



## EUMUNDI GROUP

7 October 2010

The Manager  
Company Announcements Office  
Australian Securities Exchange  
Level 5, Riverside Centre  
123 Eagle Street  
BRISBANE QLD 4000

Dear Sir/Madam,

### **Non-renounceable Rights Issue**

Eumundi Group Limited (**Eumundi**) is pleased to announce a non-renounceable rights issue to eligible shareholders, on the basis of one new fully paid ordinary share for every one share held, at an issue price of 3.5 cents per share (**New Shares**) to raise approximately \$2,484,120 before costs (**Rights Issue**). The Rights Issue will be available to all eligible shareholders who hold shares on 15 October 2010 (**Record Date**). Shares issued pursuant to the Rights Issue will rank equally with all shares on issue.

The Rights Issue is fully underwritten by Taylor Collison Limited (**Underwriter**), with entities associated with Joseph Ganim and Gilbert De Deluca (directors of the Company) participating as partial sub-underwriters.

Eumundi does not require shareholder approval in relation to the Rights Issue. Pursuant to the provisions in section 708AA of the *Corporations Act 2001* (Cth), the Rights Issue is being made without a disclosure document. Instead, Eumundi will prepare and send an offer document to shareholders on 20 October 2010 as set out in the timetable below.

After reviewing the shareholder register and considering the costs and complexity of legal and regulatory compliance in foreign jurisdictions, the Company has determined that only those shareholders with registered addresses in Australia or New Zealand will be eligible to participate in the Rights issue.

The purpose of the Rights Issue is to raise approximately \$2,484,120, excluding the costs of the Rights Issue, for the Company to:

- reduce existing debt;
- develop and improve its property investments;
- meet general working capital requirements, including, to assist in investigating and facilitating any future opportunities that may arise; and
- pay for the costs of the Offer.

A proposed timetable for the Rights Issue is set out in the table below:

| Date                                       | Event(s)   |
|--|--|
| 7 October 2010                             | Announce Rights Issue                            |
| 7 October 2010                             | Lodge Appendix 3B and Offer Document with ASX    |
| 11 October 2010                            | "Ex" Date – securities are quoted on an ex basis |
| 15 October 2010                            | Record Date                                      |
| 20 October 2010                            | Despatch offer documents to shareholders         |
| 20 October 2010<br>(9.00am Brisbane time)  | Rights Issue opens                               |
| 16 November 2010<br>(5.00pm Brisbane time) | Rights Issue closes                              |
| 24 November 2010                           | Allotment of New Shares                          |
| 25 November 2010                           | Trading in New Shares commences                  |
| 26 November 2010                           | Despatch of New Share holding statements         |

This timetable is indicative only and may be subject to change subject to the requirements of the *Corporations Act 2001 (Cth)* and the ASX Listing Rules, in consultation with the Underwriter.

#### Further information

The Company anticipates that approximately 70,974,845 New Shares will be issued. The New Shares will be issued for 3.5 cents each.

Upon completion of the Rights Issue, the issued capital of Eumundi will comprise approximately 141,949,690 shares.

The New Shares will rank equally in all respects with Eumundi's existing shares. If an eligible shareholder's entitlement results in a fraction of a New Share, the shareholder's entitlement will be rounded up to the nearest whole number.

There will be no deferred settlement trading in respect of the New Shares to be issued pursuant to the Rights Issue. Trading in the New Shares is expected to commence on 25 November 2010, the first business day following despatch of the holding statements for the New Shares.

An Appendix 3B applying for quotation of the New Shares will be lodged with ASX separately.

Eumundi encourages all eligible shareholders to participate in the capital raising.

Yours faithfully,



Mr Joseph Ganim  
Chairman  
Eumundi Group Limited