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5 August 2014

Australian Securities Exchange
20 Bridge Street
Sydney NSW 2000

By: e-lodgement

COMPANY ANNOUNCEMENT
For immediate release

Mnemon Limited agrees to merge with Grays

Mnemon Limited ('MNZ') is pleased to announce that it has agreed to a transaction with Grays (Aust) Holdings Pty Ltd (Grays) that, if completed, will result in a combination of the two businesses.

Grays is a leading Australian e-commerce company operating in the B2B and B2C segments of the market. It has a market-leading position in B2B e-commerce auctioneering, specialising in the sale of industrial and commercial assets. It has an established B2C offering, selling a wide range of quality consumer products including wine, IT and consumer electronics, furniture and outdoor goods and fine jewellery.

Grays is owned by current and former employees and interests associated with Caledonia Investments, a privately owned Australian investment manager.

The transaction will see MNZ acquire 100% of Grays via a scrip-for-scrip offer to Grays shareholders, significantly increasing the market capitalisation of the group.

Grays shareholders will not be selling down their interests and no new money will be raised in conjunction with the transaction.

The group will be renamed Grays eCommerce Group (GEG) upon completion of the transaction.

Overview of the Combined Business

The transaction will create Australia's largest listed e-commerce group with gross sales in excess of \$440 million and a pro forma 30 June 2014 net cash position of greater than \$10 million (after expected transaction costs). The combined group will bring together premium e-commerce retail brands including DealsDirect, TopBuy,

GraysOnline and OO.com.au and establish a combined customer database of 6.2 million¹.

MNZ Chairman Naseema Sparks said: “This transaction is consistent with MNZ’s consolidation strategy and offers shareholders the opportunity to be part of Australia’s largest e-commerce group with a portfolio of well-known brands serving consumer and business markets. By combining the businesses, we will secure a market-leading position. Integration of the two businesses will provide substantial benefits of scale.”

Mark Bayliss, who is the current CEO of Grays and who will become CEO of the combined business said:

“This transaction makes compelling strategic sense, bringing together two renowned names in the Australian B2B and B2C e-commerce markets. The Australian e-commerce market is evolving rapidly and the scale of Grays eCommerce Group will be an important factor in leveraging growth across multiple sectors.”

“Grays is a true pioneer in the Australian e-commerce industry, establishing its first online presence in 2000. Since then, it has developed the largest B2B e-commerce auction marketplace in the Asia-Pacific region and has been an innovator in retail, establishing the largest independent e-commerce wine business in Australia, among other initiatives.”

“Grays has a proven track record in the development of industry leading technologies and the combined Group will benefit from its significant investment in optimising supply chain processes and infrastructure, improving the service we offer customers.”

Moelis & Company (Australia) is acting as financial advisor to Grays on the transaction.

Transaction Terms

The transaction is subject to ASX waivers.

Under the terms of the transaction, Grays shareholders will receive 73.3 million new MNZ shares on completion. In addition, Grays shareholders who hold, on the date that is 12 months after completion, that number of MNZ shares that is not less than 75% of their new MNZ shares (ignoring any MNZ shares they hold prior to completion) will be issued 1 additional MNZ share for every 2 MNZ shares held (Bonus Shares).

Excluding Bonus Shares, Grays shareholders will own 78% of the issued capital post transaction². If all Bonus Shares are fully issued, Grays shareholders will own 84% of the then issued capital.

It is proposed that Grays shareholders will enter into escrow arrangements to retain:

- 100% of issued MNZ shares held until one week following the announcement by MNZ on ASX of its interim results for the half year ending December 31 2014; and

¹ Based on simple aggregation ignoring any duplication

² On a fully diluted basis

- 50% of issued MNZ shares for one week following the announcement by MNZ on ASX of its full year results for the financial year ending 30 June 2015.

Board of Directors

Upon completion of the transaction, GEG's Board of Directors will comprise:

- Jonathan Pinshaw (Non-Executive Chairman)
- Naseema Sparks (Non-Executive Director)
- Will Vicars (Non-Executive Director)
- Mark Bayliss (Executive Director and CEO)

Detailed director biographies can be found in the accompanying investor presentation.

In accordance with best practice corporate governance, a process to appoint an additional independent Non-Executive Director will commence upon completion of the transaction.

Conditions to the Transaction

MNZ and Grays have entered into a Merger Implementation Agreement (MIA) that will be effected by a sale and purchase agreement. The MIA is subject to customary conditions (including no shop and no talk restrictions) which are detailed in the accompanying presentation.

Indicative Timetable

An indicative timetable of key steps to complete the transaction is set out below. This timetable is subject to change.

Event	Date
Grays shareholder meeting to approve transaction	5 September 2014
Despatch of MNZ general meeting notice and disclosure documents, including MNZ explanatory statement	5 September 2014
MNZ shareholder meeting to approve transaction	6 October 2014
Despatch of offer documentation to Grays shareholders	8 October 2014
Close of Grays Offer	30 October 2014
MNZ acquisition implementation date	31 October 2014
Normal trading of new shares issued to Grays shareholders	3 November 2014

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mnemon

Acquisition of

graysonline
_com

Investor Presentation

5th August 2014

DISCLAIMER

This presentation is issued by Mnemon Limited ("MNZ").

Summary information

This presentation contains summary information about MNZ, Grays (Aust) Holdings Pty Limited ("Grays") and the proposed acquisition of Grays by MNZ, each as at 5 August 2014.

The information in this presentation does not provide all information that an investor should consider when making an investment decision. It has been prepared by MNZ with due care but no representation or warranty, express or implied, is provided in relation to the accuracy or completeness of the information. MNZ is not responsible for updating, nor undertakes to update, this presentation. It should be read in conjunction with MNZ's other periodic and continuous disclosure announcements lodged with the Australian Securities Exchange ("ASX"), which are available at www.asx.com.au.

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A number of figures, amounts, percentages, estimates, calculations of value and fractions in this presentation are subject to the effect of rounding. Accordingly, the actual calculation of these figures may differ from the figures set out in this presentation.

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This presentation contains certain 'forward-looking statements'. Forward-looking statements include those containing words such as: 'anticipate', 'believe', 'expect', 'project', 'forecast', 'estimate', 'likely', 'intend', 'should', 'could', 'may', 'target', 'plan', 'consider', 'foresee', 'aim', 'will' and other similar expressions. The forward-looking statements in this presentation include statements regarding the outcome of the proposed acquisition of Grays and the operation of MNZ following that acquisition. Any forward-looking statements, opinions and estimates provided in this presentation are based on assumptions and contingencies which are subject to change without notice and involve known and unknown risks and uncertainties and other factors which are beyond the control of MNZ and its directors. This includes any statements about market and industry trends, which are based on interpretations of current market conditions. Forward-looking statements may include indications, projections, forecasts and guidance on sales, earnings, dividends, distributions and other estimates.

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Grays information

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Acceptance

By attending an investor presentation or briefing, or accepting, accessing or reviewing this document you acknowledge and agree to the terms set out above.



