

# WOOLWORTHS LIMITED

A.B.N 88 000 014 675

9 July 2004

The Manager, Companies  
Australian Stock Exchange Limited  
Company Announcements Office  
Exchange Centre  
Level 6  
20 Bridge Street  
SYDNEY NSW 2000

Dear Sir/Madam

## **BRUANDWO PTY LTD – TAKEOVER OFFER FOR ALH - BIDDER'S STATEMENT**

Woolworths Limited advises that the attached copy of the Bidder's Statement of Bruandwo Pty Limited (Bruandwo) in relation to its takeover offer for all the ordinary shares in Australian Leisure and Hospitality Group Limited was lodged with the Australian Securities & Investments Commission and served on ALH today.

**For and on behalf of  
WOOLWORTHS LIMITED**



**RKS JEFFS  
COMPANY SECRETARY**

# Bruandwo Pty Ltd

AEN 096212134

9 July 2004

The Manager  
Companies Announcement Office  
Australian Stock Exchange Limited  
Level 4  
20 Bridge Street  
SYDNEY NSW 2000

Dear Sir

## **TAKEOVER OFFER BY BRUANDWO PTY LIMITED FOR AUSTRALIAN LEISURE & HOSPITALITY GROUP LIMITED**

We enclose by way of service pursuant to item 5 of subsection 633(1) of the Corporations Act 2001 (Cth), a copy of the Bidder's Statement of Bruandwo Pty Limited (**Bruandwo**) in relation to its takeover offer for all the ordinary shares in Australian Leisure & Hospitality Group Limited (**ALH**).

For your information, Bruandwo's Bidder's Statement has today been lodged with the Australian Securities and Investments Commission and served on ALH.

Pursuant to section 633(4)(a) of the Corporations Act, we give notice that the people that Bruandwo will send information under item 6 of section 633(1) of the Corporations Act, namely Bruandwo's Bidder's Statement and Offer document in relation to its off-market bid to acquire all of the ordinary shares in ALH, are those persons that are registered holders of ordinary shares issued in ALH at 7.00pm on 12 July 2004.

Yours faithfully



**Bruandwo Pty Limited**  
**R.K.S. JEFFS**  
Company Secretary

LEVEL 2 56-58 CLAREMONT STREET SOUTH  
YARRA, VIC 3141

**Bidder's Statement**

*of*

**BRUANDWO PTY LIMITED  
(ABN 68 098 212 134)**

**in relation to**

**AUSTRALIAN LEISURE & HOSPITALITY GROUP LIMITED  
(ABN 37 067 391 511)**

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## IMPORTANT DATES

Bidder's Statement lodged with ASIC and ASX	9 July 2004
Date of Offer	[#] 2004
Date of Offer conditions notice*	[#] 2004
Offer closes (unless extended)*	[#] 2004

\* This date is indicative only and may be changed as permitted by the Corporations Act.

## IMPORTANT INFORMATION

This Bidder's Statement is dated 9 July 2004, was given to Australian Leisure & Hospitality Group Limited ABN 37 067 391 511 and was lodged with ASIC on that date. ASIC takes no responsibility for the contents of this Bidder's Statement.

In preparing this Bidder's Statement, Bruandwo has not taken into account the individual financial position and investment strategies of individual Shareholders. You should therefore seek your own advice in deciding which course of action to adopt.

## SECTION 1. SUMMARY OF THE OFFER

### **The Offer**

Bruandwo is offering to buy all ALH Shares on the terms set out in Section 8 of this Bidder's Statement.

### **Offer price**

The Offer price is \$2.75 cash for each ALH Share.

If you accept the Offer, you will receive \$2.75 in cash from Bruandwo for each of Your ALH Shares.

### **Offer conditions**

The Offer is subject to the conditions set out in Section 8.8.

Bruandwo may choose to waive any of these conditions in accordance with the Offer.

### **How to accept the Offer**

There are several ways to accept the Offer depending on the nature and type of your shareholding including:

- for Issuer Sponsored Holdings – complete and sign the enclosed Acceptance Form in accordance with the instructions on the form, and return the form in the enclosed reply paid envelope or to an address on the form; and
- for CHESS Holdings – contact your stockbroker to initiate acceptance on your behalf, or complete and sign the enclosed Acceptance Form in accordance with the instructions on the form, and return the form in the enclosed reply paid envelope or to an address on the form, to authorise Bruandwo to contact your stockbroker to initiate acceptance of the Offer on your behalf.

For further details concerning acceptance, see Section 8.4.

If you have any questions on how to accept the Offer, you should contact the Shareholder Information Line on 1300 367 580 (for calls made from within Australia), or + 61 3 9415 4193 (for calls made from outside Australia). As required by the Corporations Act, calls to these numbers will be recorded.

### **Payment Terms**

If you accept the Offer, the cash which you are entitled to receive for Your ALH Shares will be paid to you on the later of one month after:

- the date you accept the Offer; or
- the date all conditions of the Offer have either been satisfied or waived,

but, in any event, by no later than 21 days after the end of the Offer Period. Further details are set out in Section 8.9.

### **Scheduled closing date**

[#] 2004, unless extended in accordance with the Corporations Act.

### **Questions about the Offer**

If you have any other questions regarding the Offer contact the Shareholder Information Line on 1300 367 580 (for calls made from within Australia) or + 61 3 9415 4193 (for calls made from outside Australia). As required by the Corporations Act, calls to these numbers will be recorded.

If you are in doubt about how to deal with the Offer, you should consult your financial or other professional adviser.

## SECTION 2. PROFILE OF BRUANDWO

### 2.1 Shareholding structure of Bruandwo

Bruandwo was incorporated in Victoria on 20 September 2001. Each of Woolworths and Bruand Investments, a member of The Bruce Mathieson Group, own 50% of the issued ordinary share capital of Bruandwo and have equal representation on the board of directors of Bruandwo.

### 2.2 Composition of the board of Bruandwo

Details of the directors of Bruandwo are set out below:

#### **Roger Campbell Corbett**

**AM, BCom, FAIM**

**Chairman**

Mr Corbett is Group Managing Director and Chief Executive Officer of Woolworths. He has had more than 40 years experience in retail and prior to joining Woolworths in 1990 was Director of Operations and a Director of David Jones (Australia) Pty Limited as well as Merchandising and Stores Director and a Director of Grace Bros. Mr Corbett is a non-executive director of Fairfax Holdings Limited.

#### **Leon Michael L'Huillier**

**BCom (Hons), MBA, M Phil**

**Director**

Mr L'Huillier is a director of Woolworths, Repco Limited and is Chairman of Vision CRC Limited, one of Australia's largest scientific and medical research organisations. He is an experienced chief executive and company director in the grocery, manufacturing and liquor industries, most recently as the chief executive officer of Lion Nathan Australia Pty Limited. He has broad experience as an independent director of major organisations in logistics, property and financial services.

#### **Bruce Lawrance Mathieson (Senior)**

**Director**

Mr Mathieson is the Founder and Managing Director of The Bruce Mathieson Group, which principally operates hotels in Victoria and a director of MGW Hotels Pty Limited, Bruandwo's wholly owned subsidiary, which operates hotels in Queensland. Mr Mathieson owned an engineering business prior to moving into the hotel industry in Australia in 1974. He has

significant experience in buying, renovating and operating hotels. Mr Mathieson is also a Director of the Carlton Football Club Limited (AFL).

**Ross James Mackenzie Blair-Holt**

**BComm (Melbourne University), Fellow CPA Australia**

**Director**

Mr Blair-Holt is Director and Chief Executive Officer of The Bruce Mathieson Group, and worked in banking (General Credits Ltd and Citibank) prior to joining The Bruce Mathieson Group in 1986. He has broad general management experience including in finance, property and structuring across hotels, clubs and other businesses owned by The Bruce Mathieson Group.

**2.3 Summary of business activities of Bruandwo**

Bruandwo's business activities comprise owning and operating hotels and retail liquor outlets in Queensland through its wholly owned subsidiary, MGW Hotels. As at 15 June 2004, MGW Hotels operated 31 hotels and 110 retail liquor outlets in Queensland. MGW Hotels owns the freehold in respect of 23 of the hotels and 37 of the liquor stores, with the remainder being leased from a number of third party landlords. In the year to 29 June 2003, MGW Hotels generated sales of \$220 million.

**2.4 Summary of business activities of Woolworths**

Woolworths carries on the business of food, liquor and hotels, petrol and general merchandise retailing through chain store operations mainly in Australia. Its headquarters are in Sydney, Australia.

Sales for the Woolworths Group for the year ended 29 June 2003 were \$26.3 billion.

The ordinary shares of Woolworths have been listed on ASX since 12 July 1993 and trade on that exchange under the symbol "WOW". As at the close of trading on 8 July 2004, Woolworths had a market capitalisation of approximately \$11.9 billion.

Woolworths' Supermarkets Division, trading as Woolworths and Safeway, is one of Australia's leading food, liquor and petrol retailers. For the year ended 29 June 2003, it achieved sales of \$22.7 billion.

Woolworths has a successful liquor business which comprises Dan Murphy's, BWS, First Estate and supermarket attached liquor. Woolworths Group's liquor sales (including Bruandwo's liquor sales) exceeded \$1.7 billion for the year ended 29 June 2003 and \$1.2 billion for the half year to 11 January 2004. As at 11 January 2004, Woolworths had 613 liquor outlets across Australia



(including the outlets held through its jointly owned investment in Bruandwo). The Woolworths Group is on track to achieve its stated objective of annual liquor sales of \$2.5 billion.

Woolworths' General Merchandise Divisions comprising BIG W and Consumer Electronics (Dick Smith, Dick Smith Powerhouse and Tandy) achieved sales for the year ended 29 June 2003 of \$3.3 billion.

Further information concerning Woolworths can be found at Woolworths' website [www.woolworthslimited.com.au](http://www.woolworthslimited.com.au).

## **2.5 Summary of business activities of Bruand Investments and The Bruce Mathieson Group**

Bruand Investments is part of The Bruce Mathieson Group.

The business activities of The Bruce Mathieson Group comprise owning and operating hotels, clubs and liquor retail outlets in Victoria. As at 1 June 2004, The Bruce Mathieson Group operated 26 hotels, 9 clubs (including 5 AFL clubs) and 15 retail liquor outlets in Victoria. The Bruce Mathieson Group owns the freehold in respect of 26 hotels, 7 of the clubs and 14 of the retail liquor outlets, and leases the remainder from third party landlords. In the year to 30 June 2003, The Bruce Mathieson Group generated sales of \$113 million.

## **2.6 Restructuring of Bruandwo**

If the Offer becomes free of all conditions specified in Section 8.8, Bruandwo will acquire all ALH Shares in respect of which Bergam is the beneficial owner by completing the Bergam Share Sale Agreement (as to which see Sections 5.2 and 5.3). Woolworths and The Bruce Mathieson Group will then procure that Bruandwo is recapitalised and the issued ordinary share capital of Bruandwo is reconstructed so that it is owned by Woolworths and The Bruce Mathieson Group in the respective proportions of 75% and 25% and that the board of directors of Bruandwo is reconstituted to comprise six directors with Woolworths being entitled to appoint and remove four directors and The Bruce Mathieson Group being entitled to appoint and remove two directors.

