



Australian
Competition &
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Commission

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NEWS RELEASE

Attention: Business writers

ACCC TO OPPOSE PROPOSED ACQUISITION OF NEWREG (INCLUDING REGISTRIES LIMITED) BY LINK MARKET SERVICES

The Australian Competition and Consumer Commission today announced that it intends to oppose the proposed acquisition of Newreg Pty Ltd, including Registries Limited, by Link Market Services Limited.

"The ACCC concluded that the acquisition of Registries by Link would be likely to substantially lessen competition in the national market for securities registration and related services to listed companies and other entities with similar requirements, leading to higher prices and reduced quality of service that shareholders would ultimately bear," ACCC chairman Graeme Samuel said today.

"The ACCC conducted extensive inquiries with listed companies, registry service providers, the Australian Securities Exchange and other interested parties," Mr Samuel said.

"These inquiries indicated that the proposed acquisition would remove one of a very small number of registry service providers, leaving the merged firm and Computershare as the two largest, with two very small competitors.

"The proposed acquisition would significantly reduce the options available to a broad range of customers, in particular medium-sized companies and large companies with simpler shareholder registers.

"In addition, the ACCC's inquiries revealed that Registries currently plays an important role in the market, aggressively marketing and discounting its services to attract new clients.

"The proposed acquisition would therefore remove an important competitive discipline on Link and the only other major competitor, Computershare, leading to higher prices and reduced pressure to improve services.

"Without the disruptive and aggressive competition provided by Registries, the ACCC considered there would be a real chance of muted competition developing between Link and Computershare after the merger. This concern is exacerbated by the low levels of customer switching between registry service providers, and the existence of significant barriers facing both prospective new competitors entering the market and existing smaller competitors wanting to expand to compete more strongly against the two major players," he said.

With little likelihood of new entry into the provision of registry services in the foreseeable future, the ACCC concluded that the proposed acquisition was likely to substantially lessen competition in this market.

Section 50 of the *Trade Practices Act 1974* prohibits mergers and acquisitions that would have the effect, or be likely to have the effect, of substantially lessening competition in a market.

The basis upon which the ACCC has reached its decision will be outlined in a Public Competition Assessment, available shortly on the ACCC's website, www.accc.gov.au, through Public Competition Assessments.

Media inquiries

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