



Australian Government

Takeovers Panel

MEDIA RELEASE

No: TP16/34

Tuesday, 17 May 2016

Ainsworth Game Technology Limited 02 – Panel Receives Application

The Panel has received an application from Fortress Centaurus Global Master Fund Ltd in relation to the affairs of Ainsworth Game Technology Limited (AGI). The application concerns voting on the sale of AGI’s chairman’s controlling stake in AGI 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

The relevant facts, similar to those set out in [TP16/32](#), are that Mr Leonard Ainsworth, and a controlled entity, have entered into a share sale and purchase agreement with Novomatic AG to sell to it 52.52% of AGI, leaving Mr Ainsworth with 1.19%. Novomatic currently has 0.23% of AGI. The transaction is conditional on, among other things, shareholder approval under item 7 of s611. When asked by Fortress, AGI has refused to confirm that it will treat Mr Ainsworth’s family members and their companies, which hold approximately 10% of AGI, as “excluded voters” in relation to the item 7 resolution.

Fortress submits that members of Mr Ainsworth’s family and companies controlled by them should not be entitled to vote on the resolution to approve the share sale transaction because:

- they have relevant agreements for the purposes of voting and disposal of their AGI shares, and are acting in concert in connection with the resolution, with Mr Ainsworth and accordingly are associates of his and
- in the alternative, even if they are not associates, owing to their relationship with Mr Ainsworth and interest in the outcome of the share sale transaction,

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

they are not disinterested shareholders and confidence in the integrity of the market for corporate control requires that they be excluded from voting in favour of the resolution.

Fortress also submits that:

- Mr Ainsworth has increased his voting power in AGI in contravention of s606 by reason of the relevant agreements and
- if any of Mr Ainsworth's identified family members and companies vote in favour of the resolution to approve the share sale transaction and the votes are improperly counted, Novomatic will obtain on completion of the agreement voting power in AGI of more than 20% in contravention of s606.

Fortress seeks an interim order requiring that the shareholders' meeting be adjourned until this application is determined, and a final order requiring AGI to disregard any votes cast in favour of the resolution to approve the share sale transaction by the relevant family members and companies.

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