4)

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)

NRMA Members and NRMA More4Members participants.

- (b) Number of those persons:

- (i) At present time:

2.4 million. (ii) Estimated within the next year:
(Refer to direction 6)

2.4 million. (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)

Petals Network Pty Ltd is one of a number of floral relay services within Australia and consumers, including NRMA More4Members participants would still have a wide variety of services to order flowers from.

The discount is being offered as part of the More4Members benefits program, but it is not an exclusive arrangement prohibiting More4Members participants from purchasing flowers and gifts from any other merchant it is merely an arrangement whereby if they choose to purchase from Petals they would receive a discount on that purchase.

The minimum discount offer would be 20% of the flower value of each purchase, with special offers being run at seasonal peaks with increased discounts or included add-ons.

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

In Australia there are over 2000 local florists, hundreds of online stores, several floral relay services, as well as local supermarkets where More4Members participants would be able to continue to purchase flowers outside of the proposed partnerships if they choose.

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 market in which the Petals Network operates in is retail sales of flowers and small gifts, predominantly through on line channels.

NRMA is a service provider of motoring services and benefits programs.

In Australia there are over 2000 local florists, hundreds of online stores, several floral relay services including but not limited to The Flower Company, 1300flowers, Interflora, Roses Only, Easy Flowers, Ready Flowers, as well as local supermarkets where More4Members participants would be able to continue to purchase flowers outside of the proposed partnerships if they choose.

The proposed partnership places no exclusivity on the participants to purchase from any particular supplier, nor does it prohibit non-More4Members participants from purchasing flowers and gifts from Petals Network.

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)

There would be no public detriment resulting or likely to result from the proposed partnership. The proposed partnership will not influence the pricing of the flowers offered to non More4Members participants or other associated costs of Petals Network and Petals will continue to transact with non More4Members participants i.e. the general public in the same way it has for the last 20 years.

Additionally, less than 1% of the eligible participants are expected to take up this discount offer annually.

(b) Facts and evidence relevant to these detriments:

People will still be able to purchase flowers in the same manner they always have, from any supplier they choose.

7. Further information

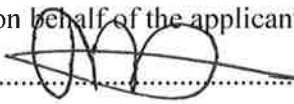
(a) Name, postal address and contact telephone details of the person authorised to provide additional information in relation to this notification:

Michael Martin Managing Director Petals Network PO Box 341 Armidale NSW 2350

Dated..... 30-11-12

Signed by/on behalf of the applicant

(Signature)



Michael Martin

(Full Name)

Petals Florist Network

(Organisation)

Managing Director

(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.