

Senate Standing Committee on Economics

ANSWERS TO QUESTIONS ON NOTICE

Treasury Portfolio

Budget Estimates

29 May – 31 May 2012

Question: BET 57

Topic: Market Capitalisation of Less Than \$300 Million

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Senator CORMANN asked:

Senator CORMANN: How much is the average cost of a meeting in relation to these non-pro-rata capital-raising placements for a company with a market capitalisation of less than \$300 million?

Ms Gibson: I cannot answer that. I think it would vary.

Senator CORMANN: Would you be able to answer that on notice?

Ms Gibson: We have sought to find that information, but it does very much vary depending on the company. There are some companies with a market cap of less than \$300 million that have very large registers.

Answer:

There is little research in this area.

An ASX internal survey in April 2006 of 43 SMEs (defined as market cap of less than \$100m at the time) found that the direct cost of EGMs were between \$5,000 - \$50,000 (average \$14,000) before the actual cost of raising capital.