As part of this process, Woolworths and The Bruce Mathieson Group will procure the transfer and/or lease to Bruandwo of the hotel, club and liquor retailing businesses conducted by The Bruce Mathieson Group in Victoria which are described in Section 2.5.

## **SECTION 3. INTENTIONS OF BRUANDWO**

### **3.1 Overview**

This Section 3 sets out Bruandwo's intentions, on the basis of the facts and information concerning ALH known to Bruandwo, in relation to the following:

- the continuation of the business of ALH;
- any major changes to the business of ALH and any redeployment of the fixed assets of ALH; and
- the future employment of the present employees of ALH.

Bruandwo's intentions as set out in this Section 3 are based on its review of publicly available information about ALH. Prior to implementing the intentions set out in this Section 3, Bruandwo will seek to undertake a thorough review of ALH's operations and any relevant internal information which is available to it and consider any other relevant facts and circumstances to confirm its intentions. Accordingly, the statements set out in this Section 3 are statements of current intentions only, are based on limited information and may vary, as circumstances and further information require.

### **3.2 Intentions upon gaining more than 50.1% but less than 90% of ALH**

As at the date of this Bidder's Statement, Bruandwo is not in a position to determine, and has not determined, its intentions should the 50.1% minimum acceptance condition remain unsatisfied. However, Bruandwo reserves its right to declare the Offer free from the 50.1% minimum acceptance condition (or any other condition to the Offer) at any time.

If Bruandwo acquires a relevant interest in 50.1% or more of ALH Shares and the Offer is declared or becomes free of all other conditions but Bruandwo does not become entitled to compulsorily acquire the outstanding ALH Shares, then ALH will become a partly owned subsidiary of Bruandwo. In this event, Bruandwo's current intentions are as set out below.

#### **ASX listing**

Subject to the Corporations Act and the Listing Rules, ALH is likely to remain as a company with official quotation on ASX as long as it meets the requirements of the Listing Rules for maintaining a listing (including a sufficient spread of shareholders).

## **Directors**

Bruandwo intends, subject to the Corporations Act and ALH's constitution, to seek to reconstitute the board of directors of ALH to reflect Bruandwo's majority ownership of ALH.

## **Business review**

Bruandwo, through its nominees on the board of directors of ALH intends, to the extent possible, to implement the intentions referred to in 3.3 below, which are consistent with Bruandwo gaining control of ALH. Bruandwo's ability to do this if ALH is a partly owned subsidiary, will be subject to Bruandwo and ALH complying with the requirements of the Listing Rules, the Corporations Act and any other applicable legislation, the legal obligations of the then board of directors of ALH to act in good faith in the best interests of ALH and for proper purposes and the outcome of the review of ALH's operations referred to in Section 3.1.

## **Dividend policy**

Bruandwo, through its nominees on the board of directors of ALH, intends to review the dividend policy of ALH to ensure that it reflects an appropriate balance between ensuring that ALH retains sufficient funds to meet its ongoing activities and capital requirements and the payment of dividends to Shareholders.

## **Further acquisitions of ALH Shares**

Bruandwo may in the future acquire further ALH Shares in accordance with the requirements of the Corporations Act and may exercise rights to compulsorily acquire ALH Shares under the Corporations Act if it is entitled to do so.

### **3.3 Intentions on gaining control of more than 90% of ALH**

Bruandwo's intentions if it acquires a relevant interest in more than 90% of ALH Shares are set out below.

#### **Compulsory acquisition**

If Bruandwo becomes entitled to do so under the Corporations Act, to despatch notices seeking compulsory acquisition of all outstanding ALH Shares in accordance with the provisions of the Corporations Act.

### **ASX listing**

To procure the removal of ALH Shares from the official list of ASX at the conclusion of the compulsory acquisition process.

### **Directors**

To reconstitute the board of directors of ALH with its own nominees.

### **Business review and other matters**

To undertake a detailed review of the activities and undertakings of ALH to evaluate its performance, profitability and prospects and to develop a detailed plan for the integration of the businesses of ALH with the businesses of Bruandwo (which will include the businesses referred to in Section 2.5) with the objective of enhancing revenue, reducing operating costs, achieving other operating efficiencies and otherwise maximising the operating performance of the combined group.

As part of this review, Bruandwo intends to review employment functions across the combined group including, but not limited to, the corporate, finance and accounting, human resources, information technology, legal and risk management functions with a view to eliminating any duplication of functions and reducing costs and thereby maximising the benefits arising from the integration of the businesses of ALH with the businesses of Bruandwo.

As a consequence of this review, some employees are likely to be made redundant. Woolworths has advised Bruandwo that it will consider whether it can offer employees who are made redundant employment in other areas of Woolworths' business. Employees who are made redundant will receive, on redundancy, payments and other benefits in accordance with their contractual and other legal entitlements. Until Bruandwo has completed the detailed review referred to above, Bruandwo will not be in a position to determine the number of employees whose functions may be redundant or the timing of any redundancies.

### **3.4 Other intentions**

Subject to the above, it is the present intention of Bruandwo, on the basis of the facts and information concerning ALH which are known to it that:

- the business of ALH will be continued in the same manner as it is currently being conducted;
- no major changes will be made to the business of ALH;

- there will not be any redeployment of the fixed assets of ALH; and
- the present employees of ALH will continue to be employed by ALH.

## SECTION 4. BID FUNDING

### 4.1 Maximum cash consideration

As at the date of this Bidder's Statement there are 352,500,000 ALH Shares on issue. The maximum amount of the cash consideration which will be payable by Bruandwo under the Offer if acceptances are received in respect of all ALH Shares on issue as at the date of this Bidder's Statement other than the 55,673,327 ALH Shares which, as at the date of this Bidder's Statement, are the subject of the Bergam Share Sale Agreement (as to which see Sections 5.2 and 5.3) is approximately \$816,273,351.

### 4.2 Intragroup arrangements

Woolworths has undertaken to provide to Bruandwo all funds which Bruandwo needs to satisfy the total cash consideration payable to holders of ALH Shares under the Offer together with the amounts required to meet all transaction and other costs associated with the Offer.

These funds will be provided to Bruandwo pursuant to a loan facility (**Woolworths Facility**) entered into on 9 July 2004, the material terms of which are:

- (a) the funds provided under the Woolworths Facility are to be used solely for the purpose of acquiring ALH Shares under or in connection with the Offer, meeting transaction and other costs associated with the Offer and refinancing the current indebtedness of ALH, if necessary;
- (b) if the Offer becomes free of all conditions specified in Section 8.8, Woolworths may, at its election, charge interest on the amount drawn down from time to time under the Woolworths Facility at a rate equal to Woolworths' cost of funds from time to time but in the absence of Woolworths making an election, the Woolworths Facility will be interest free;
- (c) the Woolworths Facility is to be secured by a fixed and floating charge over the assets and undertaking of Bruandwo;
- (d) Bruandwo may drawdown under the Woolworths Facility as required to enable it to meet its obligations under or in connection with the Offer;
- (e) there are no conditions precedent to drawdown which need to be satisfied under the Woolworths Facility other than the conditions precedent to Woolworths being able to drawdown a like amount under the Bridge Facility referred to in Section 4.3; and

- (f) the Woolworths Facility is repayable on the date which is 180 days after the date of first drawdown by Woolworths under the Bridge Facility referred to in Section 4.3 but may be repaid in whole or part at any time prior to that date at the election of Bruandwo.

#### **4.3 Source of Funds for Woolworths**

##### **(a) Commitment Letter and Bridge Facility**

The funds which are to be advanced by Woolworths under the Woolworths Facility will be obtained by Woolworths drawing down funds under a bridge facility (**Bridge Facility**) which Woolworths will enter into with Australia and New Zealand Banking Group Limited (the **Bank**).

A binding commitment letter (the **Commitment Letter**) has been entered into by Woolworths and the Bank under which the Bank has agreed to enter into a formal loan agreement to provide a Bridge Facility (the **Bridge Facility Agreement**) under which (subject to the terms of the Bridge Facility Agreement) Woolworths will be able to borrow an aggregate amount from the Bank which is in excess of the amount necessary to fully fund the cash required by Bruandwo to satisfy:

- the total cash consideration payable to the holders of ALH Shares under the Offer;
- the amounts required to meet all transaction and other costs associated with the Offer; and
- an additional amount which can be used to refinance the current indebtedness of ALH, if necessary.

The Bank's commitment to provide the Bridge Facility is not subject to the satisfaction of any conditions precedent.

##### **(b) Bridge Facility Agreement**

The material terms and conditions of the Bridge Facility Agreement have been agreed and are set out in the Commitment Letter. These are summarised below:

##### **(i) Conditions precedent to availability of funds**

After the Bridge Facility Agreement has been entered into, the conditions precedent to the ability of Woolworths to drawdown under the Bridge Facility are, in addition to those which Woolworths considers to be procedural in nature and in the sole control of Woolworths, that:

- the representations and warranties given by Woolworths under the Bridge Facility Agreement and in the drawdown notice in respect of the drawdown are true and correct in all material respects;
- there has been no material adverse change in the business, financial or trading position of Woolworths and its subsidiaries since the date of the Bridge Facility Agreement; and
- no event of default (see Section 4.3(b)(ii)) under the Bridge Facility Agreement is continuing or would result from the provision of the amount of the proposed drawdown.

**(ii) Events of default**

The events of default applicable to the Bridge Facility are considered by Woolworths to be customary for facilities and arrangements of this nature and include (among other things):

- failure to pay any amount owing in respect of the facility when due;
- breach of representations and warranties;
- the occurrence of an insolvency event in respect of Woolworths;
- the revocation, termination or expiry of any government authorisation which is material to the performance by Woolworths of its payment obligations under the facility;
- cross defaults in relation to other debt of Woolworths or its subsidiaries (including debt with the Bank); and
- the occurrence of a material adverse change in the financial condition of the Woolworths Group.

**(iii) Representations and warranties**

The representations and warranties given by Woolworths in the Bridge Facility Agreement are considered by Woolworths to be customary for borrowing arrangements of this nature.



**(iv) Undertakings**

The undertakings by Woolworths contained in the Bridge Facility Agreement are considered by Woolworths to be customary for banking arrangements of this nature, and include undertakings:

- not to create or allow to exist a security interest on or over its present or future property except for security interests arising in certain circumstances including where Woolworths acquires encumbered assets (including companies) after the date of the Bridge Facility Agreement;
- not to dispose of all or a substantial part of its property, other than by certain types of disposals including disposals made in the ordinary course of trading or on arm's length commercial terms; and
- to maintain certain financial ratios regarding interest cover and gearing.

