

NEWS RELEASE

CMM Hotel & Retail Investments Pty Limited

A.C.N. 111 305 563

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CMM revises bid for ALH - \$3.75

CMM Hotel & Retail Investments Pty Ltd (CMM) today announced a revised proposal to acquire all of the issued ordinary shares in Australian Leisure and Hospitality (ALH) for \$3.75 per share.

The ALH Board has unanimously recommended that ALH shareholders accept the proposal, in the absence of a more favourable offer.

The unconditional proposal represents a significant increase on the previous CMM offer of \$3.35 per share, and is a superior offer to Bruandwo's conditional, three-tiered arrangement, under which the offer price is dependent upon acceptance levels. At Bruandwo's current level of shareholding in ALH, its offer is \$3.15 per share, which is a significant 60 cents lower than the CMM offer of \$3.75.

CMM's proposal will continue to be undertaken through an unconditional scheme of arrangement to be put to ALH shareholders. It is proposed that a meeting to approve the scheme be held around mid-January 2005. If the scheme is approved, ALH shareholders will receive a total cash consideration of \$3.75 per share approximately two weeks later. Court approval is also required.

The additional funding required under the revised CMM proposal (relative to CMM's original proposal) has been sourced from a \$25 million increase in CMM's senior debt facility and the balance in the form of additional funding contributions, substantially provided by CML.

The proposed transaction would continue to see CML acquire leases for 17 prime Queensland hotels and the development rights to 14 Victorian bottleshops. These properties all have outstanding potential for redevelopment into new, large format liquor stores, and therefore offer considerable strategic value in the evolving liquor market.

Post the transaction, CML would also have first and last right of refusal over certain retail development opportunities in the existing and future ALH portfolio.

The revised proposal – combining the joint venture investment and purchase of strategic assets – remains earnings per share positive for CML in the first full year of operation.

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