

Oncard International Limited
ACN 084 800 902
GPO Box 2334
Melbourne 3001 Australia
Level 7, 550 Bourke Street
Melbourne 3000 Australia
Tel: + 61 3 9642 3812

29 January 2015

Via ASX Online

ASX Market Announcements Office
ASX Limited
Level 4, 20 Bridge Street
Sydney NSW 2000

Proposed distribution

The board of directors of OnCard International Limited (**OnCard** or **Company**) is pleased to announce that the Company will seek shareholder approval to distribute to shareholders all funds surplus to its needs. As the expected cash backing per share is currently estimated to be between \$0.31 and \$0.32, the board considers that the Company will be able to return \$0.30 per share to shareholders. While the composition of the proposed distribution has yet to be finalised, it is likely to be by way of return of capital of \$0.21 per share and by way of unfranked dividend of \$0.09 per share.

Dividend

The amount of, and record date for, the dividend will be announced promptly after completion of the Company's audited financial statements for the year ended 31 December 2014 and will be paid as soon as reasonably practicable thereafter.

Capital return

OnCard will proceed with the capital return, subject to:

- (a) the audited financial statements of the Company for the year ended 31 December 2014 confirming that the net assets and cash reserves of the Company as at 31 December 2014 are sufficient to make the capital return;
- (b) there being no material adverse change in the financial position or financial performance of the Company after the date of this announcement; and
- (c) the satisfaction of necessary legal requirements in relation to the capital return.

In respect of paragraph (a) above, as the Company's principal assets are cash and hybrids, the board does not expect that any matters will arise in completion of the relevant accounts that would prevent the Company from undertaking the capital return in the amount of the expected \$0.21 per share.

In accordance with section 256C of the Corporations Act, to complete the capital return the Company will need the approval of shareholders. Accordingly the Company will convene a general meeting of the Company to seek the approval of shareholders to the return of capital by mid-April 2015. Provided that shareholders approve the capital return the Company will pay the capital return to shareholders as soon as reasonably practicable thereafter.

Shareholders should note that:

1. All directors of the Company support the proposed capital return, and will vote the shares in the Company that they own or control in favour of the capital return.
2. Taverners Group, which has a relevant interest in over 32% of the issued shares in the Company, has informed the Company that it also supports the proposed distribution and has provided an irrevocable proxy to vote the shares it owns or controls in favour of the capital return.
3. Michael Piperoglou and his company Narlack Pty Ltd which own, in aggregate, 9.22% of the issued Shares in the Company have informed the Company that they will vote in favour of the capital return.

Remaining assets

After the distribution of the expected \$0.30 per share to shareholders, the directors will investigate whether the residual OnCard has potential value for other investment opportunities. If proposals are received by the Company which the board believes are in the best interest of shareholders, they will be presented to shareholders for them to be offered the opportunity to vote on the proposal and to re-invest into the Company.

If no other proposals are received then the board will seek to wind up the Company and return the balance of the Company's cash to shareholders.

Requisitioned Meeting

The Company has reached an agreement with Michael Piperoglou and his company Narlack Pty Ltd (**Piperoglou Shareholders**) who requisitioned the general meeting (**Requisitioned Meeting**) of the Company that has been convened to be held on 13 February 2015 to consider resolutions to remove all of the existing directors of the Company and to appoint in their place Vasilios Piperoglou, Peter Abotomey and Ronald Holzer. The key terms of the agreement are as follows:

1. In consequence of the Company making this announcement, the Piperoglou Shareholders have withdrawn their request for the Requisitioned Meeting to be held, and Vasilios Piperoglou, Peter Abotomey and Ronald Holzer have withdrawn their candidacy for appointment, and their consents to act, as directors of the Company.
2. The Company will convene a general meeting of the Company to seek the approval of shareholders to the return of capital by mid-April 2015 and, if approved, will finalise the proposed distribution as soon as reasonably practicable thereafter.

In view of this, holding the requisitioned meeting would now have no utility and, therefore, the board of directors of OnCard has determined to postpone the meeting indefinitely until further notice in accordance with regulation 12.2 of the Company's constitution.

Notice of the postponement will be sent to shareholders shortly.

If you have a query about any matter covered by this announcement, please contact the Company's managing director, Tony Robinson, on 0407 355 616 for a response.