



ASX Release

Release Number: 05 – 07 – 12

Release Date: 26 – 07 – 12

Updated Offer Statement

Thursday, 26 July, 2012. Investorfirst Limited (ASX: 'INQ', the 'Company') takes the opportunity to supply an updated Offer Statement in respect of the non-renounceable rights issue as announced on 20 July 12, to take into account the resignations of Mr. Otto Buttula and Mr. Robert Bishop, as well as providing additional clarification on Director participation in the rights issue.

ENDS

Issued by Investorfirst Limited (ASX: INQ).



Investorfirst Ltd

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Investorfirst Ltd
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INVESTORFIRST LIMITED
ABN 87 124 891 685

OFFER STATEMENT

**A NON-RENOUNCEABLE RIGHTS OFFER OF 1 ORDINARY SHARE
FOR EVERY 1 ORDINARY SHARE AT \$0.015 EACH TO RAISE
APPROXIMATELY \$10.3 MILLION**

**Valid acceptances must be received by
5:00 pm (Melbourne time) on Wednesday 15 August 2012**

This is an important document and requires your immediate attention. It should be read in its entirety. If you are in doubt about what to do, you should consult your stockbroker, accountant, or financial or other professional adviser without delay.

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Important notices

This offer statement is dated 26 July 2012, and a copy was given to ASX Limited (**ASX**) on that date. This offer statement supersedes the initial version lodged with ASX on 20 July 2012.

This offer statement sets out the terms of the non-renounceable rights offer (**Offer**) by Investorfirst Limited (**Investorfirst**) under which eligible shareholders are entitled to acquire 1 ordinary share in Investorfirst at \$0.015 each for every 1 ordinary share held at 7:00 (Melbourne time) on Monday 30 July 2012. This offer statement is not a prospectus and has not been lodged with the Australian Securities and Investments Commission (**ASIC**). The Offer is being made without a prospectus in accordance with section 708AA of the *Corporations Act 2001* (Cth) as notionally modified by ASIC Class Orders [CO 07/571] and [CO 08/35]. Accordingly, this offer statement does not contain all of the information which would otherwise be required by law to be disclosed in a prospectus.

No person is authorised to give any information or to make any representation in connection with the Offer that is not contained in this offer statement. Any information or representation not contained in this offer statement may not be relied upon as having been authorised by Investorfirst in connection with the Offer. Neither Investorfirst nor any other person warrants the future performance of Investorfirst or any return on any investment made under this offer statement, except as required by law and then, only to the extent so required.

Any forecast or any forward looking statement contained in this offer statement may involve significant elements of subjective judgment and assumption as to future events which may or may not be correct, and there are usually differences between forecasts and actual results because events and actual circumstances frequently do not occur as forecast and these differences may be material. Nothing contained in this offer statement is, or may be relied on as, a promise or representation as to the future.

The information in this offer statement does not constitute a securities recommendation or financial product advice, and does not purport to constitute all the information that you may require to enable you to evaluate effectively and completely whether to take up additional shares under the Offer. In preparing this offer statement, Investorfirst has not taken into account the investment objectives, financial situation or particular needs of any particular person. Accordingly, before acting on this offer statement, you should assess whether a further investment in Investorfirst would be appropriate in light of your own financial circumstances.

Except to the extent prohibited by law, Investorfirst, its officers, employees and advisers disclaim all liability that may otherwise arise due to any of this information being inaccurate or incomplete.

Unless otherwise stated, a monetary reference in this offer statement is a reference to Australian currency.

Contact details

If you have any query or question about the Offer, you may contact the company secretary on +61 3 8672 7557 or Investorfirst's share registrar as follows:

Boardroom Pty Limited

Telephone: 1300 737 760 (within Australia)
+61 2 9290 9600 (outside Australia)
between 8:30 am and 5:00 pm (Melbourne time) Monday to Friday

Email: enquiries@boardroomlimited.com.au

Timetable

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. Investorfirst reserves the right, subject to the *Corporations Act 2001* (Cth) and the ASX Listing Rules, to change any date including to extend the closing date of the Offer, to close the Offer early, to accept late acceptances either generally or in particular cases, or to withdraw or reduce the size of the Offer without notice. Any extension of the closing date will have a consequential effect on the issue date of new shares. If the Offer is withdrawn, application money will be returned without interest.

