

6 August 2013



Dear Smartpay Shareholder

ASX Listing and Share Consolidation

We are delighted to announce that we have submitted to the Australian Securities Exchange our application for the admission of Smartpay Holdings Limited to the Official List of the Australian Securities Exchange. This is the final part of the ASX listing process that we began last year and we expect our shares to be trading on the ASX within the next 2 – 6 weeks, subject to the timing and final approval of the ASX. We will provide an update on the exact date of commencement of trading on the ASX once we have confirmation from the ASX.

This represents another significant milestone for our company which we expect will deliver benefits to shareholders through access to a broader investor base and the deeper Australian equity markets. With Australia being a key growth market for our payments products we also expect that being listed on the Australian Stock Exchange will further promote our market position with both retail merchants and bank partners as a leading and reputable provider of innovative merchant payment solutions.

As one of the conditions to listing on the ASX is that Smartpay's shares must have a market price of at least A\$0.20 at the point of listing and as at the close of trading on the NZX Main Board on Friday, 2 August 2013 Smartpay's share price was NZ\$0.145, being less than the required price for listing on the ASX, in order to satisfy the A\$0.20 share price condition the Board of Smartpay advises that it has resolved to consolidate the existing ordinary shares ("Shares") on issue in Smartpay ("Consolidation").

Under the Consolidation, every 2 existing Shares held in Smartpay on Tuesday, 20 August 2013 ("Record Date") will be consolidated into one share. As a result of the Consolidation the number of shares on issue in Smartpay will be reduced from 343,504,304 to approximately 171,752,152 Shares. Fractional entitlements to Shares which arise as a result of the Consolidation will be rounded up to the nearest Share.

Pre-Consolidation holdings in the same name will be aggregated for calculation of entitlements to post-Consolidation Shares. Where Smartpay considers that pre-Consolidation holdings have been split in order to take advantage of rounding, Smartpay reserves the right to aggregate holdings held by associated shareholders for the purposes of calculating entitlements to post-Consolidation Shares.

The Consolidation will take effect from 5.00pm (New Zealand Time) on Tuesday, 20 August 2013 and will be completed on the basis of Smartpay's register as at that date. All Shares held by shareholders on the register at that time will be consolidated on a 1 for 2 basis as described above. The precise number of Shares then on issue will be announced on or shortly after this date.

The key dates are as follows:

Last day for trading in pre-Consolidation Shares on NZX Main Board	Thursday, 15 August 2013
Last day for registration of transfers on a pre-Consolidation basis	Tuesday, 20 August 2013
Record Date – Smartpay Shares consolidated	5.00pm Tuesday, 20 August 2013
Commencement of trading in post-Consolidation Shares on NZX Main Board	Wednesday, 21 August 2013
Despatch of notices and shareholder statements	By Tuesday, 27 August 2013

Shareholders will receive a statement from Smartpay's share registrar, Computershare, a few days after the Consolidation notifying them of their new shareholding.

It is important to note that while the Consolidation will reduce the number of Shares you own in Smartpay by a factor of 2 it will not impact your relative percentage shareholding in Smartpay. In addition, it is anticipated that the price at which Smartpay Shares trade on the NZX Main Board immediately following the Consolidation should increase relative to the Consolidation ratio.

Please note that all outstanding options on issue by Smartpay will be consolidated in the same ratio, and the exercise price amended in inverse proportion to that ratio, to ensure equitable treatment with the holders of Shares.

If you have any questions about the Consolidation, please contact Rowena Bowman on +64 9 442 7769.

Yours sincerely

SMARTPAY HOLDINGS LIMITED



Ivan Hammerschlag
Chairman