

ASX RELEASE

20 October 2014

SFUK Acquisition “fair and reasonable”

- Independent Expert’s Report deems SFUK acquisition fair and reasonable
- Independent Directors recommend shareholders approve transaction
- Independent Expert’s Report and Notice of Meeting released

EmERCHANTS Limited (**ASX: EML**) is pleased to advise that the Independent Expert, Ernst & Young Transaction Advisory Services Limited, has concluded that EmERCHANTS’ proposed acquisition of 100% of the issued share capital of Store Financial Services UK Limited (SFUK) for \$24.9 million, payable by cash and the issue of new EmERCHANTS’ shares, is fair and reasonable to non-associated shareholders of EmERCHANTS.

EmERCHANTS’ Independent Directors also unanimously recommend that EmERCHANTS’ shareholders approve the acquisition.

The conclusion of the Independent Expert removes one further condition precedent to the acquisition of SFUK.

The full Independent Expert’s Report has been released to ASX and despatched today to all EmERCHANTS’ shareholders together with the Notice of Annual General Meeting, Explanatory Memorandum and Proxy Form. EmERCHANTS’ Annual General Meeting will be held at 11:30 am (Sydney time) on Wednesday, 19 November 2014 at The Westin Sydney, 1 Martin Place, Sydney, New South Wales.

EmERCHANTS’ Managing Director, Tom Cregan said, “The proposed acquisition is a transformational deal for EmERCHANTS in that EmERCHANTS is expected to generate \$8.7m in revenue, \$2.7m in EBITDA and \$2.2m in NPAT in CY2015. We expect SFUK’s strong organic growth rates, averaging 13-50%, depending on product and country, to propel earnings higher in FY16 and provide EmERCHANTS with a solid platform for incremental growth as we look to leverage our re-loadable technology to service potential European customers in a prepaid market ten times the size of Australia”.

-ENDS-

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About Emerchants Limited

Emerchants is led by Managing Director, Mr Tom Cregan, and is a financial services company that specialises in the pre-paid financial card market. Emerchants is focused on the twin goal of delivering high quality payment systems to its customers and superior returns to its shareholders.