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□ Profile of Grays eCommerce Group

□ Pro forma Share Capital

Creating Australia's largest listed e-commerce group

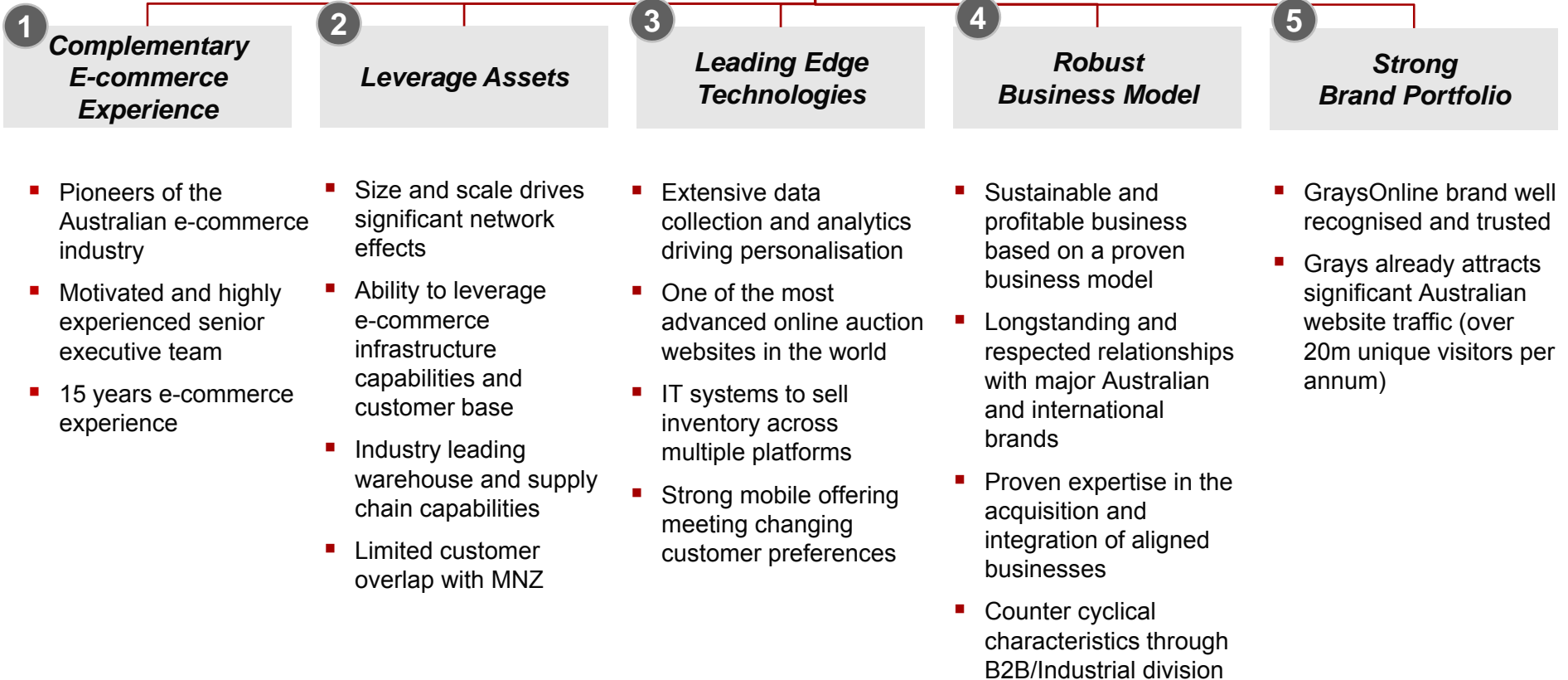
- Details of Acquisition**
- Scrip for scrip offer to Grays shareholders
 - Grays shareholders to be issued bonus MNZ shares if they hold 75% or more of their MNZ shares for 12 months (1 for 2 ratio)
 - Grays shareholders to own 78%¹ of the merged vehicle (pre bonus issue), 84% if bonus shares fully issued
 - Acquisition subject to (amongst other things) approval by Grays and MNZ shareholders
 - No new capital being raised for cash
- “New” GraysOnline profile**
- Mnemon to be renamed Grays eCommerce Group (GEG)
 - Database of 6.2m customers (GraysOnline, OO, DealsDirect and TopBuy)²
 - Gross sales > \$440M
 - Soundly capitalised. Pro forma net cash position at 30 June 2014 in excess of \$10m
 - Leadership position in B2B online auctions in Australia
 - A suite of leading online retail brands (including GraysOnline, DealsDirect, OO and TopBuy)
- Strategic Rationale**
- Strong brand portfolio with extensive sector coverage and market scale
 - Growth opportunities (organic and inorganic)
 - Synergies, both cost and revenue
 - Greater market capitalisation enhances access to capital
 - Strong and experienced Board and Executive team

1) Calculated on a fully diluted basis at completion. Refer to slide 36 for details.

2) Simple aggregation of customers in databases. May contain duplications of customers.

One of the most respected and successful e-commerce businesses in Australia

Grays Strengths



Compelling strategic rationale



Deal adds significant scale with financial and capital market benefits

	Grays		MNZ		Grays + MNZ
Financial metrics (\$m)					
FY14 Sales ¹	370.0		72.0		442.0
Total business metrics²					
Annual visits (m)	56.6m	+	26.5m	=	83.1m
Active customers ³	~480,000		~400,000		~880,000
Customer database (m)	3.9m		2.3m		6.2m
Email subscribers (m)	1.6m		1.3m		2.9m

- Pro forma June FY14 net cash of in excess of \$10 million

1) Grays sales include proceeds from auctions and sales of own consignment stock, freight sales, sales of valuation and OH&S services and onsite advertising on a GST exclusive basis. MNZ sales calculated on a similar basis and includes other income.
 2) GEG metrics based on simple aggregation. May include duplications.
 3) Active customers comprise customers that have made a purchase within the last 12 months.

KEY METRICS

	Grays		MNZ		Grays + MNZ
Fixed Price Retail only metrics¹					
Units sold / month	~78,000		~95,000		173,000
SKUs	~60,000		~50,000		~110,000
Brands	4,159	+	1,320	=	5,479
Merchants	790		460		1,250
Drop ship merchants	168		140		308
Conversion rate (%)	3.1%		2.2%		2.6%
Average order value (\$)	\$127		\$122		\$124
B2B and B2C metrics²					
Units sold / month	~112,000		n/a		~112,000
SKUs	~12,000		n/a		~12,000
Brands	500		n/a		500
Merchants	4,190	+	n/a	=	4,190
Conversion rate (%)	2.0%		n/a		2.0%
Average order value (\$)	\$382		n/a		\$382

1) Excludes consumer auctions. Opportunity exists to build fixed price retail sales through the auction customer base.

2) All auctions excluding fixed price retail.

Grays eCommerce Group will operate in both B2B and B2C markets

Grays eCommerce Group

B2B

B2C



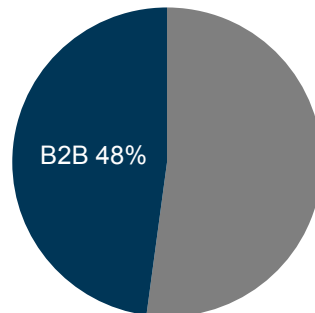
Online Auctioneer

- Leading B2B online auctioneer serving corporates, SMEs, banks and finance companies
- Specialising in the efficient sale of industrial and commercial assets, plant & equipment

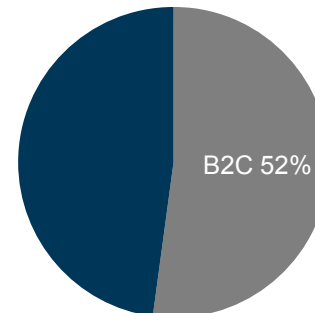
Multi website specialist online retailer

- Leading online department stores Grays, OO, DealsDirect and TopBuy
- Leading B2C auctioneer
- Market leading wine and CE/IT categories

FY14F Sales (\$212m)



FY14F Sales (\$230m)



Acquisition

- MNZ will acquire 100% of Grays via a scrip for scrip offer to Grays shareholders

Bonus issue

- Grays shareholders who hold at least 75% of their new MNZ shares for a period of 12 months post completion of the acquisition will be issued bonus shares
- Bonus shares to be issued in a ratio of 1 bonus share for every 2 new MNZ shares held

Escrow arrangements

- Under the offer, Grays shareholders will enter into the following escrow:
 - 100% until 1 week following the release of GEG's 1H15 results
 - 50% until 1 week following the release of GEG's FY15 results

Merger Implementation Agreement

- Transaction conditions include:
 - Shareholder approval by Grays and MNZ shareholders
 - No material adverse change at Grays or MNZ
 - Acceptance of the offer by greater than 75% of Grays shares
- Independent expert to be appointed to assess the offer for Grays

INDICATIVE TIMETABLE

Grays Shareholder Meeting	5 September 2014
MNZ Shareholder Meeting	6 October 2014
Despatch of Offer Documentation to Grays Shareholders	8 October 2014
Close of Grays Offer	30 October 2014
MNZ Acquisition Implementation Date	31 October 2014
Normal Trading of Shares Issued to Grays Shareholders	3 November 2014

These dates are indicative only and subject to change. MNZ reserves the right to amend this indicative timetable and any material variation to it will be announced to ASX.

