

MEDIA CLIPPING

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Street Talk

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API investors may push for reforms to trading terms

Australian Pharmaceutical Industries' largest shareholder over the years, Washington H Soul Pattinson & Co, has always given the appearance of being a strong supporter of the pharmacy wholesaler and retailer, so it is difficult to see how any other investor might push for change.

However, yesterday's \$150 million capital raising — conducted by Royal Bank of Scotland and said to have been well oversubscribed — marked an important point for investors that may be frustrated with the group's relatively generous funding of the pharmacists and comparatively weak shareholder returns.

Simply put, it makes sense that some investors weren't going to put their hand in their pocket and support the two-for-three entitlement offer to raise \$112 million and an institutional placement to raise \$38 million at 68¢ a share — a steep discount to the previous \$1.06 close — without underscoring their concerns.

After Washington H Soul Pattinson, the company's two largest investors are Solomon Lew and Schroders Investment Management, which owns just over 10 per cent of the company.

It's thought that all three major shareholders followed their money

Reflected glory



SOURCE: BLOOMBERG

Coke's fizz may be caused by parent

Some of the frothiness in Coca-Cola Amatil's share price may have eased yesterday, but all kinds of speculations were being thrown up to explain its bubbly trading.

CCA's run is interesting, particularly as most defensive stocks have not been the beneficiaries of the market's more buoyant mood, although it has largely been explained away as former Lion Nathan investors simply buying CCA.

Suspicious types suggest there may be more to the rally than this, and as usual, speculation has centred around whether CCA's Atlanta-based parent, The Coca-Cola Company, could once again be reconsidering its position.

Most recently, Atlanta rethought its position when Kirin and Lion Nathan bid for CCA and it appeared keen to keep a presence in this market in the enlarged drinks group. Perhaps it's that position which has prompted some to suggest it could be logical for Atlanta to take out the other shareholders?

In other CCA-related developments, it's interesting to note talk that Coca-Cola Amatil's former South Korean soft drink unit may be on the market once again.

After almost 10 years of disappointing returns, an extortion attempt and product recalls, CCA sold the South Korean unit in September 2007 to LG Household and Healthcare for around

All miners want for Christmas is an IPO

Christmas is fast approaching, or at least it is for any mining group hoping to take advantage of improving sentiment in the copper and gold markets to get an initial public offering away before Australia effectively shuts for the long holiday.

Prospectuses need to be lodged in the next fortnight if spruikers want to have any hope of getting a new listing up and running before Christmas and that is exactly what Tony Sage and team at Cape Lambert are planning to do with their Lady Annie spin out.

The prospectus for the new company, to be called Q Copper, will be released in the next 10 days, with a bookbuild with institutions in London, Hong Kong,

Singapore, Sydney, Melbourne and the United States expected to finish by November 20 and the IPO due to close about November 30.

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Hannans Reward managing director Damian Hicks is also pushing ahead with his \$6.5 million listing of Scandinavian Resources, which he plans to launch next month.

But Kagara's plans to spin out its gold assets into Mungana Goldmines seems likely to miss the deadline, as

the company works to further develop the assets and fine tune the process to make it a more robust float. Mungana, which has been in the planning for much of this year, looks increasingly like it will slip into 2010.

So far the delays have played into a rising US dollar gold price and increased interest in the gold sector from investors and potential predators.

But it is worth noting that the rising Australian dollar has largely flattened any gains in the local currency value of gold — not that that has stopped domestic gold plays enjoying share price runs amid speculation that another round of consolidation is on the way.

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