



Australian Government

Takeovers Panel

MEDIA RELEASE

No: TP23/32

Wednesday, 25 October 2023

Southern Cross Media Group Limited – Panel Receives Application

The Panel has received an application from Keybridge Capital Limited (ASX: KBC) in relation to the affairs of Southern Cross Media Group Limited (ASX: SXL) (**Southern Cross**). Southern Cross is currently subject to a non-binding indicative proposal from a consortium comprising ARN Media Limited (ASX: A1N) (**ARN**) and Anchorage Capital Partners Pty Limited to acquire 100% of Southern Cross by way of a scheme of arrangement announced on 18 October 2023.

Details of the application, as submitted by the applicant, are below.

A sitting Panel has not been appointed at this stage and no decision has been made whether to conduct proceedings. The Panel makes no comment on the merits of the application.

Details

The applicant is a shareholder in Southern Cross.

ARN is also a shareholder in Southern Cross and Allan Gray Australia Pty Ltd (**Allan Gray**) is a shareholder in both Southern Cross and ARN.

On 21 June 2023, ARN disclosed that on 19 June 2023 it purchased 35,505,074 Southern Cross shares, giving it a relevant interest and voting power of 14.8% in Southern Cross.

On 22 June 2023, Allan Gray announced that it had reduced its relevant interest and voting power in Southern Cross from a purported 21.95% to 16.44%. The applicant submits that a substantial amount of this reduction was a consequence of Allan Gray selling a portion of its Southern Cross shares to ARN on 19 June 2023.

The applicant submits that Allan Gray had 20.25% voting power in ARN at the time of ARN's purchase of Southern Cross shares on 19 June 2023, and that as a result of that acquisition, Allan Gray increased its relevant interest and voting power in Southern Cross to 31.24% (including by operation of section 608(3)(a)).

As a result of the increase in voting power of Allan Gray (after allowing for all section 611 exemptions), the applicant submits that 16,368,919 Southern Cross shares (**Affected Shares**) were acquired by ARN in contravention of section 606. The applicant also submits that there has been a contravention of section 671B.

The applicant seeks interim orders to (in summary) prevent the disposal of, or exercise of any rights attaching to, the Affected Shares pending final determination of the Panel proceedings.

The applicant seeks final orders including (among other things):

- vesting the Affected Shares in ASIC for sale
- prohibiting ARN and its associates from:
 - acquiring any Southern Cross shares for six months after the sale of the vested shares (including by scheme of arrangement)
 - exercising rights to vote any of the vested shares and
- requiring corrective disclosure.

The applicant submits that it will not press the application or seek any orders if, in fact, from 19 June 2023 through to today, Allan Gray did not at any time have a voting interest in ARN above 20%.

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