



Australian Government

Takeovers Panel

MEDIA RELEASE

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Ainsworth Game Technology Limited - Panel Receives Application

The Panel has received an application from the Australian Securities and Investments Commission in relation to the affairs of Ainsworth Game Technology Limited. The application concerns voting on the sale of a controlling stake in Ainsworth by its chairman under item 7 of s611.¹

Details of the application, as submitted by the applicant, are below.

A sitting Panel has not been appointed at this stage and no decision has been made whether to conduct proceedings. The Panel makes no comment on the merits of the application.

Details

Mr Ainsworth is the founder and chairman of Ainsworth (ASX code: AGI) and is the controlling shareholder with a parcel of 176,008,132 shares (53.7% of the issued share capital in AGI). Mrs Ainsworth is Mr Ainsworth's wife and (via a controlled entity) is the second largest shareholder in AGI with a parcel of 29,371,616 shares (8.9%).

On 23 February 2016, AGI announced that Mr Ainsworth had entered into a share sale and purchase agreement pursuant to which he agreed to sell 172,100,823 shares in AGI to Novomatic AG (a body corporate incorporated under the laws of Austria) for \$2.75 cash per share. If successful, the share sale transaction will result in Novomatic acquiring a relevant interest in AGI of 52.74% (up from 0.23%).

Implementation of the share sale transaction requires, among other things, shareholder approval under item 7 of s611.

On 4 May 2016, AGI dispatched its notice of meeting to shareholders. The notice of meeting disclosed that, based on enquiries made by AGI's independent directors and in consideration of legal advice obtained by them, the independent directors have not (as at the time of the notice of meeting) concluded that any shareholders are excluded from voting on the resolution on the basis of section 12(2)(c) but that this is

¹ References are to the *Corporations Act 2001* (Cth)

a matter of fact and will be continually monitored and the final decision as to which shareholders will be permitted to vote will be made by the Chair immediately prior to the meeting.

ASIC submits (among other things) that Mr and Mrs Ainsworth have a relevant agreement or are acting in concert in connection with the share sale transaction, and accordingly Mrs Ainsworth is an associate of Mr Ainsworth and should be excluded from voting in favour of the share sale transaction.

ASIC seeks an interim order that Mrs Ainsworth must not dispose of, transfer or grant a security interest over any shares or interests in shares in AGI until the earlier of further order of the Panel, the determination of proceedings or 2 months from the date of the orders.

ASIC seeks final orders that:

- Mrs Ainsworth not vote in favour of share sale transaction (and that AGI disregards any such votes cast)
- Mrs Ainsworth not dispose of her AGI shares prior to the meeting
- Mr Ainsworth and Mrs Ainsworth (and her controlled entity) give notice of their substantial holding in relation to their voting power in AGI and their associations and
- AGI dispatch a supplementary notice of meeting disclosing the association of Mr and Mrs Ainsworth, that Mrs Ainsworth will be excluded from voting on the share sale transaction and the collective holding of Mr and Mrs Ainsworth following successful completion of the share sale transaction and the implications of that collective holding.

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