



MEDIA RELEASE

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Modernising the Timetable for Rights Issues

ASX is consulting on proposals to reduce the standard timetable for rights issues. Rights issues are a capital raising mechanism whereby subscription offers are made to all existing shareholders for additional securities in a company in proportion to the shareholders' existing holding.

The time taken to complete a standard rights issue – up to 26 business days – creates additional pricing risk and execution uncertainty for companies considering this capital raising mechanism, particularly when compared to placements.

A shorter timetable will help ensure that standard rights issues remain a viable capital raising mechanism, balancing the needs of companies for timely access to capital with the opportunity for existing shareholders to participate in the raising. It should also help to lower costs associated with the capital raising.

ASX has identified a number of potential efficiency savings to the standard timetable for rights issues that could reduce the timetable by more than a third, with the new maximum down as low as 16 business days.

These efficiencies may now be realised because of advances in technology, systems and operational processes. Some can be achieved by ASX directly while others may also require changes to be made by stakeholders integral to the rights issue process, such as share registries, listed companies, custodians and brokers.

Any proposals to reduce the timetable will take into account the costs incurred to comply with a shorter timetable and the reduced time for shareholders to consider the offer documentation and make their investment decisions.

Reducing the standard timetable for rights issues is a key element in a suite of capital raising initiatives that ASX currently has underway. These initiatives seek to provide flexibility in the choice of capital raising mechanisms and better accommodate the capital raising needs of the diverse range of ASX-listed companies across the credit cycle.

ASX invites submissions on the proposals by 14 August 2012. Submissions will be made publicly available on ASX's website unless marked 'confidential'.

Modernising the timetable for rights issues: facilitating efficient and timely rights issues consultation paper is available here: <http://www.asxgroup.com.au/public-consultations.htm>

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