



## FLAT GLASS INDUSTRIES LIMITED

### Flat Glass Industries Limited

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### ASX Announcement

#### Proposed Takeover Bid for Flat Glass Industries Limited

FLAT GLASS INDUSTRIES LIMITED (ASX:FGI) is pleased to advise that MHG Flat Glass Holdings Pty. Limited (MHG) has executed a Takeover Bid Implementation Deed with FGI under which MHG will make an off-market takeover bid for all the shares in FGI (the Offer).

#### Cash Takeover Offer

The Offer will be at a cash price of \$0.10 (ten cents) per FGI share (Offer Price) which, represents a premium of:

- 25% to the last closing price of \$0.08;
- 100% to the price of \$0.05 at which FGI shares were issued under the rights issue in January 2015; and
- 100% to the volume weighted average price \$0.05 at which FGI shares have traded over the last 12 months.

The FGI directors unanimously recommend that FGI shareholders accept the Offer, in the absence of a superior proposal. Each FGI Director intends to accept the Offer in respect of the FGI shares they own or control, in the absence of a superior proposal.

#### Share Sale

Haritos Family Retirement Pty Ltd ACN 605 222 759, as trustee for the Haritos Family Superannuation Fund (HFR), a related party of MHG, purchased 16,142,593 FGI shares from Phoenix Development Fund Limited at the Offer Price in an off-market trade yesterday. The purchased shares represent 19.9% of all FGI shares and HFR is now the largest single shareholder in FGI. As a result the sale of shares, Phoenix Development Fund Limited and its related parties now control 14.87% of FGI's issued shares and have indicated that they intend to accept the Offer in respect of the FGI shares they own or control, in the absence of a superior proposal.

#### Reasons for Recommendation

In forming their unanimous recommendation, the FGI directors have considered a wide range of factors, including:

1. The Offer Price represents a 100% premium to the volume weighted average price for FGI shares over the last 12 months.
2. The Offer values FGI at approximately \$8.1 million.
3. The Offer provides immediate value and the certainty of cash.
4. The Offer is currently the only offer that is available to FGI shareholders, with no superior proposal having been notified to the Board prior to the announcement of the Offer.
5. The FGI share price may fall to levels below the Offer Price following the conclusion of the takeover offer.

FGI Chairman, Mr James Schwarz, said “The unanimous recommendation of the FGI directors to accept the Offer has been made following careful consideration. The Offer enables our shareholders to realise a compelling premium for their shares and provides a certain cash value. The Board considers that the Offer represents the best option for FGI shareholders to realise a premium value for their shares at this time.”

**Bid Implementation Deed**

FGI and MHG have entered into a Bid Implementation Deed. The Deed sets out the terms of the Offer and a number of other customary requirements. A copy of the Deed is released to the ASX concurrently with this announcement.

**Timing**

MHG will make the Offer as soon as possible and in any event by 15 April 2016. Shareholders do not need to take any action at this stage.

For further information, please contact:

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