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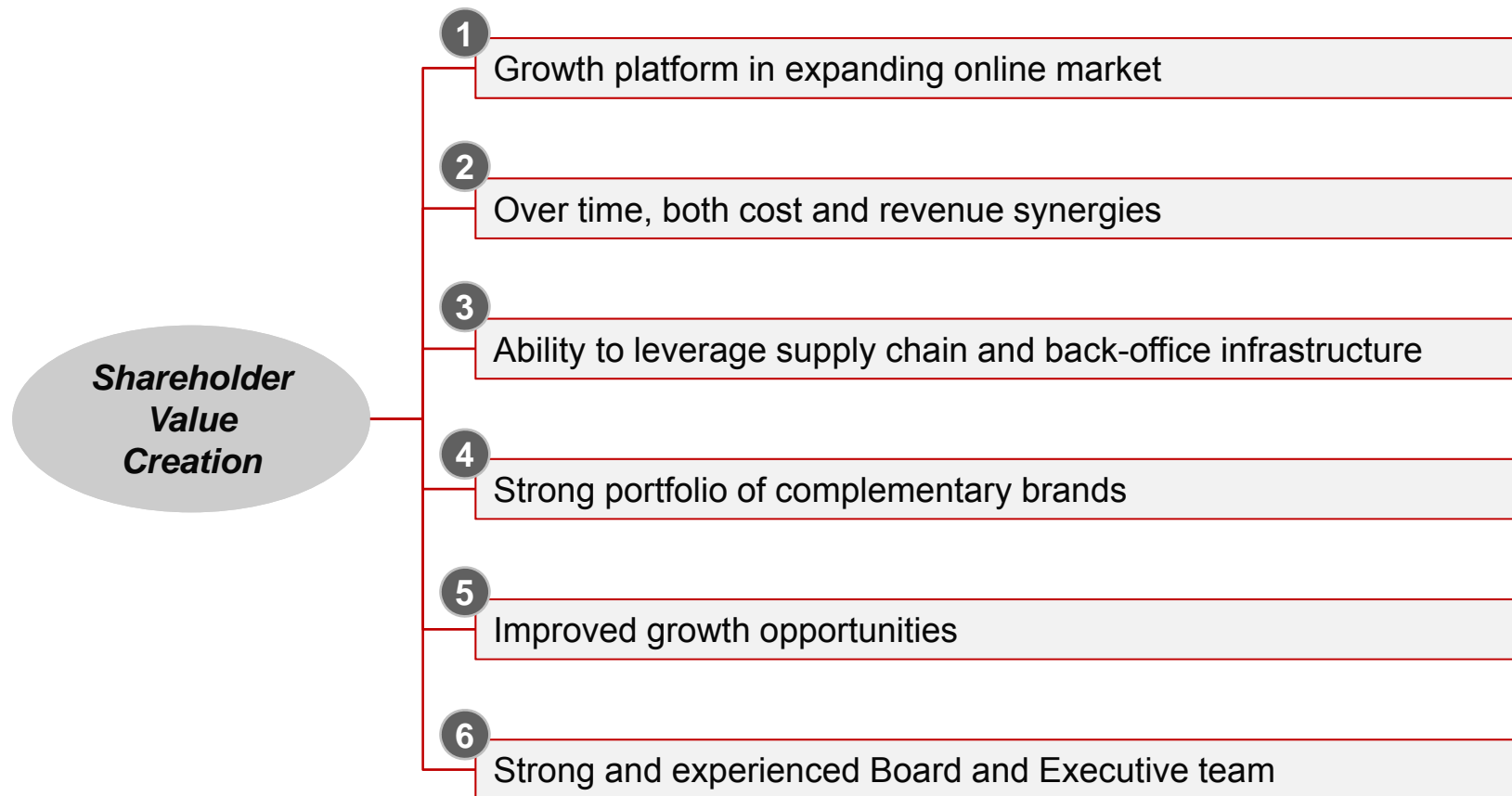
□ Executive Summary

□ **Rationale for the Acquisition**

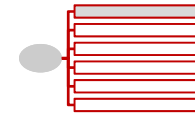
□ Profile of Grays eCommerce Group

□ Pro forma Share Capital

Compelling strategic rationale

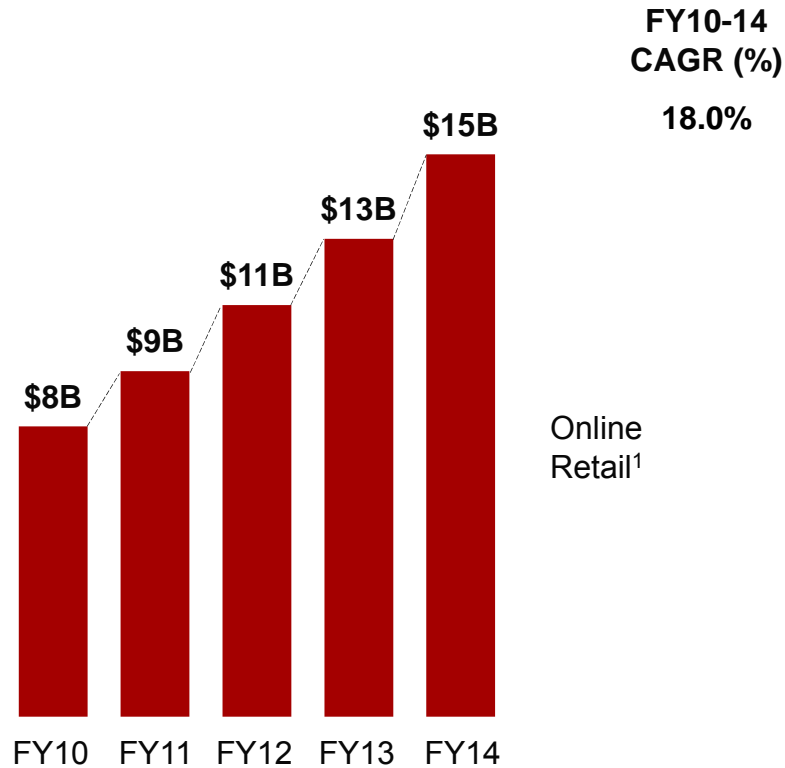


GROWTH PLATFORM IN EXPANDING ONLINE MARKET

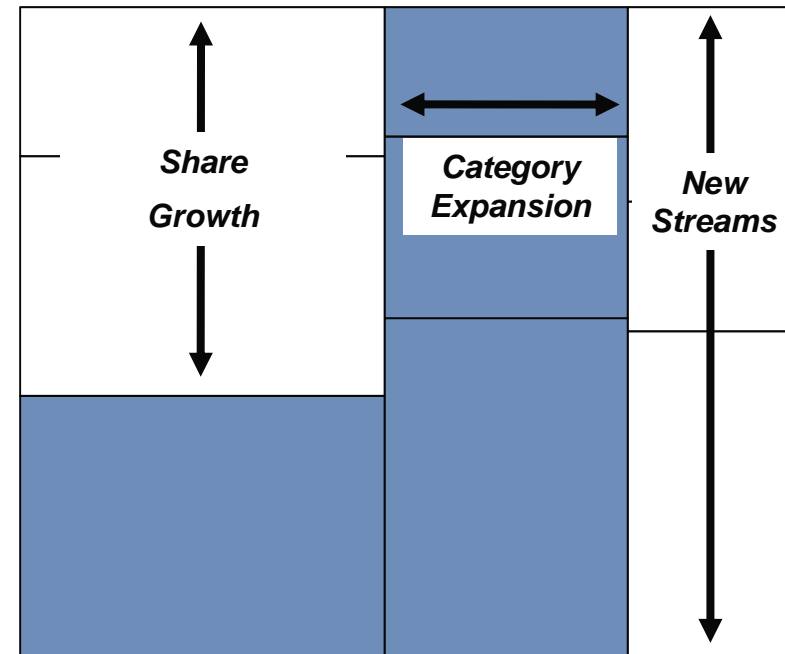


Rationale for Acquisition

Rapidly growing market....

