

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)

N96769

Tyres4U Pty Ltd as trustee for TWA Trust trading as "Tyreright"

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

Tyres4U Pty Ltd conducts a tyre wholesale and retail business including through "Tyreright".

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

*165-171 Milton Street
ASHFIELD NSW 2131*

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 the supply (including fitting) of tyres to retail customers.

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

It is proposed that a 10% discount be offered on the price of all tyres (including those already on special) purchased at a Tyreright Service Centre or online at www.tyreright.com.au where (or on condition that) the customer is an NRMA Member.

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)

Consumers who purchase tyres from a Tyreright Service Centre or online at www.tyreright.com.au.

(b) Number of those persons:

(i) At present time:

The NRMA has approximately 2.4 million Members. It is unknown as to which of Tyreright's existing customers or new customers are or will be NRMA Members.

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

This is unknown for the reason described in item 3 (b) (i) above.

(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 who are NRMA Members will benefit from the proposed arrangement as they will pay a lower price for tyres. Tyres4U Pty Ltd considers that the market for tyres is competitive, with numerous suppliers in the tyre market. Other competitors may, as a result of the offer, consider offering similar discounts in order to attract consumers. Therefore the proposed arrangement is expected to enhance competition in the market for tyres. Indeed, a major competitor of Tyres4U is understood to offer a similar discount for NRMA Members. Further, to the extent that consumers may take up membership of NRMA in order to avail themselves of this discount, Tyres4U Pty Ltd considers it desirable that motorists be members of a roadside service organisation with consequential benefits for road safety.

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

There are approximately 2.4 million NRMA Members. There are approximately 15 million tyres replaced in Australia each year. There are approximately 1,500 retail tyre suppliers in NSW. Our experience in the market for tyres is that if one retailer is offering a discount on tyres, this can lead to competitors also offering discounts.

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)

Approximately 15 million tyres are replaced each year in Australia. The relevant market here is the tyre retailing market in NSW. This market is large and diversified, with there being approximately 1,500 retail tyre suppliers in NSW. Tyreright represents approximately 60 (or 4%) of these. There are many other retail suppliers in the market and hence many substitutes available.

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)

Tyres4U Pty Ltd considers that the potential public detriment that may result from the proposed conduct is that customers who are not NRMA Members will not receive this discount. It is considered that the potential public detriment would be only minimal as:

- There are a large number of alternative suppliers in the market from which consumers may purchase tyres and which provide their own discounts from time to time.*
- These alternative suppliers supply an extensive range of tyres.*
- It would seemingly be open to competitors to offer a discount on similar terms to consumers who are NRMA Members.*
- NRMA Members are not obliged to buy tyres from Tyreright.*
- Many Tyreright customers may already be NRMA Members.*
- Consumers are not obliged to be NRMA Members in order to purchase tyres from Tyreright i.e. consumers who are not NRMA Members can still purchase tyres from Tyreright but not with this particular discount.*
- Non-NRMA Members who wish to avail themselves of this 10% discount from Tyreright can, relatively inexpensively, become Members of NRMA.*

To the extent there is any potential public detriment, it is outweighed by the public benefits referred to in item 4(a) above.

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

There are a significant number of tyre retail outlets in NSW - in the order of 1,500 - and of this number Tyreright represents approximately 60 (or 4%).

7. Further information

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

*Mr Gregor Stone
Group General Manager, Marketing
Tyres4U Pty Ltd
PO Box 233
ASHFIELD NSW 2133
Phone: (02) 9799-1716*

Dated.....*24th May 2013*.....

Signed by/on behalf of the applicant

R Eatock
.....

(Signature)

R A Eatock
.....

(Full Name)

Tyres4U Pty Ltd
.....

(Organisation)

COMPANY SECRETARY
.....

(Position in Organisation)