



15 July 2014

Dear MBD shareholder,

On 11 July 2014, MBD Corporation Limited (**MBD** or **Company**) announced a fully underwritten, non-renounceable rights issue of fully paid ordinary shares at an issue price of 2 cents per new share (**Rights Issue**), on the basis of 1 new share for every 1 fully paid ordinary share held.

The Rights Issue is being made under a prospectus dated 14 July 2014 (**Prospectus**) and lodged with the Australian Securities and Investments Commission (**ASIC**) and Australian Securities Exchange (**ASX**) on that date. The Rights Issue will only be open to existing holders of ordinary shares in MBD with registered addresses in Australia or New Zealand. Participation in the Rights Issue will not be extended to MBD shareholders with registered addresses outside Australia and New Zealand (**Ineligible Overseas Shareholders**).

Rights Issue

The Rights Issue comprises an offer of fully paid ordinary shares to existing holders of ordinary shares as at the record date of 5:00 pm (Melbourne time) on 22 July 2014 (**Record Date**). That offer will be made in the Prospectus. Under the Rights Issue, 1 new share will be offered for every 1 fully paid ordinary share held by an MBD shareholder at the Record Date (**New Shares**). If you are an Ineligible Overseas Shareholder, an offer under the Rights Issue will not be made to you.

On completion of the Rights Issue, MBD will issue approximately 65,759,680 New Shares to raise approximately **\$1,315,194** (before expenses).

The Rights Issue is non-renounceable, which means that the entitlement to participate in the Rights Issue cannot be sold, traded or otherwise transferred. Therefore, to the extent that an eligible MBD shareholder does not take up their entitlement under the Rights Issue, that entitlement will lapse. Lapsed entitlements will be taken up by the underwriters referred to below.

The New Shares issued under the Rights Issue will rank equally with existing fully paid ordinary shares in MBD. Fractional entitlements will be rounded up to the nearest whole new share.

The funds raised pursuant to the Rights Issue (net of expenses) will be used by MBD for working capital purposes to recapitalize the Company, reduce debt and return it to a stable financial footing.

The Rights Issue will be fully underwritten by entities associated with directors of the Company, Hamish Giles and Peter Reilly.



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@marbletrend.com.au



marbletrend.com.au

Prospectus

MBD shareholders with a registered address in Australia or New Zealand will be forwarded a copy of the Prospectus. If you wish to acquire New Shares under the Rights Issue, you will need to complete the personalised entitlement and acceptance form which will accompany the Prospectus or otherwise follow the acceptance instructions in the Prospectus. You should consider the Prospectus in deciding whether to acquire New Shares under the Rights Issue.

You will also be entitled to apply for New Shares which are not taken up under the Rights Issue in addition to your entitlement (**Additional New Shares**). There will be a space in the entitlement and acceptance form which will accompany the Prospectus for you to apply for Additional New Shares. Any Additional New Shares will be placed at the discretion of the directors. A shareholder is not guaranteed to receive any Additional New Shares.

Ineligible Overseas Shareholders

MBD has determined that it is not practical for Ineligible Overseas Shareholders to participate in the Rights Issue, having regard to the number and value of New Shares that would be offered to Ineligible Overseas Shareholders and the costs of complying with the regulatory requirements in jurisdictions outside of Australia and New Zealand. Consequently, no offer of New Shares under the Rights Issue will be made to Ineligible Overseas Shareholders.

To the extent that a person holds MBD shares on behalf of another person resident outside Australia or New Zealand, it is that person's responsibility to ensure that any acceptance complied with all applicable foreign laws.

Effect on capital of MBD

The following table shows the effect that the Rights Issue will have on the capital of MBD:

	Number
Total shares on issue at date of Prospectus including 1,550,000 fully paid unlisted ordinary employee shares	65,759,680
New Shares issued pursuant to the Rights Issue*	Approximately 65,759,680
Total shares on issue after Rights Issue*	Approximately 131,519,360

* Subject to rounding-up of individual holdings.

Timetable

MBD expects the Rights Issue to be conducted according to the following timetable:

Lodgement Date – The date the Prospectus was lodged with ASIC and ASX.	Monday, 14 July 2014
Ex Date – The date on which MBD shares commence trading on ASX without the entitlement to participate in the Rights Issue.	Friday, 18 July 2014
Record Date – The date for determining entitlements of MBD shareholders to participate in the Rights Issue (at 7:00 pm Melbourne time).	Tuesday, 22 July 2014
Opening date of offer and despatch of Prospectus – Anticipated date for despatch of Prospectus and entitlement and acceptance forms to eligible MBD shareholders.	Thursday, 24 July 2014
Closing Date – The last day for receipt of entitlement and acceptance forms and payment (at 5:00 pm Melbourne time).	Friday, 15 August 2014
Deferred settlement trading commences – Date on which New Shares will commence trading on ASX on a deferred settlement basis.	Monday, 18 August 2014
Company notifies ASX of under subscriptions (if any)	by Wednesday, 20 August 2014
Issue Date – Allotment of New Shares/deferred settlement trading ends	Friday 22 August 2014
Holding Statements Despatched	Friday 22 August 2014
Normal Trading Date – Trading of new shares commences.	Monday, 25 August 2014

MBD reserves the right to change, in consultation with the underwriters, this timetable without notice, subject to the ASX Listing Rules and the *Corporations Act 2001*. Changes to this timetable will be announced to ASX.

The Prospectus for the Rights Issue has been lodged with ASIC and ASX and is available on MBD's website at www.marbletrend.com.au and ASX website at www.asx.com.au.

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.

Finally the Company also 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). Further details will be provided in the Explanatory Memorandum accompanying the Notice of such General Meeting.

Yours faithfully,


Hamish Giles
Executive Chairman