

connxion ventures

investing in data businesses & networks

CXN announces the completion of a AUD \$4.3 million capital raising to fund ongoing growth

- **Funds raised will be used to fast track organic growth of CXN Networks and provide a basis to explore potential strategic acquisition opportunities**
- **Underpins CXN's balance sheet so it can pursue larger contracts**

Sydney, Australia, 2 February 2010 : Connxion Ventures Limited (ASX: CXN) has completed a placement of 67,694,444 new fully paid ordinary shares (**Placement Shares**) to professional and sophisticated investors at a price of A\$0.045 per share to raise AUD \$3.05 million before costs (**Placement**). In addition, CXN has also raised a further AUD \$1.25m through the issue of convertible notes*.

The issue of Placement Shares was approved at the Extraordinary General Meeting (EGM) held on 9 November 2009.

The Placement was made to sophisticated and professional investor clients of Shaw Stockbroking Limited and Bell Potter Securities Limited. The convertible note issue was arranged by Stonebridge Securities Limited.

Settlement of the Placement Shares is expected to occur on 4 February 2010 and the Placement Shares will rank pari passu with existing ordinary shares. The convertible notes are also expected to be issued on 4 February 2010.

Purpose

The proceeds from the Placement and the convertible notes will be used primarily to:

- fast track the organic growth of its data, rewards, payments and online subsidiary Connxion Networks; and
- fund a potential acquisition in Asia, which is currently under negotiation. The acquisition target has a considerable multinational client base which will add significant strategic value to Connxion.

Management Comments

Rod Olsen, Chairman of Connxion Ventures said, "We have previously stated that our primary focus is on pursuing organic growth opportunities through an expanded service offering to new and existing clients, and this new capital gives us the immediate flexibility to pursue contracts that will significantly grow our revenue base and deliver stable and recurring revenue streams.

"We are delighted by the support we have received from existing and new shareholders. We now have the balance sheet strength to grow our existing operations and pursue an acquisition that will significantly strengthen our integrated offering of data, rewards, payments and online services.

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Bill Brooks, Managing Director of Connxion Ventures said, "Our existing customers have clearly stated that they will support our growth provided we have the balance sheet strength to deliver on an expanded service offering for them. This capital raising delivers the required balance sheet strength.

In addition, we are pursuing a number of tendering opportunities and we expect to deliver significant revenue growth in the coming months. We are on track to achieve \$100 million in annualised revenue within 3 years."

CXN will continue to keep investors informed on all material developments as they occur and through its quarterly shareholder reports.

*The principal terms of the conversion notes are as follows:

- Conversion rate is one ordinary share for every AUD \$0.05 (subject to adjustment in the event of a reconstruction of capital)
- Maturity date is two years from the date of issue
- Date of issue will be on the 4th of February 2010
- Notes may be converted into ordinary shares at any time prior to the maturity date
- Coupon rate on note is 10%, calculated annually in arrears
- Parties to the notes are respected, cornerstone professional investors

Connxion Ventures Strategy *"Investing in Data & Transaction Networks"*

Connxion Ventures invests in data businesses and networks. Connxion Ventures provides capital macro management and resources to build and expand these networks across Australia, Asia and China. Connexion Ventures will continue to identify and acquire investments that can achieve shareholder growth in these industries and markets.

Connxion Networks Strategy *"Data Management & Services"*

Connxion Networks is the core operating company of Connxion Ventures. Connxion Networks' strategy is to develop a full end-to-end data and transaction services solutions company that will meet the needs of its expanding client portfolio. Connxion Networks will build out its services and industry solutions platform and regional delivery capabilities as a core part of its objective.



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