Letter from chairman and chief executive officer



Investorfirst Ltd

PO Box R251
Royal Exchange, NSW 1225

Dear Investorfirst shareholder

On behalf of the Directors of Investorfirst, we are pleased to invite all eligible shareholders to participate in a 1 for 1 non-renounceable rights offer, as described in this offer statement.

As previously indicated, Investorfirst continues to record operating losses and this continued during the second half of the 2012 financial year. Whilst operating results have exhibited improvement from increased revenue flows in line with statements made in the company's half year results update released to ASX in February 2012, these have not been sufficient to continue to fully fund the business through to eventual profitability. Investorfirst has investigated a number of alternative sources in relation to capital raising, but has deemed it fairest to offer existing shareholders the opportunity to continue to invest in the business, particularly in light of the recent disappointing share price performance. Due to this, and given ongoing market uncertainty and volatility, the rights offer share price of \$0.015 is at a generous discount to market to encourage maximum participation. It should be noted that the offer price represents an attractive 51.6% discount to the volume weighted average price (VWAP) of Investorfirst shares for the 30 day period ended on 12 July 2012 of \$0.031.

The shareholders of Investorfirst who may participate in the Offer are those who have a registered address in Australia or New Zealand and who hold shares in Investorfirst at 7:00 pm (Melbourne time) on Monday 30 July 2012.

Under the Offer, Investorfirst aims to raise approximately \$10.3 million from the issue of approximately 686.5 million new ordinary shares. Once all of the expenses associated with the Offer have been met, Investorfirst intends to use the balance of the money raised for general working capital and business development purposes. Further details are set out in section 1.6 of this statement.

The offer is not underwritten. However, if there is a shortfall, 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 is no guarantee of the number of shortfall shares (if any) that will be available to eligible shareholders and the allocation of those shortfall shares among applicants will be at the discretion of the board of directors of Investorfirst in accordance with the policy described in section 2.3 of this offer statement.

Details of your entitlement

A personalised entitlement and acceptance form accompanies this offer statement and, as an eligible shareholder, you are entitled under the terms of the Offer to use that form to subscribe for 1 new ordinary share in Investorfirst at a price of \$0.015 each for every 1 fully paid ordinary share in Investorfirst that you hold at 7:00pm (Melbourne time) on Monday 30 July 2012.

To participate in the offer, you will need to complete the entitlement and acceptance form and return it with the required payment so that it is received by Investorfirst's share registrar by 5:00pm (Melbourne time) on Wednesday 15 August 2012 and otherwise in accordance with the instructions provided in the form. Further details of how you may accept the offer are also set out in section 2 of this offer statement. To the extent that you do not take up your entitlement to participate in the Offer your percentage shareholding in Investorfirst will be diluted.

Further information

The new ordinary shares to be issued under the Offer will be issued on a fully paid basis and will rank equally from the date of their issue with the existing fully paid ordinary shares in Investorfirst.

The directors of Investorfirst who are, or whose controlled entities are, shareholders have indicated that they will be participating in the Offer but have not yet decided the extent to which they will participate. However, if there is a shortfall, no director will participate in the shortfall facility because under rule 10.11 of the ASX Listing Rules they are precluded from doing so without shareholder approval.

Further information about the Offer and your entitlement to participate in the Offer is set out in this offer statement, which you should read in its entirety before deciding whether to participate in the Offer.

On behalf of the directors, we thank you for your continued support of Investorfirst and encourage you to carefully consider this investment opportunity.

Yours faithfully



Jason Entwistle
Chairman (Interim)



David Spessot
CEO

1. Details of the Offer

1.1 The Offer

The Offer is a non-renounceable rights offer of 1 new ordinary share in Investorfirst at \$0.015 each for every 1 ordinary share held by eligible shareholders at 7:00pm (Melbourne time) on Monday 30 July 2012

Only those shareholders (**eligible shareholders**) with registered addresses in Australia or New Zealand are entitled to participate in the Offer and, accordingly, only those shareholders will be entitled to subscribe for new shares.

Eligible shareholders who take up their rights in full will not have their percentage shareholding in Investorfirst diluted as a result of the Offer. The percentage shareholding in Investorfirst of shareholders who do not take up all of their rights and of shareholders with registered addresses outside Australia and New Zealand will be diluted.

