



Australian
Competition &
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Commission

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NEWS RELEASE

ACCC WILL NOT OPPOSE GPC'S PROPOSED ACQUISITION OF COVS PARTS FOLLOWING UNDERTAKING

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The Australian Competition and Consumer Commission will not oppose GPC Asia Pacific Pty Limited's (GPC) proposed acquisition of the Covs Parts business (Covs Parts) from Automotive Holdings Group Limited (AHG) (ASX:AHG), following a proposal by GPC and AHG to modify the transaction.

GPC distributes automotive parts through Repco and Ashdown-Ingram stores. Covs Parts operates 25 automotive parts stores in Western Australia.

"The revised transaction will mean that the regional towns of Karratha, Port Hedland, Esperance and Albany will be excluded from the transaction, and so will continue to have two generalist auto parts suppliers, providing more choice for regional trade businesses," ACCC Chairman Rod Sims said.

On 17 December 2015, the ACCC announced its decision not to clear the proposed acquisition on the basis that it would likely substantially lessen competition in several regional locations.

Following the ACCC's decision, GPC and AHG sought to address the ACCC's competition concerns by excluding the Covs Parts stores in Albany, Esperance, Karratha and Port Hedland (the retained stores) from the proposed acquisition. AHG proposes to continue to operate the four retained stores through its AMCAP division.

AHG also offered an undertaking to the ACCC to maintain and operate the retained stores in substantially the same manner as they are now operated. This includes retaining current staff and ensuring similar levels of stock are maintained for a period of two years.

"The ACCC's competition concerns related to specific regional markets. Taking into account the undertaking, the ACCC is satisfied that excluding the retained stores from the proposed acquisition sufficiently addresses our concerns," Mr Sims said.

The ACCC intends to issue a public competition assessment in due course.

Background

GPC is a distributor and retailer of automotive parts and accessories to trade and retail customers in Australia and New Zealand, through its Repco and Ashdown-Ingram brands. In Western Australia, GPC owns 37 Repco stores and eight Ashdown-Ingram branches. Covs Parts operates a 25 branch network in Western Australia and supplies a broad range of automotive parts and accessories, primarily to trade customers.

GPC originally sought to acquire the 25 Covs Parts stores in the greater metropolitan Perth region, and in the regional towns of Albany, Bunbury, Busselton, Esperance, Geraldton, Kalgoorlie, Karratha, Mandurah and Port Hedland. The revised transaction excludes 4 stores from the transaction, which are located in Albany, Esperance, Karratha and Port Hedland.