



Australian
Competition &
Consumer
Commission

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NEWS RELEASE

ACCC WILL NOT OPPOSE AQUIS' PROPOSED ACQUISITION OF THE REEF HOTEL CASINO

The Australian Competition and Consumer Commission has announced that it will not oppose the proposed acquisition by Aquis Reef Holdings (Aus) Pty Ltd (together with its related bodies corporate, Aquis) of the Reef Hotel Casino (Reef Casino) in Cairns.

Aquis currently has no existing casino interests in Australia or elsewhere in the world, but proposes to develop a large resort and casino 15km north of Cairns (the Aquis Resort). If it proceeds, the Aquis Resort would be the second casino in Cairns. In a related transaction, Aquis also proposed to acquire the Canberra Casino from one of the main unitholders in the Reef Casino Trust.

"The ACCC carefully reviewed the proposed acquisition by Aquis of the Reef Casino because it has the potential to reduce the future number of casino owners in Cairns from two to one." ACCC Commissioner Jill Walker said.

"However, the ACCC's investigations suggested that there was likely to be limited competition between the Reef Casino and the Aquis Resort in the absence of the proposed acquisition."

"Development of the Aquis Resort is still at an early stage, and is conditional on a number of factors. Nonetheless, the ACCC understands that the resort, if developed, would be of a scale that is unprecedented in Australia. The total expenditure required to develop the first stage alone would be over \$5 billion."

"The ACCC was satisfied that, if developed, the Aquis Resort will focus primarily on international VIP customers because the size of its proposed investment would require a much higher return than could be obtained from non-VIP customers."

"In contrast, the vast majority of the Reef Casino's customers are non-VIP Cairns residents and domestic tourists, making bets at relatively low stakes. The Reef Casino makes most of its revenue from gaming machines, rather than from table games."

The Aquis Resort is currently one of two proposals shortlisted by the Queensland Government for the award of up to two casino licences as part of regional integrated resort developments. Gaming facilities at the Aquis Resort would include 750 gaming tables and 1500 gaming machines. If it proceeds, the resort will also include eight hotels, high-end retail shopping, an aquarium, two theatres, and convention and exhibition facilities.

The Queensland Government expects to make a final decision on whether the Aquis Resort will receive a casino licence in 2015.

The Reef Casino is a combination hotel and casino complex in Cairns. It has 128 hotel rooms, 38 gaming tables and over 500 gaming machines.

The proposed acquisition is of all the units in the ASX-listed Reef Casino Trust (RCT) and all of the issued shares in Reef Corporate Services Limited and Casinos Austria International (Cairns) Pty Ltd (the responsible entity of the Reef Casino Trust and manager of the casino respectively).

Media inquiries

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