



ABN: 23 106 719 868

Level 2, 160 Pitt Street Mall, Sydney, NSW, 2000
Telephone: 02 9210 7000
Facsimile: 02 9210 7099

ASX Announcement

Wednesday, 17 September 2008

BRICKWORKS INVESTMENT COMPANY LIMITED ANNOUNCES \$126.0 MILLION SCRIP TAKEOVER OFFER FOR HUNTLEY INVESTMENT COMPANY LIMITED

OFFER VALUES HUNTLEYS AT \$0.73 PER SHARE

Brickworks Investment Company Limited (**BKI**) today announced its intention to make an off-market takeover bid (the **Offer**) for all of the shares in Huntley Investment Company Limited (**HIC**).

Under the Offer, BKI is offering all HIC shareholders 0.6 BKI shares for each HIC share. Based on the closing prices of BKI and HIC shares on 17 September 2008:

- The Offer values HIC at \$0.73 per share and implies an equity value of approximately \$126.0 million¹ for HIC.
- The Offer represents a premium of 10.9% to HIC's share price.
- The Offer values HIC at its last reported net tangible assets (NTA)² per share (HIC's share price represents a 9.8% discount to its NTA¹ per share).

Combining BKI and HIC will form a leading listed investment company, with a market capitalisation of approximately \$481.0 million. The Board of BKI believes that a combined BKI and HIC will present significant benefits to shareholders of both companies, including:

- reduced management expense ratio;
- increased investment diversification;
- increased equity market scale; and
- potential for price re-rating based on trading history of larger sized listed investment companies.

The Offer provides HIC shareholders with an opportunity to realise a premium for their HIC shares and at the same time gain exposure to the significant upside offered by the combined group.

BKI Chairman Robert Millner said: "By accepting the offer, HIC shareholders can convert their shares into BKI shares at a premium to the market price and enjoy the lower management expense ratio and market out-performance that BKI has demonstrated in recent years."

"The combined group's shareholders will enjoy greater diversification, access to capital and market presence which comes from a larger company".

¹ Including shares to be issued under HIC's DRP on 19 September 2008

² NTA per share reported at 31 August 2008, post tax and adjusted for dividend payable

Offer conditions, documentation and timing

The Offer will be subject to certain conditions, including a 50.1% minimum acceptance condition. The conditions are set out in full in Annexure A to this announcement.

BKI expects to lodge its Bidder's Statement with ASIC and HIC within three weeks. The Bidder's Statement will be dispatched to shareholders, and the Offer open for acceptance, approximately two weeks after it is lodged with HIC.

Further information

Pitt Capital Partners are acting as financial advisors and Corrs Chambers Westgarth are acting as legal advisors to BKI in relation to the Offer. More detailed information about the offer will be contained in the Bidder's Statement.

Contacts

Investors

Robert Millner
Chairman
Brickworks Investment Company Limited
+ 61 2 9232 7166

Media

Matthew Horan
+ 61 2 9360 6606
+ 61 (0)403 934 958

Annexure A

Conditions

The offer by Brickworks Investment Company Limited ABN 23 106 719 868 (**Bidder**) under the Takeover Bid for all of the Company Shares will be subject only to conditions substantially on the terms set out below.

1 Minimum acceptance condition

At the end of the Offer Period, Bidder has a relevant interest in more than 50.1% (by number) of the Company Shares on issue at that time.

2 No prescribed occurrences

None of the following events happens during the period beginning on the date the Bidder's Statement is given to the Company and ending at the end of the Offer Period:

- (a) the Company converts all or any of its shares into a larger or smaller number of shares;
- (b) the Company or a subsidiary of the Company resolves to reduce its share capital in any way;
- (c) the Company or a subsidiary of the Company:
 - (i) enters into a buy-back agreement; or
 - (ii) resolves to approve the terms of a buy-back agreement under section 257C(1) or 257D(1) of the Corporations Act;
- (d) the Company or a subsidiary of the Company issues shares or grants an option over its shares, or agrees to make such an issue or grant such an option;
- (e) the Company or a subsidiary of the Company issues, or agrees to issue, convertible notes;
- (f) the Company or a subsidiary of the Company disposes, or agrees to dispose, of the whole, or a substantial part, of its business or property;
- (g) the Company or a subsidiary of the Company charges, or agrees to charge, the whole, or a substantial part, of its business or property;
- (h) the Company or a subsidiary of the Company resolves to be wound up;
- (i) a liquidator or provisional liquidator of the Company or of a subsidiary of the Company is appointed;
- (j) a court makes an order for the winding up of the Company or of a subsidiary of the Company;
- (k) an administrator of the Company, or of a subsidiary of the Company, is appointed under section 436A, 436B or 436C of the Corporations Act;
- (l) the Company or a subsidiary of the Company executes a deed of company arrangement; or
- (m) a receiver, or a receiver and manager, is appointed in relation to the whole, or a substantial part, of the property of the Company or of a subsidiary of the Company.

