



ASX Release

6 March 2014

Update on Asia Pacific Digital Limited

In preparation for the forthcoming Extraordinary General Meeting (EGM) on 17 March 2014, the Directors are pleased to provide an update on recent operating developments of Asia Pacific Digital.

EGM Proxies Received To Date

The voting proxies received to date from shareholders have shown strong support for the Proposed Transaction.

eCommerce Outsourcing Ventures

Asia Pacific Digital has now entered two, five year integrated eCommerce deals in the Food and Beverage sector, with services to be provided by the Combined Group.

The *www.cellarmasterwines.com* eCommerce platform has gone live in Hong Kong and China and is now in the final stages of commissioning. The agreement provides for Asia Pacific Digital group companies to provide an estimated ~US\$2.6m of end-to-end services over five years with cash remuneration via retainer and a revenue share. Asia Pacific Digital will hold an initial 19% shareholding in the parent company of Cellarmasterwines. The parent requires additional capital to meet its expansion plans and this shareholding is potentially subject to some dilution.

Asia Pacific Digital has also signed a five year eCommerce partnering venture with Advintage Limited, operator of a leading New Zealand online wine site *www.advintage.co.nz*. The agreement provides for Asia Pacific Digital group companies to provide an estimated ~NZ\$1.7m of end-to-end services over five years with cash remuneration via retainer and a revenue share. Asia Pacific Digital will hold a 24% shareholding in Advintage.

Asia Pacific Digital sees the Cellarmasterwines and Advintage ventures as key building blocks in its approach to building sector-based end-to-end eCommerce ventures with overheads covered via retainers, earnings upside through revenue shares and potential for capital growth via equity positions.

Next Digital Management Changes

Newton Smith has been appointed Group CEO of Next Digital, replacing Andrew Burke. Stephen Smorgon has been appointed CEO of Next Digital Australia.

Newton has extensive experience in the corporate sector, including senior leadership roles at IBM and PricewaterhouseCoopers. Most recently he led IBM's e-Commerce outsourcing business across Latin America, Central/East Europe, the Middle East/Africa and Asia-Pacific. He was previously CEO for IBM's delivery operations in Philippines, managing a global business with nearly 12,000 employees.

Steve is a seasoned digital leader and strategist with 15+ years' relevant experience encompassing web design and development, media buying and agency and e-commerce management. He is currently a judge for the International Webby Awards in the US.