



ASIC

Australian Securities &  
Investments Commission

## COURT RULES ON ASIC INJUNCTION IN GREAT CENTRAL MINES TAKEOVER

In the Melbourne Federal Court the Australian Securities and Investments Commission's (ASIC) application for an injunction freezing the takeover bid by Yandal Gold Pty Ltd for Great Central Mines Limited (GCM) was declined.

The court found that the balance of convenience did not lie with disturbing the bid's process at this stage.

Mr Justice Merkel said that he was prepared to proceed with an early hearing on the assumption that ASIC has established that there is a serious issue to be tried.

Mr Justice Merkel found that the Court will nevertheless be able at the final hearing to grant all of the final relief that it [ASIC] seeks.

ASIC said that the application for an injunction, and applications for final relief, were sought to ensure that the interests of investors in GCM were protected under the takeover.

ASIC said that as a result of the Shareholders Agreement between Edensor Nominees P/L, companies of the Normandy Mining Ltd group, and Yandal companies, Edensor and Normandy had commenced their joint bid from a platform of 40.4%.

In its submission to the Court ASIC contended that the 40.4% "platform" used to launch the bid, deterred any possible rival bid and was used in GCM's independent experts report to deny the appropriate control premium.

ASIC also said that advice from an independent expert in company valuation, Wayne Lonergan of Pricewaterhouse Coopers Securities Ltd, confirmed ASIC's internal concerns that shareholders in GCM had not received all the information they needed to make an informed decision on the takeover.

ASIC considers that the expert report which accompanied the GCM Part B statement was flawed as the expert had applied a 20% control premium in its valuation of Great Central Mines, rather than the Australian average of 37%.

The report said that this was in part because Normandy and Edensor already controlled GCM and because their 40.4% platform reduced likelihood of a rival bid.

MEDIA RELEASE

ASIC if successful in the case will seek orders which allow shareholders who have accepted the bid to unwind the transaction if they wish.

Share holders are expected to be in a better position to make their decision at the conclusion of evidence before the Court.

ASIC will also seek orders vesting any shares which offerees do not take back, and will give any profit over the original bid price to the original GCM shareholders.

ASIC first raised its concerns with Yandal in January and advised solicitors for Yandal and Normandy Mining Ltd on 9 February that it had commenced an investigation into the bid structure, and set out the breaches of the Law that ASIC suspected.

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