

SE Business
HD **Poli will part with his baby if price is right**
BY PAUL GARVEY, PROFILE
WC 525 words
PD 6 May 2014
SN The Australian
SC AUSTLN
ED Australian
PG 22
LA English
CY © 2014 News Limited. All rights reserved.
LP

AS an accountant by trade, Tony Poli is first and foremost a numbers man. And as he considers the **sale** of the baby he founded 14 years ago, those close to him believe he will be pragmatic rather than sentimental when it comes to weighing up the Baosteel-Aurizon offer.

Poli was keeping a low profile yesterday, contemplating an offer that would deliver a \$400 **million** cheque for his **stake**. The future of the **company** hinges on his decision. While the tight timetable attached to the Baosteel and Aurizon approach hasn't done them too many favours (the offer only found its way to Mr Poli in the early hours of Saturday morning, with a request for a Sunday meeting to finalise the deal), those who know him well describe him as a realist.

TD

The son of Italian immigrants and a product of a working-class upbringing, Mr Poli has in the past been prepared to sell assets that were close to his heart. For the right price, he will walk away.

It was one of those asset sales that paved the way for Aquila in the first place.

Back in 1990, Mr Poli made the bold decision to close his accountancy practice and take control of a listed minnow he and his associates would later relaunch as Eagle **Mining**.

By 1995, Eagle's Nimary goldmine in Western Australia was in production. But just two years later, Joe Gutnick's Great Central Mines swooped with a takeover offer that proved too good to refuse.

Mr Poli, Charlie Bass and Derek Cowlan walked away with \$31m between them as a result of the **sale** of Eagle — some of which would go towards founding Aquila, the Latin word for eagle — just three years later.

Aquila listed on the ASX in the middle of the dotcom boom with a market cap of just \$6m. Prescient forays into both coking **coal** in Queensland and **iron ore** in Western Australia, years before **China's** enormous appetite for the two steelmaking ingredients became abundantly clear, helped make Aquila one of the stars of Australia's resources sector as the **mining** boom ratcheted up.

When Aquila shares hit a post-GFC peak of \$9.30 in December 2010, Mr Poli's **stake** was worth in excess of \$1.1 **billion**.

The offer from Baosteel and Aurizon of \$3.40 per share values his **stake** at more than \$400m. Accepting the offer would crystallise a valuation well below Aquila's highs of recent years, and would also be substantially less than the \$10bn Mr Poli estimated Aquila could be worth in the event it got its West Pilbara **iron ore** assets into production. Yet he will also be well aware that Aquila's prospects for developing the West Pilbara assets in its current form look stretched. The outlook for **iron ore** is the worst it has been for years and, even if the bearish forecasts again prove wrong, the prospects of an independent Aquila funding a multi-**billion**-dollar **iron ore** development in the current climate would appear remote.

NS c181 : Acquisitions/Mergers/Takeovers | c18 : Ownership Changes | cactio : Corporate Actions | ccat : Corporate/Industrial News | ncat : Content Types | nfact : Factiva Filters | nfcpin : FC&E Industry News Filter

RE austr : Australia | apacz : Asia Pacific | ausnz : Australia/Oceania

PUB News Ltd.

AN Document AUSTLN0020140505ea5600060