

ASX/MEDIA RELEASE

Sydney, 4 July 2016

**DIRECTMONEY 1 for 2 NON RENOUNCEABLE UNDERWRITTEN RIGHTS ISSUE
NOTICE TO SHAREHOLDERS**

DirectMoney Limited (ASX: DM1) is sending letters to its Eligible Shareholders and Ineligible Shareholders today in relation to the announced pro-rata non-renounceable rights issue. Copies of those letters are attached.

Yours faithfully,



Leanne Ralph
Company Secretary

Dear Shareholder,

FULLY UNDERWRITTEN NON-RENOUNCEABLE PRO-RATA RIGHTS ISSUE – ELIGIBLE SHAREHOLDERS

On 1 July 2016, DirectMoney Limited (**DirectMoney** or the **Company**) announced a pro-rata non-renounceable rights issue of new fully paid ordinary shares in the Company (**New Shares**) on the basis of one (1) New Share for every two (2) existing shares held by shareholders with a registered address in Australia, New Zealand and the United Kingdom (**Eligible Shareholders**) as at 7.00pm (Sydney time) on 6 July 2016 (**Record Date**), at an issue price of \$0.042 (4.2 cents) per New Share, to raise gross proceeds of approximately \$5.7 million (**Offer**).

The Offer is being carried out pursuant to an offer document dated 1 July 2016 (**Offer Document**) in accordance with section 708AA of the *Corporations Act 2001* (Cth), as modified by *ASIC Corporations (Non-Traditional Rights Issues) Instrument 2016/84*. The Offer Document was lodged with ASX on 1 July 2016 and is available on the ASX website (www.asx.com) or on the Company's website (www.directmoney.com.au).

Details of the Offer

Pursuant to the Offer, the Company will issue up to 135,873,958 New Shares, which will increase the total number of shares on issue in the Company to 407,828,133. New Shares will rank equally with the Company's existing ordinary shares and the Company will apply to ASX for quotation of the New Shares. Shareholders who choose not to take up their entitlement will not receive any New Shares under the Offer and their shareholding in the Company will be diluted.

The Offer Price of \$0.042 per New Share represents a discount of:

- 12.4% to the 1 month volume weighted average price; and
- 6.7% to the most recent closing price,

of DirectMoney Shares on 29 June 2016, being the last trading date prior to announcement of the Offer.

The Offer is fully underwritten by Bell Potter Securities Limited (**Underwriter**). The Offer is also fully sub-underwritten by Adcock Private Equity Pty Ltd, (the **Sub-Underwriter**) a major shareholder of the Company. Details of the underwriting and sub-underwriting agreements and the potential impact on the control of the Company as a result of the Offer (and the underwriting and sub-underwriting arrangements) are provided in the Offer Document which will be dispatched to eligible shareholders in accordance with the timetable below.

Use of Funds

The Offer will raise approximately \$5,706,706 (before costs associated with the Offer).

The Company intends to apply these funds to support important key business objectives and growth projects for the Company. Specifically, it is anticipated that the funds will be applied in the following manner:

Items of Expenditure	\$ (000's)	%
Marketing of the DirectMoney Personal Loan Fund for the next 12 months	300	5.3
Additional lending to approved loan applicants	2,000	35.0
Available capital to use as collateral for proposed future loan sale transactions to major Australian financial institutions ¹	1,000	17.5
Costs of BDM, Broker Support and broker channel marketing for next 12 months	250	4.4
General working capital	1,767	31.0
Costs of the Offer	400	6.8
Total	5,707	100.00%

Timetable

The Company anticipates the Offer will be conducted in accordance with the following timetable:

