



13 May 2015

ASX Announcement

Indicative, non-binding, and conditional offer submitted

World.Net Services Limited (**WNS**) is pleased to advise that it has submitted an indicative, non-binding, and conditional offer to PYO Travel (MY) Sdn Bhd (**PYOT**) (the **Indicative Offer**).

About PYOT

PYOT is a Malaysian private limited company, wholly owned by the Chairman of WNS, Dato' Eng Kwong Gan (**Dato' Gan**), and his associate/s. Dato' Gan is also a significant shareholder in WNS. PYOT is WNS's most significant customer, accounting for approximately 90% of WNS's revenues in the year ended 30 June 2014, with WNS having developed PYOT's e-commerce platform.

PYOT is an online travel service provider that currently operates in eight Asian countries, offering flight, hotel, holiday package, cruise, sightseeing, and entrance ticket bookings.

PYOT's unaudited financial statements (converted at a rate of MYR1.00 = AUD0.36) for the financial year ended 31 March 2015, reports revenue of \$A23.4m, a loss before tax of \$A1.2m, total assets of \$A9.6m, total liabilities of \$A9.1m, and net assets of \$A0.5m. These financial statements are yet to be audited, and may be subject to adjustment.

The acquisition of PYOT will allow WNS to expand its offering to the online travel industry from a pure technology solution. In addition, it would provide an opportunity to realise synergies from a vertical integration of the operations.

WNS considers the acquisition as a natural extension of existing operations in the online travel industry. The expansion of services in the industry would also be significant for WNS, in terms of promoting growth in revenues and earnings.

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Indicative terms

Under the Indicative Offer, WNS would acquire all (100%) of the issued share capital of PYOT, in consideration for the issue of 357,142,857 new ordinary shares in WNS, at \$0.07 per share, to PYOT's shareholders (the **Proposed Transaction**).

Shareholders should note that the Indicative Offer is not a binding offer, and is subject to various conditions (including confirmatory due diligence, and shareholder approval). Therefore, there is no guarantee or certainty that the Proposed Transaction will proceed, or a formal agreement will eventuate. In accordance with its continuous disclosure obligations, WNS will inform the market of further developments, as appropriate.

At this stage, WNS does not expect any changes to the board or senior management as a consequence of the Proposed Transaction.

Re-compliance with Chapters 1 and 2 of the ASX Listing Rules

The ASX has confirmed to WNS that pursuant to ASX Listing Rule 11.1.3, it requires WNS to meet the requirements in Chapters 1 and 2 of the ASX Listing Rules, as if WNS were applying for admission to the official list.

To support the re-compliance, WNS intends to undertake the following activities:

- a share consolidation, on a one for three basis (ie the conversion of every three ordinary shares into one ordinary share), to meet the requirements of Listing Rule 2.1, Condition 2 (the 20 cent rule); and
- a capital raising of up to \$A5 million, to support the shareholder spread requirements for re-compliance, and provide additional funding for marketing expenditure, costs of the Proposed Transaction and capital raising, and other working capital requirements.

Indicative capital structure

The indicative capital structure of WNS, based on the completion of the Proposed Transaction and subsequent capital raising, is set out below:

	Pre-consolidation	Post-consolidation ¹
Current number of ordinary shares on issue	70,078,300	23,359,433
Ordinary shares issued under the Proposed Transaction	357,142,857	119,047,619
Ordinary shares issued under the capital raising ²	71,428,571	23,809,523
Total number of ordinary shares on issue after the Proposed Transaction and capital raising	498,649,728	166,216,575

Notes:

1. Post-consolidation shares are based on an indicative 1 share for every 3 shares consolidation, rounded down to the nearest share, to meet the 20 cent rule for re-admission
2. Shares to be issued to satisfy a maximum capital raising of \$A5 million, at \$A0.07 per share pre-consolidation (\$A0.21 per share pre-consolidation)

Indicative timetable

The indicative timetable for implementing the Proposed Transaction, capital raising, and re-compliance with Chapters 1 and 2 of the ASX Listing Rules, is summarised below:

Event	Date
Execute Indicative Offer	8 May 2015
Due diligence completed	July 2015
Execute sale and purchase agreement	July 2015
Despatch notice of meeting	July 2015
General shareholder meeting	August 2015
Lodgement of prospectus with ASIC	August 2015
Closing date of offer under the prospectus	September 2015
Re-quotation of shares on ASX	September 2015

This timetable is indicative, and may be subject to change.

For further information, please contact:

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