
EMERCHANTS SECURES NEW CONTRACT WITH TELECHOICE

HIGHLIGHTS

- Emerchants secures major contract with Telechoice, Australia's leading Optus dealer
- 3 year contract, expected to issue over 350,000 pre-paid financial cards in Year 1
- AAO's acquisition of Emerchants and capital raising remain on track for completion in early July
- Contract win highlights strong demand for unique features of Emerchants technology
- Emerchants showing positive contract momentum

Australasia Consolidated Limited (ASX: **AAO**) is pleased to announce that Emerchants Ltd (**Emerchants**) has secured a major new contract with Telechoice, the largest Optus dealer in Australia.

AAO recently announced an agreement to acquire 100% of Emerchants, the leading player in the pre-paid financial cards market in Australia. AAO also announced a capital raising of \$10 million on which it has received broker firm commitments. The capital raising will be conducted via a share placement pursuant to a prospectus to be issued in June.

The acquisition of Emerchants and the capital raising are subject to shareholder approval currently scheduled for late June. In the meantime AAO will keep the market informed of any major developments within the Emerchants business.

Telechoice is the number one Optus dealer in Australia, offering mobile phone, internet and telecommunications products with over 300 stores located around the country. Emerchants has successfully secured a 3 year contract with Telechoice which is expected to issue over 350,000 pre-paid financial cards in the first year to form part of their Incard 24/7 program.

The unique functionality of the Emerchants card will provide consumers with the ability to recharge their pre-paid mobile phones with an SMS. The flexibility of the technology also enables Telechoice to restrict the expenditure of the cards for taxi and mobile phone purposes only.

Australasia Consolidated Limited Managing Director Bob Browning was very pleased to announce contract win on behalf of Emerchants.

"This is a major development for the Emerchants business, not only because Telechoice is such a large retailer and the contract is significant in size but also because it demonstrates the unique capability of Emerchants' technology," Mr Browning said.

"Emerchants has advanced technology in the pre-paid financial cards market and it is this technology that allows customers such as Telechoice to offer Point Of Sale (POS) and real cash promotional rebates to their customers.

"Telechoice was attracted to these unique features and sees it as a very powerful promotional tool to drive sales not only in their own stores but also into their partner organizations.

“Our decision to acquire Emerchants was the result of extensive due diligence across a range of companies and it was Emerchants unique services and market ready technology platform that got us really excited.

“The contract win certainly validates our confidence in the future of Emerchants and we expect to see strong revenue growth as target customers learn about Emerchants unique product offering.

“We are delighted to be seeing such early and significant success in Emerchants and we congratulate the management team for their efforts.”

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About Australasia Consolidated

Australasia Consolidated is led by Managing Director Bob Browning and once shareholder approval is received, and various conditions precedents met, AAO will be a financial services company that specialises in the pre-paid financial card market. Australasia has an agreement to acquire Emerchants, the market leading provider of pre-paid financial cards with 28% market share in Australia. Australasia is focused on the twin goal of delivering high quality payment systems to its customers and superior returns to its shareholders.

About Emerchants

Emerchants is Australia’s leading provider of pre-paid financial cards with a number of high profile clients including NRMA, Cabcharge, Edge Loyalty, Tru Energy, Save the Children, Bayer, Cardno, Monodelphous, ABC Learning, Palace Cinema and Harley Davidson.

Emerchants has established a proven payments platform that provides customers with a unique combination of flexible payments, high levels of security and unprecedented levels of reporting and oversight. Emerchants has ‘market ready’ technology that has been established over the last 9 years that is fully scalable to support significant volume growth and is fully integrated into the EFTPOS system.