



Sunday, 26 March 2006

Patrick Corporation Limited 02 – Panel Accepts Undertaking

Patrick Corporation Limited 03 – Panel Receives Application

Patrick 02

The Takeovers Panel advises that it has accepted an undertaking from Toll Holdings Limited in relation to an application dated 22 March 2006 from Patrick Corporation Limited. Patrick had applied to the Panel concerning the variation by Toll on 22 March 2006 of its takeover offer for all of the shares in Patrick.

On the basis of the undertaking, the Panel has decided not to commence proceedings in relation to Patrick's application. In doing so, the Panel noted that it did not consider that the application was in any way frivolous or vexatious. However, it considered that the undertaking had removed any concerns which it might have had.

Toll has undertaken to the Panel to:

- extend the closing date of its offer to 28 April 2006, being one month from the date of the dispatch of Tolls seventh supplementary bidder's statement, which will now be sent to Patrick shareholders on Monday 27 March 2006; and
- subject to consent from ASIC, offer a withdrawal right for all Patrick shareholders who accepted the Toll offer on or before 22 March 2006, being the date on which Toll lodged its supplementary bidder's statement. The withdrawal right will remain open until 5 April 2006.

The Panel thanked Toll for offering the undertaking, which the Panel considers will allow Patrick directors and shareholders sufficient time to consider the revised Toll offer. The Panel also noted the undertaking which Toll had offered and given to the Panel late last week, not to dispatch its supplementary bidder's statement prior to Monday 27 March 2006, in order to allow the Panel a reasonable time to consider the Patrick application.

Patrick had submitted that given the scope and nature of the changes to Toll's offer:

- (a) lodgement and dispatch of the supplementary bidder's statement should be made in accordance with timetables for a new bidder's statement;
- (b) the offer period should be extended to be one month after dispatch; and
- (c) Patrick shareholders should have a right to withdraw any acceptances made prior to despatch of Toll's supplementary bidder's statement.

Patrick 03

The Panel advises that it has received an application dated Saturday 25 March 2006 from Patrick in relation to the content of the seventh supplementary bidder's statement which sets out the variation of the takeover offer by Toll.

Patrick submits that there are disclosure issues relating to:

- (a) the assumptions which Toll has used in the forecasts Toll has used in the seventh supplementary bidder's statement;
- (b) Toll's intentions regarding Patrick's 62% holding in Virgin Blue;
- (c) Toll's presentation of the value of its offer and the discussion of the comparison between Toll's offer and the value of Patrick shares; and
- (d) discussions in the seventh supplementary bidder's statement on: valuation multiples, gearing and broker valuations.

Patrick also makes submissions in relation to the "acceptance facility" for major shareholders, which is part of the Toll offer.

Patrick seeks a declaration of unacceptable circumstances, interim and final orders.

Patrick sought an interim order that Toll be restrained from despatching its seventh supplementary bidder's statement pending the hearing of the application by the Panel.

The Panel has commenced proceedings but has declined to restrain the dispatch of the Toll supplementary bidder's statement.

The Panel has requested the parties to use their best endeavours to resolve between them any of the issues raised by Patrick in the application and to advise it by 5.00 p.m. Monday afternoon of those aspects of the application which have been resolved. The Panel would be disappointed if none were capable of agreement between the parties.

The Panel will publish its reasons for its decisions on its website in due course.

The President of the Panel has appointed Graham Bradley, Carol Buys and Nerolie Withnall (sitting President) as the sitting Panel to consider both applications.

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