

# MinterEllison

5 March 2018

Tess Macrae  
Assistant Director – Adjudication  
Australian Competition & Consumer Commission  
Level 17, 2 Lonsdale Street  
MELBOURNE VIC 3000

Dear Tess

## **Tooltechnic notification of resale price maintenance – request for information**

We refer to your email dated 23 February 2018.

Please see below additional information as requested.

- 1. Proposed timing for introducing the Fein RPM conduct, including the lead times involved for Tooltechnic to make the necessary preparations for Fein products and what these preparations might involve**

The proposed timing for introducing the Fein RPM conduct would be either [REDACTED] 2018 or [REDACTED] 2018.

The necessary preparations will involve drafting and finalising an amendment to the Dealer Partner Contracts with each Fein dealer, using similar provisions as in the current Festool Dealer Partner Contract.

It would also require conducting training internally and externally for the Tooltechnic Sales Team and the Fein dealers and their staff.

Tooltechnic would also encourage Fein dealers to prepare for selling Fein products online. This will require some time for providing dealers with the relevant marketing content such as images and product descriptions.

- 2. The degree of overlap between the Fein and Festool ranges**

The main focus of Fein's product range is Metal Core Drilling and Angle Grinders (for metal work), and Multitools (Fein sells approximately 10 different types).

The main focus of Festool's product range is sawing (non-metal work), surface treatment and dust extraction for wood-working and painting.

Both Fein and Festool overlap in the areas of dust extraction and cordless drills (which is a standard product for most power tool manufacturers). Festool also sells one type of Multitool produced by Fein as an original equipment manufacturer product.

Other than that, the positioning of the brands are quite different with the defined target markets for Festool being wood-work, painting and construction, and Fein being all applications around metal and metal industries.

**3. Which brands compete closely with Fein products**

**Metal Core Drills:**

- Milwaukee
- Metabo
- Hougén (specialist)
- Hølemaker (specialist)
- Rotabroach (specialist)
- Nitto Kohki (specialist)

**Angle Grinders:**

- Bosch
- Makita
- Metabo
- Milwaukee
- Hitachi
- DeWalt – Black and Decker

**Multitools:** this is a standard product for most power tool manufacturers.

**4. The main types of end-users of Fein products**

Tooltechnic provides Fein tools and accessories for the following types of end-users:

- **engineering companies**
- **welders**
- **manufacturers:** fabricators (steel, stainless steel, aluminium, foundry and heavy fabrication), metal polishing, hole drilling and fastening, tooling and machining, and all other metal trades and metal trade educators;
- **building trades:** encompassing builders, carpenters, flooring professionals, plumbers, electricians, roofers, and those in the building trade educational sector; and
- **DIY end users:** who purchase specific products for home use (in particular, Multitools).

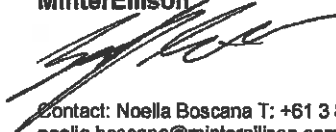
**5. Clarification of Tooltechnic's market share provided in Figure 1 of the supporting submission (which appears to only relate to Festool products) – that is, please provide Fein's Australian market share and/or the combined market share for Festool and Fein.**

Tooltechnic's market share as provided in Figure 1 (i.e. [redacted]%) is the combined market share for Festool and Fein products, which is less than 5% of the national wholesale market for power tools. The column for 'product name' should read 'Festool and Fein'.

The approximate breakdown of this market share is as follows: Festool [redacted]% and Fein [redacted].

Please let us know if you have any further queries.

Yours faithfully  
MinterEllison



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