3 **No prescribed occurrences between announcement and service**

None of the events listed in paragraphs 2(a) to (m) happens during the period beginning on the Announcement Date and ending at the end of the day before the Bidder's Statement is given to the Company.

4 **No action by Public Authority adversely affecting the Takeover Bid**

During the Condition Period:

- (a) there is not in effect any preliminary or final decision, order or decree issued by a Public Authority;
- (b) no action or investigation is instituted, or threatened by any Public Authority with respect to the Company or any subsidiary of the Company; or
- (c) no application is made to any Public Authority (other than an application by Bidder or any company within the Bidder Group, an application under section 657G of the Corporations Act, or an application commenced by a person specified in section 659B(1) of the Corporations Act in relation to the Takeover Bid),

in consequence of, or in conjunction with, the Takeover Bid, which restrains or prohibits or threatens to restrain or prohibit, or may otherwise materially adversely impact upon, the making of the Takeover Bid or seeks to require the divestiture by Bidder of any Company Shares, or the divestiture of any assets by the Company or by any subsidiary of the Company or by any company within the Bidder Group.

5 **Approvals by Public Authorities**

During the Condition Period Bidder receives all approvals which are required by law or by any Public Authority:

- (a) to permit the Offers to be made to and accepted by the Company shareholders; or
- (b) as a result of the Offers or the successful acquisition of the Company Shares and which are necessary for the continued operation of the business of the Company and its subsidiaries or of Bidder and its subsidiaries,

and those approvals are on an unconditional basis and remain in force in all respects and there is no notice or indication of intention to revoke, suspend, restrict, modify or not renew those approvals.

6 **S&P ASX200 index**

During the Condition Period the S&P ASX200 index does not close below 4600 for 3 or more consecutive trading days.

7 **No material acquisitions, disposals, etc.**

Except for any proposed transaction publicly announced by the Company before the Announcement Date and any transaction undertaken by the Company or any subsidiary of the Company in its ordinary course of business, none of the following events occur during the period from that date to the end of the Offer Period without the written consent of Bidder:

- (a) the Company, or any subsidiary of the Company, acquires, offers to acquire or agrees to acquire one or more companies or assets (or an interest in one or more companies or assets) for an amount in aggregate greater than \$10 million or makes an announcement about such an acquisition;

- For personal use only
- (b) the Company, or any subsidiary of the Company, disposes, offers to dispose or agrees to dispose of one or more companies or assets (or an interest in one or more companies or assets) for an amount in aggregate greater than \$10 million or makes an announcement about such a disposal;
 - (c) the Company, or any subsidiary of the Company, enters into, offers to enter into or announces that it proposes to enter into any joint venture or partnership involving a commitment of greater than \$10 million, or makes an announcement about such a commitment; or
 - (d) the Company, or any subsidiary of the Company, incurs or commits to, or grants to another person a right the exercise of which would involve the Company or any subsidiary of the Company incurring or committing to any capital expenditure or liability for one or more related items of greater than \$10 million or makes an announcement about such a commitment.

8 **No material failings in filings**

Bidder does not become aware, during the Condition Period, that any document filed by or on behalf of the Company with ASX or ASIC contains a statement which is incorrect or misleading in any material particular or from which there is a material omission.

9 **No break/inducement fees**

- (a) Subject to section 9(b), during the Condition Period none of the Company, and any body corporate which is or becomes a subsidiary of the Company, pays or provides or agrees (whether conditionally or contingently) to pay or provide any benefit to any person, or foregoes or otherwise reduces any payment or benefit or agrees to forgo or reduce any payment or benefit to which it would otherwise be entitled, in connection with any person making or agreeing to participate in, or enter into negotiations concerning:
 - (i) a takeover offer for the Company or any body corporate which is or becomes a subsidiary of the Company; or
 - (ii) any other proposal to acquire any interest (whether equitable, legal, beneficial or economic) in shares in, or assets of, the Company or any body corporate which is or becomes a subsidiary of the Company, or to operate the Company as a single economic entity with another body corporate.
- (b) Section 9(a) does not apply to a payment, benefit or agreement:
 - (i) for providing professional advisory services to the Company;
 - (ii) which is approved in writing by Bidder;
 - (iii) which is approved by a resolution passed at a general meeting of the Company; or
 - (iv) which is made to, provided to, owed by or made with Bidder.

10 **Non-existence of certain rights**

No person has any right (whether contingent, subject to conditions or not) as a result of Bidder acquiring Company Shares to:

- (a) acquire, or require the Company or a subsidiary of the Company to dispose of, or offer to dispose of, any material asset of the Company or a subsidiary of the Company; or
- (b) terminate or vary any material agreement with the Company or a subsidiary of the Company.