1.2 Shortfall

It is a term of the Offer that 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 is no guarantee of the number of shortfall shares (if any) that will be available to eligible shareholders and the allocation of those shortfall shares among applicants will be at the discretion of the board of directors of Investorfirst in accordance with the policy described in section 2.3 of this offer statement.

This shortfall opportunity is provided on the condition that additional shares may only be issued to applicants where the shares have first been offered to another eligible shareholder under the rights offer, but the offer to acquire those shares has not been accepted.

1.3 Record date and entitlements

The record date for the purposes of the Offer is Monday 30 July 2012 - at 7:00pm (Melbourne time).

The number of new shares to which you are entitled is shown on the personalised entitlement and acceptance form accompanying this offer statement. Shares acquired on the Australian Securities Exchange operated by ASX before Tuesday 24 July 2012 will be eligible to participate in the Offer.

1.4 Opening and closing date for applications

The Offer opens for acceptances on Tuesday 31 July 2012 and all acceptances and payments must be received by 5:00 pm (Melbourne time) on Wednesday 15 August 2012. This date may be varied without notice to shareholders, but only in accordance with the ASX Listing Rules. New ordinary shares must be paid for in full on acceptance.

1.5 Effect on share capital

If fully subscribed, the Offer will raise approximately \$10.3 million (before expenses of the Offer) and result in the issue of approximately 686.5 million new ordinary shares. This assumes that the total number of ordinary shares in Investorfirst currently on issue (686,544,268) does not change before the record date for the purposes of determining entitlements under the offer (e.g. due to the exercise of options).

There are currently 120.6 million unquoted options on issue, each of which entitles the holder to subscribe for 1 ordinary share in Investorfirst. The lowest exercise price of the options is \$0.10, and the highest is \$0.13.

The terms of the options do not permit their holders to participate in the Offer, except by exercise of the options and thereby acquiring the underlying ordinary shares in Investorfirst before the record date for the Offer. This is unlikely as the exercise price of each option is materially higher than the price at which ordinary shares in Investorfirst have been trading on ASX in recent times. However, the terms of some of the options do provide for an adjustment in their exercise price according to a formula based on the formula in rule 6.22.2 of the ASX Listing Rules. The exercise price adjustment takes effect upon issue of the shares offered under the Offer and is, in part, dependent on the difference between the price under the Offer and the volume weighted average closing price of Investorfirst ordinary shares sold on ASX for the 5 trading days ending on the day before the 'ex date' for the Offer. Accordingly, that market price will be determined after the 'ex date' and if there is any change to the exercise price of any options in consequence, Investorfirst will notify ASX of the change in accordance with rule 3.11.2 of the ASX Listing Rules.

1.6 Purpose of Offer

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.

1.7 Ineligible foreign shareholders

Investorfirst has decided that it is unreasonable to make offers under this offer statement to shareholders with registered addresses outside Australia and New Zealand having regard to the small number of these shareholders, the small number and value of the new shares these shareholders would be offered and the cost of complying with the legal and regulatory requirements in the relevant overseas jurisdictions.

Investorfirst intends to appoint a nominee for the ineligible foreign shareholders and intends to issue to the nominee new ordinary shares credited as fully paid which the ineligible foreign shareholders would otherwise have been entitled to be issued had they exercised the rights in full that they would have received had they been permitted to participate in the Offer. The nominee will be required to sell those shares. Any such sale will be at a price and otherwise in a manner determined by the nominee in its sole discretion. The net proceeds of sale (if any), after deducting the offer price of \$0.015 for each share issued to the nominee and all costs involved in the sale process and subsequent distribution of such proceeds, will be distributed in Australian dollars to the ineligible foreign shareholders for whose benefit the shares have been sold according to their respective shareholdings at the record date, at their risk. Ineligible foreign shareholders, who have given Investorfirst instructions for the payment of dividends, will be paid their share of the net proceeds in accordance with those instructions.

The ability to sell the shares and the price obtained for those shares will be dependant, among other things, on market conditions. Neither Investorfirst nor the nominee will be liable, including liable for negligence, for any failure to sell the shares or to sell those shares at any particular price.

