

17 November 2016

ASX Company Announcements
Australian Securities Exchange Ltd
Level 40 Central Park
152–158 St Georges Terrace
Perth WA 6000

Dear Sir/Madam

Notice under Section 708AA(2)(f) of the Corporations Act 2001 (Cth) as modified by ASIC Corporations (Non-Traditional Rights Issues) Instrument 2016/84

This notice is given by DTI Group Ltd (ACN 069 791 091) (**DTI Group**) (ASX Code: DTI) under section 708AA(2)(f) of the *Corporations Act 2001* (Cth) (**Act**) as modified by the Australian and Investments Securities Commission Corporations (Non-Traditional Rights Issues) Instrument 2016/84 and ASX Corporations (Disregarding Technical Relief) Investment 2016/73.

DTI Group has announced to ASX a pro rata traditional non-renounceable entitlement offer (**Entitlement Offer**) of two new fully paid DTI Group shares (**Shares**) for every nine existing Shares held as at 7.00pm (AEDT) on Tuesday 22 November 2016 by DTI Group shareholders.

The Entitlement Offer is to be made to eligible shareholders with a registered address in Australia or New Zealand.

Based on the current capital structure, a total of an additional 20,806,026 Shares will be issued if the Entitlement Offer is fully subscribed and the amount raised will be approximately \$7.28 million.

The Entitlement Offer is partially underwritten by Baillieu Holst Ltd (ABN 74 006 519 393) (**Underwriter**). The Company will pay the Underwriter a fee of 3% (excluding GST) of the underwritten amount of the Entitlement Offer, as well as reimbursement of expenses.

An entitlement offer booklet will be dispatched to eligible shareholders on Friday 25 November 2016.

DTI Group confirms that:

- the Shares will be offered for issue without disclosure to investors under Part 6D.2 of the Act
- this notice is being given under section 708AA(2)(f) of the Act
- as at the date of this notice, DTI Group has complied with:
 - the provisions of Chapter 2M of the Act as they apply to DTI Group
 - section 674 of the Act

- as at the date of this notice, there is no excluded information of the type referred to in sections 708AA(8) and (9) of the Act
- information regarding the potential effect of the issue of Shares pursuant to the Entitlement Offer on the control of DTI Group, and the consequences of that effect, is set out below.

Effect on the Entitlement Offer on Control

The issue of Shares under the Entitlement Offer is not expected to have any material effect or consequence on the control of DTI Group, but is dependent on a number of factors including investment demand. There are a number of possible outcomes that may arise which will largely depend on the extent to which eligible shareholders take up their entitlements and apply for additional Shares.

If all eligible shareholders take up their entitlement, each eligible shareholder's ownership interest (and voting power in DTI Group) will remain largely unchanged and the affect on the control of DTI Group will be negligible. To the extent that any eligible shareholder fails to take up their entitlement, that eligible shareholder's percentage shareholding in DTI Group will be diluted by those other eligible shareholders who take up some, all or more than their entitlement. The voting power of ineligible shareholders will be diluted.

The Board of DTI Group considers that given:

- (a) the structure of the Entitlement Offer as a pro rata issue, with eligible shareholders being offered the ability to apply for shortfall shares in excess of their entitlement
- (b) the Underwriter's obligations will be at least partially sub-underwritten with the Underwriter agreeing that neither the Underwriter nor any other person will acquire an ability, through participation in underwriting or sub-underwriting of the Entitlement Offer, to increase their holding to an amount in excess of 19.9% of all the Shares on issue on completion of the Offer
- (c) Finico Pty Ltd, a related party of the Chairman of DTI, intends applying for its entitlement under the Entitlement Offer and will act as a sub-underwriter of the Entitlement Offer, in compliance with (b)
- (d) the DTI Group is also undertaking a placement that will issue up to an additional 12,237,770 Shares
- (e) the current level of holdings of substantial shareholders (based on substantial holding notices that have been given to DTI Group and lodged with ASX on or prior to the date of this notice),

the Entitlement Offer will not have a material effect on the control of DTI Group.

Yours faithfully



Bruce Mitchell
Company Secretary