Event	Date
Announcement of Offer	1 July 2016
Lodgement of Announcement, Offer Document, Investor Presentation, Cleansing Notice and Appendix 3B	
Notice sent to Shareholders	4 July 2016
Notification of Offer dispatched to Shareholders	
Ex Date	5 July 2016
Date from which Shares commence trading without Entitlement	
Record Date	7.00pm (Sydney time) on 6 July 2016
Date for determining entitlements of Eligible Shareholders to participate in the Offer	
Dispatch of Offer Documents to Eligible Shareholders	11 July 2016
Dispatch of Offer Document and personalised Acceptance Forms to Eligible Shareholders and announcement of completion of dispatch	

Offer Opening Date	11 July 2016
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First day for receipt of acceptances under the Offer, including applications for New Shares in excess of Shareholder's Entitlement

Offer Closing Date	5.00pm (Sydney time) on 22 July 2016
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Closing Date for acceptances

Deferred Settlement Trading	25 July 2016
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New Shares quoted on ASX on a deferred settlement basis

Shortfall Notification Date	27 July 2016
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Announcement made to ASX regarding number of New Shares under Shortfall Facility (being any Shortfall after taking into account receipt of Applications under the Offer, including Applications for Additional New Shares)

Issue Date (excluding Shortfall)	29 July 2016
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Issue date for New Shares allotted under the Offer (including under Applications for Additional New Shares), excluding New Shares under the Shortfall Facility. New Shares commence trading on ASX on a normal settlement basis

Shortfall Subscription Date	By no later than 15 Business Days after the Offer Closing Date
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Issue date for New Shares allotted under the Shortfall Facility

*This timetable is indicative only and subject to change. The Company, in conjunction with the Underwriter and subject to the Corporations Act, the ASX Listing Rules and other applicable laws, has the right to vary any of the above dates without notice. In particular, the Company reserves the right to extend the Closing Date or accept late applications, either generally or in particular cases, without prior notice. Quotation of the New Shares is subject to confirmation from ASX.

Shareholders of the Company whose address in the Company's register of members is outside Australia, New Zealand and the United Kingdom are excluded from participating in the Offer.

You are not required to do anything in response to this letter, which is provided for your information only and does not constitute an offer of New Shares under the Offer. The Offer Document will be sent to Eligible Shareholders together with a personalised entitlement and acceptance form no later than 11 July 2016.

Before deciding to acquire New Shares, you should read and consider the Offer Document in its entirety and, if in any doubt, consult with your professional advisor.

For further information, please call Computershare on 1300 850 505 (within Australia) or +61 3 9415 4000 (outside Australia). at any time from 8.30am to 5.00pm (AEST) from Monday to Friday before the Offer Closing Date.

Yours faithfully



Stephen Porges

Executive Chairman

Dear Shareholder,

FULLY UNDERWRITTEN NON-RENOUNCEABLE PRO-RATA RIGHTS ISSUE – INELIGIBLE SHAREHOLDERS

On 1 July 2016, DirectMoney Limited (**DirectMoney** or the **Company**) announced a pro-rata non-renounceable rights issue of new fully paid ordinary shares in the Company (**New Shares**) on the basis of one (1) New Share for every two (2) existing shares held by shareholders with a registered address in Australia, New Zealand and the United Kingdom as at 7.00pm (Sydney time) on 6 July 2016, at an issue price of \$0.042 (4.2 cents) per New Share, to raise gross proceeds of approximately \$5.7 million (**Offer**).

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The Company has determined, pursuant to ASX Listing Rule 7.7.1(a), that it is unreasonable to make offers under the Offer to shareholders with a registered address outside Australia, New Zealand or the United Kingdom (**Ineligible Shareholders**), having regard to the number of such shareholders, their holdings and the compliance costs required to offer the New Shares under the Offer to those shareholders.

Accordingly, in compliance with ASX Listing Rule 7.7.1(b), DirectMoney wishes to advise that it will not be extending the Offer to Ineligible Shareholders.

You are not required to take any further action in relation to the Offer.

For further information, please contact Mr. Stephen Porges, Executive Chairman on +61 (0)2 9252 2888 or Ms. Leanne Ralph, Company Secretary on +61 (0)2 8263 0515.

Yours faithfully



Stephen Porges
Executive Chairman