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ASIC

Australian Securities &
Investments Commission

SIMON GAUTIER HANNES RECEIVES GAOL SENTENCE

Simon Gautier Hannes was today sentenced in the Sydney District Court to two years and two months gaol and fined \$110,000.

Mr Hannes was found guilty last month of one Australian Securities and Investments Commission (ASIC) charge of insider trading in the securities of TNT Limited and two charges under the Financial Transactions Reports Act (FTR).

In sentencing Mr Hannes, Judge Cecily Backhouse fixed a recognisance release order of 18 months after which time he will be released if he complies with certain conditions.

Mr Hannes was given a four year sentence for the insider trading charge which was adjusted to two years two months to take into account the lack of remission laws in NSW. He was also sentenced to four months for each of the two FTR charges to be served concurrently.

Mr Hannes was fined \$100,000 for the insider trading charge and \$5000 for each of the two FTR charges.

The insider trading charge related to Mr Hannes, using the name "Mark Booth", acquiring 5,000 TNT \$2 call options in September 1996 through Ord Minnett Limited when he had knowledge that TNT was to be the subject of a takeover bid.

The ASIC investigation of "Mark Booth's" trading started within 24 hours of the announcement of a takeover by Dutch company Royal PTT Nederland NV (KPN) at \$2.45 on 2 October 1996.

Within two days, ASIC obtained court orders freezing the \$2m profit from "Mark Booth's" trading, and this profit was ultimately returned to the people who had sold the call options.

The detailed ASIC investigation of the circumstances surrounding "Mark Booth's" purchase of call options was conducted in collaboration with the Australian Federal Police and the Surveillance Division of the Australian Stock Exchange.

Using sophisticated investigation techniques, the ASIC was able to identify Mr Hannes as the person who had bought the TNT \$2.00 call options.

The FTR charges relate to Mr Hannes making six cash withdrawals in one day from different bank branches and then using the cash to acquire 10 bank cheques again from various banks and branches with a view to avoid the reporting requirements under the FTR.

Mr Hannes has appealed his conviction and no date has yet been set for the hearing.

A decision on any appeal on sentence will be a matter for the DPP in discussion with ASIC.

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