



Australian
Competition &
Consumer
Commission

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NEWS RELEASE

A.C.C.C. NOT TO OPPOSE PROPOSED ACQUISITION OF THE COLES GROUP BY WESFARMERS LIMITED

The Australian Competition and Consumer Commission will not intervene in the proposed acquisition of the Coles Group by Wesfarmers Limited, ACCC Chairman, Mr Graeme Samuel, said today.

"The ACCC conducted a comprehensive review of the proposed acquisition, including extensive market inquiries with interested parties," Mr Samuel said.

"While these market inquiries revealed some concern from certain market participants about overlap in LPG, hardware, and related sectors, following further analysis the ACCC concluded that there was not likely to be a substantial lessening of competition in any market."

In relation to hardware, garden products, tools, lighting and electrical products, market inquiries revealed that the relevant Coles businesses, particularly K Mart, were not considered to impose a strong constraint on Wesfarmers' Bunnings business due to their limited range and targeting of particular price points.

In relation to automotive LPG, Coles is a retailer through Coles Express/Shell, while Wesfarmers is most strongly represented at the production and wholesale levels, as owner of the Kleenheat brand and a participant in the Unigas JV with Elgas. The ACCC found that the vertical integration of Coles Express/Shell's LPG retail and Kleenheat's wholesale and production activities is unlikely to disrupt supply to other retailers, due to constraints from other suppliers and competition from other players at the retail level.

The basis upon which the ACCC has reached its decision on Wesfarmers' proposed acquisition of Coles will be set out in a Public Competition Assessment which will be published on the ACCC's website, www.accc.gov.au, in due course.

Media inquiries

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