**(v) Period of commitment**

The obligation of the Bank to make loans to Woolworths under the Bridge Facility will, if the loans have not already been made, terminate on the earliest to occur of:

- the date which is 180 days after the date the Bridge Facility Agreement is executed; and
- the date the Offers lapse or are withdrawn by Bruandwo.

**(vi) Repayment**

Funds made available under the Bridge Facility will be due to be repaid 180 days after first drawdown under the Bridge Facility Agreement. Early repayment may be required if an event of default (see Section 4.3(b)(ii)) under the Bridge Facility Agreement occurs or if any person or persons acquire control of more than 50% of the issued share capital of Woolworths.

**4.4 Provision of consideration**

Woolworths has advised Bruandwo that it is unaware of any reason which would prevent any condition precedent to drawdown under the Bridge Facility from being satisfied in sufficient time to allow funds to be advanced by Woolworths to Bruandwo under the Woolworths Facility to

enable Bruandwo to pay Shareholders who accept the Offer, in accordance with the terms of the Offer.

On the basis of the arrangements described in this Section 4, Bruandwo is of the opinion that it has a reasonable basis for holding the view, and it holds the view, that it will be able to provide the consideration required to satisfy its obligations under the Offer.

## **SECTION 5. BRUANDWO'S INTEREST IN ALH SHARES**

### **5.1 ALH Shares on issue**

According to documents lodged by ALH with ASX, the total number of ALH Shares on issue as at the date of this Bidder's Statement is 352,500,000.

ALH Shares are quoted on ASX and, subject to the restrictions applying to particular shares referred to in Sections 7.2 and 7.3, may be freely traded.

### **5.2 Relevant interest and voting power of Bruandwo**

As at the date of this Bidder's Statement, Bruandwo has a relevant interest in 55,673,327 ALH Shares which are beneficially owned by Bergam. Bruandwo has a relevant interest in these shares because on 21 June 2004 it entered into a Share Sale Agreement with Bergam under which Bruandwo conditionally agreed to acquire all ALH Shares beneficially owned by Bergam at completion of that agreement (**Bergam Share Sale Agreement**). The Bergam Share Sale Agreement, by virtue of section 608(8) of the Corporations Act, operates to confer on Bruandwo an immediate relevant interest in all ALH Shares owned by Bergam as and when those shares are acquired.

Details of the Bergam Share Sale Agreement including the purchase price payable for all ALH Shares to be acquired pursuant to that agreement are set out in Section 5.3.

Woolworths and BLM Holdings Pty Limited ACN 006 582 609 (a member of The Bruce Mathieson Group), which beneficially own the issued share capital of Bergam in the respective proportions of 75% and 25%, each have, by operation of section 608(3) of the Corporations Act, a relevant interest in the 55,673,327 ALH Shares beneficially owned by Bergam at the date of this Bidder's Statement.

As at the date of this Bidder's Statement, Bruandwo's voting power in ALH is 15.79%.

### **5.3 Bergam Share Sale Agreement**

The Bergam Share Sale Agreement provides that, subject to the satisfaction of certain conditions precedent, Bergam agrees to sell and Bruandwo agrees to purchase any ALH Shares beneficially owned by Bergam on completion (as defined in the Bergam Share Sale Agreement). The conditions precedent are that Bruandwo makes a takeover bid for ALH and that the takeover bid becomes free of all conditions.

Completion of the Bergam Share Sale Agreement will take place within 2 business days after the satisfaction of all conditions precedent.

The purchase price for the ALH Shares agreed to be acquired pursuant to the Bergam Share Sale Agreement is:

- (a) for ALH Shares acquired by Bergam before 21 June 2004, the volume weighted average price of ALH Shares over the 5 trading days before 21 June 2004; and
- (b) for ALH Shares acquired by Bergam on or after 21 June 2004, cost (including brokerage and other transaction costs).

When Bergam and Bruandwo entered into the Bergam Share Sale Agreement on 21 June 2004 Bergam was the beneficial owner of 8,802,712 ALH Shares. Bruandwo acquired a relevant interest in those shares on that date as a result of entering into the Bergam Share Sale Agreement.

In relation to the 46,870,615 ALH shares acquired by Bergam on or after 21 June 2004 and up to the date of this Bidder's Statement, Bruandwo acquired a relevant interest in those shares (as result of the operation of the Bergam Share Sale Agreement) at the same time as Bergam acquired a relevant interest in those shares.

Section 5.4 contains details of the ALH Shares acquired by Bergam during the four months before the date of this Bidder's Statement including the date of acquisition and consideration paid for those shares.

#### **5.4 Acquisitions in the last four months**

Details of the ALH Shares in respect of which Bergam has provided or agreed to provide consideration under a purchase or agreement during the four months before the date of this Bidder's Statement are set out in Appendix 1. Unless specifically indicated in Appendix 1, all such purchases were unconditional on market purchases effected on the ASX. The highest price paid or agreed to be paid by Bergam under a purchase or agreement during the four months before the date of this Bidder's Statement for an ALH Share was \$2.75.

Details of the ALH Shares in respect of which Bruandwo has provided or agreed to provide consideration under a purchase or agreement during the four months before the date of this Bidder's Statement are set out in Appendix 2. The highest price paid or agreed to be paid by Bruandwo under a purchase or agreement during the four months before the date of this Bidder's Statement for an ALH Share was \$2.75.

Subject to the foregoing provisions of this Section 5.4, neither Bruandwo nor any Associate of Bruandwo has provided or agreed to provide the consideration for ALH Shares under a purchase or agreement during the four months before the date of this Bidder's Statement.

**5.5 No benefits**

Neither Bruandwo nor any Associate of Bruandwo has in the 4 months before the date of this Bidder's Statement given, offered to give or agreed to give a benefit to another person where the benefit was likely to induce the other person to accept the Offer or to dispose of ALH Shares being a benefit not offered to all Shareholders under the Offer.

**5.6 No escalation agreements**

Neither Bruandwo nor any associate of Bruandwo has entered into any escalation agreement in respect of ALH Shares that is prohibited by section 622 of the Corporations Act.

## SECTION 6. TAX CONSIDERATIONS

### 6.1 General

The comments in this Section are applicable to you only if you hold Your ALH Shares on capital account and not in connection with the conduct of a business or profit making arrangement.

The comments in this Section do not apply to other categories of Shareholders and also do not apply to you:

- if you are exempt from Australian income tax;
- if you hold Your ALH Shares under an ALH share plan; or
- if you are Foster's or an associate of Foster's.

The description of the Australian tax consequences of accepting the Offer in this Section is of a general nature and should not be relied on as advice. Your particular circumstances may cause the taxation consequences to you of accepting the Offer to be different from those set out in this Section. If you are not a resident of Australia for the purposes of Australian tax laws (**Tax Laws**) or hold Your ALH Shares through a permanent establishment or fixed base outside Australia, accepting the Offer may also have consequences under the tax laws of another country.

The comments in this Section are based on existing Tax Laws and established interpretations as at the date of this Bidder's Statement, together with changes to the Tax Laws announced by the Government on or before that date.

All Shareholders should seek independent taxation advice regarding the consequences of accepting the Offer.

### 6.2 Sale of Your ALH Shares

#### Taxation of Australian resident Shareholders

If you accept the Offer and all the conditions of the Offer are either satisfied or waived, then you will sell Your ALH Shares to Bruandwo. This will be a CGT event for the purposes of the capital gains tax provisions of the Tax Laws.

You will make a capital gain if the proceeds from the sale of Your ALH Shares is greater than the applicable cost base of Your ALH Shares. You will make a capital loss if the proceeds from the sale of Your ALH Shares is less than the applicable cost base of Your ALH Shares. If you make

a capital loss, it can only be used to offset against capital gains made by you in the current, or a future, tax year.

The proceeds from the sale of Your ALH Shares will be equal to the amount of cash payable by Bruandwo to you under the Offer.

The cost base of Your ALH Shares will depend on the circumstances in which you acquired the shares. In most cases, if you purchased Your ALH Shares for cash on-market, or from Foster's in connection with the listing of ALH, your cost base will include the amount you paid for Your ALH Shares. It will also include certain incidental costs that you paid in relation to Your ALH Shares (e.g., stamp duty and brokerage fees (if any)). Indexation will not apply to the cost base of Your ALH Shares.

In some circumstances, the Tax Laws apply to reduce the amount of capital gains made by individuals, trusts or complying superannuation entities (the **CGT Discount**). The CGT Discount will not apply if you accept the Offer to sell Your ALH Shares within 12 months after the date that you acquired Your ALH Shares. Because the Offer Period (unless extended) ends less than 12 months after the earliest possible date of acquisition by you of Your ALH Shares (that is, an acquisition under the Foster's Prospectus), it is expected that you will not be entitled to use the CGT Discount.

If the Offer Period is extended and you accept the Offer at least 12 months after the date on which you acquired Your ALH Shares, you may be entitled to use the CGT Discount in respect of a capital gain on the sale of Your ALH Shares.

If the CGT Discount applies to you and you are an individual or a trust then you will be subject to tax on half of any capital gain that you make on the sale of Your ALH Shares.

If the CGT Discount applies to you and you are a complying superannuation entity then you will be subject to tax on two-thirds of any capital gain that you make on the sale of Your ALH Shares.

#### **Taxation of Non-resident Shareholders**

If you are not a resident of Australia for the purposes of the Tax Laws, you will not be subject to Australian capital gains tax on the sale of Your ALH Shares unless you and your associates held or hold, or had an option or right to hold, 10% or more of the shares in ALH at any time during the five years prior to the disposal of Your ALH Shares. In addition, if you are resident in a country with which Australia has a double tax treaty, this treaty may prevent the imposition of Australian tax on you in respect of the disposal of Your ALH Shares.

If you are not a resident of Australia for the purposes of the Tax Laws and are not exempt from Australian income tax on capital gains then the calculation of your capital gain or loss from the sale of Your ALH Shares will be the same as discussed above in relation to Australian resident Shareholders. However, different rates of tax may apply.

### **6.3 Tax File Numbers**

You need not quote a tax file number when accepting the Offer.

### **6.4 GST**

The sale of Your ALH Shares will not be subject to GST.



## SECTION 7. ADDITIONAL STATUTORY AND OTHER INFORMATION

### 7.1 Date for determining holders of securities

For the purposes of section 633 of the Corporations Act, the date for determining the people to whom information is to be sent under items 6 and 12 of section 633(1) of the Corporations Act is the Register Date.

### 7.2 ALH share plans

ALH has established:

- the ALH employee share plan under which all eligible employees may acquire shares in ALH;
- the ALH long term incentive program under which senior management employees, subject to the satisfaction of certain investment criteria, may be entitled to acquire shares in ALH; and
- the ALH non-executive director share plan under which non executive directors of ALH may acquire shares in ALH,

(the **Plans**).

