



23 July 2012

[name]
[address]
[address]

Dear Investorfirst shareholder

Notice containing appendix 3B information for a non-renounceable rights offer

Investorfirst Limited (**Investorfirst**) announced to ASX Limited (**ASX**) on 20 July 2012 a non-renounceable pro rata rights offer (**Offer**) to Investorfirst shareholders in Australia or New Zealand (**eligible shareholders**) to acquire 1 new ordinary share at \$0.015 each for every 1 existing fully paid ordinary share held at 7:00 pm (Melbourne time) on 30 July 2012.

If not all of the rights are taken up and there is consequently a shortfall (i.e. the difference between the total number of shares that could be issued under the Offer were all rights taken up in full and the total number of shares to be issued in consequence of the rights that are actually taken up), those eligible shareholders who subscribe for their full entitlement will also have the opportunity to apply for additional shares in the shortfall at the same price of \$0.015 each.

There are currently on issue 686,544,268 fully paid ordinary shares in Investorfirst (all of which are quoted on ASX) and 120,600,000 unquoted options over ordinary shares. Assuming the Offer is fully subscribed and there is no other change to the issued share capital, 686,544,268 new fully paid ordinary shares will be issued raising approximately \$10.3 million, before costs. As a result, Investorfirst's total number of issued shares will increase to 1,373,088,536 fully paid ordinary shares (all of which will be quoted on ASX). Once issued, the new shares will rank equally with all other fully paid ordinary shares then on issue (including in respect of dividends).

The funds raised under the Offer (after payment of expenses in connection with the Offer) will be used to continue to develop Investorfirst's business and meet its strategic goals. More particularly, funds raised under the Offer have been earmarked for the following key business development and working capital purposes over the course of the next 12 to 24 months:

- (a) The HUB24 platform requires a continued capital expenditure commitment to software and product development to ensure it is competitive with its peers in the marketplace (and needs to be able to demonstrate to its clients that it has the capacity to deliver in this regard).
- (b) The Company has to meet deferred capital purchase expenses for the acquisition of MarketsPlus, which is central to meeting its strategic HUB24 platform objectives.
- (c) As an ASX market participant, the Company is required to have a minimum of \$5 million in liquid capital. This minimum liquid capital requirement increases as the stockbroking business grows, and may require additional liquid capital reserves during the course of this financial year if the business growth remains on trend.

If insufficient funds are raised to pursue the above strategy, and if other capital raising initiatives are not successful, then Investorfirst would evaluate alternative strategies, including extending the development timeline for the HUB24 platform, establishing 3rd party clearing and settlement arrangements for the stockbroking business, and implementing other operational efficiencies across the business.

Shareholder approval of the Offer is not required.

The Offer is not underwritten.

An offer statement in relation to the Offer has been given to ASX and is available to view on the ASX website and Investorfirst's website at www.investorfirst.com.au.

The offer statement, together with a personalised entitlement and acceptance form, will be mailed to all eligible shareholders by 31 July 2012. Shareholders with registered addresses outside Australia and New Zealand are not eligible to participate in the Offer.



The Offer closes at 5:00pm (Melbourne time) on 15 August 2012.

The current timetable for the Offer is as follows:

Event	Date
Announcement of Offer (including giving appendix 3B, offer statement and cleansing notice to ASX)	Friday 20 July 2012
Despatch letter to option holders who cannot participate in the Offer informing them of the Offer	
Despatch notice containing appendix 3B information to shareholders	Monday 23 July 2012
Shares commence quotation on an 'ex' basis ('ex' date)	Tuesday 24 July 2012
Record date to determine entitlements under Offer	Monday 30 July 2012 at 7:00 pm (Melbourne time)
Despatch offer statements and entitlement and acceptance forms to eligible shareholders (and notify ASX when despatch has been completed) and despatch letter informing ineligible foreign shareholders of exclusion from Offer and any nominee arrangements	Tuesday 31 July 2012
Notify ASX that dispatch has been completed	
Offer opens	Tuesday 31 July 2012
Offer closes	Wednesday 15 August 2012 at 5:00 pm (Melbourne time)
Shares commence quotation on a deferred settlement basis	Thursday 16 August 2012
Notify ASX of any change to exercise price of existing options due to proposed issue of new shares under Offer	Thursday 16 August 2012
Notify ASX of any under-subscriptions (i.e. shortfall)	Monday 20 August 2012
Issue new shares applied for under Offer and any shortfall (and tell ASX when that has happened)	Thursday 23 August 2012 by noon (Melbourne time)
Deferred settlement trading ends	Thursday 23 August 2012
Despatch holding statements	Thursday 23 August 2012
Normal trading of new shares starts	Friday 24 August 2012

Some of these dates are indicative only and subject to change.

If you have any query or question about the Offer, please contact the company secretary on +61 3 8672 7557 or Investorfirst's share registrar Boardroom Pty Limited, on 1300 737 760 (within Australia) or +61 2 9290 9600 (outside Australia) between 8:30am and 5:00pm (Melbourne time) Monday to Friday.

Yours faithfully



Otto Buttula
Chairman



David Spessot
CEO