This offer statement does not constitute an offer of shares in any place outside Australia and New Zealand in which, or to any person to whom, it would not be lawful to make such an offer or to issue this offer statement. Where the offer statement has been despatched to shareholders domiciled in a place outside Australia and New Zealand, the offer statement is provided for information purposes only. No entitlement and acceptance forms will be sent to these foreign shareholders.

In particular, this offer statement does not constitute an offer for sale of shares or any rights to a security into the United States or to U.S. persons (as defined for the purposes of the U.S. Securities Act 1933). The shares and rights have not been, and will not be, registered under the U.S. Securities Act 1933 and must not be offered or sold within the United States or to U.S. persons unless they are registered under the US Securities Act 1933 or exemption from the registration required under the U.S. Securities Act 1933 is available.

By lodging a completed entitlement and acceptance form, the applicant is taken to have warranted to and for the benefit of Investorfirst that it is able to participate in the Offer without breaching any law or regulation in the applicant's jurisdiction. Investorfirst reserves the right to treat as valid any completed entitlement and acceptance form that appears to have been submitted by an ineligible foreign shareholder.

1.8 New Zealand securities law requirements

The Offer will be made in New Zealand pursuant to the Securities Act (Overseas Companies) Exemption Notice 2002 (New Zealand).

1.9 Potential effect on control

The potential effect that the issue of the new ordinary shares under the Offer will have on the control of Investorfirst, and the consequences of that effect, will depend on a number of factors including the level of shareholder participation in the Offer, which shareholders participate, the extent of any shortfall, and which shareholders apply and are issued shares in any shortfall.

For example, if all eligible shareholders take up their rights, and if all the shares to which the ineligible foreign shareholders would otherwise be entitled are issued and sold, the issue of the new ordinary shares in that case would not be expected to have any material effect or consequence on the control of Investorfirst.

If there is a 50% shortfall and no shareholder who has taken up its pro rata entitlement applies for any additional shares in the shortfall, it is not expected that the voting power of any shareholder of Investorfirst would exceed 20% in consequence of the Offer.

However, if one or more eligible shareholders do not take up their entitlements in full, and the Offer proceeds, there will be a dilutionary effect on those shareholders' proportional shareholdings in Investorfirst. Furthermore, other investors who participate in full and apply for shares in the shortfall could acquire a relevant interest in more than 20% of the issued voting shares in Investorfirst, which may have a material impact on the control of the company.

The above potential control outcomes are based on the substantial holder notifications received by Investorfirst, and other relevant shareholdings in the company that Investorfirst has been able to ascertain from its register of members, as at the date of this offer statement.

1.10 Application money

Application money received for new shares under the Offer will be held in a separate account by or on behalf of Investorfirst until those shares are issued. Any interest earned on application money will be applied against the costs of the Offer, with any balance being retained by Investorfirst. If the Offer does not proceed or is withdrawn for any reason, or if any shortfall shares that are applied for by an eligible

shareholder are not allocated to that shareholder, the application money will be returned in full as soon as reasonably practicable, without interest.

1.11 ASX quotation

Application has been made to ASX for the new shares offered under the rights offer to be granted official quotation.

1.12 Issue of new shares

It is expected that the issue of new ordinary shares will take place on Thursday 23 August 2012. Holding statements for the new shares will be despatched after completion of the issue.

It is the responsibility of applicants to be sure of their respective holdings of new shares prior to trading in them. ***Applicants who sell shares before they receive their holding statements will do so at their own risk.***

1.13 Ranking of new shares

Once issued, the new shares will rank equally with all other ordinary shares then on issue.

1.14 Discretions

Without limiting the other powers and discretions set out in this offer statement, the directors of Investorfirst (or their delegate for this purpose) may implement the Offer in the manner they think fit and settle any difficulty, anomaly or dispute which may arise either generally or in a particular case in connection with, or by reason of, the operation of the Offer or a matter in this offer statement, as they think fit, whether generally or in relation to any shareholder or any shares, and the determination of the directors (or their delegate) is conclusive and binding on all relevant shareholders and other persons to whom the determination relates.

Furthermore, if there is a shortfall under the Offer for any reason after applications from eligible shareholders for shares to which they are entitled together with additional shares in the shortfall have been dealt with, the directors of Investorfirst (or their delegate for this purpose) reserve the right to place or otherwise issue the shortfall at their discretion (but at not less than the price under the Offer).

