



**ASX: DNA**

**ASX RELEASE**

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**Agreement to Acquire Mobile Services and  
Online Gaming Business**

Donaco International Limited (ASX:DNA) is pleased to announce that it has signed binding agreements to acquire all of the issued capital in iSentric Sdn Bhd (**iSentric**), a successful and profitable mobile services business in South East Asia.

The deal also involves the acquisition of iSentric Australia Pty Ltd (**IAPL**), a related business based in Australia. IAPL has signed conditional agreements to acquire existing online gaming and sportsbook licences issued in the Northern Territory.

The acquisition is complementary to Donaco's online gaming plans, and will expand Donaco's technical capabilities in its core leisure and entertainment business.

**Details of Transaction**

The acquisition will be funded entirely by way of shares in Donaco, valued at 38 cents per share, which is a premium of 8.6% on the price of Donaco's recent capital raising. The deal will proceed by way of two separate transactions:

1. A payment of \$8.5 million in shares for iSentric; and
2. A payment of \$0.25 million in shares for IAPL.

Both transactions are subject to finalization of due diligence, and receipt of all required regulatory approvals. The shares will be issued after Donaco's EGM on 10 May 2013.

The performance of the iSentric business has been extremely strong in recent years. For the past three financial years (ending December 2012), revenue has increased by 80%, and profit after tax has increased by 275%. These numbers are based on audited accounts for 2010 and 2011, with the 2012 accounts still being audited. The acquisition values iSentric at a historical multiple of 9 times net profit, and will be EPS accretive for Donaco.

**Background on iSentric**

iSentric is a successful and profitable company based in Kuala Lumpur, Malaysia. Founded by ex-Accenture consultants Aaron Lee (CEO) and Roy Ng (COO) on 1 April 2003, iSentric has evolved from a two man operation to a company with 30 employees and a business presence in Malaysia, Singapore and Indonesia.



Commencing business as a developer of GSM-based messaging solutions, iSentric now has significant interests and expertise in almost every segment of the mobile services sector, including mobile content distribution, mobile payment aggregation, mobile banking and bespoke corporate mobility solutions.

Over the last nine years, iSentric has demonstrated tremendous resilience and vision in navigating a volatile market that has seen many consolidations, increasingly shorter product life cycles, and unsustainable revenue models. In recognition of iSentric's innovative mobility products and operational excellence, iSentric has collected several awards from local business councils and corporate entities. These include Deloitte Technology Fast 500 Asia Pacific Award (ranked 6th fastest growing technology company in Malaysia and the 67th in Asia Pacific in 2006), Ernst and Young Malaysia, Maxis Mobile, the Malaysia-Canada Business Council, MSC Malaysia and SME Corporation Malaysia.

In its next phase of growth, iSentric has engaged with a Malaysian telecommunication operator to provide mobile micro-payment and distribution of virtual products. Commencing in the first quarter of 2013, the technical and operational infrastructure that has been developed since late 2012 is being actively utilised to acquire merchants. It is the intention of iSentric to further engage with telcos both locally as well as regionally, specifically Thailand and Indonesia, by bringing the value-add of a ready network of merchants.

In addition, iSentric intends to leverage on its deep technical expertise and local know-how in the Asian mobile space to exploit the massive opportunities within the South East Asian and Australasian online gaming market.

## **Conclusion**

Managing Director of Donaco, Mr Joey Lim said "We are very pleased that the successful iSentric team have agreed to join us at Donaco. Their technical expertise will be of great value to us, as we employ more advanced technology to enhance the operations of our leisure and entertainment assets. In addition, mobile betting is a huge growth area, and we see iSentric as a key asset enabling us to exploit the many opportunities presented to us in the online gaming sphere."

## **For further information:**

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## **ABOUT DONACO INTERNATIONAL LIMITED (ASX: DNA)**

Donaco International Limited operates leisure, entertainment and associated technology businesses across the Asia Pacific region.

Our flagship business is the Lao Cai International Hotel, a successful boutique casino in northern Vietnam. The Lao Cai International Hotel was established in 2002, and is located on the border with Yunnan Province, China. Donaco operates the business and owns a 75% interest, in a joint venture with the Government of Vietnam.

The Lao Cai International Hotel is the first fully licensed table gaming business in Vietnam. The property is currently being expanded from a 3-star 34 room hotel, to a brand new resort complex with 428 hotel rooms.

Donaco also owns and operates the TAB Active TV wagering service in Australia, in partnership with all major TAB operators (Tabcorp Holdings Limited, Tatts Limited and Racing and Wagering WA).

We also own and operate the Way2Bet online and mobile wagering portal, whose customers include all major corporate bookmakers in Australia.

To learn more about Donaco visit [www.donacointernational.com](http://www.donacointernational.com)

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