

**MEDIA ANNOUNCEMENT**

**11 November 2009**

**MITRE 10 RESPONSE TO ACCC DECISION**

Mitre 10 has expressed disappointment at today's decision by the Australian Competition and Consumer Commission (ACCC) to approve the acquisition of Danks Holding Limited by Woolworths and its American partners.

The Mitre 10 Chief Executive Officer, Mark Burrowes, said he believed the ACCC should have given more weight to the argument that a reduction in competition at the wholesale hardware level could lead to the sector being dominated by the two major supermarket chains – another duopoly in Australia.

"Although we recognise that the ACCC has been successful in obtaining certain undertakings from Woolworths regarding independent store owners, we are disappointed by this decision by the competition regulator," he said.

"Mitre 10 will continue to do what we have always done – take the fight up to our competitors, and continue to support independent retailers. That is why we will be encouraging Danks store owners who are unhappy with the decision to join our national network of over 450 stores.

"Mitre 10 has undergone a major restructure over the past year and we are well placed to grow our existing network of independent hardware and home improvement retailer outlets.

"Our store owners are fiercely independent and proud of the personal and expert services they offer customers at both retail and wholesale levels – much as we have been doing over the past 50 years."

He said the transformation program approved by the Board in 2008 had resulted in considerable costs being taken out of the business, further improvements to the inventory systems, improved service to store owners and the stabilisation of accounts and stronger relations with suppliers.

"Mitre 10 exceeded its operating targets for FY09, experienced our strongest second-half EBIT in many years and our cash flow is positive and strong," he said. "Our strong financial performance continued throughout the September quarter of FY10 as we exceeded our net profit after tax expectations. We are in good shape as we move into our busiest time of year.

"We are well placed to take on this new challenge."

The Mitre 10 store network has more than 6,000 employees, many of whom are employed in regional and rural areas.

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