



**Australian Government**

**Takeovers Panel**

# MEDIA RELEASE

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**No: TP12/42**

**Friday, 13 July 2012**

## **Austock Group Limited - Panel Receives Application**

The Panel has received an application from Mariner Corporation Limited in relation to the affairs of Austock Group Limited.

Details of the application, as submitted by the applicant, 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**

On 25 June 2012, Mariner advised the Board of Austock that it intended to make an offer to acquire Austock for 10.5 cents per share. On 29 June 2012, Mariner announced an increase of the proposed bid price to 11 cents per share.

On 9 July 2012, Austock announced that it had entered into an agreement for the sale of its subsidiary Austock Property Funds Management Pty Ltd and related entities in the property funds management business to Folkestone Limited for \$11 million subject to conditions, including shareholder approval.

The share sale agreement contains break fees payable by Austock to Folkestone in certain circumstances.

Mariner submits among other things that the sale of Austock's principal business gives rise to unacceptable circumstances as it is intended to defeat Mariner's takeover bid and the break fees agreed by Austock are uncommercial and intended to make any alternative commercial proposition costly.

### **Orders sought**

Mariner seeks an interim order that Austock be prevented from convening an extraordinary shareholder meeting to consider the proposed sale of its property funds management business to Folkestone.

Mariner seeks final orders that Austock “be prevented from entering into an unconditional contract to sell its property funds management business to Folkestone until the closure (or withdrawal)” of the bid by Mariner.

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