



11 July 2014

Market Announcements Office
ASX Limited
Level 4 North Tower
525 Collins Street
Melbourne VIC 3000

**CAPITAL RAISING – FULLY UNDERWRITTEN NON-RENOUNCEABLE RIGHTS
ISSUE**

The Board of MBD Corporation Limited (ASX: MBD) (**Company**) is pleased to announce the details of the capital raising foreshadowed in the Company's Appendix 4D (Half Year Report) released to the market on 28 February 2014.

The purpose of the capital raising, along with the other initiatives outlined below, is to recapitalize the Company and return it to a stable financial footing.

Eligible shareholders of the Company, being persons who are registered holders of shares in the Company at 7:00 pm (Melbourne Time) on 22 July 2014 (**Record Date**) and who have a registered address in Australia or New Zealand, will be entitled to participate in a non-renounceable rights issue of 1 new share for every 1 share held on the Record Date at an issue price of **2.0 cents** per new share to raise approximately **\$1,315,194** (before expenses) (**Rights Issue**).

The issue price under the Rights Issue represents:

- an approximate 20.00% discount to the closing price of the Company's shares on ASX on the trading day immediately preceding this announcement; and
- an approximate 9.0% discount to the 30 day volume weighted average price (VWAP) of the Company's shares on ASX on the trading day immediately preceding this announcement.

The Rights Issue will be fully underwritten by entities associated with directors of the Company, Peter Reilly and Hamish Giles. Each director of the Company has indicated his intention to take up their full entitlement under the Rights Issue.





The key details of the Rights Issue are as follows:

Summary of key details	
Issue price per new share	2.0 cents
Total approximate number of new shares offered under the Rights Issue	65,759,680
Total approximate amount to be raised under the Rights Issue (before expenses)	\$1,315,194
Total approximate number of shares on issue following completion of the Rights Issue	131,519,360

The indicative timetable for the Rights Issue is as follows:

Summary of key dates¹	
Lodgement of Prospectus with ASIC and ASX	14 July 2014
Shares quoted on an "ex" basis	18 July 2014
Record Date for determining entitlement to new shares under the Rights Issue (at 7.00pm Melbourne time)	22 July 2014
Opening Date and dispatch of Prospectus with Entitlement and Acceptance Forms to eligible shareholders	24 July 2014
Closing Date for acceptances and payment (at 5.00pm Melbourne time)	15 August 2014
Shares quoted on a deferred settlement basis	18 August 2014
Company notifies ASX of under subscriptions	by 20 August 2014
Issue Date - Allotment of new shares subscribed for under the Rights Issue / Deferred settlement trading ends	22 August 2014
Holding statements expected to be dispatched to shareholders	22 August 2014
Anticipated date for commencement of trading of new shares	25 August 2014

Note 1: These dates are indicative only and are subject to change. The Company reserves the right, subject to the *Corporations Act 2001* (Cth) and the ASX Listing Rules, to amend this indicative timetable in consultation with the underwriters. In particular, the Company reserves the right to extend the Closing Date or to withdraw the offer without prior notice. Any extension of the Closing Date will have a consequential effect on the date for the allotment of the new shares.

The Company also proposes to place up to 15 million shares with sophisticated or professional investors at a subscription price of at least the issue price for new shares offered under the Rights Issue.



Level 2 409 St Kilda Road,
Melbourne VIC 3004
AUSTRALIA



T: +61 3 9820 2087
F: +61 3 9820 2158



MBD Corporation Limited
ABN: 34 087 730 667
ACN: 087 730 667



group@marbletrent.com.au



marbletrent.com.au



Finally the Company intends to seek Shareholder support at the next General Meeting of Shareholders to convert existing Convertible Notes at a revised conversion price of 2 cents (currently 8 cents). The holders of these Convertible Notes have agreed to this proposal. Further details will be provided in the Explanatory Memorandum accompanying the Notice of such General Meeting.

Additional Banking and Finance Facilities

In preparation for the Rights Issue, the Company's banker, Westpac Banking Corporation (**Westpac**), and the Company have entered into agreements pursuant to which:

- Westpac will extend the Company's existing finance facilities beyond their current maturity or repayment dates;
- Westpac will make available a Debtor Finance Facility of \$4.0m in replacement of the existing \$3.0m Overdraft Facility (**Debtor Finance Facility**); and
- the Company may establish a Trade Finance Facility with another financier of up to \$500,000 (**Trade Finance Facility**)

The Company and Realstar Finance Pty Ltd have now executed the Trade Finance Facility, the purpose of which is to provide finance for the purchase of products from China.

Earnings Guidance

Predicated on the completion of the Rights Issue, the drawdown of the Debtor Finance Facility and the Trade Finance Facility together with the conclusion of negotiations with a number of suppliers and the release of new products, the Board anticipates that the Company will return to trading stability within the next 4 months with a material uplift in profitability thereafter.

Enquiries contact:

MBD Corporation Limited

Hamish Giles

Executive Chairman

03 9820 2087

