

Edgar Filing: WMS INDUSTRIES INC /DE/ - Form 8-K

Section 162(m).

The stock-based performance awards contain performance goals set by the Board based on levels of total revenue and free cash flow for the Company over the thirty-month period ending June 30, 2007. Free cash flow is defined as net income plus interest, taxes, depreciation and amortization (EBITDA), plus non-cash stock option and equity grant expense, less capital expenditures, cash taxes paid and adjustments for changes in net working capital. The number of shares of stock awarded to the participant upon the achievement of the performance goals is dependent on the extent to which each goal is achieved. No award of stock will be made if less than 70% of the revenue goal and 50% of the cash flow goal is achieved. The awards and the number of shares to be issued under the awards may be affected by a change in control pursuant to the 2005 Incentive Plan. Upon determination of the extent to which the performance goal has been met, a participant, who remains employed with the Company, will receive a number of shares of common stock equal to the number of stock-based performance awards granted multiplied by a payout percentage determined pursuant to a matrix of possible performance levels. The matrix provides for a range of payout percentages, starting with a 10% payout if 50% and 70% of the cash flow and revenue targets are achieved, respectively; a 100% payout if 100% of each target is achieved; and a 200% maximum payout if 150% and 130% of the cash flow and revenue targets are achieved, respectively.

Individual Awards to Executive Officers

On January 7, 2005, the Board awarded 14,000, 6,058, 5,519, 4,246, 2,200 and 1,840 stock-based performance awards to Brian R. Gamache, our President and Chief Executive Officer, Orrin J. Edidin, our Executive Vice President and Chief Operating Officer, Scott D. Schweinfurth, our Executive Vice President, Chief Financial Officer and Treasurer, Seamus M. McGill, the Executive Vice President and Managing Director, International Operations of our subsidiary, WMS Gaming Inc., Kathleen J. McJohn, our Vice President, General Counsel and Secretary and Robert R. Rogowski, our Vice President of Finance and Controller, respectively.

SIGNATURE

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

WMS Industries Inc.

/s/ Kathleen J. McJohn

Name: Kathleen J. McJohn
Title: Vice President, General Counsel
and Secretary

Date: January 13, 2005