



Australian Government

Takeovers Panel

MEDIA RELEASE

No: TP12/12

Friday, 2 March 2012

Ludowici Limited 01R – Panel Makes Interim Orders

The Acting President of the Panel has made interim orders¹ in response to request for interim orders by The Weir Group PLC in its review application of the initial Panel's decision in Ludowici Limited 01 (see [TP 12/11](#)).

Weir sought an interim order in effect to stop FLSmith & Co A/S from offering to Ludowici shareholders more than its current \$11.00 per Ludowici share proposal. The Acting President has decided to make this order and a further interim order in the same terms that holds Weir to its current \$10.00 per Ludowici share proposal. Following consultation with FLS and Weir, the Acting President has also made interim orders preventing both parties from acquiring any interest in Ludowici shares or derivatives relating to Ludowici shares.

The Acting President considered the following factors relevant in making his decision. The situation is now different to the time of the initial Panel application, when the Acting President accepted undertakings from FLS (see [TP 12/05](#)). FLS has had an opportunity to rely on its matching right and now has a binding scheme implementation agreement with Ludowici. Weir has had an opportunity to bid again and has made a \$10.00 (less dividends) per share offer conditional on the Panel ordering that FLS cannot increase its offer beyond \$7.20.

By ordering that both FLS and Weir not increase their existing offers for Ludowici, the status quo is maintained. To make an order against only FLS, or to accept an undertaking from FLS, puts that company at a competitive disadvantage compared to Weir.

¹ BACKGROUND: An interim order is designed to maintain the status quo until the Panel can consider the application in detail. It may be made by the President or a sitting Panel. Often a sitting Panel has not been appointed at the stage of considering the making of an interim order. An interim order does not indicate that the Panel has decided to conduct proceedings or necessarily indicate the merits of an application for a declaration of unacceptable circumstances.

The Acting President noted that, if a third bidder for Ludowici emerged, the interim orders may need to be amended.

The interim orders have effect until the earliest of further order of the Panel, determination of the proceedings or 2 months from the date of the interim orders.

A copy of the interim orders is attached.

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Takeovers Panel

**CORPORATIONS ACT
SECTION 657EA
INTERIM ORDERS**

LUDOWICI LIMITED 01R

The Weir Group PLC made a review application to the Panel dated 29 February 2012 in relation to the affairs of Ludowici Limited (Ludowici).

The Acting President **ORDERS**:

1. FLSmidth & Co A/S not announce, make, propose or participate in a takeover bid, scheme of arrangement or other transaction which may result in FLS acquiring control of Ludowici, under which Ludowici shareholders are given the opportunity of receiving more than A\$11.00 per Ludowici share.
2. The Weir Group PLC not announce, make, propose or participate in a takeover bid, scheme of arrangement or other transaction which may result in The Weir Group PLC acquiring control of Ludowici, under which Ludowici shareholders are given the opportunity of receiving more than A\$10.00 per Ludowici share.
3. FLSmidth & Co A/S not acquire, or take any steps to acquire, any interest in any Ludowici shares or derivatives relating to Ludowici shares.
4. The Weir Group PLC not acquire, or take any steps to acquire, any interest in any Ludowici shares or derivatives relating to Ludowici shares.
5. These interim orders have effect until the earliest of:
 - (i) further order of the Panel
 - (ii) the determination of the proceedings and
 - (iii) 2 months from the date of these interim orders.

**Allan Bulman
Director
with authority of Graham Bradley AM
Acting President
Dated 1 March 2012**