



17 October 2014

FOR IMMEDIATE RELEASE

ASX Company Announcements
Australian Securities Exchange Limited
PO Box H224
Australia Square
Sydney NSW 1215

Letter to shareholders

Attached is a letter from BSA Limited to its shareholders, which was posted yesterday.

-ENDS-

For further details contact:

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BSA Limited ABN: 50 088 412 748



16 October 2014

Dear Shareholder

Entitlement Offer – notice to Shareholders

The Board of BSA Limited (**BSA**) is pleased to invite you to participate in a pro rata, non-renounceable entitlement offer of new fully paid ordinary shares in BSA (**New Shares**) to raise approximately \$17.1 million before costs and expenses (**Entitlement Offer**).

On 15 October 2014, BSA announced the Entitlement Offer and its successful placement of approximately 38.4 million new shares at a price of \$0.11 per share to sophisticated and professional investors and senior management of BSA, raising approximately \$4.2 million before costs and expenses (**Placement**) (of which approximately 4.1 million shares, raising \$450,000, will be subject to shareholder approval). Together, the Placement and Entitlement Offer will raise approximately \$21.3 million before costs and expenses.

You will be sent an Offer Booklet relating to the Entitlement Offer and personalised Entitlement and Acceptance Form on or about 24 October 2014, which contains important information about the Entitlement Offer and sets out the number of New Shares you are entitled to purchase under the Entitlement Offer. A copy of the Offer Booklet has also been lodged with the ASX and is available on the ASX website at www.asx.com.au and BSA's website at www.bsa.com.au.

Key information about the Entitlement Offer

Under the Entitlement Offer, all Shareholders will be invited to subscribe for 17 New Shares for every 25 existing ordinary shares in BSA held at 7.00pm (Sydney time) on 21 October 2014 (**Record Date**) at an offer price of \$0.11 per New Share. You may take up your entitlement in full or part.

The Entitlement Offer is non-renounceable, which means that entitlements will not be tradeable on the ASX or otherwise transferable.

The New Shares will rank equally with the ordinary shares currently on issue. Fractional entitlements to shares will be rounded up to the nearest whole number of New Shares.

The Entitlement Offer also incorporates a shortfall facility under which Shareholders can apply to take up New Shares in excess of their entitlement (**Shortfall Facility**).

The Entitlement Offer is fully underwritten by Canaccord Genuity (Australia) Limited (**Underwriter**). The Underwriter will receive the following fees:

- an underwriting fee equal to 0.5% of the gross proceeds raised under the Entitlement Offer (plus GST);
- a selling and marketing fee equal to 3.0% of the gross proceeds raised from certain involvement by sophisticated or professional investors in the Entitlement Offer, including pursuant to binding acceptance commitments and sub-underwriting commitments, and from excess participation by retail shareholders in the Shortfall Facility (plus GST); and
- an incentive fee of \$150,000 (plus GST).

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In addition, where the Underwriter has agreed to pay sub-underwriting fees, BSA will also pay to the Underwriter an amount equal to 1% of sub-underwriting commitments secured by the Underwriter.

If Shareholders do not take up their pro rata entitlements under the Entitlement Offer, the shortfall will be allocated:

- first, to Shareholders who apply to take up additional New Shares in accordance with the terms of the Shortfall Facility; and
- next to the Underwriter and sub-underwriters.

Purpose and use of funds

Net proceeds from the Entitlement Offer and the Placement will be used to pay down amounts owing under BSA's debt facilities, and to provide enhanced working capital capacity for current operations as well as organic growth opportunities for existing and new service lines.

Further information on the use of funds is contained in the Offer Booklet.

Key dates for shareholders

BSA expects the Entitlement Offer to be conducted according to the following timetable:

Announcement of Entitlement Offer and Placement	15 October 2014
Ex-date	17 October 2014
Record Date to determine entitlement to participate in the Entitlement Offer	21 October 2014
Dispatch Offer Booklet and personalised Entitlement and Acceptance Form to Shareholders	24 October 2014
Entitlement Offer opens	24 October 2014
Entitlement Offer closes	10 November 2014
Shortfall announced to ASX	13 November 2014
Issue of New Shares under Entitlement Offer	17 November 2014
New Shares commence trading on ASX on a normal basis	18 November 2014
Dispatch of holding statements	19 November 2014

Dates and times are indicative only and subject to change. All dates and times are references to Sydney time.

Capital structure

BSA will issue approximately 155,625,617 New Shares under the Entitlement Offer (subject to rounding) and will have approximately 422,906,908 ordinary shares on issue on completion of the Placement and Entitlement Offer.

BSA also has 1,417,000 performance rights on issue. As a result of the Entitlement Offer, BSA will issue 963,560 options to the holders of the performance rights following completion of the Entitlement Offer. The options are to be issued in accordance with an anti-dilution mechanism contained in the terms and conditions governing the performance rights. Further information on the issue of the options is contained in the Offer Booklet.



Dividend policy

The proposed repayment of amounts owing under BSA's debt facilities out of the proceeds of the Entitlement Offer is expected to give BSA's Board the ability to consider the payment of dividends as and when the Board determines it is appropriate to do so having regard to BSA's circumstances (including financing requirements).

Action you should take

The Entitlement Offer is currently scheduled to close at 5.00pm (Sydney time) on 10 November 2014. If you wish to subscribe for New Shares, you must ensure that your application and payment is received by this time in accordance with the instructions in the Offer Booklet and your personalised Entitlement and Acceptance Form.

For further information regarding the Entitlement Offer, please call the Entitlement Offer Information Line on 1300 850 505 (within Australia) or +61 3 9415 4000 (outside Australia) at any time between 8.30am and 5.00pm (Sydney time) on business days during the offer period for the Entitlement Offer.

Yours sincerely

A handwritten signature in black ink, appearing to read 'Ross Johnston', written in a cursive style.

Ross Johnston
Chairman
BSA Limited