Shares issued under each of those Plans may be subject to restrictions on disposal for a certain period. Each Plan contains an exception to the restrictions on disposal if there is a takeover bid made for ALH. In this event, the board of ALH must decide, within a reasonable time, to choose to either:

- (a) direct ALH to do all things necessary to effect a substitution such that the Shareholder is provided with shares of the acquiring company, its parent or another relevant entity in lieu of ALH Shares acquired by the Shareholder under the Plan on substantially the same terms or subject to substantially the same conditions as the ALH Shares; or
- (b) allow the Shareholder to accept the Offer in respect of all or part of the ALH Shares.

Consequently, Shareholders who have a relevant interest in ALH Shares issued to them under any of the Plans may not be able to accept the Offer in respect of those shares unless the board of directors of ALH allows those Shareholders to do so.

As far as Bruandwo is aware, as at the date of this Bidder's Statement no ALH Shares have been issued under any of the Plans.

### **7.3 Foster's escrow restrictions**

Pursuant to an underwriting agreement between ALH, Foster's and Macquarie Equity Capital Markets Limited ABN 60 001 374 572 (**Underwriter**) dated 12 August 2003, Foster's and its subsidiaries must not before 5 November 2004 sell, transfer or otherwise dispose of any of the 35,250,000 ALH shares that they currently hold (**Escrow Securities**) without obtaining the Underwriter's prior written consent. However, the Underwriter must consent to a sale by Foster's and its subsidiaries of the Escrow Securities pursuant to a takeover bid, scheme of arrangement or other reconstruction proposal where either:

- (a) the takeover bid, scheme of arrangement or reconstruction proposal has been recommended by the board of directors of ALH; or
- (b) in the case of a takeover bid, offers under the takeover bid are or have become unconditional and the bidder has a relevant interest in at least 50% of ordinary shares in ALH; or
- (c) in the case of a scheme of arrangement or other reconstruction proposal, it has received all required approvals for implementation and, on implementation, will result in a person having a relevant interest in at least 50% of ordinary shares in ALH.

### **7.4 ALH material contracts**

This Section 7.4 summarises the disclosures in Foster's Prospectus regarding ALH's material contracts that have change in control clauses, that is, clauses which give a party to the agreement the right to terminate or modify the agreement in the event that there is a change in control of ALH. The other material contracts referred to in Foster's Prospectus are listed in Appendix 3, none of which is stated in Foster's Prospectus to include a change in control clause.

#### **(a) ALH credit arrangements**

It will be an event of default under each of the following debt facilities if there is a change in control of ALH which continues for 90 days:

- the \$150 million senior unsecured revolving cash advance facility and \$35 million capital expenditure facility both provided by Australia and New Zealand Banking Group Limited and Westpac Banking Corporation; and

- the separate \$15 million working capital facility provided by Westpac Banking Corporation.

The consequences of an event of default under those facilities is that the outstanding principal amount of each drawing under the facilities, interest on those amounts and all other amounts under associated financing documents may, at the option of the financiers, become payable on demand or become immediately due and payable. In addition, the interest rate applicable to the outstanding principal amount on any drawings under the facilities may rise by 2% per annum and the financiers may terminate the facilities.

**(b) Leases with third parties**

Foster's Prospectus discloses that ALH leases 27 pubs and 109 detached bottle shops in Queensland from parties other than the Australian Leisure and Entertainment Property Trust. Although Foster's Prospectus discloses that a number of these leases required consent in connection with ALH's initial public offering, it is unclear from Foster's Prospectus whether the lessors under these leases have rights to terminate the leases in the event of a change in control of ALH.

**(c) Icon Hotels agreements**

ALH has pre-emptive rights agreements with Carlton and United Beverages Limited ABN 76 004 056 106 (**CUB**) and the trustee of the ALE Direct Property Trust in relation to each of the Young & Jacksons Hotel, the Sail and Anchor Hotel and the Breakfast Creek Hotel (**Icon Hotels**). Under the agreements, CUB has a call option over the business operated by ALH at each of the Icon Hotels. The option is exercisable if there is a change in control of ALH.

**(d) Tattersall's venue operator agreements**

ALH has venue operator's agreements with Tattersall's Gaming Pty Limited (**Tattersall's**) for the continued installation and maintenance of a certain number of gaming machines at a number of ALH's Victorian premises. Under the agreements, Tattersall's may request ALH to provide details of any new effective controller if there is a change in effective control of ALH. Although Foster's Prospectus discloses that Tattersall's provided its consent to the change in control of ALH in connection with the ALH's initial public offering, it is unclear from Foster's Prospectus whether Tattersall's has a right to terminate the operator's agreements in the event of a change in control of ALH.

**(e) TABCORP venue operator agreements**

ALH has venue operator's agreements with TABCORP Manager Pty Ltd (**TABCORP**) for the continued provision and maintenance of TABCORP gaming equipment at various venues owned by ALH across Victoria. Under the agreements, a change in composition of the board of directors and/or a change in control of more than half of the voting power of, or more than half of the issued share capital in, ALH gives TABCORP the right to terminate the agreements.

**7.5 Approvals for payment of consideration**

Under the *Banking (Foreign Exchange) Regulations 1959* (Cth), without the special approval of the Reserve Bank of Australia, Australia is obliged to freeze assets or restrict financial dealings involving the transfer of funds or payment to, or for the order of, prescribed governments (and their statutory authorities, agencies and entities) and, in certain cases, national self prescribed countries are subject to certain limited exceptions, restrictions or prohibitions. So far as Bruandwo is aware, the prescribed governments, countries and entities are as follows:

- (a) supporters of the former government of the Federal Republic of Yugoslavia; and
- (b) ministers and senior officials of the government of Zimbabwe.

In accordance with the *Charter of the United Nations (Terrorism and Dealing with Assets) Regulations 2002* (Cth) it is a criminal offence for persons to use or deal with assets that are owned or controlled by persons and entities listed as terrorists currently including the Taliban, Usama bin Laden (also known as Osama bin Laden), a member of the Al-Qaida organisation (also known as the Al-Qaeda organisation) and any person named on the list maintained pursuant to paragraph 2 of Resolution 1390 of the Security Council of the United Nations.

Under the *Iraq (Reconstruction and Repeal of Sanctions) Regulations 2003* (Cth) it is an offence to use or deal with an asset of the previous government of Iraq, Saddam Hussein, other senior officials of his regime and their immediate families. It provides for such resources to be transferred to Iraq and used in that country's reconstruction and rehabilitation.

**7.6 Other material information**

There is no other information that:

- is material to the making of a decision by a holder of ALH Shares whether to accept an Offer; and
- which is known to Bruandwo,

other than:

- as set out or referred to elsewhere in this Bidder's Statement; or
- as set out or referred to below; or
- information which it would be unreasonable to require Bruandwo to disclose because the information has previously been disclosed to holders of ALH Shares.

#### **7.7 ALH disclosures**

ALH is a disclosing entity for the purposes of the Corporations Act. As a disclosing entity, ALH is subject to regular reporting and disclosure obligations. Copies of any documents lodged in relation to ALH at ASIC may be obtained from or inspected at an office of ASIC. Copies of any documents lodged in relation to ALH with ASX may be obtained from or inspected at [www.asx.com.au](http://www.asx.com.au).

#### **7.8 Regulatory approvals conditions**

While relevant legislation formally requires that ALH seek the approvals which are referred to in Section 8.8(a)(ii), Bruandwo will submit applications completed except where signature by ALH is required, in respect of those approvals prior to the date of the Offer.

#### **7.9 ASIC modifications**

Bruandwo has not obtained any modifications to or exemptions from the Corporations Act from ASIC specifically for the Bid. Bruandwo may rely on class order relief granted by ASIC.

Bruandwo has relied on the modification to section 636(3) of the Corporations Act set out in paragraph 11 of the ASIC Class Order 01/1543 "Takeover Bids" to include references to certain statements by Foster's without obtaining the consent of Foster's. The relevant statements were taken from the Foster's Prospectus.

As required by Class Order 01/1543, Bruandwo will make available a copy of this document (or of relevant extracts from this document), free of charge to Shareholders who request it during the Bid Period. To obtain a copy of this document (or the relevant extracts), Shareholders may telephone the Shareholder Information Line on 1300 367 580 (for calls made within Australia) or + 61 3 9415 4193 (for calls made outside Australia).

#### **7.10 Broker commission**

Bruandwo may offer to pay a commission to brokers who solicit acceptances of the Offer from their clients.

Any commission payments will be paid only in respect of parcels of ALH Shares held by retail Shareholders who accept the Offer. A retail Shareholder for these purposes is one who is not a broker or an associate of a broker and held less than 100,000 ALH Shares at the Announcement Date.

Commission payments will not exceed 0.75% of the value of parcels of ALH Shares held by retail Shareholders who accept the Offer, and will be subject to minimum payments (not exceeding \$50) and maximum payments (not exceeding \$750) for each acceptance.

If a commission is offered, it will be payable to brokers only and subject to the condition that no part of the fee will be able to be passed on or paid to Shareholders.

It is Bruandwo's intention that, once an offer of commission has been made to any broker by Bruandwo, the commission arrangement will remain in place for the balance of the Offer Period and the amount of the commission offered will not be increased during the Offer Period.

#### **7.11 Approval of Bidder's Statement**

The Bidder's Statement was approved by a resolution of the Bruandwo directors.

#### **7.12 Consents**

Woolworths has given and has not withdrawn its consent to the inclusion of the statements by it in the last paragraph of Section 3.3 and the first paragraph of Section 4.4, in the form and context in which those statements are included.

UBS has given and has not withdrawn its consent to be named in this Bidder's Statement as financial advisers to Bruandwo in the form and context in which it is named. UBS has not authorised or caused the issue of this Bidder's Statement, does not make, or purport to make, any statement in this Bidder's Statement and takes no responsibility for any part of this Bidder's Statement (except to the extent required by the Corporations Act).

Gilbert + Tobin has given and has not withdrawn its consent to be named in this Bidder's Statement as legal advisers to Bruandwo in the form and context in which it is named. Gilbert + Tobin has not authorised or caused the issue of this Bidder's Statement, does not make, or purport to make, any statement in this Bidder's Statement and takes no responsibility for any part of this

Bidder's Statement (except to the extent required by the Corporations Act).

Computershare Investor Services Pty Limited has given and has not withdrawn its consent to be named in this Bidder's Statement as the registry for the purposes of receiving acceptances under the Offer in the form and context in which it is named. Computershare Investor Services Pty Limited has not authorised or caused the issue of this Bidder's Statement, does not make, or purport to make, any statement in this Bidder's Statement and takes no responsibility for any part of this Bidder's Statement (except to the extent required by the Corporations Act).

A copy of the relevant parts of reports and statements of third parties which have been lodged either with ASIC or ASX and which are referred to in this Bidder's Statement without the consent of those third parties but in accordance with ASIC Class Order 01/1543 will be provided free of charge to any Shareholder who requests a copy during the Bid Period. Requests can be made to the Shareholder Information Line on 1300 367 580 (for calls made from within Australia), or + 61 3 9415 4193 (for calls made from outside Australia). Under the Corporations Act, calls to these numbers will be recorded.

