



TRANZACT

FINANCIAL SERVICES LIMITED

ABN 84 089 997 731

5 December 2013

Dear Shareholder

TAKE NO ACTION IN RELATION TO THE GRO-AUST OFFER

The independent directors of Tranzact Financial Services Limited ("Tranzact") note the announcement dated 3 December 2013 from Gro-Aust Australia Holdings Limited ("Gro-Aust") pursuant to which Gro-Aust has declared its off-market takeover offer for Tranzact unconditional and final. As at the date of this letter, Gro-Aust owns approximately 63.69% of Tranzact's issued share capital.

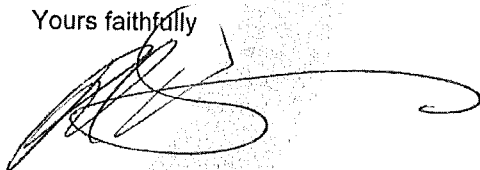
On 7 November 2013, following the announcement of the Gro-Aust offer, the attached announcement was released by Tranzact to the Australian Securities Exchange.

Your independent directors reaffirm the advice contained in the attached announcement to TAKE NO ACTION until shareholders have received a copy of Tranzact's Target's Statement and the accompanying independent expert's report as required by the Corporations Act.

Tranzact expects to make an announcement on the ASX platform updating shareholders on timing for the dispatch of the Target's Statement once it receives the independent expert's report and encourages shareholders to monitor the ASX.

If you wish to discuss the Gro-Aust offer, please do not hesitate to telephone me on 0418 283 758.

Yours faithfully



Richard Rodgers

7 November 2013

OFF-MARKET TAKEOVER OFFER FOR TRANZACT FROM GROSVENOR

The directors of Tranzact Financial Services Limited ("**TFS**") note the announcement made yesterday, 6 November 2013 by Gro-Aust Holdings Limited ("**Gro-Aust**") that it intends to make offers to acquire the shares that it does not currently own in TFS at a price of 12 cents per share in cash (the "**Offer**"). Gro-Aust currently has a relevant interest in 60.43% of TFS' issued ordinary share capital.

The Board of TFS has formed a committee of TFS' independent directors to consider the Offer. The committee comprises Richard Rodgers, Phillip Harry and Chris Malkin.

TFS has appointed TC Corporate Pty Limited to act as financial adviser in relation to the Offer and will appoint an independent expert to provide a report to shareholders.

The Directors will advise shareholders in due course of their recommendations with respect to the Offer.

In the meantime, shareholders should **take no action** with respect to their TFS shares.

For further information, please contact:

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TC Corporate
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