1.15 Taxation

Shareholders should consult their own professional taxation advisers to obtain advice in relation to the taxation laws and regulations applicable to their personal circumstances. Investorfirst cannot, and does not, offer any advice to shareholders relating to taxation implications.

1.16 Risks

Investing in new shares in Investorfirst involves some risk. There are a number of factors, both specific to Investorfirst and of a general nature, which may affect the future operating and financial performance of Investorfirst and the value of your investment in Investorfirst. Some of these factors can be mitigated by appropriate commercial action. However, many are outside the control of Investorfirst, are dependent on the policies adopted and approaches taken by regulatory authorities, or cannot otherwise be mitigated. If you are unsure about subscribing for new shares in Investorfirst, you should first seek advice from your stockbroker, accountant, or financial or other professional adviser.

The new shares offered under this offer statement carry no guarantee in respect of profitability, dividends, return of capital or the price at which they may trade on ASX. The past performance of Investorfirst should not necessarily be considered a guide to the future performance of Investorfirst.

As with any equity investment, substantial fluctuations in the value of your investment may occur. This offer statement does not set out all the risks you may face in applying for, and holding, additional shares in Investorfirst.

1.17 Governing law

The Offer and the contracts arising due to acceptance of the Offer are governed by the law in force in Victoria, Australia.

2. How to apply by eligible shareholders

This section does not apply to shareholders with registered addresses outside Australia and New Zealand.

2.1 What you may do

The number of new shares which you are entitled to subscribe for under the Offer is shown on the accompanying entitlement and acceptance form. You may:

- (a) take up all of your rights and subscribe for all of the new shares to which you are entitled;
- (b) take up all of your rights and subscribe for all of the new shares to which you are entitled, and apply for additional shares in the shortfall, if there is one;
- (c) take up some of your rights and allow the balance to lapse; or
- (d) not take up any of your rights and allow them to lapse.

2.2 Taking up some or all of your rights

Pay by cheque

If you wish to take up some or all of your rights and pay for the new shares by cheque, you should complete the accompanying entitlement and acceptance form (for all of the new shares offered to you or such lesser number you wish to accept) in accordance with the instructions set out on the form.

Completed forms should be forwarded, together with your cheque for the amount due in respect of the number of new shares you have accepted (being that number multiplied by \$0.015), in the enclosed reply paid envelope (New Zealand shareholders will need to affix the appropriate postage) so that it is received by Investorfirst's share registrar no later than 5:00 pm (Melbourne time) on Wednesday 15 August 2012 by posting the form and payment to:

Boardroom Pty Limited
GPO Box 3993
Sydney NSW 2001
Australia

Cheques must be for payment in Australian currency and drawn on an Australian financial institution or an Australian branch of a foreign financial institution. Cheques should be made payable to 'Investorfirst Limited – Rights Offer' and crossed 'Not Negotiable'. Do not send cash. Receipts for payment will not be forwarded to shareholders who subscribe for new shares.

Your completed entitlement and acceptance form, once sent to Investorfirst's share registrar, cannot be withdrawn.

Pay by BPAY®

Alternatively, you may wish to make payment through the BPAY® facility. Payment by BPAY® should be made in accordance with the instructions set out on the entitlement and acceptance form using the reference number shown on the form and must be made by 5:00 pm (Melbourne time) on Wednesday 15 August 2012. The reference number is used to identify your holding. If you have multiple holdings you will also have multiple reference numbers. You must use the reference number shown on each entitlement and acceptance form to pay for each holding separately.

If you make your payment by BPAY® you do not need to lodge the entitlement and acceptance form.

Your BPAY® payment cannot be withdrawn.

If you take up only some of your rights, the balance of them will lapse.

2.3 Applying for shortfall shares

Pay by cheque

If you wish to take up all of your rights and apply for any shortfall shares, you should complete the accompanying entitlement and acceptance form for all of the new shares offered to you in accordance with the instructions set out on the form, and also fill in the number of shortfall shares you wish to apply for in the space provided on the form.

Completed forms should be forwarded, together with your cheque for the amount due in respect of the number of new shares you have accepted and applied for (being that number multiplied by \$0.015) in accordance with the instructions on the form as noted in section 2.2 above.

