



**Australian Government**

**Takeovers Panel**

# MEDIA RELEASE

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**No: TP13/20**

**Wednesday, 12 June 2013**

## **Careers Australia Group Limited 02 – Panel Receives Application**

The Panel has received an application from shareholders of Careers Australia Group Limited<sup>1</sup> in relation to the affairs of Careers Australia. Careers Australia is currently the subject of an off-market takeover bid by Cirrus Business Investments Limited.

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 more than 50 shareholders.

On 12 May 2011, Careers Australia entered into a heads of agreement with White Cloud Capital Advisors Limited<sup>2</sup> (varied on 2 June 2011) and on or about 12 July 2011, entered into a convertible note deed with Cirrus (White Cloud's nominee). Under the convertible note deed, Careers Australia agreed to issue up to 60,606,060 convertible notes to Cirrus (convertible at 66 cents per share). The convertible note deed included clause 14.3 requiring that, subject to directors' duties, Careers Australia would consider either an initial public offering or another form of liquidity event within 2 years from the date notes were issued and the parties undertook to take all reasonable steps to effect the initial public offering or other liquidity event, provided that such action was considered to be in the best interests of all Career Australia security holders at that time.

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<sup>1</sup> 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 Sommerville 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, Pinbrook Pty Ltd, Myall Resources Pty Ltd ATF Myall Unit A/C, Myall Resources Pty Ltd ATF Myall Super A/C, Onnell Pty Ltd ATF Brent Potts Super Fund A/C

<sup>2</sup> In its capacity as advisor of White Cloud Capital Fund Limited

On 13 July 2011, Careers Australia obtained shareholder approval under 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 the convertible notes. Cirrus has converted most of its convertible notes and holds 45.2% of Careers Australia's issued share capital.<sup>3</sup>

On or about 3 May 2013, Cirrus provided Careers Australia with a proposal for an off-market takeover at 66 cents per share for all of the shares not held by Cirrus. A bidder's statement was lodged with ASIC on 22 May 2013 and served on Careers Australia on or about 23 May 2013. The bid is not subject to approval by Careers Australia shareholders.

The applicants submit, among other things, that Cirrus' takeover bid:

- is contrary to the obligations of Careers Australia and Cirrus under clause 14.3 of the convertible note deed
- fails to provide Careers Australia or all shareholders with the opportunity to determine whether the bid as a form of liquidity event is in the best interests of all Careers Australia shareholders and
- fails to disclose all material information in Cirrus' bidder's statement.

Accordingly, the applicants submit, Cirrus may acquire control over voting shares in Careers Australia other than in an efficient, competitive and informed market, and shareholders have not been given enough time or information.

The applicants seek interim orders, including that Cirrus will not process any bid acceptances prior to Careers Australia shareholders not associated with Cirrus approving the bid.

The applicants seek final orders, including an order for further disclosure, an order that Cirrus varies its bid so that it is conditional upon approval of a majority of shareholders not associated with Cirrus, and an order allowing for withdrawal of acceptances.

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<sup>3</sup> If Cirrus converts its remaining convertible notes, it will hold approximately 47.2% of Careers Australia's issued share capital