



16 September 2019

MARKET ANNOUNCEMENT

The Company has been made aware that Mr Ian Rodwell, Adcorp’s major shareholder and Chairman, sent a letter to a number of shareholders.

To ensure the market is equally informed, a copy of this letter is attached.

This is unrelated to the company’s minimum-holding share buy back that was announced on 8 August 2019.

~ends~

- Adelaide
- Auckland
- Brisbane
- Canberra
- Christchurch
- Darwin
- Melbourne
- Perth
- Sydney
- Tauranga
- Wellington

For further information, please contact:

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Starting conversations

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Ian Frederick Rodwell AO



Date: 9th September 2019

RE: Adcorp Australia Limited Shareholding

Dear Fellow Shareholder,

The past many years have proved challenging for Adcorp Australia Limited, its core business has been abating and financial margins shrinking, whilst the industry has been challenged by digital advancements. As a direct result the Company has struggled to provide any returns to Shareholders for the past 7 years or more and has required several significant capital injections along the way to maintain adequate liquidity.

As the majority shareholder in Adcorp Australia Limited, I believe the business is not sufficiently large enough to justify its continued listing on the Australian Stock Exchange.

As you may be aware, the Company has recently undertaken to buy-back the deemed “unmarketable parcels” of shares held by the very smallest minority Shareholders in AAU. An “unmarketable parcel” is deemed to be a holding which is valued at less than \$500, for which Adcorp Australia Limited has offered a buy-back price of \$0.009 per share. This buy-back will allow only those Eligible Shareholders, whom hold unmarketable parcels of shares in the Company to sell their shares back to the Company. The price being set by the Company at \$0.009 per share, being the closing price for Company shares based on the 6th August 2019 under that arrangement. These unmarketable parcel shares will be cancelled once transferred to the Company, in accordance with the Corporations Act 2001 (Cth).

The total number of Eligible Shareholders subject to this provision is 637 out of the total of all Shareholders in Adcorp Australia, being 747. As a consequence, the residual number of Shareholders in AAU will likely fall to only around 100 or so, which is significantly less than the 300 Shareholder minimum generally required by the ASX to maintain the effective listed quotation of AAU shares.

For all Shareholders, more specifically those whom are ineligible for the Companies unmarketable parcel buy-back arrangement, I will maintain an open “buy” position on market in AAU shares effective from the 10th September 2019. This open offer will be available to all Shareholders should

they wish to sell their shareholding in Adcorp Australia Limited. The price offered will be \$0.009, which is the same price as available to the unmarketable parcel Shareholders. This position will only remain open until the 9th of October 2019.

In the event that Adcorp becomes delisted from the ASX, there will no longer be a quoted market for AAU shares and therefore any transactions in Adcorp stock thereafter would need to occur by way of some private mechanism.

Should you not wish to retain your Shareholding in a business which may potentially become unlisted, then subject to the appropriate independent advice you may consider availing the above trading window. At the very least I urge you to take suitable independent professional advice as to the matters set out above.

Should you wish to discuss this matter with myself directly, please feel free to contact me by my mobile telephone number [REDACTED]

Yours sincerely,



Ian Frederick Rodwell AO

PLEASE NOTE: *You have received this letter on the basis that you are a Shareholder in Adcorp Australia Limited ("AAU"). Should you not fully understand any of the matters set out above, then you should seek suitable independent financial advice in respect to any or all of the information provided in this letter. This letter is not intended to provide any advice nor recommendations in respect to any securities matter, the intent solely is to convey merely factual information to those minority shareholders in AAU shares.*