



Australian
Competition &
Consumer
Commission

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NEWS RELEASE

ACCC NOT TO OPPOSE SABMILLER'S ACQUISITION OF FOSTER'S GROUP

The Australian Competition and Consumer Commission will not oppose the proposed acquisition of Foster's Group by SABMiller plc, after concluding that the acquisition is not likely to substantially lessen competition in the Australian market for the supply of bulk and packaged beer.

"The ACCC has formed the view that the proposed acquisition is not likely to result in a substantial lessening of competition for the supply of beer," ACCC Chairman Rod Sims said.

The ACCC carried out a comprehensive review, involving extensive market inquiries with a range of interested parties in the beer industry, including competing breweries, supermarket retailers, distributors, licensed venues and bottle shops.

SABMiller currently operates in Australia through Pacific Beverages, a joint venture with Coca-Cola Amatil. After the proposed acquisition, SABMiller and Coca-Cola Amatil intend to terminate the joint venture so that SABMiller will wholly own both Foster's and Pacific Beverages.

The ACCC considers that the removal of Pacific Beverages as an independent beer producer and supplier would be unlikely to raise substantial competition concerns.

"The evidence suggests that Pacific Beverages is not a significant force in the Australian beer market and other competitive constraints will continue to operate on a merged SABMiller/Foster's" Mr Sims said.

Post acquisition, the merged firm will continue to face competition from Lion Nathan, the second largest player in the Australian beer market.

Competition from smaller beer suppliers, such as Coopers and micro breweries, parallel imports and control brands supplied by the major supermarkets will also constrain the merged firm.

The ACCC's role differs from that of the Foreign Investment Review Board (FIRB), which is also reviewing this proposed acquisition. The FIRB examines proposals pursuant to the *Foreign Acquisitions and Takeovers Act 1975* and makes recommendations to the Government under its foreign investment policy, having regard to whether such proposals would be contrary to Australia's national interest.

Media inquiries

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General inquiries

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