

# BLAKE DAWSON WALDRON

L A W Y E R S

N41022

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AUST. COMPETITION &  
CONSUMER COMMISSION  
MELBOURNE  
28 SEP 2006

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Partner  
Stephen Ridgeway  
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Our reference  
03-1401-9072

18 September 2006

Mr Scott Gregson  
General Manager  
Adjudication Branch  
Australian Competition and Consumer Commission  
PO Box 1199  
Canberra ACT 2602

Dear Mr Gregson

## Notification under section 93 of the Trade Practices Act 1974 ("TPA")

We **enclose** a notification in relation to conduct potentially falling within sections 47(6) or 47(7) of the TPA, lodged on behalf of Allco Principal Nominees Pty Ltd (**Allco**) and Sigma Company Limited (**Sigma**).

We also **enclose**:

- a submission in support of the notification; and
- a cheque for \$1,000.00, being the filing fee for the notification.

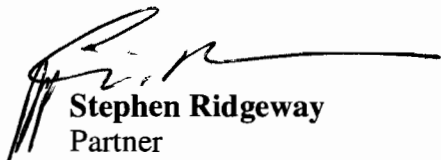
Withdrawn  
5/10/06  
(~~asm~~)

Allco and Sigma wish to keep the details of this notification confidential in order to protect the commercial advantage of the innovative proposal that is the subject of the notification.

We would be grateful if the Commission could keep the notification and accompanying submission confidential until the proposed goods and services have been launched. If the Commission needs to make market enquiries in relation this notification, please contact us so that we can obtain instructions as to how to proceed.

If you have any queries about this notification, please contact Stephen Ridgeway on (03) 9679 3529.

Yours sincerely



**Stephen Ridgeway**  
Partner  
Tel: 9679 3529  
stephen.ridgeway@bdw.com

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SYDNEY  
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Associated Office  
JAKARTA



NH1022

# Form G

Commonwealth of Australia  
Trade Practices Act 1974 --- Sub-section 93(1)  
**EXCLUSIVE DEALING  
NOTIFICATION**

To the Australian Competition and Consumer Commission:

Notice is hereby given, in accordance with sub-section 93(1) of the *Trade Practices Act 1974*, of particulars of conduct or of proposed conduct of a kind referred to in sub-section 47(2), (3), (4), (5), (6) or (7), or paragraph 47 (8) (a), (b) or (c) or (9) (a), (b), (c) or (d) of that Act in which the person giving notice engages or proposes to engage.

(PLEASE READ DIRECTIONS AND NOTICES ON BACK OF FORM)

1. (a) Name of person giving notice **Allco Principal Finance Nominees Pty Limited ("Allco") (ACN 117 478 896) as trustee for the Gateway Pharmacy Finance Trust**.....

(b) Short description of business carried on by that person  
**Provision of commercial financial services**.....

(c) Address in Australia for service of documents on that person  
**C/- Mr Stephen Ridgeway, Blake Dawson Waldron, Level 39, 101 Collins Street, Melbourne, 3000**.....

2. (a) Description of the goods or services in relation to the supply or acquisition of which this notice relates  
**Provision of commercial credit to retail pharmacy businesses**.....

(b) Description of the conduct or proposed conduct  
**The provision of discounted commercial credit to retail pharmacy businesses by Allco on the condition that the retail pharmacy businesses acquire a specified level of trading stock from Sigma Company Limited**.....

3. (a) Class or classes of persons to which the conduct relates  
**Retail pharmacy businesses**.....

(b) Number of those persons--  
(i) At present time **..Nil**.....

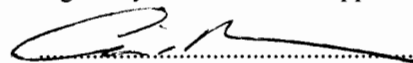
(ii) Estimated within the next year.. **Currently estimated to be in the range of 500 to 1,000 retail pharmacies (approximately 10% to 20% of the retail pharmacy market in Australia)**.....

(c) Where number of persons stated in item 3 (b) (i) is less than 50, their names and addresses  
.....

4. Names and address of person authorised by the person giving this notice to provide additional information in relation to this notice.. **Mr Stephen Ridgeway, Blake Dawson Waldron, Level 39, 101 Collins Street, Melbourne, 3000**.....

Dated 18/9, 2006

Signed ~~by~~ on behalf of the applicant giving notice

  
.....  
(Signature)

DANIEL PRESTON  
.....  
(Full Name)

PARTNER, BLAKE DAWSON WALDRON  
.....  
(Description)

## Submission to the Australian Competition and Consumer Commission

by

### Allco Principal Finance Nominees Limited as Trustee for the Gateway Pharmacy Finance Trust

#### 1. Introduction

This submission is in support of a notice lodged under section 93(1) of the *Trade Practices Act 1974 (Cth)* ("**the Act**") in relation to conduct potentially falling within sections 47(6) or (7) of the Act. Accordingly, the relevant test to be applied by the Commission is set out in section 93(3A) of the Act, whereby the Commission assesses whether the public benefits associated with the relevant conduct outweigh any likely public detriment.

#### 2. Allco and Sigma

Allco Principal Finance Nominees Limited (**Allco**) is a subsidiary of Allco Finance Group Limited and acts as trustee for the Gateway Finance Pharmacy Trust. Allco Finance Group Limited is an investment company which invests in niche financial products and services, including equipment leasing, securitisation, funds management, placement and underwriting of financial risks and other structured financial investments.

Sigma Company Limited (**Sigma**) is a wholly owned subsidiary of Sigma Pharmaceuticals Limited (collectively, the **Sigma Group**). The Sigma Group is a leading manufacturer of pharmaceutical and healthcare products, a wholesaler and distributor of pharmaceutical goods and services, and owner of the Amcal, Amcal Max and Guardian retail pharmacy banner brands. The Sigma Group distributes pharmaceutical and healthcare products to more than 4,000 of the (circa) 4,800 pharmacies in Australia, of which 600 operate under a Sigma banner brand.

#### 3. The relevant conduct

Sigma and Allco propose to enter into an arrangement whereby loans will be provided by Allco to eligible retail pharmacy businesses. Eligibility will be determined by Sigma and will depend upon the extent to which the retail pharmacy business is purchasing generic and over-the-counter products from Sigma as its first-line wholesaler, as well as other strategic commercial factors.

Under the terms of the proposed loan contract, Allco will reserve the right to terminate the loan agreement if the retail pharmacy business ceases to be an eligible borrower.

No form of rebate or payment is to be made by Allco to Sigma in relation to the loan arrangement.

#### 4. Detriment

There will be no detriment to the public or any relevant market in relation to the proposed arrangement.

Retail pharmacy businesses who purchase Sigma products will remain completely free to obtain a loan facility from any other credit provider.

The proposed arrangement will not affect competition in the retail pharmacy market. Clearly, it will also not affect competition in the commercial credit market.

5. **Benefit**

Under the arrangement, eligible retail pharmacy businesses will have the opportunity to obtain commercial credit at favourable rates.

The consequent reduction of costs for these retail pharmacies will promote efficiency and opportunities for price reduction, or avoidance of price rises, in relation to customer products.