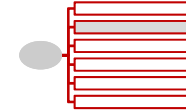


...with several opportunities for growth



□ New Growth ■ Growth in Existing Business

1) Does not include B2B market.
Source: IBISWorld, Euromonitor and NAB/Quantium

***Revenue opportunities***

- Opportunities to cross-sell with ~21% crossover in customers
- Over 880,000 active customers (Grays + OO + DealsDirect + TopBuy)¹
- Over 2.9m in email database (Grays + OO + DealsDirect + TopBuy)
- Data driven analysis refines product and service offering across all platforms

Infrastructure leverage and rationalisation

- Improved customer service operational efficiencies
- Scale advantages in warehouse facilities

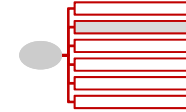
Operational efficiencies

- Freight and logistics efficiencies
- Savings in marketing, IT and back-office functions
- Increased buying power

Best of breed

- Complementary capacity in e-commerce and priority verticals
- Compatible management team and style

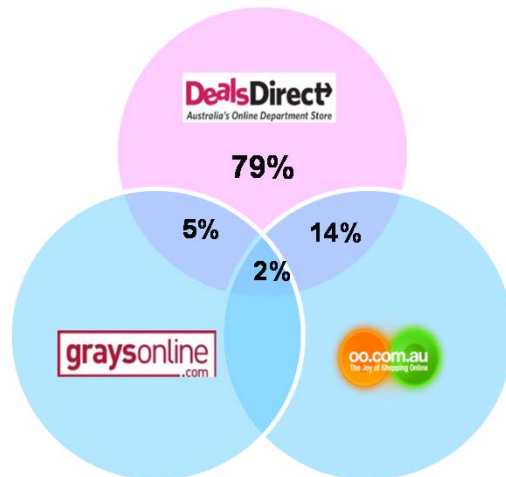
1) Active customers comprise customers that have made a purchase within the last 12 months.



Limited overlap and complementary customer bases

- Independent analysis of customer base reveals limited overlap (~21%)
- Demographically complementary landscape group categories
- While OO and DealsDirect retail businesses have a similar product offering, the brands attract different segments of the market
- Together the brands cover a wide cross section of metro and regional market

Customer overlap¹

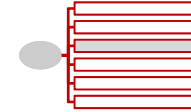


1) Based on customers who have bought >5 times.

Customer analysis

Landscape Group	DealsDirect	OO	Grays
Success Stories	9.4%	11.6%	15.7%
Professionals In Transition	6.8%	7.7%	10.4%
Cosmopolitan Lifestyle	3.4%	5.6%	7.9%
Urban Development	14.8%	13.3%	13.8%
Stable Suburbs	14.7%	14.8%	16.1%
High Density Living	1.1%	1.4%	1.6%
Blue Collar City	12.0%	8.5%	7.3%
Vintage Australia	8.0%	8.8%	9.2%
Farming Heartland	5.3%	5.3%	4.7%
Regional Centres	6.7%	6.5%	4.6%
Small Towns and Beyond	10.9%	9.4%	4.8%
Living In The Country	6.9%	7.1%	3.9%

Source: Veda Landscape Groups



Potential for scale economies

Function

- Supply Chain
- Warehousing
- IT and Website Management
- Corporate Functions
- Marketing Spend

Benefits of Scale

Freight synergies from critical mass/optimum processes

Efficiencies gained through increased scale

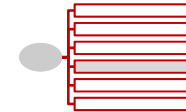
Remove duplication of services – reduce use of multiple platforms that require separate management

Combined infrastructure (finance, admin, HR, customer service). Reduced credit card merchant fees

Single marketing function to support multiple sites and improved media buying

Significant network effects creating economies of scale

STRONG PORTFOLIO OF COMPLEMENTARY BRANDS



Rationale for Acquisition

graysonline
 .com



DealsDirect
 Australia's Online Department Store



TRADING
MECHANISM

Online Auctioneer

Online Department Store (Fixed Price)

Online Department Store (Fixed Price)

Online Department Store (Fixed Price)

VALUE
PROPOSITION
CUSTOMERS

Leading online auctioneer and retailer in Australia & NZ. Offering over 80 categories in industrial, commercial and consumer goods

Leading online department store in Australia & NZ with over 30 categories offering extensive range of quality products from leading brands at exceptional prices

Australia's #1 online department store offering a range of over 15,000 quality products at heavily discounted prices across 20 categories

Leading super store in providing customers with high quality and brand name products with key strengths in branded consumer electronics, fashion and general merchandise

VALUE
PROPOSITION
VENDORS

To be the most efficient channel between vendors and online buyers in both B2C and B2B markets

Tap into the growing and complementary online channel, for both local brands and international importers

Tap into the growing and complementary online channel, for both local brands and international importers

Tap into the growing and complementary online channel, for both local brands and international importers

TAGLINE

The smartest bargains are just a click away

The Joy of Shopping Online

Australia's online department store

TOP Brands! TOP Service! TOP Prices!

BRAND
ATTRIBUTES

B2B & B2C | Trusted | Australian | Broad Range | Established | Distressed Stock | Auction & Fixed Price | Quality Brands | Physicality | Local Call Centre | Value |

B2C | The Great Rebate | Best Deals | Strong returns policy | Hassle-free | Reliable | Easy & Fun | Australian | Quality brands | Brand New Stock

B2C | Brand New Stock | Trusted Australian Retailer | Full range offering | Quick and reliable fulfilment | Industry leading customer service

B2C | Value | Brand New Stock | Branded electronics | Flash sales | Fashion focus | Innovative retailer

CUSTOMER
PERSONAS
WHO SHOPS?

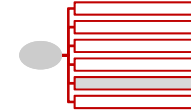
Male
35+ Age Group
Educated
High disposable income
Consumers
Businesses

