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By ASX Online

ASX Market Announcements Office
Australian Securities Exchange
Exchange Centre
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Sydney NSW 2000

Acquisition of The Van Diemen's Land Company

As foreshadowed in the announcement by OnCard International Limited (**Company**) on 4 November 2015 regarding the extension of the Company's voluntary suspension of its securities, the Company is pleased to announce that it has now entered into an agreement to acquire the assets of the dairy and other pasture-based farming business conducted by The Van Diemen's Land Company (**VDL**) in Tasmania. The agreement marks a significant step in achieving the Company's strategy of building an integrated business based on premium food products primarily sourced from Tasmania, and follows on from the Company's recent acquisition of the Meander Valley Dairy, a branded dairy food products business based in Tasmania.

VDL's business is the largest single supplier of milk in Australia. For the 12 months ended 31 May 2015, VDL milked over 17,800 cows to produce approximately 7.66 million kilograms of milk solids and a net profit after tax of approximately \$3.14 million. VDL operates its business from 25 farms located in north-west Tasmania.¹ VDL achieved an EBITDA of approximately \$7.89 million for the same period.

Under the acquisition, the Company will acquire farm land and dairies, livestock, fodder, plant and equipment, intellectual property, water rights and certain other assets of VDL, and assume VDL's business-related obligations and liabilities. The acquisition also includes Talbot's Lagoon water rights held separately by the New Plymouth District Council.

The acquisition is subject to shareholder approval and other conditions for completion (see below).

Acquisition consideration

The consideration for the acquisition is \$250 million (subject to certain post-completion adjustments), and is to be satisfied largely in cash, funded by a share issue of up to 976 million shares at \$0.25 each to raise up to \$244 million (see below). VDL's parent, Tasmanian Land Company Limited (**TLC**), will be issued up to 184 million of those shares in satisfaction of up to \$46 million of the consideration for the acquisition. An underwriting agreement has also been executed in respect of approximately 736 million shares (to raise in the order of \$184 million) under the capital raising. The balance of the consideration will be bridged by a loan from TLC and other adjustments.

Capital raising

The Company proposes to issue up to 976 million fully paid ordinary shares in the Company at \$0.25 each to raise up to \$244 million to assist with funding of the acquisition under a placement offer to institutions and other sophisticated or professional investors. Wilson HTM and PAC Partners have

¹ This information has been extracted from VDL's 2015 annual report and accounts.

agreed to underwrite \$184 million of the placement offer, and they have received firm commitments from investors to take up fully the underwritten component of the offer.

The shares to be issued to investors and TLC will rank equally from the date of their issue with the existing fully paid ordinary shares in the Company.

The key terms of the underwriting agreement are:

1. the underwriters are entitled to underwriting commission of 4% plus additional fees as well as reimbursement of reasonable costs incurred by the underwriters in relation to the offer; and
2. the conditions for the underwriting include obtaining shareholder approval to the issue of shares and compliance with various other regulatory issues in relation to the offer, as well as usual termination events.

Effect of acquisition on shareholder interests

The following table illustrates the effect of the issue of shares under the capital raising on the Company's issued shares:

	Number	Percentage of Company's total issued shares following all share issues ¹
A Current issued shares	22,530,181	2.32%
B Shares that may be issued under share purchase plan offer ²	25,128,000	2.58%
C Shares that may be issued under the \$1,125,000 placement offer ³	4,500,000	0.46%
D Shares that may be issued under offer to fund acquisition consideration ⁴	736,000,000	75.71%
E Shares that may be issued to TLC in part satisfaction of the acquisition consideration ⁵	184,000,000	18.93%
Total	972,158,181	100.00%

1. Percentages rounded to second decimal place.
2. This assumes that, of the 1,047 shareholders eligible to participate in the share purchase plan offer as at the record date of 8 October 2015, none is an excluded foreign shareholder or holds shares as a custodian, and each applies for the maximum \$6,000 worth of shares. The issue of shares under this offer is subject to shareholder approval at a general meeting of the Company scheduled to be held on 19 November 2015.
3. This proposed placement offer is subject to shareholder approval at a general meeting of the Company scheduled to be held on 19 November 2015.
4. This assumes that applications under the offer to fund the acquisition consideration total \$184 million as described above.
5. This assumes that TLC is issued the full \$46 million worth of shares in the Company as described above.

In addition, the Company is proposing to issue 18.5 million options to directors and senior executives, each option being to subscribe for 1 new fully paid ordinary share in the Company. Assuming all of those shares are issued, then the shares that may be issued under the offer to fund the acquisition consideration and the shares that may be issued to TLC in part satisfaction of that consideration would reduce from 75.71% and 18.93% to 74.29% and 18.57% respectively.

Board and senior management

No changes are expected to be made to the board of the Company in consequence of the acquisition of VDL.

Employment will be offered to the farm managers and other staff working in VDL's business.

Shareholder approvals

Given the significant change to the nature and scale of the Company's activities in consequence of the proposed acquisition of the VDL business assets, ASX has exercised its discretion under rule 11.1.2 of the ASX Listing Rules to require the Company to obtain shareholder approval in connection with the acquisition. The Company is preparing to convene a general meeting for that purpose, which is expected to be held on 18 December 2015. At that meeting shareholder approval will also be sought for the issue of shares under the proposed capital raising and to TLC in part satisfaction of the acquisition consideration.

Further details about the acquisition and share issue will be set out in the notice of meeting.

Re-satisfaction of ASX admission requirements

ASX has also exercised its discretion under rule 11.1.3 of the ASX Listing Rules to require the Company to re-satisfy the requirements in chapters 1 and 2 of the ASX Listing Rules, in light of the proposed acquisition. Chapters 1 and 2 set out the rules relating to the admission of an entity to ASX's official list and quotation of the entity's securities on the securities exchange operated by ASX. Those requirements include the Company having to issue a prospectus for the proposed capital raising mentioned above.

Accordingly, assuming shareholders approve the proposed acquisition, the Company's shares will be suspended from quotation until the conditions for re-admission are satisfied.

The Company intends to lodge the prospectus and to apply to ASX for quotation of the new shares to be issued under the prospectus, and for those shares to be issued, and the other requirements under chapters 1 and 2 to be re-satisfied, by 24 December 2015.

Conditions for completion

The key conditions for completion of the acquisition are:

1. shareholder approval of the acquisition and issue of shares under the capital raising;
2. regulatory approvals and other consents, including approval for the issue of shares to TLC under the *Foreign Acquisitions and Takeovers Act 1975* (Cth) and the consent to the disposal of the VDL business assets from the New Plymouth District Council;
3. the underwriters' meeting their commitments under the underwriting agreement; and
4. the Company satisfying the ASX re-admission requirements.

In the unlikely event that completion does not occur, the Company would return to investors any money paid under the capital raising.

Key dates

Hold general meeting of Company	18 December 2015
Settlement of capital raising (via DvP)	by 24 December 2015
Complete acquisition	1 February 2016

Following settlement of the capital raising, the Company will be engaged in preparing for completion of the acquisition. This will include making offers of employment to VDL employees, arranging



transfers of business agreements, transfers of properties and water rights, and discharge of encumbrances. This is planned to occur during January 2016 with a view to completing the acquisition on or before 1 February 2016.

Dates in this announcement have not been finally approved by ASX, are indicative only and subject to change. If the above timetable changes materially, the change will be announced through the ASX.

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If you have a query about any matter covered by this announcement, please contact the Company's chairman, Mr Rob Woolley, on +61 414 508 130.