



Australian Government

Takeovers Panel

MEDIA RELEASE

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Vesture Limited 02 - Decision

The Panel declined to make a declaration of unacceptable circumstances in response to an application dated 10 December 2010 from Prudential Investment Company of Australia Pty Limited. It also declined to conduct proceedings in relation to an allegation of association. The application concerned the rights issue announced by Vesture on 16 November 2010 (see [TP 10/71](#)).

The Panel had a number of concerns about the rights issue including that: it did not contain a shortfall facility, there was no other dispersion strategy in place for dealing with shortfall shares, the major shareholder (PICA) was not offered an opportunity to participate in the underwriting and the s708AA notice did not adequately disclose the intentions of the underwriter.

However, the Panel did not consider that there were any appropriate orders that it could make that would have had a material effect on the outcome of the rights issue - given the composition of Vesture's share register, and PICA's decision not to participate in the rights issue or underwriting unless it could secure a 51% interest in Vesture.

Accordingly, in this case the Panel considered it appropriate to decline to make a declaration of unacceptable circumstances.

The applicant failed to provide sufficient evidence of association to meet the test for conducting proceedings to investigate the association issue.

The Panel considered that it was not against the public interest to decline to make a declaration of unacceptable circumstances in relation to the rights issue, or decline to conduct proceedings in relation to the issue of association.

The determination of the proceedings brings to an end the interim orders dated 13 December 2010.

The sitting Panel was Geoff Brunsdon (sitting President), Garry Besson and Rodd Levy. The Panel will publish its reasons for the decision in due course on its website www.takeovers.gov.au.

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