

ASX RELEASE**22 July 2014****On-Market Buy-back and Appendix 3C**

Donaco International Limited (**the Company**) announces that it intends to implement an on-market buy-back for a maximum of 37.2 million shares, representing a maximum of 8% of its ordinary shares.

The buy-back is being undertaken as part of the Company's ongoing capital management program. It is expected to commence on or after 6 August 2014.

Managing Director and Chief Executive Officer, Mr Joey Lim, stated "The Board considers that the buy-back is in the best interests of all shareholders, and that the market price of shares of late does not properly reflect the Company's underlying value and potential.

"The Company has a substantial amount of cash on our balance sheet, with negligible debt, and more cash from operations constantly being added. This balance sheet strength gives us considerable firepower to pursue a strong pipeline of acquisition and investment opportunities, which we are actively working on.

"At the same time, our primary focus in assessing all investment opportunities is to ensure a strong return for shareholders. Buying the Company's shares at recent prices represents an excellent opportunity to generate strong returns.

"The buy-back will be earnings per share accretive, and will have no impact on current operating businesses. It is also consistent with our strategy of maintaining an efficient capital structure."

In accordance with the ASX Listing Rules, the prices paid for shares purchased under the buy-back will be no more than 5% above the average closing price of the Company's shares over the five prior trading days.

The total number of shares to be purchased by the Company under the buy-back will depend on market conditions and volumes. The buy-back will be open for 12 months.

An Appendix 3C for the buy-back is attached.

For further information:

Ben Reichel
Executive Director
Phone: + 61 412 060 281

ABOUT DONACO INTERNATIONAL LIMITED (ASX: DNA)

Donaco International Limited operates leisure, entertainment and associated technology businesses across the Asia Pacific region.

Our flagship business is the Aristo International Hotel, a successful boutique casino in northern Vietnam. The business was established in 2002, and is located on the border with Yunnan Province, China. The property has recently been expanded to a brand new five star resort complex with 428 hotel rooms.

Donaco is a pioneer casino operator in Vietnam. Donaco operates the business and owns a 95% interest, in a joint venture with the Government of Vietnam.

Donaco also owns and operates successful gaming technology businesses, including secure mobile payment gateways across South East Asia, and the Way2Bet wagering portal, whose customers include all major corporate bookmakers in Australia.

To learn more about Donaco visit www.donacointernational.com



Appendix 3C

Announcement of buy-back (except minimum holding buy-back)

Information and documents given to ASX become ASX's property and may be made public.

Introduced 1/9/99. Origin: Appendix 7B. Amended 13/3/2000, 30/9/2001, 11/01/10

Name of entity	ABN/ARSN
Donaco International Limited	28 007 424 777

We (the entity) give ASX the following information.

Information about buy-back

1	Type of buy-back	On-market
2	⁺ Class of shares/units which is the subject of the buy-back (eg, ordinary/preference)	Ordinary shares (DNA)
3	Voting rights (eg, one for one)	One for one
4	Fully paid/partly paid (and if partly paid, details of how much has been paid and how much is outstanding)	Fully paid
5	Number of shares/units in the ⁺ class on issue	460,282,631
6	Whether shareholder/unitholder approval is required for buy-back	No
7	Reason for buy-back	Ongoing capital management

⁺ See chapter 19 for defined terms.

- 8 Any other information material to a shareholder's/unitholder's decision whether to accept the offer (eg, details of any proposed takeover bid)
- Please refer to:
1. the ASX release on 22 July 2014, accompanying this buy-back announcement;
 2. the ASX release on 22 July 2014, specifying the record date of 12 September 2014 for entitlements to iSentric shares; and
 3. the ASX release on 3 July 2014, entitled "Trading and Construction Update".

On-market buy-back

- 9 Name of broker who will act on the company's behalf
- Bell Potter Securities Limited
- 10 Deleted 30/9/2001.
- 11 If the company/trust intends to buy back a maximum number of shares - that number
- Up to 37,171,989 shares, representing a maximum of 8.08% of the Company's ordinary shares
- Note: This requires a figure to be included, not a percentage.
- 12 If the company/trust intends to buy back shares/units within a period of time - that period of time; if the company/trust intends that the buy-back be of unlimited duration - that intention
- 12 months from 6 August 2014
- 13 If the company/trust intends to buy back shares/units if conditions are met - those conditions
- N/A

Employee share scheme buy-back

- 14 Number of shares proposed to be bought back
- 15 Price to be offered for shares

Selective buy-back

- 16 Name of person or description of class of person whose shares are proposed to be bought back
- 17 Number of shares proposed to be bought back
- 18 Price to be offered for shares

Equal access scheme

- 19 Percentage of shares proposed to be bought back
- 20 Total number of shares proposed to be bought back if all offers are accepted
- 21 Price to be offered for shares
- 22 ⁺Record date for participation in offer
Cross reference: Appendix 7A, clause 9.

Compliance statement

1. The company is in compliance with all Corporations Act requirements relevant to this buy-back.

or, for trusts only:

1. The trust is in compliance with all requirements of the Corporations Act as modified by Class Order 07/422, and of the trust's constitution, relevant to this buy-back.
2. There is no information that the listing rules require to be disclosed that has not already been disclosed, or is not contained in, or attached to, this form.

Sign here:



(Director/Company secretary)

Date: 22 July 2014

Print name: Benedict Paul Reichel

⁺ See chapter 19 for defined terms.