11 Conduct of the Company's business

During the Condition Period, none of the Company, or any body corporate which is or becomes a subsidiary of the Company, without the written consent of Bidder:

- (a) declares, or distributes any dividend, bonus or other share of its profits or assets;
- (b) issues or grants options over, or agrees to issue or grant options over, or otherwise makes any commitments regarding any shares or other securities, or alters its capital structure or the rights attached to any of its shares or other securities, or issues or agrees to issue any convertible notes;
- (c) makes any changes in its constitution or passes any special resolution;
- (d) gives or agrees to give any Encumbrance over any of its assets otherwise than in the ordinary course of business;
- (e) borrows or agrees to borrow any money (except for temporary borrowing from its bankers in the ordinary course of business);
- (f) releases, discharges or modifies any substantial obligation to it of any person, firm or corporation or agrees to do so;
- (g) has appointed any additional director to its board of directors whether to fill a casual vacancy or otherwise;
- (h) enters into, modifies, varies or extends any agreement with any person for the provision of management services to the Company;
- (i) after the expiry of the current term of the Management Agreement, obtains any advice or services from the Manager (or any related entity or associate of the Manager), Ian Huntley, Peter Warnes or Glenn Tetley;
- (j) enters or agrees to enter into any contract of service or varies or agrees to vary any existing contract of service with any director or manager, or pays or agrees to pay any retirement benefit or allowance to any director, manager or other employee, or makes or agrees to make any substantial change in the basis or amount of remuneration of any director, manager or other employee (except as required by law or provided under any superannuation, provident or retirement scheme as in effect on the Announcement Date);
- (k) conducts its business otherwise than in the ordinary course;
- (l) has threatened or commenced against it any material claims or proceedings in any court or tribunal (including a petition for winding up or an application for appointment of a receiver or receiver and manager); or
- (m) executes a deed of company arrangement or passes any resolution for liquidation, or has appointed or becomes susceptible to the appointment of an administrator, a receiver, a receiver and manager or a liquidator, or becomes subject to investigation under the *Australian Securities and Investments Commission Act 2001* (Cth) or any corresponding legislation.

12 No force majeure event

During the Condition Period no act of war (whether declared or not) or terrorism, mobilisation of armed forces, civil commotion or labour disturbance, fire or natural disaster, or other event beyond the control of the Company or the relevant subsidiary occurs which has or is likely to have a materially adverse effect on the assets, liabilities, financial position, performance, profitability or prospects of the Company and its subsidiaries taken as a whole or of any of them.

13 No material adverse change to the Company

During the Condition Period, no change occurs, is discovered or becomes public which has or could reasonably be expected to have a materially adverse effect on the assets, liabilities, financial position, performance, profitability or prospects of the Company and its subsidiaries taken as a whole or of any of them including,

- (a) any creditor demanding repayment of a debt of \$5 million or more;
- (b) Target or a subsidiary of Target entering into an agreement (including an option agreement) in relation to acquiring or disposing of assets the price or aggregate unencumbered value of which is \$10 million or more; or
- (c) any person having, as a result of Bidder acquiring the Company Shares, the right (which may be subject to conditions) to:
 - (i) acquire, or require the Company or a subsidiary of the Company to dispose of, or offer to dispose of, any asset of the Company or a subsidiary of the Company; or
 - (ii) terminate any agreement with the Company or a subsidiary of the Company.

14 Restriction on others acquiring shares in the Company

During the Condition Period, no person other than Bidder or an associate of Bidder (as defined in section 12(2) of the Corporations Act) gains 10% or more of voting power in the Company.

15 Definitions

The following definitions apply in the conditions set out above:

Announcement Date means 17 September 2008.

Bidder Group means Bidder and each of its related bodies corporate.

Bidder's Statement means the Bidder's bidder's statement for the Takeover Bid.

Company means Huntley Investment Company Limited ABN 12 060 306 738.

Company Shares means the ordinary shares in the capital of the Company.

Condition Period means the period beginning on the Announcement Date and ending at the end of the Offer Period.

Encumbrance means:

- (a) a mortgage, charge, pledge, lien, hypothecation or a title retention arrangement;
- (b) a notice under section 255 of the *Income Tax Assessment Act 1936* (Cth), subdivision 260-A in schedule 1 to the *Taxation Administration Act 1953* (Cth) or any similar legislation;
- (c) any other interest in or right over property (including a right to set off or withhold payment of a deposit or other money);
- (d) any other thing that prevents, restricts or delays the exercise of a right over property, the use of property or the registration of an interest in or dealing with property; or
- (e) an agreement to create anything referred to above or to allow any of them to exist.

Management Agreement means the management agreement between the Manager and the Company.

Manager means The Leaders Investments Manager Limited ACN 003 627 085.

Offer means the offer to be made by the Bidder for all the Company Shares.

Offer Period mean the period during which the Offer is open for acceptance.

Offers means the Offer and each of the other offers made in the same terms for the Company Shares and includes a reference to those offers as varied in accordance with the Corporations Act.

Public Authority means any government or any governmental, semi-governmental, administrative, statutory or judicial entity, authority or agency, whether in Australia or elsewhere, including the ACCC (but excluding the Takeovers Panel, ASIC and any court that hears or determines proceedings under section 657G or proceedings commenced by a person specified in section 659B(1) of the Corporations Act in relation to the Takeover Bid). It also includes any self-regulatory organisation established under statute or any stock exchange.

Takeover Bid means the takeover bid constituted by the Offers.