

iCash Payment Systems Limited

ABN 87 061 041 281



28 November 2012

ASX Announcement – One Company Transaction

iCash Payment Systems Limited (**Company**) is pleased to announce that it has today entered into a share sale agreement with key management vendors for the acquisition by the Company of a further 3,544,338 shares of its Korean subsidiary, NeolCP Korea Inc (**NeolCP**), taking the Company's stake to a total from approximately 50 per cent up to 86 per cent of the issued capital in NeolCP.

The agreement is subject to fulfilment of conditions, including:

- approval by the Company's shareholders;
- no material adverse change in NeolCP's business or financial position, assets or profitability; and
- the Company entering into binding agreements (with other NeolCP shareholders) to acquire at least 95 per cent of the issued capital of NeolCP.

The proposed acquisition price is \$10,133,913, with \$4,500,000 being cash and the balance in Company scrip. \$1,200,000 of the cash price is payable on earn out, subject to NeolCP meeting EBITDA targets.

The effective issue price of new shares in the Company to be issued under the scrip component is approximately \$0.1633 and, on and subject to completion, 34,500,000 new ordinary shares in the Company will be issued. The issue of shares for the scrip consideration component represents 27 per cent of the Company's issued capital on a post-issue basis. All new scrip consideration shares will be escrowed for two years from the date of completion.

The agreed price represents a conservative valuation of NeolCP based on the unresolved impasse with a key customer, LOTTE Group (**Lotte**). Although NeolCP management remains confident that the issues with Lotte will be resolved, the Company's Board has taken a conservative approach to valuing the NeolCP and has not attributed any value to forecast revenue for the 966 recycling automatic teller machines and on-going maintenance contracts which have been delayed and which materially affected NeolCP's 2012 results.

The Company will seek approval from its shareholders for the transaction and will provide shareholders with a detailed notice of meeting explaining the transaction.

The Company's Chair, Julia King said:

“The entry into these terms is an important step forward towards completing a long-standing vision of the Company’s management team and many shareholders, to see integration between the ASX listed entity and its only operating business.

The Board believes that this provides the best opportunity for building shareholder value, both by providing operating stability and corporate synergies for the operating business. This, it is hoped, will lead to a re-rating of the Company’s share price.

Given the transaction terms, I am confident that the Company will be able to announce a return of capital to its shareholders, to be effected prior to any dilution by reason of the completion of the One Company Transaction.”

For more information, please contact:

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Company Secretary
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Important note

This announcement contains or may contain forward-looking statements that are based on the Board’s beliefs, assumptions and expectations and on information currently available to management. That information includes information provided to the Company by the management of its subsidiary, NeolCP Korea, Inc which has not been independently verified. All statements that address operating performance, events, or developments that the Company expects or anticipates will occur in the future are forward-looking statements, including without limitation the Company’s expectations with respect to potential revenues, costs, profitability and financial performance. The Board believes that forward-looking statements are reasonable as and when made.