



ASX ANNOUNCEMENT

8 July 2004

The Manager
Corporate Announcement Office
Australian Stock Exchange Limited

Announcement No: 04/05

ANNOUNCEMENT OF PROPOSED TAKEOVER OFFER FOR ALH

Bruandwo Pty Ltd (**Bruandwo**) has announced today that it intends to make a takeover offer for all of the shares in Australian Leisure and Hospitality Group Limited (**ALH**) at a price of \$2.75 per share. The announcement makes clear that the proposed takeover offer will be highly conditional. ALH traded on the Australian Stock Exchange at \$3.14 immediately prior to Bruandwo's announcement.

At this stage ALH has not received Bruandwo's offer or Bidder's Statement and ALH's directors are not yet in a position to make a formal recommendation to shareholders. The directors of ALH will meet as soon as is practicable to consider the proposed offer in detail.

Bruandwo noted in its announcement today that it has determined that '*an acceptable alternative to a takeover bid would be extremely difficult to achieve in the near term*'. As announced on Monday 5 July 2004, ALH representatives met on Sunday 4 July 2004, with representatives of Bruandwo at the request of Bruandwo. At that meeting, Bruandwo expressed interest in exploring alternatives that may benefit both parties, but did not present any specific proposal. ALH has not received any further contact from Bruandwo since Sunday nor has it received any proposal, specific or otherwise.

Until ALH's directors have issued their formal recommendation regarding the proposed offer, shareholders are advised to take **no action** in relation to Bruandwo's proposed takeover offer. The offer must remain open for at least one month after receipt by shareholders of formal offer documents, giving shareholders ample time to make a decision in respect of Bruandwo's proposed offer.

ALH has appointed Goldman Sachs JBWere Pty Ltd to advise in respect of the proposed offer and to assist ALH's directors to evaluate and respond to the proposed offer from Bruandwo.

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Allan McDonald
Chairman

For more information, please contact:

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