

OZ VOTE APPROVES TAKEOVER BY BHP

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Australia's biggest ASX-listed copper company is set to disappear from the bourse after OZ Minerals' takeover by BHP sailed through Thursday's shareholder meeting, with more than 98 per cent of shares voted in favour of the \$9.6bn deal.

The only steps remaining are for BHP to seek formal approval for the deal from the federal court, with the mining giant likely to complete its acquisition of OZ by May 2.

OZ Minerals shareholders will receive their final \$1.75-a-share dividend from the company on that day, along with a payment of \$26.50 a share from BHP to make up the balance of the \$28.25-a-share takeover price.

The deal sailed through, with 98.33 per cent of shares voted in favour of the deal, and the votes coming from 88.3 per cent of shareholders that voted. Only 415 OZ Minerals shareholders voted against the deal, the company said on Thursday, with shares worth 1.7 per cent of the company running against the takeover.

OZ Minerals chair Rebecca McGrath told shareholders the company had not received a competing offer since the company's board agreed to BHP's improved offer in November, and said it was not in discussions with any other interested parties.

Ms McGrath faced only limited questions from shareholders on the value of the deal, reassuring attendees that BHP had indicated strong admiration for the company's operational staff, and the company's board expected very little disruption to its workforce when the takeover was completed.

An independent expert report, released to the market last month, said the offer was fair and reasonable, putting a valuation range on OZ Mineral shares of \$27.37 to \$30.47, using a discounted cashflow valuation of its operating assets.

The report noted that some estimates of the long-term copper outlook could lead to a higher valuation of OZ Minerals among some shareholders. But it also said the current copper price was close to record highs, and was the only real basis for a valuation of OZ Minerals that was available.

The takeover marks the end of OZ Minerals' 15-year tenure on the ASX, after its creation through the merger of Zinifex and Owen Hegarty's Oxiana.

The merged company almost immediately fell afoul of the Global Financial Crisis as commodity prices plunged, almost collapsing under the weight of its \$1.1bn in debts, and putting itself up for sale to China's Minmetals.

OZ was saved only by the intervention of then federal treasurer Wayne Swan, who rejected a \$US1.7bn offer (worth \$2.6bn at the time) from China's Minmetals group to buy the company outright in early 2009 due to the proximity of the company's Prominent Hill copper mine to the sensitive Woomera weapons testing range.

A revised \$US1.4bn offer saw Minmetals walk away from Prominent Hill, but emerge with the rest of the company's major assets, including the Sepon copper and gold mine in Laos and the Century and Rosebery zinc mines in Australia.

OZ then picked up its Carrapateena project in 2010 in a \$US250m deal that delivered a fortune to Adelaide's Rudy Gomez, who famously bet his superannuation balance on the drill hole that discovered the deep deposit.

Current chief executive Andrew Cole, who took the helm of the company in late 2014, inherited an ageing operation at Prominent Hill – believed moribund by many industry observers – and a difficult deep deposit at Carrapateena, and is credited with building the strategy and team that reinvigorated the company's South Australian copper mine and successfully built a block cave mine to exploit Carrapateena.

The former Rio Tinto executive will take away a \$6m golden handshake payment when the deal is completed.

OZ Minerals shares closed at \$28.17 on Thursday.