#### **7.13 Disclaimer**

The information contained in this Bidder's Statement concerning ALH has been derived from publicly available information. Bruandwo has had limited opportunity to independently verify this information and does not, subject to the Corporations Act, make any representation or warranty, express or implied, as to the accuracy or completeness of the information.

## SECTION 8. THE OFFER

### 8.1 Offer

- (g) Bruandwo offers to acquire from you on the terms and conditions of this Offer all of Your ALH Shares together with all Rights attaching to them.
- (h) Offers on terms and conditions identical to those contained in this Offer have been dispatched or will be dispatched to all holders of ALH Shares registered as such in the Register on the Register Date.
- (i) This Offer is dated [#] 2004.

### 8.2 Consideration for the Offer

Subject to the terms of this Offer, the consideration offered by Bruandwo for the acquisition of all Your ALH Shares is \$2.75 cash for each ALH Share.

### 8.3 Offer Period

- (a) Unless the Offer Period is extended or the Offer is withdrawn, in either case in accordance with the requirements of the Corporations Act, this Offer will remain open for acceptance by you during the period commencing on the date of this Offer and ending on [#] (**Offer Period**).
- (b) Subject to the Corporations Act, Bruandwo may extend the Offer Period.
- (c) In addition, if, within the last 7 days of the Offer Period:
  - (i) this Offer is varied to improve the consideration offered; or
  - (ii) Bruandwo's voting power in ALH increases to more than 50.1%,

then the Offer Period will be mandatorily extended so that it ends 14 days after the relevant event.

### 8.4 Acceptance

- (a) You may accept this Offer only in respect of all of Your ALH Shares.
- (b) To accept this Offer in respect of ALH Shares which, at the time of acceptance, are



registered in your name in the issuer sponsored sub-register operated by ALH (in which case Your ALH Shares are not in a CHESS Holding and your Securityholder Reference Number will commence with "I"), you must complete and sign the Acceptance Form enclosed with this Offer (which forms part of this Offer) in accordance with the instructions on it and return it together with all other documents required by those instructions (if any) to:

**BY MAIL:**           Computershare Investor Services Pty Limited  
                          GPO Box 52  
                          Melbourne VIC 8060

**BY FAX:**            Computershare Investor Services Pty Limited  
                          (02) 8235 8212 (from within Australia) or  
                          +61 2 8235 8212 (from outside Australia)

**BY HAND:**          Computershare Investor Services Pty Limited  
                          Level 3  
                          60 Carrington Street  
                          Sydney NSW 2000

so that it is received at an address specified above by no later than the end of the Offer Period. A reply paid envelope, which is valid if sent from within Australia, is enclosed for your use.

If your Acceptance Form is returned by post, it will be deemed to be received in time if the envelope in which it is sent is post-marked before the end of the Offer Period even if it is received after that time.

If your Acceptance Form (including any documents required by the terms of this Offer and the instructions on the Acceptance Form) is returned by facsimile, it will be deemed to be received in time if the facsimile transmission is received (evidenced by a confirmation of successful transmission) before the end of the Offer Period, but you will not be entitled to receive the consideration under this Offer to which you are entitled until your original Acceptance Form (including any documents required by the terms of this Offer and the instructions on the Acceptance Form) is received at an address specified above.

- (c) To accept this Offer in respect of ALH Shares which, at the time of acceptance, are held by you in a CHESS Holding (in which case your Holder Identification Number will commence with "X"), you must comply with the ASTC Settlement Rules. To accept this Offer in accordance with the ASTC Settlement Rules:

- (i) if you are the Controlling Participant, you must initiate acceptance of this Offer in accordance with Rule 14.14 of the ASTC Settlement Rules before the end of the Offer Period; or
- (ii) if you are not the Controlling Participant, you may either:
  - A. instruct your Controlling Participant, in accordance with the sponsorship agreement between you and the Controlling Participant, to initiate acceptance of this Offer in accordance with Rule 14.14 of the ASTC Settlement Rules, such initiation to occur before the end of the Offer Period. If you choose to accept this Offer in this way, your Controlling Participant will be obliged by Rule 14.14.1 of the ASTC Settlement Rules to initiate the acceptance within the following timeframes:
    - I. if you specify a time when or by which this Offer must be accepted, in accordance with those instructions; or
    - II. otherwise, by End of Day (as defined in the ASTC Settlement Rules) on the date that you instruct the Controlling Participant to accept this Offer or, if the Offer Period ends on the day you provide those instructions, before the end of the Offer Period; or
  - B. otherwise, complete, sign and return the enclosed Acceptance Form (using the enclosed reply paid envelope) in accordance with the terms of the Offer and the instructions on the Acceptance Form, together with all other documents required by those instructions, so that they are received before the end of the Offer Period at one of the addresses indicated on the Acceptance Form and as such authorise Bruandwo to instruct your Controlling Participant to initiate acceptance of this Offer on your behalf in accordance with Rule 14.14 of the ASTC Settlement Rules.
- (d) To accept this Offer in respect of ALH Shares in respect of which, at the time of acceptance, you are entitled to be registered but are not registered you must complete and sign the Acceptance Form enclosed with this Offer in accordance with the instructions on it and return it together with all other documents required by those instructions to one of the addresses referred to in paragraph (b) so that it is received not later than the end of the Offer Period.
- (e) An acceptance of this Offer under paragraphs (b), (c)(ii)B or (d) shall not be complete until the Acceptance Form, completed and signed in accordance with the instructions on it and all other documents required by those instructions, have been received at one of the

addresses set out in paragraph (b). Notwithstanding the foregoing provisions of this paragraph, Bruandwo may, in its absolute discretion, waive at any time prior to the end of the Offer Period all or any of the requirements specified in the Acceptance Form but payment of the consideration in accordance with this Offer will not be made until any irregularity has been resolved and such other documents as may be necessary to procure registration of the ALH Shares have been lodged with Bruandwo.

#### **8.5 Entitlement to Offer**

- (a) If at the time this Offer is made to you, or at any time during the Offer Period and before you accept this Offer, another person is, or is entitled to be, registered as the holder of, or is able to give good title to, some or all of Your ALH Shares (such an ALH Share in this paragraph being called an **Entitlement Share**) then, in accordance with section 653B(1)(a) of the Corporations Act:
- (i) a corresponding Offer shall be deemed to have been made at that time to that other person relating to the Entitlement Shares;
  - (ii) a corresponding Offer shall be deemed to have been made at that time to you relating to Your ALH Shares other than the Entitlement Shares; and
  - (iii) this Offer shall be deemed immediately after that time to have been withdrawn.
- (b) If at any time during the Offer Period and before the Offer is accepted you hold ALH Shares on trust for, as nominee for or on account of another person or persons, then a separate Offer shall be deemed, in accordance with section 653B of the Corporations Act, to have been made to you in relation to each parcel of ALH Shares within Your ALH Shares. An acceptance by you of the Offer in respect of any such distinct portion of Your ALH Shares will be ineffective unless you have given Bruandwo notice stating that Your ALH Shares consist of separate parcels and your acceptance specifies the number of ALH Shares in the distinct portions to which the acceptance relates. If Your ALH Shares are in a CHESS Holding, the notice may be transmitted in an electronic form approved by the ASTC Settlement Rules. Otherwise, the notice must be given to Bruandwo in writing.

#### **8.6 Effect of acceptance**

- (a) By:
- I. completing, signing and returning an Acceptance Form in accordance with Section 8.4(b), (c)(ii)B or (d); or

- II. causing the Offer to be accepted in accordance with the ASTC Settlement Rules if Your ALH Shares are in a CHESS Holding;

you will:

- (i) have accepted this Offer, subject to Section 8.5, in respect of all Your ALH Shares;
- (ii) have, subject to this Offer being declared free from the conditions set out in Section 8.8 or such conditions being fulfilled, agreed to transfer Your ALH Shares to Bruandwo;
- (iii) have represented and warranted to Bruandwo as a fundamental condition going to the root of the contract resulting from your acceptance of the Offer that, at the time of acceptance of this Offer and at the time the transfer of Your ALH Shares to Bruandwo is registered, all of Your ALH Shares are and will upon registration be fully paid up and free from all mortgages, charges, liens and other encumbrances of any kind and restrictions on transfer of any kind, and that you have full power and capacity to sell and transfer such ALH Shares whether legal or equitable and that you have paid all amounts which at the time of acceptance have fallen due for payment in respect of those ALH Shares;
- (iv) have authorised Bruandwo (by any of its directors), if necessary, to complete on the Acceptance Form correct details of Your ALH Shares, fill in any blanks remaining on the Acceptance Form and rectify any error in or omission from the Acceptance Form as may be necessary to make the Acceptance Form an effective acceptance of this Offer;
- (v) have appointed Bruandwo and each of its directors, secretary and officers from time to time jointly and each of them severally as your true and lawful attorney, with effect from the date that any contract resulting from the acceptance of this Offer is declared free from all its conditions or those conditions are satisfied, with power to exercise all powers and rights which you could lawfully exercise as the registered holder of Your ALH Shares including, without limitation, requesting ALH to register Your ALH Shares in the name of Bruandwo, attending and voting at any meeting of ALH, demanding a poll for any vote taken at or proposing or seconding any resolutions to be considered at any meeting of ALH, requisitioning any meeting of ALH, signing any forms, notices or instruments relating to Your ALH Shares and doing all things incidental and ancillary to any of the foregoing and it is acknowledged and agreed that in exercising such powers

the attorney may act in the interests of Bruandwo as the intended registered holder of those ALH Shares;

- (vi) have irrevocably authorised and directed ALH to pay to Bruandwo or to account to Bruandwo for all Rights, subject however to any such Rights received by Bruandwo being accounted for by Bruandwo to you in the event that this Offer is withdrawn or avoided;
  - (vii) except where Rights have been paid or accounted for under Section 8.6(a)(vi), have irrevocably authorised Bruandwo to deduct from the consideration payable in respect of Your ALH Shares, the value of any Rights paid to you which, where the Rights take a non-cash form, will be the value of those Rights as reasonably assessed by the Chairman of ASX or his or her nominee;
  - (viii) if, at the time of acceptance of this Offer, Your ALH Shares are in a CHES Holding, have, with effect from the date that either this Offer or any contract resulting from the acceptance of this Offer is declared free from all its conditions or those conditions are satisfied, authorised Bruandwo to cause a message to be transmitted in accordance with ASTC Settlement Rule 14.17.1 (and at a time permitted by ASTC Settlement Rule 14.17.1(b)) so as to transfer Your ALH Shares to Bruandwo's Takeover Transferee Holding. Bruandwo shall be so authorised even though at the time of such transfer it has not paid the consideration due to you under this Offer;
  - (ix) have agreed to indemnify Bruandwo in respect of any claim or action against it or any loss, damage or liability whatsoever incurred by it as a result of you not producing your Holder Identification Number or in consequence of the transfer of Your ALH Shares being registered by ALH without production of your Holder Identification Number for Your ALH Shares;
  - (x) have represented and warranted to Bruandwo that, unless you have notified it in accordance with Section 8.5(b), Your ALH Shares do not consist of several parcels of ALH Shares; and
  - (xi) have agreed to exercise all such documents, transfers and assurances that may be necessary or desirable to convey Your ALH Shares and any Rights to Bruandwo.
- (b) If Your ALH Shares are in a CHES Holding and you complete, sign and return the Acceptance Form in accordance with Section 8.4(c)(ii)B (which you are not bound, but are requested, to do) you will be deemed to have irrevocably authorised Bruandwo and any of its directors to:

- (i) instruct your Controlling Participant to initiate acceptance of this Offer in respect of Your ALH Shares which are in a CHES Holding, in accordance with Rule 14.14 of the ASTC Settlement Rules if you have not already done so; and
- (ii) give any other instructions in relation to Your ALH Shares to your Controlling Participant on your behalf under the sponsorship agreement between you and that Controlling Participant.

