



Wednesday, 01 March 2006

Wattyl Limited - Panel Receives Application

The Takeovers Panel advises that it has received an application from AEF Financial Investments Pty Ltd (**AEPFI**), a subsidiary of Allco Equity Partners Ltd (together **AEP**). The application relates to a takeover offer by AEP for all the shares in Wattyl Limited (**AEP Offer**).

AEP's application raises a number of issues relating to Wattyl's target's statement and Wattyl's treatment of the AEP Offer and a rival offer for Wattyl by Barloworld Australia Pty Ltd (**Barloworld Offer**). The issues that AEP raises include:

- the revenue forecasts made by Wattyl in its target's statement and on which AEP considers Wattyl bases its rejection recommendation of the AEP Offer;
- the effect of possible ACCC opposition to the Barloworld Offer and the consequent relative merits of the two offers for Wattyl;
- a break fee and other lock-up devices agreed by Wattyl with Barloworld.

AEP has sought a declaration of unacceptable circumstances and final orders.

The Panel has not decided whether to conduct proceedings in relation to the application and makes no comment on the merits of the application. It also notes that it has not received submissions from the other parties to the application and it is, therefore, unaware of their views.

The President of the Panel is appointing a sitting Panel to consider the application.

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