

WOOLWORTHS LIMITED

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Woolworth Liquor Group acquires Summergate

Woolworths Liquor Group (WLG) has announced that it has acquired China-based wine and drinks distributor, Summergate Fine Wines and Spirits (Summergate).

Summergate is a leading drinks distributor representing a portfolio of around 80 global brands. It also includes a small fine wine retail business, Pudao, with two stores in Shanghai and Beijing, as well as a small online and direct retail operation.

Summergate has 13 offices and 11 distribution centres and employs more than 400 people. It was established in Shanghai in 1999 by Ian Ford and Brendan O’Toole, who have agreed to remain with the business.

Woolworths CEO, Grant O’Brien said; “This is a very small step into China, capitalising on our Liquor expertise. We have a conservative investment lens, particularly in relation to international acquisition opportunities. Summergate is predominantly a distribution business and fits well with our supply chain and Liquor capabilities.”

WLG Managing Director, Brad Banducci, said; “Summergate is a small, complementary acquisition for our Group. As Australia’s leading drinks business, we have significant experience in distribution, retail and brand management that we will leverage in the greater China market. Likewise, we expect to learn a lot from the Summergate team that we could apply in Australia.

“Of particular interest is our ability to work with Summergate to launch the Langton’s business in China, which already has a strong profile in the region.

“We have a good working relationship with the Australian wine industry via the Langton’s Classification and hope to be able to use this to grow the reputation of Australian wine in China,” Mr Banducci said.

The acquisition is not material for Woolworths Limited.

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Media Release