



Australian Government

Takeovers Panel

MEDIA RELEASE

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Warrnambool Cheese and Butter Factory Company Holdings Limited Panel Receives Application

The Panel has received an application from Murray Goulburn Co-operative Co. Limited in relation to the affairs of Warrnambool Cheese and Butter Factory Company Holdings Limited. Warrnambool is currently the subject of competing takeover proposals from Saputo Dairy Australia Pty Ltd, Bega Cheese Limited and Murray Goulburn.

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

Warrnambool has recommended Saputo's bid to its shareholders. On 15 November 2013, Saputo and Warrnambool announced an increase in the consideration under the Saputo bid to \$9.00 per share and a proposed intention by Warrnambool to declare the following fully franked special dividends:

- \$0.46 per share, subject to Saputo obtaining a relevant interest in at least 50.1% of Warrnambool shares and
- a further \$0.85 per share, subject to Saputo obtaining a relevant interest in at least 90% of Warrnambool shares.

Warrnambool's announcement disclosed that Warrnambool shareholders "*who can capture the full benefit of the franking credits associated with both Permitted Dividends would receive an additional benefit under the Revised Saputo Offer valued at \$0.56 per share*".

On 25 November 2013, Saputo's bid was declared unconditional; and Warrnambool and Saputo announced (among other things) that the special dividends would no longer be declared by Warrnambool and the consideration under the Saputo bid

would be \$9.00 per share with an additional \$0.20 cash per share if Saputo obtained a relevant interest in Warrnambool of greater than 50% during the offer period.

Murray Goulburn submits (among other things) that the abandonment of the special dividends proposal means that:

- Saputo will not vary its bid to conform with the previous announcements made by Saputo and Warrnambool, contrary to s631(1) and truth in takeovers policy and
- Warrnambool shares traded from 15 to 25 November 2013 on the basis of misinformation as to the terms of the Saputo bid, namely that Warrnambool shareholders would contingently receive franking credits of up to \$0.56 per share.

In addition, Murray Goulburn submits that the Warrnambool board should advise shareholders to wait until the bid is in its final stages, or bidders have declared their bids final; and Warrnambool should release the bid implementation agreement between Warrnambool and Saputo to the market, in line with market practice.

Murray Goulburn seeks interim orders, including that Saputo be restrained from processing acceptances and acquiring Warrnambool shares on market. Murray Goulburn seeks final orders, including that Warrnambool reinstates the previously proposed special dividends,¹ Saputo be restrained from varying its bid to provide for the conditional payment of the additional \$0.20 per share and further disclosure.

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¹ But with the record date for each dividend falling after declaration of that dividend