



ASX ANNOUNCEMENT

15 October 2004

The Manager
Corporate Announcement Office
Australian Stock Exchange Limited

Announcement No: 34/05

ALH REITERATES DIRECTORS' UNANIMOUS RECOMMENDATION OF \$3.35 CASH PER SHARE PROPOSAL FROM COLES MYER AND MACQUARIE

Australian Leisure & Hospitality Group Limited (ALH) this afternoon reiterated that its Directors unanimously recommend shareholders support the \$3.35 cash per share proposal from CMM Hotel & Retail Investment Pty Ltd (CMM), a joint venture between Coles Myer Limited and Macquarie Bank Limited, in the absence of a more favourable offer.

The ALH Directors' recommendation of the Bruandwo Pty Ltd (Bruandwo) offer of \$3.15 per share was superseded when they unanimously recommended the higher and superior CMM proposal of \$3.35 per share on 13 October 2004.

ALH notes today's announcement from Bruandwo in which Bruandwo states that it and its associates currently intend to vote against the CMM proposal. However, ALH also notes that Bruandwo has not ruled out following the ALH Directors' recommendation and voting in favour of the CMM proposal.

Bruandwo has not lodged a change of substantial holding notice since its offer opened on 26 July 2004 which means Bruandwo has not received acceptances or otherwise acquired shares amounting to 1% or more of ALH's issued shares. On this basis, the shareholding of Bruandwo and its associates in ALH remains less than 17%. The CMM proposal requires, among other things, the resolution to approve it to be passed by at least 75% of the votes cast at the convened meeting. With sufficient shareholder support, the CMM proposal is clearly achievable even if Bruandwo and its associates carry out their current intention to vote against the resolution.

ALH Directors believe the CMM proposal is in the best interests of shareholders in the absence of a more favourable proposal.

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Australian Leisure & Hospitality Group Limited
Noel Phillips
Company Secretary
15 October 2004

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