



MEDIA RELEASE

IVE Group Expands into Large Format Web Offset Catalogue Printing Sector with Acquisitions of Franklin Web and AIW Printing

Monday 5 December, 2016 Sydney, Australia: ASX listed diversified print and marketing communications business IVE Group Ltd (ASX code: IGL), has today announced it will acquire Melbourne based catalogue printers Franklin Web (Franklin) and AIW Printing (AIW) for a combined consideration of \$116 million.

The Acquisitions consolidate IVE's position as Australia's leading vertically integrated marketing and print communications company, and is based on strong strategic and financial rationale. The move into large format web offset (LFWO) catalogue production is a logical and attractive extension for IVE as it continues to broaden its product and service offering, further enhancing its already powerful value proposition to the retail sector.

Franklin is a specialist catalogue producer with facilities based in Sunshine, Victoria. Founded in 1936, Franklin is one of the leading players in the LFWO sector and has built a reputation as a low cost producer of quality catalogue products. Franklin's strong culture of customer service, combined with a history of significant investment and product innovation, has enabled Franklin to build long term relationships with many of the leading retailers in Australia. Franklin is a market leading, highly efficient catalogue producer and the cornerstone acquisition for IVE's expansion into the LFWO sector.

Established in 2001, AIW specialises in catalogue production. AIW is a significant player in the LFWO sector based in Springvale, Victoria.

The existing AIW operation at Springvale, Victoria will be fully integrated into Franklin's world class operations at Sunshine, Victoria. IVE's Blue Star DISPLAY business in Victoria will also be integrated with Franklin's retail display business. IVE will invest an expected \$18 million for the relocation of equipment and establishment of a catalogue production capability in IVE's Blue Star WEB facility in Sydney and the expansion of IVE's Blue star DISPLAY capability in Victoria. IVE expect the integration to be completed within 12 months.

Franklin's Chief Executive Officer and owner, Phil Taylor will lead the combined Franklin operation at Sunshine.

IVE Group Executive Chairman Geoff Selig said: "our decision last year to list on the ASX has provided the foundation from which to pursue meaningful opportunities for the ongoing evolution and diversification of our business, whilst at the same time ensuring we continue to grow value for our shareholders. Like our own family printing business that was founded in 1921, Franklin is a third generation business founded by Len Taylor in 1936. I have known and highly respected Phil Taylor for many years, and strongly believe the coming together of the collective experience, passion and unparalleled capabilities of IVE, Franklin and AIW positions us incredibly well in the market to ensure our customers benefit from access to a unique global offering"

Phil Taylor, CEO Franklin Web said, "Franklin Web has been a huge part of my and my family's life for a very long time. Whilst it's been a highly emotional decision to sell the family business, I feel very comfortable that the shared values and business philosophy of IVE and Franklin will ensure we continue to build on our success moving forward. I very much look forward to being an integral part of the broader team as we execute on our vision for the business over the years ahead. I have no doubt that our dedicated staff, our suppliers and our customers will benefit greatly from the expanded product and service offering. I will also be pleased at the completion of this transaction to be a significant shareholder in the IVE Group"

"Charles Garrard, Chairman of AIW, said 'Industry consolidation in the large format web offset sector is long overdue because of the excess capacity. Despite strong support from our customers and dedicated staff, for which we are extremely grateful, AIW is not immune to the effects of this overcapacity. We believe that a combined IVE, Franklin and AIW operation will be a robust competitor offering a more diverse value proposition for its valued customers.'

IVE's FY16 pro-forma revenue and EBITDA post synergies of the enlarged group is \$610 million and \$73.7 million respectively.

The acquisitions will be funded by a mix of equity and debt.

The acquisitions are expected to be completed on December 13, 2016.

For any enquiries please contact:

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About IVE Group Ltd

IVE Group Ltd is an ASX listed vertically integrated marketing and print communications provider. IVE enables its customers to communicate more effectively with their customers by creating, managing, producing and distributing content across multiple channels. IVE has an unparalleled product and service offering in Australia and holds leading positions across multiple sectors.

IVE approaches the market with a solution focused strategy and consists of 4 operating divisions – Kalido (creative and marketing services), Blue Star Group, Pareto Group (fundraising specialists- NFP sector) and IVEO (managed solutions).

IVE employs 1,300 talented and committed people across its operations in Sydney, Melbourne, Brisbane, China and New Zealand. The Group services all major industry sectors including financial services, publishing, retail, healthcare, communications, property, clubs and associations, not-for-profit, utilities, manufacturing, education and government.

www.ivegroup.com.au

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