Female
Age group (29 – 45)
Families
Lower disposable income

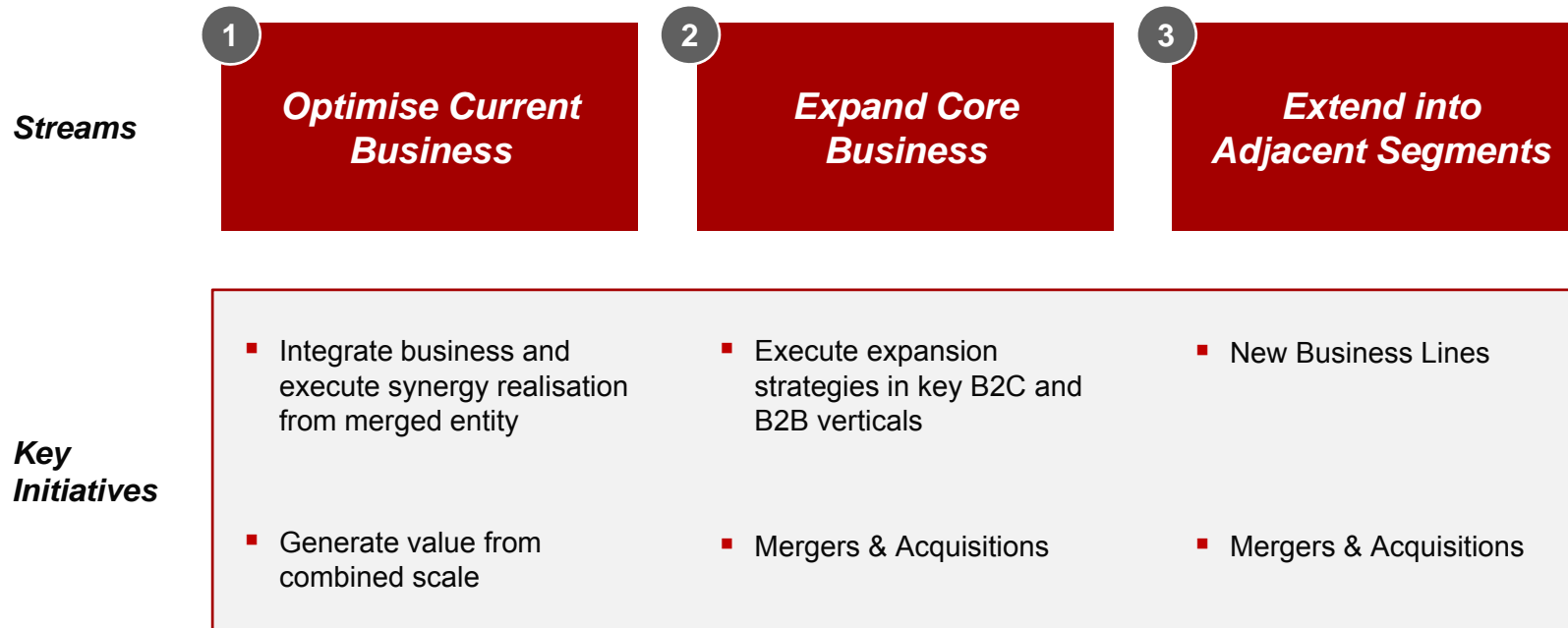
Female
Age group (35 – 55)
Families
Lower disposable income

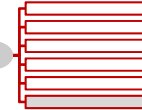
Female and Male
Age group (25 – 45)
Higher disposable income

graysonline
 .com mnemon



GEG's extensive scale, combined with its listed status and strong financial position makes it the natural aggregator in the consolidating B2B and B2C markets





Directors with a thorough and complementary set of capabilities



Jonathan Pinshaw
Non-Executive Chairman

- Jonathan is an experienced board director and business leader. He has held non-executive director roles in a number of public companies including Just Group (Chairman), Australian Consolidated Investments (Chairman), Fairfax Media (Deputy Chairman), James Hardie and Country Road. He has also chaired a number of private equity owned companies. Previous executive roles include Managing Director of public companies OPSM Group and Freedom Furniture as well as CEO roles with Gestetner Asia-Pacific and Brierley Investments Australia.



Naseema Sparks
Non-Executive Director

- Naseema is deputy Chairman Racing NSW, Non-Executive Director of Melbourne IT, AIG, Shadforth Financial Group and PMP. Naseema was previously the Managing Director of M&C Saatchi and has extensive experience in traditional and digital marketing.



Will Vicars
Non-Executive Director

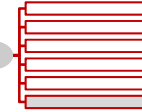
- Will is Chief Investment Officer at Caledonia and sits on the Board of Caledonia, DFO Investments and The Caledonia Foundation. Will is Vice-Chairman and a Non-Executive Director of St Luke's Hospital Foundation, a Non-Executive Director of Orotan Group, Oneview and Grays. Prior to Caledonia, Will worked as a Senior Portfolio Manager at NRMA Investments and at Bankers Trust.



Mark Bayliss
Executive Director & CEO

- Mark is a senior executive with over 25 years experience in international and publicly listed companies, with leveraged buyouts, private equity turnarounds and with all aspects of strategic, operational and financial management. Previous positions include Group Chief Executive at Quick Service Restaurants, Partner at Anchorage Capital Partners, Executive Chairman at Antares Restaurant Group and CFO at Fairfax Media.

The Company intends to appoint an additional non-executive director and will have regard to the ASX Corporate Governance Council's Corporate Governance Principles and Recommendations.



Comprises some of the most experienced Australian practitioners in e-commerce



Adam Scharer
Head of B2B

- Adam joined Grays in 1994 and has been Executive Director since 1999. Adam has extensive experience in all aspects of the auction business including sales, marketing, management, equipment appraisal, innovation, mergers & acquisitions and strategy. Adam's experience also extends to the establishment of new branches across Australia and development of new revenue streams. Adam holds a Bachelor of Engineering (Hons) and is a certified plant and machinery appraiser.



Mark Kehoe
Head of B2C

- Mark joined Grays in 1999, and has been an Executive Director heading the consumer business since 2003. Extensive senior level experience in online e-commerce operations, including general management, sales & marketing, and operations. Hands on knowledge and extensive experience in the Australian and international online environment over the last fourteen years. Mark holds a Bachelor of Business (UTS).



Michael Rosenbaum
GM – DealsDirect

- Michael co-founded DealsDirect in 2004, a pioneering online department store. Michael's first foray into online retail was in 2001 when he co-founded AuctionBrokers, eBay Australia's first commercial seller. This business went on to become the leading online store on eBay in Australia. Michael has 13 years experience across e-commerce, merchandise, marketing & technology. Michael is currently Managing Director of DealsDirect Group & Interim CEO of Mnemon Limited.



John Martin
Chief Financial Officer

- John was appointed CFO of GraysOnline in 2007. Over 13 years of CFO-level experience (eight of which were in the listed space). Retail experience includes roles at David Jones and the Nuance Group, the world's largest international duty free retail group.



Stephen Charlesworth
Chief Information Officer

- Stephen became CIO of Grays in 2013 and as such has taken responsibility for all aspects of IT including infrastructure, externally hosted environments, the overall direction of software development, management of third party software and the relationships with key IT suppliers. The holder of a BA and a Graduate Diploma of Computing, Stephen came to Grays in 2001 following a successful consulting career in database driven application development.



David Sharp
Head of Marketing

- David has over 21 years experience in the Australian data driven marketing, credit and property decision science industries. He founded Sharp & Anderson Consulting which later became Market Advantage and was fully acquired by Veda Ltd in 2000. During his 12 years with Veda he was responsible for the data-driven marketing and credit analytics businesses. David joined Grays in 2010 as Group Marketing Manager and has also been responsible for OO.com.au retail business.



Julie Starley
Head of Logistics

- Julie joined Grays in 2009 leading operational excellence in customer service, logistics and warehousing. Julie has over 16 years experience in the fast paced Online Retail and ICT industries. Previously, Julie held international roles in Vodafone Group with experience in marketing, business and segment growth strategies, customer experience and change management.

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The Australian market is influenced by a number of positive trends...