#### **8.7 Dividends and other entitlements**

- (a) Bruandwo will be entitled to all Rights declared, paid, made, or which may arise or accrue at or after the Announcement Date in respect of ALH Shares which it acquires pursuant to this Offer.
- (b) If any Rights are declared, paid, made or arise or accrue in cash after the Announcement Date to the holders of ALH Shares, Bruandwo will (provided the same has not been paid to Bruandwo) be entitled to reduce the consideration specified in Section 8.2 and payable by it to accepting holders of ALH Shares by an amount equal to the value of such Rights.
- (c) If any non-cash Rights are issued or made or arise or accrue after the Announcement Date to the holders of ALH Shares then Bruandwo will be entitled to reduce the consideration specified in Section 8.2 and payable by it to accepting holders of ALH Shares by an amount equal to the value (as reasonably assessed by the Chairman of ASX or his or her nominee) of such non-cash Rights.

#### **8.8 Conditions**

- (a) Subject to paragraph (b), this Offer and the contract resulting from the acceptance of this Offer (and each other Offer and each contract resulting from the acceptance thereof) are subject to the following conditions:

- (i) **50.1% Minimum acceptance condition**

- At the end of the Offer Period, Bruandwo has a relevant interest in more than 50.1% (by number) of ALH Shares.

- (ii) **Regulatory approvals**

- All necessary approvals for the proposed transaction, including (without limitation):

- A. the approval or approvals required under the *Liquor Control Reform Act 1998* (Vic) to the acquisition of ALH Shares by Bruandwo or confirmation that no approvals will be required;
- B. the approval or approvals required under the *Liquor Licensing Act 1997* (SA) to the acquisition of ALH Shares by Bruandwo or confirmation that no approvals will be required;
- C. the approval or approvals required under the *Liquor Licensing Act 1988* (WA) to the acquisition of ALH Shares by Bruandwo or confirmation that no approvals will be required;
- D. the approval or approvals required under the *Gambling Regulations Act 2003* with respect to the association between ALH and Bruandwo (and, if applicable, its officers and shareholders) arising from the acquisition of ALH Shares by Bruandwo or confirmation that no approvals will be required;
- E. the approval or approvals required under the *Gaming Machines Act 1992* (SA) to the acquisition of ALH Shares by Bruandwo or confirmation that no approvals will be required,

are granted, given, made or obtained on an unconditional basis and, at the end of the Offer Period, remain in full force and effect in all respects and are not subject to any notice intention or indication of intention to revoke, suspend, restrict, modify or not renew the same.

**(iii) No regulatory actions**

Between the Announcement Date and the end of the Offer Period:

- A. there is not in effect any preliminary or final decision, order or decree issued by a Public Authority;
- B. no action or investigation is announced, commenced or threatened by any Public Authority; and
- C. no application is made to any Public Authority,

in consequence of, or in connection with, the Offer (other than an application to or a decision or order of ASIC or the Takeovers Panel for the purpose or in the

exercise of the powers and discretions conferred on it by the Corporations Act), which restrains, prohibits or impedes or threatens to restrain, prohibit or impede or may otherwise materially adversely impact upon, the making of the Bid or which requires or purports to require the variation of the terms of the Offer or the completion of any transaction contemplated by the Bidder's Statement (including implementing the intentions expressed in Section 3 of the Bidder's Statement) or seeks to require the divestiture of any ALH shares or the divestiture of any assets by any company within ALH or Bruandwo.

**(iv) No material adverse change**

Between the Announcement Date and the end of the Offer Period, no event, matter or thing occurs or information is disclosed by ALH concerning any event, matter or thing which will or is reasonably likely to have a material adverse effect on the assets and liabilities, financial position and performance, profitability or prospects of ALH and its subsidiaries taken as a whole.

**(v) No material acquisitions, disposals or new commitments**

Except for any proposed transaction publicly announced by ALH before the Announcement Date, none of the following events occurs during the period from the Announcement Date to the end of the Offer Period:

- A. ALH or any subsidiary of ALH acquires, offers to acquire or agrees to acquire one or more companies, businesses or assets (or any interest in one or more companies, businesses or assets) for an amount in aggregate greater than \$5 million or makes an announcement in relation to such an acquisition, offer or agreement;
- B. ALH or any subsidiary of ALH disposes of, offers to dispose of or agrees to dispose of one or more companies, businesses or assets (or any interest in one or more companies, businesses or assets) for an amount, or in respect of which the book value (as recorded in ALH's statement of financial position as at 31 December 2003) is, in aggregate, greater than \$5 million or makes an announcement in relation to such a disposition, offer or agreement;
- C. ALH or any subsidiary of ALH enters into, or offers to enter into or agrees to enter into, any agreement, joint venture, partnership or commitment which would require expenditure, or the foregoing of revenue, by ALH and/or its subsidiaries of an amount which is, in



aggregate, more than \$5 million, other than in the ordinary course of business, or makes an announcement in relation to such an entry, offer or agreement.

**(vi) Market change condition**

Before the end of the Offer Period, the S&P ASX 200 Index does not fall below 3,030 on any trading day.

**(vii) Change in control**

A. After the Announcement Date and before the end of the Offer Period, no person exercises or purports to exercise, or states an intention to exercise, any rights under any provision of any agreement or any other instrument to which ALH or any subsidiary of ALH is a party, or by or to which ALH or any subsidiary of ALH or any of its assets may be bound or be subject, which results, or could result, to an extent which is material in the context of ALH or ALH and its subsidiaries taken as a whole, in:

- I. any moneys borrowed by ALH or any subsidiary of ALH being or becoming repayable or being capable of being declared repayable immediately or earlier than the repayment date stated in such agreement or other instrument;
- II. any such agreement or other instrument being terminated or modified or any action being taken or arising thereunder;
- III. the interest of ALH or any subsidiary of ALH in any firm, joint venture, trust, corporation or other entity (or any arrangements relating to such interest) being terminated or modified; or
- IV. the business of ALH or any subsidiary of ALH with any other person being adversely affected,

as a result of the acquisition of ALH Shares by Bruandwo.

B. After the Announcement Date and before the end of Offer Period, ALH receives from each person who is entitled to exercise any right under any provision of any material agreement to which ALH or any subsidiary of ALH is a party, including any of the agreements referred to in Section 7.4 of the Bidder's Statement, that entitles the person to terminate or modify

the agreement as a result of the acquisition of ALH Shares by Bruandwo, an irrevocable and unconditional waiver or release of that right in writing and provides Bruandwo with a copy of that written waiver or release.

**(viii) Force majeure**

After the Announcement Date and before the end of the Offer Period, no act of war (whether declared or not) or terrorism, mobilisation of armed forces, civil commotion or labour disturbance, fire or natural disaster, or other event beyond the control of ALH or a relevant subsidiary occurs which has or is likely to have a materially adverse effect on the assets, liabilities, financial position, performance, profitability or prospects of ALH and its subsidiaries taken as a whole.

**(ix) Equal access to information**

At all times during the period from the Announcement Date to the end of the Offer Period, ALH promptly (and in any event within 2 business days) provides to Bruandwo a copy of all information that is not generally available (within the meaning of the Corporations Act) relating to ALH or any subsidiary of ALH or any of their respective businesses or operations that has been provided by ALH or any subsidiary of ALH or any of their respective officers, employees, advisers or agents to any person (other than Bruandwo) for the purpose of soliciting, encouraging or facilitating a proposal or offer by that person, or by any other person, in relation to a transaction under which:

- A. any person (together with its associates) may acquire voting power of 10% or more in ALH or any subsidiary of ALH (whether by way of takeover bid, compromise or arrangement under Part 5.1 of the Corporations Act, or otherwise);
- B. any person may acquire, directly or indirectly (including by way of joint venture, dual listed company structure or otherwise), any interest in all or a substantial part of the business or assets of ALH or of any subsidiary of ALH; or
- C. that person may otherwise acquire control of or merge or amalgamate with ALH or any subsidiary of ALH.

(x) **Earnings condition**

Before the end of the Offer Period ALH releases to ASX a statement of ALH's financial performance for the period ending on or about 30 June 2004 (**Financial Statement**) which:

- A. complies with Accounting Standards, the Corporations Regulations 2001 (Cth) and other mandatory professional reporting requirements in Australia and on the basis of the accounting policies which are set out in Annexure 1 to, and section 6.13 of, Foster's Prospectus; and
- B. discloses:
  - I. ALH's earnings before interest, tax, depreciation, amortisation and rent in respect of that financial period (**EBITDAR**) in an amount which is not less than \$187.5 million (which does not exclude any recurring expense items that are expected to be incurred in the normal operations of its business, and includes only those non-recurring items disclosed in Foster's Prospectus);
  - II. ALH's earnings before interest and tax in respect of that financial period (**EBIT**) in an amount which is not less than \$93.2 million (which does not exclude any recurring expense items that are expected to be incurred in the normal operations of its business, and includes only those non-recurring items disclosed in Foster's Prospectus);
  - III. ALH's net profit attributable to members in respect of that financial period (**NPAT**) in an amount which is not less than \$59.1 million (which does not exclude any recurring expense items that are expected to be incurred in the normal operations of its business, and includes only those non-recurring items disclosed in Foster's Prospectus);
  - IV. details of all non-recurring items included in EBITDAR, EBIT or NPAT having a value in excess of \$2 million in aggregate;
  - V. the composition of EBITDAR on a business by business basis;

- VI. details of any variation in the composition of EBITDAR on a business by business basis from that disclosed in Foster's Prospectus; and
- VII. details of any variations from the material assumptions underlying the directors forecasts set out in section 6.5 of Foster's Prospectus.

