



Australian Government

Takeovers Panel

MEDIA RELEASE

No: TP19/42

Tuesday, 16 July 2019

GBST Holdings Limited - Panel Declines to Conduct Proceedings

The Panel has declined to conduct proceedings on an application dated 8 July 2019 from Kiwi Holdco CayCo, Ltd, as the group holding company of the FNZ Group (FNZ), in relation to the affairs of GBST Holdings Limited (ASX: GBT) (GBST).

The application concerned (among other things) the process adopted by GBST which led to entry into a process and exclusivity deed (as amended, the **Deed**) with SS&C Technologies, Inc. (NASDAQ: SSNC) (SS&C) in relation to a non-binding indicative proposal from SS&C to acquire GBST at \$3.25 per share via a scheme of arrangement (see [TP19/40](#)). The SS&C proposal was received in response to an invitation from GBST to a number of interested parties (including FNZ) to submit non-binding indicative proposals as part of a confidential tender process that would grant exclusive due diligence access to the successful party.

After announcing the SS&C proposal, GBST received a revised non-binding indicative proposal at \$3.50 per share from FNZ and a draft of a process and exclusivity deed with a three week exclusivity period. On 3 July 2019, GBST announced that SS&C had increased its non-binding indicative proposal to \$3.60 per share and the Deed had been amended by reducing the exclusivity period from four weeks to three weeks.

On 5 July 2019, FNZ submitted a further revised non-binding indicative proposal at \$3.65 per share. On 8 July 2019, GBST announced that the GBST board, after considering FNZ's further revised proposal, had resolved not to proceed with FNZ on that proposal, stating that it *"remains of the view that it is in the best interests of GBST and its shareholders to continue to facilitate the receipt of a binding offer from SS&C reflecting the terms of its last proposal and which is capable of being put to shareholders."*

While in the Panel's experience the process adopted by GBST was not conventional, it did not consider the process unacceptable. To date, that process had led to significantly increased indicative offer prices to the benefit of GBST's shareholders. The Panel considered that there was nothing that prompted it to second guess the GBST board's decisions. It noted that there was nothing to prevent third parties submitting a superior proposal to GBST to trigger the fiduciary out.

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The Panel accepted an undertaking on behalf of GBST to disclose a copy of the Deed with limited redactions. It considered that the disclosure of the exclusivity arrangements in this case should assist FNZ and other potential bidders when assessing whether to make a competing offer and lead to a better informed market generally.

The Panel concluded in light of the above that there was no reasonable prospect that it would make a declaration of unacceptable circumstances. Accordingly, the Panel declined to conduct proceedings.

The sitting Panel was Tracey Horton AO (sitting President), Bruce McLennan and David Williamson.

The Panel will publish its reasons for the decision in due course on its website www.takeovers.gov.au.

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