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BY Colin Kruger  
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Voelte sidesteps Nexus conflict

Seven Group Holdings' takeover of **oil** and gas tiddler Nexus is generating all sorts of excitement concerning the conflicting roles of Don Voelte.

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He stood down as Nexus chairman in February after deciding his Seven boss, Kerry Stokes, would be interested in Nexus if it chose a fire **sale** instead of corporate implosion. The document relating to the \$26 **million** takeover, being supported by the remaining Nexus directors, details how Voelte tiptoed around a minefield of conflicts.

"At the first mention of a total **company sale** process during his tenure, then chairman Don Voelte advised the Nexus board that, if there was going to be an industry-wide process, SGH may be interested and that he would need to recuse himself from any and all participation. Mr Voelte offered his resignation at that time, but the rest of the board were of the view that, should a corporate transaction not eventuate, and on the basis that appropriate measures were put in place to manage any potential conflict of interest, his continued involvement on the board was in shareholders' best interests. An independent committee of the board was immediately organised for the **sale** process. Mr Voelte remained recused from **company sale** discussions from that point in time until his resignation."

No detail on when this happened, and what subsequently triggered his resignation in February - more than a month before Seven's bid finally became public. Stokes can presumably count on Voelte selling his 1 **million** Nexus shares to Seven.

Downer on rise

The Hon. Alexander John Gosse Downer, knight of the scarlet garter, is heading back into public service as Australia's next high commissioner to London.

Going by the wayside will be his directorship of Huawei - although his new gig will give him a chance to marvel at how the Brits have not let concerns about Huawei's alleged close connections to the **Chinese** government prevent it from winning local telco infrastructure contracts.

No such luck here.

Some things are best left in the past, of course, like his directorship of Resourcehouse, the Clive Palmer **mining** vehicle that failed in no less than four attempts at an IPO, its last in 2011. Downer and the rest of the non-executive board resigned within the year and Resourcehouse is "no longer functioning" we were told by Mineralogy staff.

Friends indeed

Unilife has been a favourite of CBD over the years, but it looks like we are not the only ones conferring special status on the retractable syringe maker.

According to stock trading news site Seeking Alpha, Unilife is one several stocks that have been getting glowing reports from less than independent parties recently.

"I have now identified clear indications of undisclosed promotions on both Inovio Pharmaceuticals (INO) and Unilife Corp (UNIS), using IR (investment relations) **firm** the Proactive Group," reads the story. "In both cases, the promotions took place in conjunction with the release of news and boosted the stock. All the stocks mentioned so far have several things in common: They have minimal investment from institutions and are overwhelmingly held by retail investors who can be easily influenced by paid promotions."

CBD is unsure why Unilife would need any such spruiking. Its financial results speak for themselves.

The stream of red ink has progressed each of the last three years from a \$US38 **million** loss in 2011, to \$US52.6 **million** in 2012, and \$US64.2 **million** last year. Revenue has also set a clear trend, falling from \$US6.65 **million** in 2011 to \$US5.5 **million** in 2012, and \$US2.74 **million** last year.

It means chief executive Alan Shortall managed the distinction in 2012 of having a remuneration package - totalling \$US6.1 **million** - that exceeded his **company's** revenue that year. Not that Shortall isn't worth the money. He has kept Unilife's market value above \$US400 **million** despite the continuing losses.

Got a tip? [ckruger@fairfaxmedia.com.au](mailto:ckruger@fairfaxmedia.com.au)

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