

NEWS RELEASE



Australian
Competition &
Consumer
Commission

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A.C.C.C. NOT TO OPPOSE PROPOSED ACQUISITION OF ALH BY BRUANDWO LIMITED

The Australian Competition and Consumer Commission will not oppose the proposed acquisition of Australian Leisure and Hospitality Group Limited (ALH) by Bruandwo Limited (Bruandwo), ACCC Chairman, Graeme Samuel, said today.

"The acquisition leads to an increase in the acquirers' market shares in the markets for the retailing of packaged liquor for off-premises consumption, the markets for the retailing of liquor for on-premises consumption; the market in which liquor is acquired for subsequent retailing on-premises; the market in which liquor is acquired for subsequent retailing off-premises; and the electronic gaming machine market.

"However, these markets are characterised by a large number of small independent players and banner groups, and as a consequence the acquisition does not cross the ACCC's concentration thresholds except in certain local retail markets in Queensland.

"The ACCC analysed these local markets closely and found that the acquirer will continue to be constrained by competitors including Coles Myer Limited and independent competitors. Further, in many of these markets independent hotel owners hold entitlements to open new detached bottle shops, which will further constrain any attempt by the merged entity to raise prices. The ACCC therefore concluded that no substantial lessening of competition is likely to arise from the proposed acquisition."

Bruandwo is jointly owned by Woolworths Limited and Bruand Investments, a member of The Bruce Mathieson Group. ALH operates 130 hotels across Australia and 106 detached retail liquor outlets in Queensland. Its activities include on-premises retail liquor, restaurants and bistros, gaming, accommodation and retail packaged liquor for off premises consumption.

The ACCC conducted extensive market inquiries as part of its analysis of the proposed transaction, contacting competitors, suppliers, industry groups and other interested parties.

The ACCC also examined the impact of the transfer of ALH's property holdings to Bruandwo, particularly those in Victoria. The transaction appears unlikely to cross the ACCC's concentration thresholds in any property market.

Further information

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