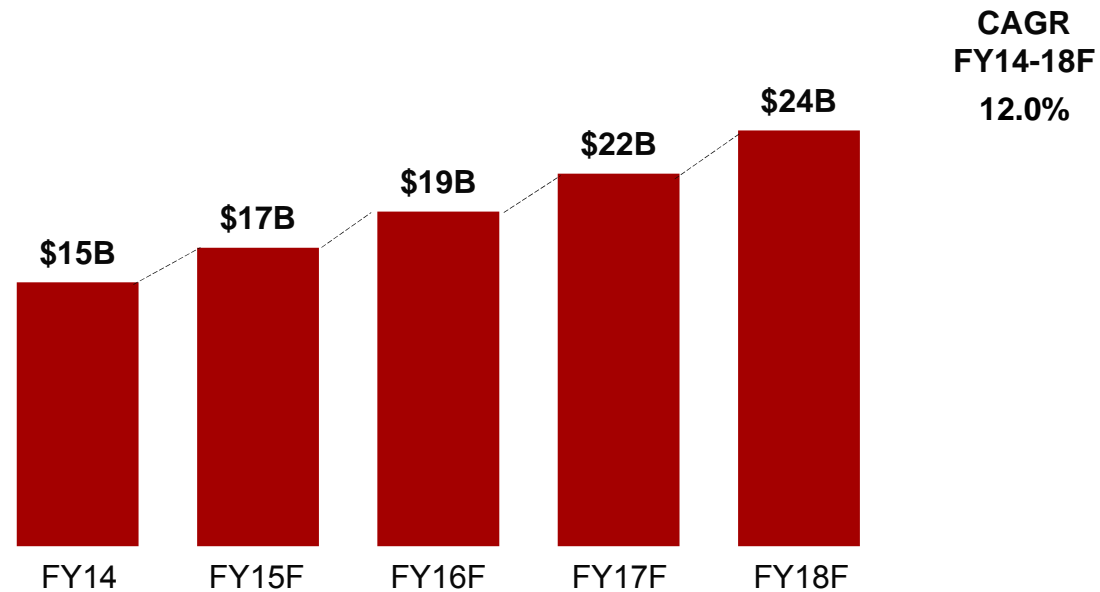
- Strong recent online retail growth expected to continue
 - Increased online sales in absolute terms
 - Online retail increasing relative to traditional retail
- Rapidly growing broadband and mobile penetration
- Online penetration low versus other developed countries (such as the UK and US)
- Development and update of m-commerce capabilities
- Online still represents only a small proportion of the total retail market – pure play online retailers dominate
- Favourable consumer attitude
 - Confidence in medium
 - Convenience
- B2B ecommerce is relatively immature with strong growth expected
 - In 2013 B2B ecommerce in the US was estimated to be over twice as large as B2C ecommerce¹ and grew at a CAGR of 34% between 2000 & 2009
 - A 2013 study found only 10% of Australian manufacturers and wholesale distribution companies have transactional websites²

1) Forrester: Key Trends in B2B eCommerce in 2013.

2) Hybris/eConsultancy: State of eCommerce in Australia and New Zealand.

...which will enable continued market growth

Forecast growth in Australian online shopping¹



1) Does not include B2B market.
Source: IBISWorld, Euromonitor and NAB/Quantium

A pureplay B2B and B2C e-commerce business

Sales Channel:

B2B

B2C

Sale Type:

Online Asset Sales

Industrial Services

Online Retail Sales

Auction

Service Fees

Auction

Fixed Price

Description:

- Auction based sales of industrial and commercial equipment

- Valuation and other project management functions of industrial equipment sales

- Auction based retail sales of products

- Fixed price retail sales of products

Products:

- Manufacturing and engineering
- Auto, trucks and marine
- Mining, construction and agriculture
- Forklifts
- Warehousing and pallet racking

- Valuations
- Stock takes
- Corporate relocations
- Inventory reduction
- Tenders
- Asset Inspections

- Wine & liquor
- IT and consumer electronics electronic goods
- Homewares & domestics appliances
- Cosmetics, fragrances and toiletries
- Jewellery & watches
- Furniture
- Sporting goods & toys

Brands:



Strength in multiple B2B and B2C segments

GRAYS ECOMMERCE GROUP

Top product categories

Auction

Fixed Price

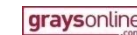
Websites / brands

B2C / Consumer

Wine

✓

✓



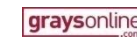




Computers & IT

✓

✓





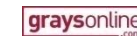




Appliances and whitegoods

✓

✓









Audio, TV & home theatre

✓

✓





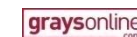




Fine jewellery

✓

✓







Bedding & Manchester

✓

✓







Home Furniture

✓

✓







B2B / Industrial

Motor vehicles

✓

—



Agriculture

✓

—



Mining and mining services

✓

—



Manufacturing & production

✓

—



Transport, trucks and trailers

✓

—



Earth moving and mobile plant

✓

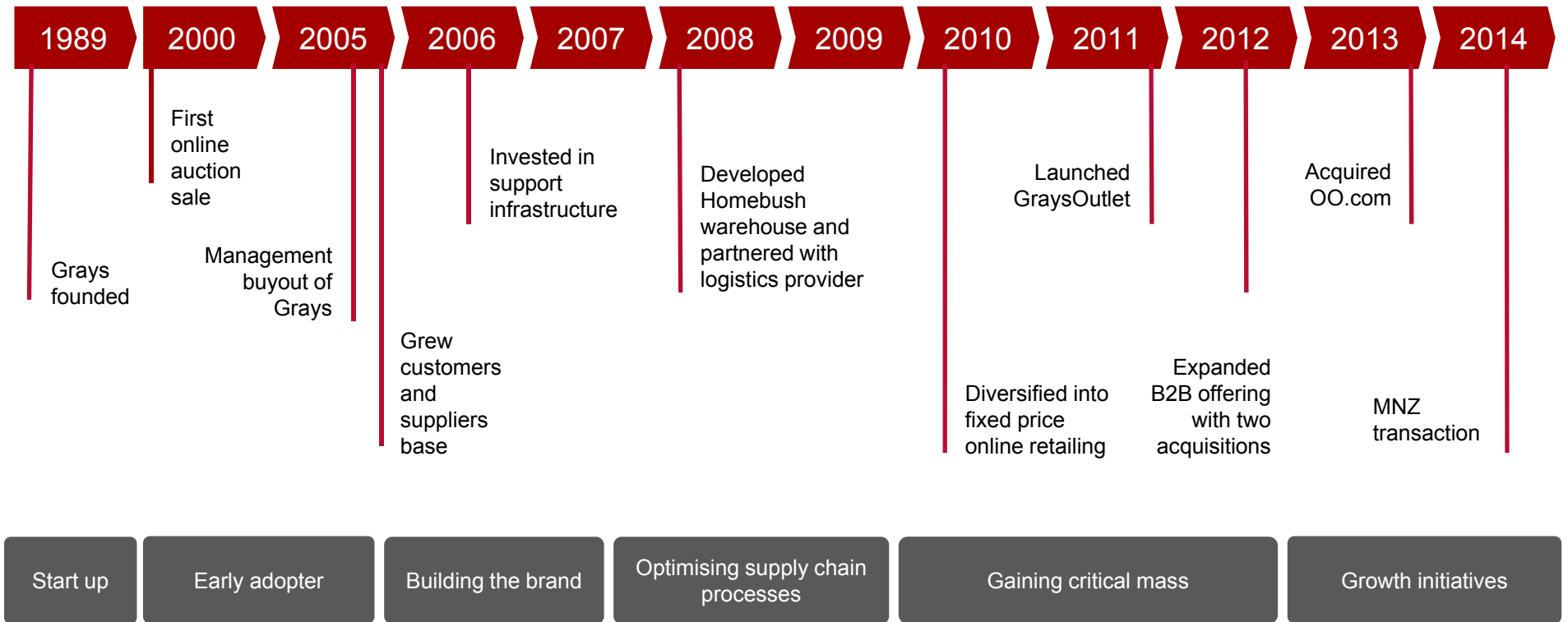
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HISTORY

Grays is a true pioneer in the Australian e-commerce industry



Creating the largest listed pure online retailer in Australia

Overview¹

- Leading brands in auction and retail
- Pioneer of e-commerce offering complete supply chain services for vendors
- Significant customer base of ~6.2 million
- Generating in excess of \$19m in gross sales¹ with over 245,000 products sold per month
- Over 110,000 SKUs and 5,000 brands
- Over 1,000 merchants and 300 drop ship merchants
- Industry-leading wine offering
- Specialist in offering reverse logistics and refurbishing services for high value IT, consumer electronics and appliances categories. Grays is the online market leader in the sale of these consumer goods

1) Metrics based on B2C for GEG including consumer auction.

