

- 5 APR 2012 -

Form G

Commonwealth of Australia

Competition and Consumer Act 2010 (Cth) — 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.

1. Applicant

(a) Name of person giving notice:

DealsDirect Pty Limited ('DealsDirect'), trading as 'DealsDirect.com.au'.

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

DealsDirect operates an online department store where it sells and distributes a wide variety of consumer goods to Australian consumers using the DealsDirect.com.au online platform.

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

2. Notified arrangement

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

Consumer goods and services within Australia in relation to which a discount, allowance, credit or rebate is offered to members of qualifying sporting or social clubs or subscribers to qualifying newspaper or other media services.

(b) Description of the conduct or proposed conduct:

See Attachment A.

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:

The persons or classes of persons affected or likely to be affected by the notified conduct are Australian consumers who may seek to purchase consumer goods or services from DealsDirect and who are members of qualifying sporting clubs or social clubs or have subscribed to qualifying newspaper or other media services.

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(b) Number of those persons:

(i) At present time:

Substantially in excess of 50.

(ii) Estimated within the next year:

Substantially in excess of 50.

(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:

See Attachment A.

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

See Attachment A.

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):

See Attachment A.

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:

See Attachment A.

(b) Facts and evidence relevant to these detriments:

See Attachment A.

7. Further information

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

Johdi Farrell

DealsDirect Pty Limited

PO Box 1012

Ingleburn, NSW 1890

Phone: 02 9641 2229

Dated. 5 April 2012



Signed by/on behalf of the applicant

DealsDirect Pty Ltd

(Organisation)

Compliance Manager

(Position in Organisation)

Attachment A

Description of the proposed conduct

DealsDirect.com.au operates an online department store where it sells and distributes to Australian consumers a wide variety of consumer goods including electrical goods, manchester, tools, toys, jewellery and wine.

DealsDirect proposes to make specific promotional offers from time to time in conjunction with certain qualifying sporting clubs and social clubs and newspapers and other media or organisations ('qualifying organisations'). The offers are to provide a specific discount, allowance, rebate or credit (eg free shipping) to customers who are members of a particular qualifying sporting or social organisation or who have entered into a specific type of subscription with a particular qualifying newspaper or other media organisation.

It is possible that these arrangements may technically fall within sections 47(6) and/or 47(7) of the *Competition and Consumer Act 2010* (Cth), on the basis that DealsDirect will be offering a discount, allowance, credit or rebate on the condition that customers acquires services from a qualifying organisation that is a third party. (None of the qualifying organisations is a related body corporate of DealsDirect Pty Ltd.)

Public benefits

The discounts and allowances proposed will promote consumer welfare by giving consumers more choice and by providing incentives that, if taken up, will lower the cost of consumer acquisition of the goods and services that are subject to the promotions to which this notification relates.

Consumer incentives of the kind proposed are common in the relevant market/s and are a feature of the strong and increasing competitive tension that exists between online retailers in Australia and between newspaper and other media organisations.

The market/s and market impact

The relevant markets are: (a) the Australian markets for each of the many and various goods and services offered by DealsDirect, including electrical goods, merchandise, tools, toys, jewellery and wine; and (b) the Australian markets for (i) sporting club and social club membership services; and (ii) print, television and telecommunications media communication, information and entertainment services.

DealsDirect has strong competition from online retailers and other retailers in relation to all the goods and services that it offers. The qualifying organisations also face strong competition in the markets in which they operate. There is no prospect of the proposed conduct substantially lessening competition in any market in any way. For example, there is no barrier to any competitor in any market offering similar promotional incentives if they wish to do so.

No public detriment

DealsDirect submits that there would be no public detriment as a result of the proposed promotional arrangements to be implemented from time to time.

There is no foreclosure of conduct by competitors or potential competitors in any market. Existing or potential competitors are entirely free to implement similar promotions. The proposed conduct is likely to foster further competition by DealsDirect's competitors.

The discounts, allowances, credits and rebates proposed are to be borne by DealsDirect Pty Ltd. They will not be the subject of cost recovery from the qualifying organisations in conjunction with which the promotions will be made.

The promotions will be advertised and marketed clearly and accurately and fully in accordance with the Australian Consumer Law.