



Media Release: \$200m Billabong Scheme breaks new M ground - Last

583 words

11 April 2018

AAP MediaNet Press Releases

AAPMPR

English

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MinterEllison has advised Centerbridge in relation to a scheme to acquire shares in Billabong.

Boardriders, who proposed the scheme, and Centerbridge each own just under 20% of Billabong equity, and between them are the senior lenders to Billabong of approximately A\$224m pursuant to a senior secured term loan.

On the date of the scheme meeting, Billabong and Boardriders amended the terms of the scheme implementation deed to increase the scheme consideration from \$1.00 to \$1.05 cash per share and the scheme meeting was not delayed.

The chairman of Billabong informed the scheme meeting that Boardriders had agreed to increase the consideration and that Billabong would seek Court approval at the second court hearing to amend the terms of the Scheme to increase the consideration under section 411(6) of the Corporations Act, rather than approaching the Court to amend the terms of the scheme prior to the scheme meeting.

This is the first case of its kind where a bidder has agreed to increase its offer price immediately before the scheme meeting (without delaying the scheme meeting).

Section 602 of the Corporations Act provides that shareholders should have a reasonable time to consider a proposal under which a person will acquire a substantial interest in a company. Similarly, ASIC Regulatory Guide 60 provides that it is generally appropriate for scheme participants (including those voting by proxy) to be given at least 10 days to consider supplementary documentation before being required to vote on the scheme.

Over 95.5% of votes cast on the resolution were in favour of the scheme.

The Billabong Scheme confirms that there is greater flexibility for scheme proponents to be able to make last-minute price increases to the consideration offered under a scheme without causing delays to scheme timetables.

MinterEllison advised Centerbridge on all aspects of its participation in the scheme proposal including in relation to the provision of a voting support statement in favour of the scheme, the repayment of Centerbridge's secured debt, the cancellation of Centerbridge's options acquired as part of the 2014 recapitalisation transaction and the termination of Centerbridge's rights under an equity funding deed (including the right to appoint directors).

MinterEllison has previously worked hand-in-hand with Centerbridge in relation to its investments in Boart Longyear. That series of restructurings generated the most important case law on schemes of arrangement in decades.

The MinterEllison team was led by Ron Forster and James Mok (Partner), with support from Michael Scarf (Senior Associate).

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For more information, please contact: Kohby Poole Media Relations Manager T +61 3 8608 2930 M +61 421 897 075 kohby.poole@minterellison.com

About MinterEllison MinterEllison partners with clients to provide integrated, innovative solutions. Its teams collaborate across Australia, Asia and the UK to deliver exceptional service and new insight to a large, diverse client base that includes public and private companies, leading multinationals operating in the region, global financial institutions, and government and state-owned entities.

MinterEllison's network comprises the offices of MinterEllison (Sydney, Melbourne, Brisbane, Canberra, Perth, Hong Kong, Shanghai, Beijing, Ulaanbaatar and London) and offices that operate as members of the MinterEllison Legal Group (Adelaide, Darwin, Gold Coast and MinterEllisonRuddWatts Auckland/Wellington). MinterEllison acquired ITNewcom, a boutique technology consulting firm on 1 July 2017.
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Document AAPMPR0020180411ee4b000m9