**(xi) No prescribed occurrences**

None of the following events happen before the end of the Offer Period:

- A. ALH converting all or any of its shares into a larger or smaller number of shares under section 254H of the Corporations Act;
- B. ALH or a subsidiary of ALH resolving to reduce its share capital in any way;
- C. ALH or a subsidiary of ALH entering into a buyback agreement or resolving to approve the terms of a buyback agreement under sections 257C(1) or 257D(1) of the Corporations Act;
- D. ALH or a subsidiary of ALH making an issue of its shares or granting an option over its shares or agreeing to make such an issue or grant such an option;
- E. ALH or a subsidiary of ALH issuing, or agreeing to issue, convertible notes;
- F. ALH or a subsidiary of ALH disposing, or agreeing to dispose, of the whole, or a substantial part, of its business or property;
- G. ALH or a subsidiary of ALH charging, or agreeing to charge, the whole, or a substantial part, of its business or property;
- H. ALH or a subsidiary of ALH resolving that it be wound up;
- I. the appointment of a liquidator or provisional liquidator of ALH or of a subsidiary of ALH;
- J. the making of an order by a court for the winding up of ALH or of a subsidiary of ALH;

- K. an administrator of ALH or of a subsidiary of ALH being appointed under section 436A, 436B or 436C of the Corporations Act;
  - L. ALH or a subsidiary of ALH executing a deed of company arrangement; or
  - M. the appointment of a receiver, receiver and manager, other controller (as defined in the Corporations Act) or similar official in relation to the whole, or a substantial part, of the property of ALH or of a subsidiary of ALH.
- (b) The conditions in paragraph (a) are conditions subsequent. The non-fulfilment of any condition subsequent does not prevent a contract to sell Your ALH Shares resulting from your acceptance of this Offer, but entitles Bruandwo by written notice to you, to rescind the contract resulting from your acceptance of this Offer.
- (c) Subject to the provisions of the Corporations Act, Bruandwo alone has the benefit of the conditions in paragraph (a) and any breach or non-fulfilment of any such conditions may be relied on only by Bruandwo.
- (d) The date specified for the giving of the notice referred to in section 630(3) of the Corporations Act is [#], subject to extension in accordance with section 630(2) of the Corporations Act if the Offer Period is extended in accordance with the Corporations Act.
- (e) If at the end of the Offer Period in respect of the conditions specified in paragraph (a):
- (i) Bruandwo has not declared this Offer and all other Offers made by Bruandwo under the Bid and all contracts resulting from the acceptance of Offers to be free from the conditions; and
  - (ii) the conditions have not been fulfilled,
- then all contracts resulting from the acceptance of Offers and all Offers that have been accepted and from whose acceptance binding contracts have not yet resulted are void. In that event Bruandwo will, if you have accepted this Offer:
- (iii) return at your risk your Acceptance Form together with all documents forwarded by you with that form to your address as shown in the Acceptance Form; or

- (iv) if Your ALH Shares are in a CHESS Holding notify ASTC under the ASTC Settlement Rules that the contract resulting from your acceptance of the Offer is avoided.

#### **8.9 Obligations of Bruandwo**

- (a) Subject to this section and the Corporations Act, Bruandwo will provide the consideration for Your ALH Shares by the end of whichever of the following periods ends earliest:
  - (i) one month after the Offer is accepted or, if the Offer is subject to a defeating condition when accepted, within one month after the Offer becomes unconditional; and
  - (ii) 21 days after the end of the Offer Period.

Under no circumstances will interest be paid on the consideration for Your ALH Shares under this Offer, regardless of any delay in making payment or any extension of this Offer.

- (b) Where the Acceptance Form requires an additional document to be given with your acceptance (such as a power of attorney):
  - (i) if that document is given with your acceptance, Bruandwo will provide the consideration in accordance with paragraph (a);
  - (ii) if that document is given after acceptance and before the end of the Offer Period while the Offer is subject to a defeating condition, Bruandwo will provide the consideration by the end of whichever of the following periods ends earlier:
    - A. one month after the Offer becomes unconditional; or
    - B. 21 days after the end of the Offer Period;
  - (iii) if the document is given after acceptance and before the end of the Offer Period while the Offer is not subject to a defeating condition, Bruandwo will provide the consideration by the end of whichever of the following periods ends earlier:
    - A. one month after the document is given; or
    - B. 21 days after the end of the Offer Period; or

- (iv) if that document is given after the end of the Offer Period, Bruandwo will provide the consideration within 21 days after that document is given.
- (c) If, at the time of acceptance of this Offer, any authority or clearance of the Reserve Bank of Australia or of the Australian Taxation Office is required for you to receive any consideration under this Offer or you are a resident in or a resident of a place to which, or you are a person to whom:
- (i) the *Banking (Foreign Exchange) Regulations 1959* (Cth);
  - (ii) the *Charter of the United Nations (Terrorism and Dealing with Assets) Regulations 2002* (Cth);
  - (iii) the *Iraq (Reconstruction and Repeal of Sanctions) Regulation 2003* (Cth); or
  - (iv) any law of Australia that would make it unlawful for Bruandwo to provide the consideration payable under the Offers,

applies then acceptance of this Offer will not create or transfer to you any right (contractual or contingent) to receive the consideration specified in this Offer unless and until all requisite authorities or clearances have been obtained by Bruandwo. Please refer to Section 7.5 of this Bidder's Statement for information as to whether this restriction applies to you.

#### **8.10 Withdrawal**

Bruandwo may withdraw this Offer at any time with the written consent of ASIC which consent may be given subject to such conditions (if any) as are specified in the consent. Notice of any withdrawal will be given to ASX, ALH and to each person to whom an Offer under the Bid has been made.

#### **8.11 Variation**

Bruandwo may at any time, and from time to time, vary this Offer in accordance with the Corporations Act.

#### **8.12 Costs, Taxes and GST**

All costs and expenses of the preparation of the Bidder's Statement and of the preparation and circulation of this Offer will be paid by Bruandwo. No GST is payable as a consequence of the Offer.

### **8.13 Notices**

- (a) Any notices to be given by Bruandwo to ALH under the Bid may be given to ALH by leaving them at, or sending them by prepaid ordinary post to, the registered office of ALH or by sending them by facsimile transmission to ALH at its registered office.
- (b) Any notices to be given to Bruandwo by you or by ALH under the Bid may be given to Bruandwo by leaving them at or sending them by prepaid ordinary post to Bruandwo at one of the addresses referred to in Section 8.4(b).
- (c) Any notices to be given by Bruandwo to you under the Bid may be given to you by leaving them at or sending them by prepaid ordinary post or if your address is outside Australia, by airmail, to your address as shown in the Register.



## SECTION 9. GLOSSARY AND INTERPRETATION

### PART 1 - GLOSSARY

The following terms have the meanings set out below unless the context requires otherwise:

**Acceptance Form** means the form of acceptance of the Offer enclosed with this Offer and the Bidder's Statement.

**ALH or Company** means Australian Leisure & Hospitality Group Limited ABN 37 067 391 511.

**ALH Shares** means the fully paid ordinary shares on issue in ALH.

**Announcement Date** means 8 July 2004.

**Associate** has the meaning given to it in section 12 of the Corporations Act.

**ASIC** means the Australian Securities & Investments Commission.

**ASTC** means the Australian Settlement and Transfer Corporation Pty Limited (ABN 49 008 504 532).

**ASTC Settlement Rules** means the operating rules of the settlement facility provided by ASTC.

**ASX** means the Australian Stock Exchange Limited (ABN 98 008 624 691) and includes the market operated by ASX.

**Bank** has the meaning given to it in Section 4.3(a).

**Bergam** means Bergam Pty Limited ACN 109 333 208.

**Bergam Share Sale Agreement** has the meaning given in Section 5.2.

**Bid** means the Offer to acquire all of the ALH Shares, on the terms set out in this Bidder's Statement.

**Bid Period** means the period between the date on which this Bidder's Statement was provided to ALH and the end of the Offer Period (both inclusive).

**Bidder's Statement** means the bidder's statement served on ALH in relation to Bruandwo's off-market bid to acquire all ALH Shares.

**Bridge Facility** has the meaning given to it in Section 4.3(a).

**Bridge Facility Agreement** has the meaning given to it in Section 4.3(a).

**Bruand Investments** means Bruand Investments Pty Limited ACN 098 212 189, a member of The Bruce Mathieson Group.

**Bruandwo** means Bruandwo Pty Limited ABN 68 098 212 134.

**CGT Discount** has the meaning given in Section 6.2.

**CHESS** means the Clearing House Electronic Subregister System, which provides for the electronic transfer, settlement and registration of securities in Australia.

**CHESS Holding** means a holding of ALH Shares on the CHESS subregister of ALH.

**Commitment Letter** has the meaning given to it in Section 4.3(a).

**Controlling Participant** has the meaning given to it in the ASTC Settlement Rules.

**Corporations Act** means the Corporations Act 2001 (Cth) and any regulations made under that Act.

**CUB** has the meaning given to it in Section 7.4(c).

**EBIT** has the meaning given in Section 8.8(a)(x)B.II.

**EBITDAR** has the meaning given in Section 8.8(a)(x)B.I.

**Entitlement Share** has the meaning given to it in Section 8.5(a).

**Escrow Securities** has the meaning given to it in Section 7.3.

**Financial Statement** has the meaning given in Section 8.8(a)(x).

**Foster's** means Foster's Group Limited ABN 49 007 620 886.

**Foster's Prospectus** means the prospectus dated 19 September 2003 containing an offer of ALH shares by Foster's.

**GST** means the goods and services tax imposed under the A New Tax System (Goods and Services Tax) Act 1999 (Cth) and the related imposition acts of the Commonwealth of Australia.

**Holder Identification Number** means the number used to identify a ALH Shareholder on the CHESS subregister of ALH.

**Icon Hotels** has the meaning given to it in Section 7.4(c).

**Issuer Sponsored Holding** has the meaning given to it in the ASTC Settlement Rules.

**Listing Rules** means the listing rules of ASX as amended or varied from time to time.

**MGW Hotels** means MGW Hotels Pty Ltd ACN 098 214 129.

**NPAT** has the meaning given in Section 8.8(a)(x)B.III.

**Offer** means the offer in Section 8 of the Bidder's Statement and **Offers** means the several like offers which together constitute the Bid.

**Offer Period** means the period during which Offers will remain open for acceptance in accordance with Section 8.3.

**Plans** has the meaning given in Section 7.2.

**Public Authority** means any government or any governmental, semi-governmental, statutory or judicial entity or authority, whether in Australia or elsewhere. It also includes any self-regulatory organisation established under statute and any stock exchange.

**Register Date** means the date to be specified by Bruandwo by notice to ALH under section 633(2) of the Corporations Act.

**Register** means the register of Shareholders maintained by ALH in accordance with the Corporations Act.

**Rights** means all accretions, rights or benefits of whatever kind attaching to or arising from or in respect of the ALH Shares whether directly or indirectly including without limitation all rights to receive dividends (and any attaching franking credit), to subscribe for shares, units, notes, options or other securities and all other distributions or entitlements declared, paid, made or issued by ALH after the Announcement Date.

**Securityholder Reference Number** means the number allocated by ALH to identify a shareholder on its issuer sponsored subregister.

