



Australian Government

Takeovers Panel

MEDIA RELEASE

No: TP12/08

Monday, 27 February 2012

Careers Australia Group Limited – Panel Receives Application

The Panel has received an application from shareholders of Careers Australia Group Limited¹ in relation to the affairs of Careers Australia.

Details of the application, as submitted by the applicants, are below.

A sitting Panel has not been appointed at this stage and no decision has been made whether to conduct proceedings. The Panel makes no comment on the merits of the application.

Details

Careers Australia is an unlisted public company with approximately 80 shareholders.

On 12 May 2011, Careers Australia entered into a heads of agreement with White Cloud Capital Advisors Limited² and on or about 12 July 2011, entered into a convertible note deed with Cirrus Business Investments Limited (White Cloud's nominee), pursuant to which Careers Australia agreed to issue up to 60,606,606 convertible notes to Cirrus. The convertible notes are convertible into 60,606,606 shares in Careers Australia at 66 cents per share.

On or about 13 July 2011, Careers Australia obtained shareholder approval for the purposes of item 7 of section 611 to allow for the acquisition by Cirrus of a relevant interest of up to 45.29% in Careers Australia upon conversion of all of the convertible notes.

¹ The applicants hold more than 10% of Careers Australia. The applicants are: Jiggi Investments Pty Ltd ATF Graham and Company Executive Superannuation Fund, Wayburn Holdings Pty Ltd, Vernon and Jillaine Wills ATF the Wills Family Super Fund, Vernon Wills and Jillaine Wills, D & E Somerville ATF Somerfam Super Fund, Ganbros Pty Ltd, Jim and Lisa Elder ATF Elder Superannuation Fund, Orbit Capital Pty Ltd, Devine Superannuation Pty Ltd ATF Devine Executive Super Fund, Depofo Pty Ltd ATF Super account, Depofo Pty Ltd ATF Depofo TT account, Mr G P Yeatman (formerly Merrill Lynch Noms), Pinbrook Pty Ltd, Onmell Pty Ltd ATF Brent Potts Super Fund A/C, Myall Resources Pty Ltd ATF Myall Unit A/C, Myall Resources Pty Ltd ATF Myall Super A/C, RASK Pty Ltd ATF The Granger Super Fund A/C

² In its capacity as advisor of White Cloud Capital Fund Limited

On about 30 November 2011, Cirrus made an offer to some Careers Australia shareholders to acquire their shares for 66 cents per share by entering into option deeds with those shareholders. The offer stated that Cirrus will only exercise options it receives if, by doing so, the total number of shareholders in Careers Australia falls below 50. The expiry date under the option deeds is 29 February 2012.

The applicants submit, among other things, that White Cloud/Cirrus have intentionally undertaken a strategy of reducing the number of Careers Australia shareholders to below 50³ for the purposes of avoiding the requirements of Chapter 6 of the *Corporations Act 2001* (Cth).

The applicants seek an interim order to the effect that White Cloud/Cirrus be restrained from exercising any of the options pending final determination of the application by the Panel.

The applicants seek final orders to the effect that White Cloud/Cirrus be prevented from acquiring any shares in Careers Australia which would:

- increase their relevant interest in Careers Australia to more than 45.29% or
- cause Careers Australia to have 50 or less shareholders,

other than as permitted by section 611.

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³ Section 606(1)(a)(ii)