Your completed entitlement and acceptance form, once sent to Investorfirst's share registrar, cannot be withdrawn.

Pay by BPAY®

Alternatively, you may wish to make payment through the BPAY® facility. In that case follow the instructions for payment by BPAY® set out on the entitlement and acceptance form as noted in section 2.2 above.

If you make your payment by BPAY® you do not need to lodge the entitlement and acceptance form.

Your BPAY® payment cannot be withdrawn.

Allocation policy for shortfall

Shortfall shares will only be allocated and issued if all eligible shareholders do not apply for their full entitlement and the Offer is consequently undersubscribed. Allocation of any shortfall shares will be at the discretion of the board of directors of Investorfirst (or their delegate for this purpose) in accordance with the following policy:

- (a) If Investorfirst receives applications from eligible shareholders for shortfall shares that would not result in the Offer being oversubscribed then Investorfirst will, subject to the other terms of this policy, allocate those shortfall shares to the eligible shareholders who applied for them.
- (b) If Investorfirst receives applications for shortfall shares that would result in the Offer being oversubscribed then Investorfirst will not accept such oversubscriptions and will reject or scale back applications in a manner that the board determines will result in the eligible shareholders who applied for the shortfall shares being allocated the number of shortfall shares that best approximates a pro rata allocation of the shortfall shares by reference to their respective shareholdings on the record date, provided that any such allocation will be in the ultimate discretion of the board and provided that no eligible shareholders are to be allocated more shortfall shares than they applied for.
- (c) Shortfall shares will be issued at the same time as all other new shares are issued under the Offer.
- (d) Investorfirst will not allocate or issue shortfall shares where it is aware that to do so would result in a breach of the Corporations Act, the ASX Listing Rules or any other relevant legislation or law. Eligible shareholders wishing to apply for shortfall shares must consider whether the issue of

the shortfall shares applied for would breach the Corporations Act or the ASX Listing Rules having regard to their own circumstances.

- (e) If Investorfirst does not receive applications for all of the shortfall shares, the directors of Investorfirst (or their delegate for this purpose) reserve the right if there are still shortfall shares that have not been applied for to place or otherwise issue them at their discretion (but at not less than the price under the Offer).

Return of surplus application money

Application money received but not applied towards subscriptions for shortfall shares will be refunded as soon as reasonably practicable following the allocation of the shortfall shares. No interest will be paid on application money held and returned.

2.4 Acceptance

Receipt of your payment will constitute acceptance in accordance with, and your agreement to, the terms of the Offer, including those set out in this offer statement.

You should note that Investorfirst is not required to issue any new shares to a person accepting the Offer under this offer statement unless:

- (a) the share registrar receives a completed entitlement and acceptance form and a cheque for the full amount due in respect of the new shares by 5:00 pm (Melbourne time) on Wednesday 15 August 2012; and there are sufficient funds in the account on which the cheque is drawn so that the cheque clears in favour of Investorfirst when it is first presented for payment; or
- (b) payment is received via the BPAY® facility for the relevant number of new shares by 5:00 pm (Melbourne time) on Wednesday 15 August 2012.

2.5 Allow rights to lapse

The rights to which you are entitled may be valuable. If you decide not to take up some or all of your rights, the rights not taken up will lapse.

If you do not wish to exercise any of the rights, you are not required to do anything. In that case, the rights will lapse without any benefit to you.

2.6 Privacy

The entitlement and acceptance form and BPAY® facility require you to provide information that may be personal information for the purposes of the *Privacy Act 1988* (Cth). Investorfirst and its share registrar collect, hold and use personal information in order to assess applications for new shares under the Offer, service the needs of shareholders, provide facilities and services and to administer Investorfirst generally.

If you do not provide the information requested of you in the entitlement and acceptance form, Investorfirst may not be able to process your acceptance form or administer your holding of shares appropriately.

By completing and submitting an entitlement and acceptance form or using the BPAY® facility, you agree that Investorfirst may use the information provided for the purposes set out above and may disclose it for those purposes to the share registrar and Investorfirst's related bodies corporate, agents, contractors and third party service providers, including mailing houses and professional advisers, and to ASX and other regulatory authorities.