

**UNDERTAKING TO THE TRADE PRACTICES C
PURSUANT TO SECTION 87B OF THE TRADE P**



BY

**AUSTRALIAN LIQUOR MARKETERS PTY LTD ('ALM')
of 4 Newington Road, Silverwater, In the State of New South Wales
(ACN 002 885 645)**

BACKGROUND

- (1) Australian Liquor Marketers Pty Ltd ('ALM') proposes to acquire from Tasmanian Breweries Ltd (ACN 009 573 899) the business trading as Chancellors, including all stock and goodwill associated with that business. Chancellors is a business name registered in the State of Tasmania by Tasmanian Breweries Ltd, a company ultimately owned by The Australian Brewing and Hospitality Group Ltd (ACN 064 597 977).
- (2) ALM is Australia's largest wholesale distributor of wine and spirits, and supplies liquor products to resellers in Tasmania, Victoria, New South Wales, Queensland, Western Australia and Northern Territory.
- (3) Chancellors supplies liquor products to resellers in Tasmania, and holds exclusive wholesale agency and sub-agency rights to supply a number of market leading wine and spirit brands to Tasmanian resellers.

TPC CONSIDERATION OF PROPOSED ACQUISITION

- (4) The Trade Practices Commission ('the Commission') is of the view that the proposed acquisition may contravene section 50 of the Trade Practices Act ('the Act').
- (5) In particular, the Commission is concerned that:
 - (a) the acquisition of Chancellors by ALM may increase ALM's share of wholesale wine and spirits sales in Tasmania from less than 25% to greater than 75%; and
 - (b) a continuation of exclusive liquor supply arrangements in Tasmania is likely to present a significant barrier -
 - (i) to potential wholesalers entering the market to supply wine and spirits to Tasmanian resellers;
 - (ii) for existing wholesalers attempting to improve their market positions; and

- (iii) for liquor retailers in Tasmania having viable alternative sources of supply of wine and spirits.
- (6) In consequence, the Commission is concerned that unless such barriers are removed, there is a likelihood that the acquisition will result in a substantial lessening of competition in the market for the supply of wine and spirits to resellers in Tasmania.
- (7) ALM has agreed to provide an undertaking to the Commission that ALM will not enter into arrangements which act to prevent resellers in Tasmania from obtaining supply of wine and spirits from other firms, or to affect their terms of trade.

UNDERTAKING

- (8) ALM undertakes for the purposes of section 87B of the Act that:

ALM and its related or associated bodies corporate will not enter into any contract, arrangement or understanding that has the purpose, or would have or be likely to have the effect, of preventing, restricting or hindering the supply of wine and spirits directly or indirectly to liquor resellers in the State of Tasmania, without first obtaining the written approval of the Commission.

Interpretation

- (9) In this undertaking:
 - (a) related body corporate has the same meaning given to that expression by Section 4A of the Act;
 - (b) associated body corporate has the same meaning given to that expression in Part 1.2 of Division 2 of the Corporations Law;
 - (c) a reference to the doing of or refraining to do anything directly or indirectly by a body corporate shall include the doing of or refraining to do that thing by a body corporate which is a related body corporate of the body corporate referred to;
 - (d) where these undertakings require ALM to do or to refrain from doing a certain thing directly or indirectly, ALM shall take all reasonable steps to ensure that a relevant related body corporate shall do or refrain from doing that thing so as to ensure that the thing is done or not done, as the case may be;
 - (e) the singular includes the plural and vice versa;

- (f) a reference to preventing, restricting or hindering in connection with the supply of wine and spirits shall include affecting -
 - (i) the price charged for wine and spirits supplied;
 - (ii) any discounts, allowances, rebates or credits given or allowed in relation to the supply of wine and spirits;
 - (iii) the provision of services in respect of the supply of wine and spirits; or
 - (iv) the terms for payment for the supply of wine and spirits or provision of services in respect of the supply of wine and spirits; and
- (g) a reference to wine and spirits shall include any one or more of the following:
 - (i) wine, cider, brandy, rum, whisky, gin, vodka, liqueur or any other spiritous or fermented liquor; and
 - (ii) any mixed liquor containing any such liquor.

ACKNOWLEDGEMENTS

- (10) ALM acknowledges and accepts that this document will be placed on the TPC's public register and that the Commission may otherwise publish or refer to this document at its discretion.

IN WITNESS OF THIS UNDERTAKING

THE COMMON SEAL OF
 AUSTRALIAN LIQUOR MARKETERS PTY LTD
 was hereunto affixed by authority
 of the Board of Directors
 previously given in the presence of:

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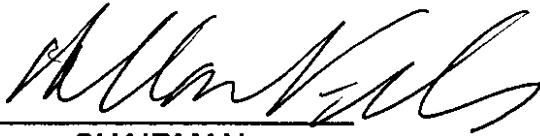
Allan Thompson

 DIRECTOR

This 24TH day of FEBRUARY

1995

ACCEPTED BY THE TRADE PRACTICES COMMISSION
PURSUANT TO SECTION 87B
OF THE TRADE PRACTICES ACT 1974



CHAIRMAN

This 8th day of March 1995