

# HEADLINE

*Group Limited*

Registered Office: C/- McBurney & Partners, Level 10, 68 Pitt Street, Sydney, NSW 2000  
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18 December, 2008

Mr Patrick O'Connor  
ASX Markets Supervision Pty Ltd  
Level 5, Riverside Centre  
123 Eagle Street  
Brisbane, QLD 4000

Dear Mr O'Connor

## **Appendix 3Y – Brent Ronald Dennison (“Appendix 3Y”)**

We refer to your letter dated 17 December 2008 regarding an Appendix 3Y lodged by Headline Group Limited (“the Company”) with ASX on Wednesday 17 December 2008 for Brent Ronald Dennison. Your advice that the Appendix 3Y should have been lodged by the Company with ASX by Monday 15 December 2008 is acknowledged by the Company.

You have asked the Company to answer three questions in relation to this matter and we respond as follows:

1. Please explain why the Appendix 3Y was lodged late.

Mr Dennison has been purchasing shares in the Company on market under instructions given to his broker. Mr Dennison stopped the purchase order, but the broker purchased one more lot of 60,000 shares for which the purchase advice was not communicated to Mr Dennison. The broker was in the habit of communicating purchase details to Mr Dennison through the Company’s email system, but during the week of the purchase that system was not operational for some days and the purchase advice was not received. The purchase was only communicated to Mr Dennison on 17 December 2008 when the broker telephoned him seeking payment for the purchase.

2. What arrangements does the Company have in place with its directors to ensure that it is able to meet its disclosure obligations under listing rule 3.19A?

The Company has in place contracts signed by each of the Company’s directors to ensure the disclosure requirements of listing rules 3.19A and 3.19B. The wording of those contracts is in accordance with the wording of the pro-forma agreement between entity and director as provided in Guidance Note 22 to the listing rules. Mr Dennison has abided by his contract in that he advised the Company as soon as he was made aware of the purchase of shares.

3. If the current arrangements are inadequate or not being enforced, what additional steps does the Company intend to take to ensure compliance with listing rule 3.19B?

The Company believes that its current arrangements are adequate for compliance with listing rule 3.19B. The directors have been provided with a copy of your letter dated 17 December 2008, and have been reminded of their obligations regarding disclosure of changes in their interests in the Company.

Additionally, the directors have been requested to arrange for their respective brokers, where shares in the Company are either bought or sold, to communicate the transactions directly to the company secretary as well as to the Company.

The Company takes this opportunity to apologise for the late lodgement of the Appendix 3Y, which has occurred only as a result of an electronic communications breakdown.

Yours sincerely  
**Headline Group Limited**



**Ian Gordon**  
**Company Secretary**

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17 December 2008

Mr. Ian Gordon  
Company Secretary  
Headline Group Limited  
C/- McBurney & Partners  
Level 10, 68 Pitt Street  
SYDNEY NSW 2000

Email transmission: [igordon@mcburney.com.au](mailto:igordon@mcburney.com.au)

Dear Mr. Gordon

**Headline Group Limited (the "Company")**

We refer to the following;

1. The Appendix 3Y lodged by the Company with ASX on Wednesday, 17 December 2008 for Brent Ronald Dennison (the "Appendix 3Y");
2. Listing rule 3.19A which requires an entity to tell ASX the following:
  - 3.19A.1 The notifiable interests of a director of the entity (or in the case of a trust, a director of the responsible entity of the trust) at the following times.
    - On the date that the entity is admitted to the official list.
    - On the date that a director is appointed.The entity must complete Appendix 3X and give it to ASX no more than 5 business days after the entity's admission or a director's appointment.
  - 3.19A.2 A change to a notifiable interest of a director of the entity (or in the case of a trust, a director of the responsible entity of the trust). The entity must complete Appendix 3Y and give it to ASX no more than 5 business days after the change occurs.
  - 3.19A.3 The notifiable interests of a director of the entity (or in the case of a trust, a director of the responsible entity of the trust) at the date that the director ceases to be a director. The entity must complete Appendix 3Z and give it to ASX no more than 5 business days after the director ceases to be a director.
3. Listing rule 3.19B which states as follows.

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An entity must make such arrangements as are necessary with a director of the entity (or in the case of a trust, a director of the responsible entity of the trust) to ensure that the director discloses to the entity all the information required by the entity to give ASX completed Appendices 3X, 3Y and 3Z within the time period allowed by listing rule 3.19.A. The entity must enforce the arrangements with the director.

4. The Companies Update dated 27 June 2008, reminding listed entities of their obligation to notify ASX within 5 business days of the notifiable interests in securities held by each director and outlining the action that ASX would take in relation to breaches of listings rules 3.19A and 3.19B.

The Appendix 3Y indicates that the change in Mr Dennison's notifiable interest occurred on Monday, 8 December 2008. It appears that Mr Dennison should have lodged an Appendix 3Y with ASX by Monday, 15 December 2008. Consequently, the Company may be in breach of listing rules 3.19A and/or 3.19B.

Please note that ASX is required to record details of breaches of the listing rules by listed companies for its reporting requirements.

ASX reminds the Company of its contract with ASX to comply with the listing rules. In the circumstances ASX considers that it is appropriate that the Company make necessary arrangements to ensure there is not a reoccurrence of a breach of the listing rules.

Having regard to listing rules 3.19A and 3.19B and Guidance Note 22: "Director Disclosure of Interests and Transactions in Securities - Obligations of Listed Entities", we ask that you answer each of the following questions:

1. Please explain why the Appendix 3Y was lodged late.
2. What arrangements does the Company have in place with its directors to ensure that it is able to meet its disclosure obligations under listing rule 3.19A?
3. If the current arrangements are inadequate or not being enforced, what additional steps does the Company intend to take to ensure compliance with listing rule 3.19B?

Your response should be sent to me by e-mail at [patrick.oconnor@asx.com.au](mailto:patrick.oconnor@asx.com.au) or by facsimile on facsimile number (07) 3832 4114. It should **not** be sent to the Company Announcements Office.

A response is requested as soon as possible and, in any event, not later than half an hour before the start of trading (i.e. before 9.30 a.m. E.D.S.T.) (8.30am Brisbane time) on Monday, 22 December 2008.

Under listing rule 18.7A, a copy of this query and your response **will** be released to the market, so your response should be in a form suitable for release and should separately address each of the questions asked. If you have any queries or concerns, please contact me immediately

Yours sincerely,



Patrick O'Connor  
Adviser, Issuers (Brisbane)