Key Differentiators

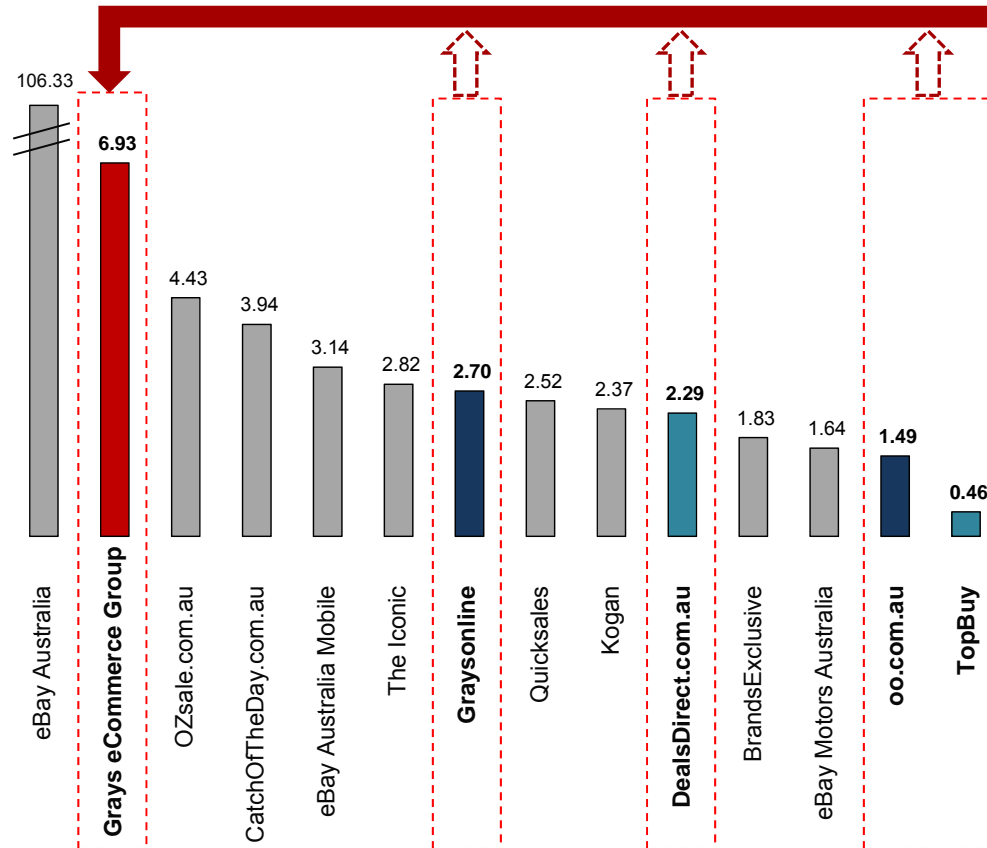
- Highly experienced management team with practical implementation experience in e-commerce
- Advanced supply chain and fulfilment capabilities
- National supply chain infrastructure providing efficient delivery options at competitive freight costs for customers
- Long standing and respected relationships with major Australian and international brands
- Extensive data collection and analytics capability facilitating highly effective data driven retailing through personalised website and email offerings
- Significant traffic & database across all sites
- Robust IT infrastructure platform that is highly integrated and readily adaptable utilising best practice technology suite

Trusted Partner Of Leading Brands



Significant online reach

Average Online Monthly Visits
(Oct. 2012 – Mar. 2014 in millions)¹



1) TopBuy data based on annualised 10 months data. May include duplication for the aggregated GEG number.
Source: Hitwise

Market leading wine offering

Overview

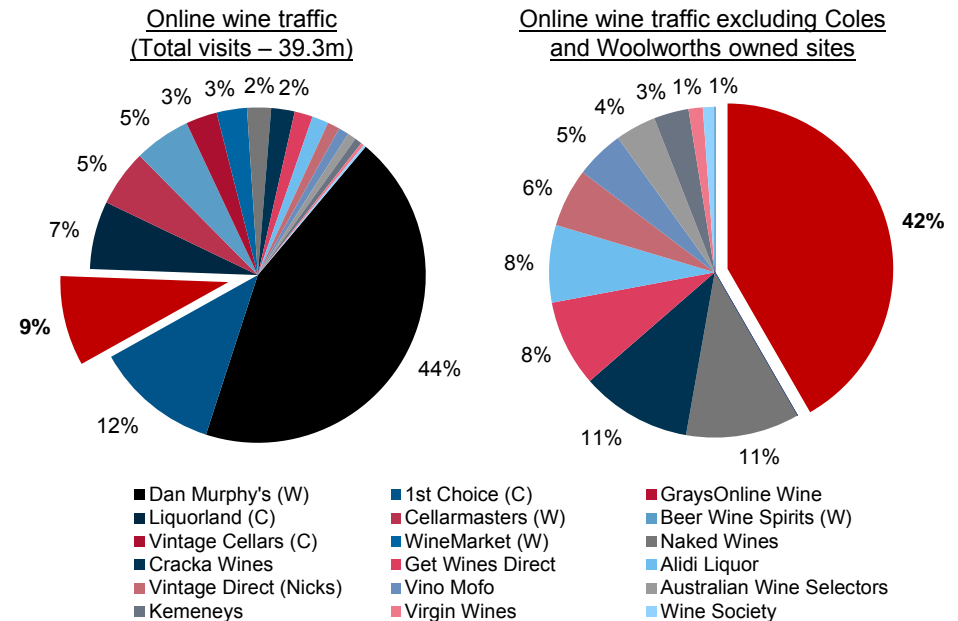
- The strongest consumer category in terms of profitability and brand awareness. Sells ~55,000 cases of wine direct to consumers per month (~2% of the total bottled wine market in Australia) generating sales of \$31m in FY14¹
- Approximate 86% of the wine is sold through online auctions. Remainder sold at fixed price
- The auction model sets Grays Wine apart from other online and multichannel retailers. Offers an alternative and attractive route-to-market for wine growers and distributors
- Services more than 400 wineries in Australia and New Zealand, with 30 labels exclusive to Grays
- Increasingly importing wines direct from Europe and the Americas
- Winner of the CanStar Blue Most Satisfied Customers Award for Online Liquor Store
- Opportunity to significantly expand wine offering on DealsDirect, replicating the success of wine expansion to OO



1) Gross sales refer to the value of products sold. Grays receives a commission on sales of these products. Includes \$1.5m sales through OO.

Top Wine Sites by Visits

- Grays is the third largest online wine site² after Dan Murphy's (Woolworths) and 1st Choice (Coles). Grays is the largest non-Woolworths, non-Coles owned site
- Potential to leverage total GraysOnline website traffic for wine sales



2) Based on traffic. GraysOnline Wine visits represents GraysOnline Wine traffic only. Total GraysOnline visits for same period is 33m.

Note: (W) refers to Woolworths and (C) refers to Coles owned brands/stores.