**Shareholder** means a person who is registered as the holder of ALH Shares in the Register.

**TABCORP** has the meaning given to it in Section 7.4(e).

**Takeover Transferee Holding** means the CHESS Holding to which ALH Shares are to be transferred pursuant to acceptances of the Offer.

**Tattersall's** has the meaning given to it in Section 7.4(d).

**Tax Laws** has the meaning given in Section 6.1.

**Underwriter** has the meaning given to it in Section 7.3.

**Woolworths** means Woolworths Limited ABN 88 000 014 675.

**Woolworths Facility** has the meaning given to it in Section 4.2.

**Woolworths Group** means Woolworths and its controlled entities.

**Your ALH Shares** means, subject to Section 8.5, the ALH Shares in respect of which you are registered as holder in the Register at 9.00 am on the Register Date, and to which you are able to give good title at the time you accept the Offer during the Offer Period.

## **PART 2 – INTERPRETATION**

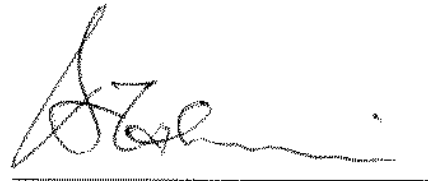
- (a) Appendices to the Bidder's Statement form part of this Bidder's Statement.
- (b) Words and phrases to which a meaning is given by the Corporations Act, the Listing Rules of ASX or the ASTC Settlement Rules have that meaning in this Offer and in the Acceptance Form unless that meaning is inconsistent with the context in which the word or phrase is used.
- (c) Headings are for convenience only and do not affect the interpretation of this Bidder's Statement.
- (d) The singular includes the plural and vice versa and words importing any gender includes the other gender, and references to persons include corporations.
- (e) References to Sections are to sections of the Bidder's Statement.
- (f) References to paragraphs are references to paragraphs within the Section of this Bidder's Statement in which the reference to the paragraph is made.
- (g) References to time are references to the time in Sydney, Australia on the relevant date, unless stated otherwise.
- (h) References to "dollars", "\$" or "cents" are to Australian currency.

Dated: 9 July 2004.

Signed by

A handwritten signature in black ink, appearing to read 'Roger Corbett', written over a horizontal line.

Roger Corbett  
Director

A handwritten signature in black ink, appearing to read 'Bruce Mathieson', written over a horizontal line.

Bruce Mathieson  
Director

For and on behalf of Bruandwo Pty Limited following a resolution of the directors of Bruandwo Pty Limited.

**APPENDIX 1**

**(Refer Section 5.4)**

**DETAILS OF ACQUISITIONS OF ALH SHARES BY BERGAM IN THE LAST FOUR MONTHS**

<b>Date of acquisition</b>	<b>Number of Shares acquired</b>	<b>Average Consideration per Share*</b>	<b>Purchaser (as bare trustee for Bergam)</b>
03-Jun-04	850,000	\$ 2.246	BB Nominees Pty Limited ACN 055 564 835
04-Jun-04	385,000	\$ 2.250	BB Nominees Pty Limited ACN 055 564 835
04-Jun-04	302,616	\$ 2.250	UBS Private Clients Australia Nominees Pty Limited ACN 004 910 374
08-Jun-04	365,000	\$ 2.250	BB Nominees Pty Limited ACN 055 564 835
08-Jun-04	730,469	\$ 2.250	UBS Private Clients Australia Nominees Pty Limited ACN 004 910 374
09-Jun-04	283,506	\$ 2.245	BB Nominees Pty Limited ACN 055 564 835
09-Jun-04	464,915	\$ 2.246	UBS Private Clients Australia Nominees Pty Limited ACN 004 910 374
9-Jun-04	75,000	\$ 2.242	BB Nominees Pty Limited ACN 055 564 835
10-Jun-04	991,317	\$ 2.249	BB Nominees Pty Limited ACN 055 564 835
10-Jun-04	405,000	\$ 2.249	UBS Private Clients Australia Nominees Pty Limited ACN 004 910 374
11-Jun-04	550,595	\$ 2.250	UBS Private Clients Australia Nominees Pty Limited ACN 004 910 374
11-Jun-04	300,000	\$ 2.250	BB Nominees Pty Limited ACN 055 564 835
15-Jun-04	334,017	\$ 2.250	BB Nominees Pty Limited ACN 055 564 835
15-Jun-04	529,405	\$ 2.249	UBS Private Clients Australia Nominees Pty Limited ACN 004 910 374
16-Jun-04	182,732	\$ 2.270	BB Nominees Pty Limited ACN 055 564 835
17-Jun-04	10,942	\$ 2.320	BB Nominees Pty Limited ACN 055 564 835
17-Jun-04	1,409,921	\$ 2.302	UBS Nominees Pty Limited ACN 001 450 522
17-Jun-04	50,000	\$ 2.290	UBS Private Clients Australia Nominees Pty Limited ACN 004 910 374
18-Jun-04	367,769	\$ 2.361	UBS Nominees Pty Limited ACN 001 450 522
18-Jun-04	214,508	\$ 2.331	BB Nominees Pty Limited ACN 055 564 835
21-Jun-04	1,162,283	\$ 2.399	BB Nominees Pty Limited ACN 055 564 835
21-Jun-04	350,000	\$ 2.400	UBS Private Clients Australia Nominees Pty Limited ACN 004 910 374
22-Jun-04	477,388	\$ 2.395	BB Nominees Pty Limited ACN 055 564 835
22-Jun-04	314,956	\$ 2.394	UBS Private Clients Australia Nominees Pty Limited ACN 004 910 374
23-Jun-04	390,044	\$ 2.391	UBS Private Clients Australia Nominees Pty Limited ACN 004 910 374
23-Jun-04	176,881	\$ 2.394	BB Nominees Pty Limited ACN 055 564 835
24-Jun-04	402,000	\$ 2.416	UBS Private Clients Australia Nominees Pty Limited ACN 004 910 374
24-Jun-04	401,066	\$ 2.413	BB Nominees Pty Limited ACN 055 564 835
25-Jun-04	897,500	\$ 2.416	UBS Private Clients Australia Nominees Pty Limited ACN 004 910 374
25-Jun-04	873,383	\$ 2.416	BB Nominees Pty Limited ACN 055 564 835
28-Jun-04	274,339	\$ 2.433	UBS Private Clients Australia Nominees Pty Limited ACN 004 910 374

28-Jun-04	372,000	\$ 2.437	BB Nominees Pty Limited ACN 055 564 835
29-Jun-04	503,961	\$ 2.423	UBS Private Clients Australia Nominees Pty Limited ACN 004 910 374
29-Jun-04	444,917	\$ 2.421	BB Nominees Pty Limited ACN 055 564 835
30-Jun-04	380,742	\$ 2.453	UBS Private Clients Australia Nominees Pty Limited ACN 004 910 374
30-Jun-04	317,334	\$ 2.473	BB Nominees Pty Limited ACN 055 564 835
30-Jun-04	226,310	\$ 2.454	UBS Nominees Pty Limited ACN 001 450 522
01-Jul-04	347,939	\$ 2.494	UBS Private Clients Australia Nominees Pty Limited ACN 004 910 374
01-Jul-04	500,000	\$ 2.750	BB Nominees Pty Limited ACN 055 564 835
01-Jul-04	37,500,000	\$ 2.749	UBS Nominees Pty Limited ACN 001 450 522
02-Jul-04	407,572	\$ 2.749	BB Nominees Pty Limited ACN 055 564 835
02-Jul-04	150,000	\$ 2.750	UBS Private Clients Australia Nominees Pty Limited ACN 004 910 374
<b>Total</b>	<b>55,673,327</b>	<b>\$ 2.62</b>	

\* Minimum price = \$2.23  
Maximum price = \$2.75

## APPENDIX 2

(Refer Sections 5.3 and 5.4)

### DETAILS OF ACQUISITIONS OF ALH SHARES BY BRUANDWO IN THE LAST FOUR MONTHS

This Appendix sets out the details of the ALH Shares in respect of which Bruandwo has provided or agreed to provide consideration under a purchase or agreement during the four months before the date of this Bidder's Statement. Bruandwo has agreed to acquire from Bergam under the Bergam Share Sale Agreement all ALH Shares beneficially owned by Bergam on completion (as defined in the Bergam Share Sale Agreement). These shares include the ALH Shares acquired by Bergam which are set out in Appendix 1.

The purchase price for the ALH Shares agreed to be acquired by Bruandwo from Bergam pursuant to the Bergam Share Sale Agreement is:

- (i) for ALH Shares acquired by Bergam before 21 June 2004, the volume weighted average price of ALH Shares over the five trading days before 21 June 2004, being \$2.299 per ALH Share; and
- (i) for ALH Shares acquired by Bergam on or after 21 June 2004, cost (including brokerage and other transaction costs), being \$2.695 per ALH Share.



### APPENDIX 3

(Refer Sections 7.4 and 8.8(a)(vii)B.)

#### OTHER MATERIAL ALH CONTRACTS DISCLOSED IN FOSTER'S PROSPECTUS

- Separational, transitional and shared services deed between Foster's and ALH.
- All intercreditor agreements between ALH and ALE Direct Property Trust.
- Implementation deed between Foster's, Australian Leisure and Entertainment Property Management Limited and ALH.
- All pub and bottle shop leases between the relevant Foster's property owners as landlord and ALH as tenant.
- Relationship deed between Permanent Trustee Company Limited, ALH and Australian Leisure and Entertainment Property Management Limited.
- Warranty deed between CUB, Australian Leisure and Entertainment Property Management Limited, Permanent Trustee Company Limited and ALH.
- Development agreements for Noosa Reef Hotel, Caloundra Hotel, Narrabeen Sands Hotel, Burleigh Heads Hotel, Parkway Hotel and Country Club Hotel.
- All pub and detached bottle shop leases from lessors other than ALE Direct Property Trust.
- Strategic preferred supplier relationship agreement (and volume commitment deed) between ALH and Foster's.
- Tax sharing agreement between ALH, Foster's and each member of the Foster's consolidated group dated 25 August 2003.
- Technical services agreement between ALH and CUB.
- Service level agreement between ALH and CUB (trading as Capitol Liquor) dated 29 August 2003.
- Agreement between ALH and Cellarmasters Wines Pty Limited for the provision of advertising and promotional services by Cellarmasters to ALH.

## **Corporate Directory**

### **Bruandwo Pty Limited**

Level 2  
56-58 Claremont Street  
SOUTH YARRA VIC 3141

### **Financial advisers to Bruandwo Pty Limited**

UBS  
Level 25  
Governor Phillip Tower  
1 Farrer Place  
SYDNEY NSW 2000

### **Legal advisers to Bruandwo Pty Limited**

Gilbert + Tobin  
2 Park Street  
SYDNEY NSW 2000

### **Share registrar for Bruandwo Pty Limited**

Computershare Investor Services Pty Limited  
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60 Carrington Street  
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