



## FLAT GLASS INDUSTRIES LIMITED

**Flat Glass Industries Limited**

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27 August 2012

### **Non-renounceable Rights Issue**

#### **Notice under paragraph 2(f) of section 708AA of the Corporations Act (the "Act")**

FGI has announced its intention to make a pro-rata non-renounceable offer of up to 22,339,337 fully paid, ordinary shares (Shares) each at an issue price of 5c per share (Rights Issue) to raise up to approximately \$1,116,967 (before expenses) on the basis of 1 new share for every 2 existing fully paid ordinary shares held at 5pm (Sydney time) on 4 September 2012 (Record Date) by shareholders whose registered address is situated in Australia or New Zealand.

An Offer Document for the Rights Issue will be issued and mailed later today to all eligible shareholders.

The Company gives notice in accordance with paragraph 2(f) of section 708AA of the Act that:

- (1) The Company will offer the Shares for issue without disclosure to investors under Part 6D.2 of the Act.
- (2) This notice is being given under paragraph (2)(f) of Section 708AA of the Act.
- (3) As at the date of this notice, the Company has complied with the provisions of Chapter 2M of the Act as they apply to the Company.
- (4) As at the date of this notice, the Company has complied with section 674 of the Act.
- (5) As at the date of this notice, there is no information:
  - (a) that has been excluded from a continuous disclosure notice in accordance with the ASX Listing Rules; and
  - (b) that investors and their professional advisers would reasonably require for the purpose of making an informed assessment of:
    - (i) the assets and liabilities, financial position and performance, profits and losses and prospects of the Company; or
    - (ii) the rights and liabilities attaching to the Shares.
- (6) The principal effect of the Rights Issue on FGI's capital structure will be to increase the total number of issued Shares. The effect of the Rights Issue on control of the Company will be as follows:
  - (a) if all Shareholders as at the Record Date take up their full Entitlements under the Offer, the Offer will have no effect on the control of FGI;
  - (b) if the Shareholders take up only some of their Entitlements under the Offer, then the Offer will have an effect on control of FGI because the shortfall will be taken up by the Underwriter.

As at the date of this Prospectus, it is not possible to determine the precise change in control that may occur as the level of each Shareholder's participation is not yet known, however Table 1 below sets out various possibilities. Table 1 is based on the assumption that no further shares are issued prior to the Record Date, including that no Options are exercised, and is as at the date trading of the Issue Shares commences.

Table 1 – Shareholding Post Offer

<b>Shareholder/Underwriter Participation</b>	<b>Underwriter Shareholding</b>	<b>Current Shareholders' Shareholding</b>
0/100	22,339,337 (33.3%)	44,678,673 (66.67%)
25/75	16,754,503 (25%)	50,263,507 (75%)
50/50	11,169,669 (16.67%)	55,848,341 (83.33%)
75/25	5,584,835 (8.33%)	61,433,175 (91.67%)
100/0	0 (0%)	67,018,010 (100%)

Lindsay Phillips  
Director