Source: Hitwise: Top Wine Sites by Visits: April '13 – March '14



Very popular with a high rate of repeat purchases

The screenshot displays the Graysonline.com website interface. At the top, there is a navigation bar with the logo, a search bar, and user options like 'Not logged in' and '0 Items in Cart'. Below the navigation, a sidebar on the left provides filters for 'All Categories', 'Wine', 'Variety' (listing Cabernet Sauvignon, Chardonnay, Pinot Noir, Sauvignon Blanc, Shiraz/Syrah), 'Region' (listing AUS, NZ, SA, WA), 'Wine Type' (listing Fortified, Red, Rosé, Sparkling, White), 'Award Winning Wines', 'Wine Critic Rating', and 'Brand'. The main content area features a central banner for 'WINE VINTNERS' with three wine bottles (Peter Lehmann, Stockhausen, Peter Jorgensen) and a 'BID NOW' button. To the right of the banner are promotional banners for '30 day money back guarantee', 'Over 2,000 wines to choose from everyday', '\$9 Auctions from \$9 per case', and 'Speedy Delivery'. Below the banner, there are sections for 'TIPS TO WIN AN AUCTION' (with a 'HOW TO BID 5 Simple Steps' video), 'QUICK LINKS' (listing Auctions Closing Soon, Private Cellar, Award Winning Wine, Most Popular, Special Events, Everyday Drinking, Experts Choice, Grays Tasting Panel), and 'OUR PICK' (Mystery Hunter Valley Shiraz, \$37.99 per bottle, 50% off RRP \$77). The bottom right corner shows 'List View' and 'Gallery View' options.

The clear leader for B2B/industrial auctions

Overview

- Largest B2B online auction marketplace in Asia Pacific for used plant and equipment
- Clients include major corporations, insolvency practitioners, financiers and banks
- Strategic alliance with Iron Planet (US based online marketplace for used heavy equipment) to facilitate sales of excess construction and mining equipment from Australia
- The industrial auction marketplace provides large variety of unreserved content which attracts registered bidders creating the ideal marketplace



B2B brands



- Major site & plant closure
- Industrial inventory reduction
- Monthly multi-vendor sales in industry verticals
- Expressions of Interest and Tenders

- Plant and equipment valuation services
- OH&S consultancy services
- Management of end-of-lease residual values and stocktakes

Why Grays?

- ✓ Strong experienced team
- ✓ Project management
- ✓ All work done in-house
- ✓ Extensive industry experience in large disposal projects
- ✓ Access to over 1.6 million registered purchasers and 1.4 million visitors each month via GraysOnline
- ✓ Trusted marketplace promoting premium price realisation

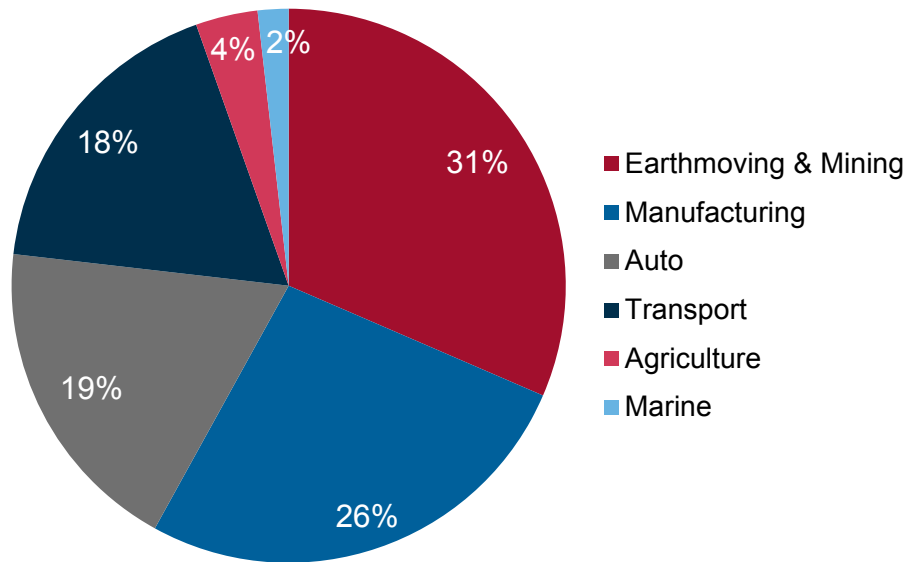
Industry Specialisations

- ✓ Mining and earth moving
- ✓ Infrastructure and construction
- ✓ Transport, automotive and marine
- ✓ Agribusiness
- ✓ Manufacturing and production
- ✓ Hospitality



Actively sourcing industrial equipment and assets with presence in a variety of sectors

Revenue by asset categories



Demand & Supply

Demand Side

Majority Unreserved Content:

- Keep buyer databases in sync with supply side
- By offering the most attractive, dynamically priced content, we become the destination for industrial buyers
- Leverage best in market website analytics and marketing principles



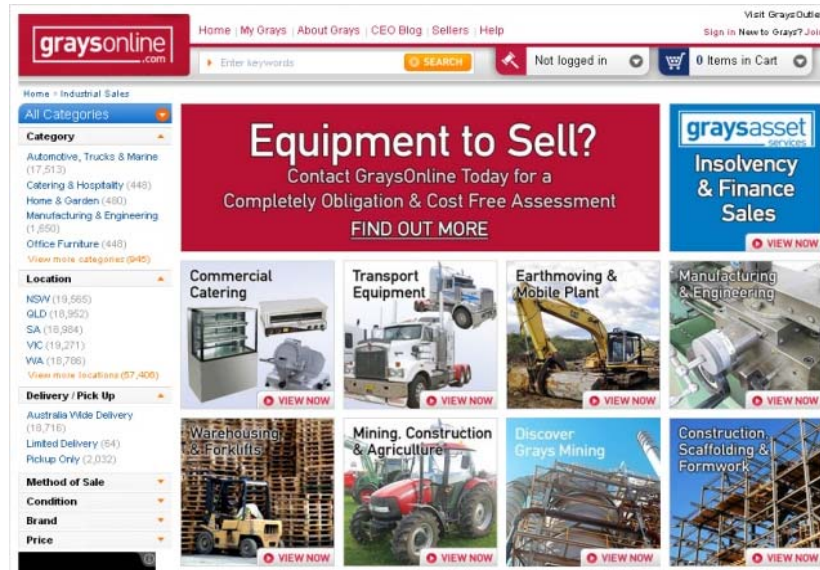
Supply Side

- Corporations
- Banks and Insolvency Practitioners
- SMEs
- State Government and Local Councils

THE TRUSTED PARTNER FOR MAJOR VENTORS

Profile of Grays eCommerce Group

GraysOnline Industrial Website



Major corporate and Government clients



EXPERTISE IN LOGISTICS & WAREHOUSING

Profile of Grays eCommerce Group

- Advanced supply chain expertise developed over the last 14 years. Continued development to improve speed and quality of delivery
- Industry leading warehousing and fulfilment capabilities operating ~60,000m² of distribution centres, including DC in Homebush and Ingleburn, Sydney, and satellite DC's in other States for effective distribution of bulky goods
- Logistics services provided to merchants looking to leverage supply chain expertise thereby obtaining efficient inventory management and cost savings
- Expertise in fulfilment of consumer products direct from China to Australian customers via TopBuy's distribution centre in Shenzhen

Grays Distribution Centre - Homebush



DealsDirect Distribution Centre - Ingleburn



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PRO FORMA SHARE CAPITAL

Profile of Grays eCommerce Group

Issued share capital			millions
Existing MNZ shares on issue ¹			19.1
Shares to be issued in relation to TopBuy acquisition prior to completion ²			0.1
Shares issued to Grays shareholders on completion			73.3
<hr/>			
Pro forma shares on issue at completion			92.5
Options on issue ¹			0.8
Additional shares to be issued in relation to TopBuy acquisition ²			0.7
<hr/>			
Pro forma (fully diluted) shares on issued at completion			94.0
		Minimum	Maximum
Bonus shares (to be issued 12 months post completion) ³		Nil	36.6
<hr/>			
Total		94.0	130.6

1) Per appendix 3B.

2) Per acquisition terms.

3) Grays shareholders who hold at least 75% of their new MNZ shares for a period of 12 months post completion of the acquisition will be issued bonus shares at a ratio of 1 bonus share for every 2 new MNZ shares held.