

Monday 25th November 2019

Salmat enters into an agreement to sell Marketing Solutions business

Salmat Limited (ASX:SLM) today announces that it has entered into an agreement to sell its Marketing Solutions business to a wholly-owned subsidiary of IVE Group Limited (ASX:IGL) for \$25 million cash (subject to customary net working capital adjustments on completion).

Under the terms of the agreement, completion is scheduled to occur on 1 January 2020, subject to the satisfaction of conditions precedent. As part of the transaction, IVE Group will also acquire all of the shares in Salmat subsidiary Reach Media New Zealand Limited, which operates a catalogue distribution business in New Zealand. IVE Group will provide transitional support services to Salmat, including the MicroSourcing business, post-completion until final separation takes place.

The decision to sell the Marketing Solutions business followed a comprehensive industry review process undertaken by Salmat's management and Board, looking at strategies to address sustainability in the catalogue distribution network.

Salmat CEO Rebecca Lowde said "Having considered a number of alternatives, we believe that the IVE proposal represents the best available option for employees, clients, shareholders and the Marketing Solutions business as a whole in the current market.

"The change in ownership will bring together our market-leading catalogue distribution business with the complementary print, data and marketing offering of the IVE Group. IVE is committed to continuing Salmat's innovation strategy with further investment to support the ongoing sustainability of the distribution business.

"As we work towards sale completion, we are also now considering the best future options for Salmat and the MicroSourcing business. We will keep the market updated regarding any material decisions," said Ms Lowde.

Additional information about Salmat's Marketing Solutions business and IVE Group Limited follows below.

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For further information, please contact:

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ABOUT SALMAT

Salmat is a leading Australian marketing services provider. For over 40 years, we have helped clients connect with their customers, week-in, week-out. Salmat's unique combination of targeted letterbox and online catalogues enables clients to reach consumers and turn them into customers.

Salmat's Marketing Solutions business incorporates Australia's leading catalogue distribution network, reaching up to 17 million Australians in 7 million homes each week. The Lasoo online catalogue site extends the reach of the printed catalogue and takes shoppers right to the checkout. Sophisticated data and analytics helps to inform highly targeted marketing.

Salmat also provides a wide range of back office solutions, through our Philippines-based Managed Services business, MicroSourcing. We make it easy and affordable for businesses to build their own professional teams handling anything from animation or accounting through to technical support and web development.

ABOUT IVE

IVE is a holistic marketing services provider. IVE enables its clients 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 employs 1,800 talented and committed people across its operations in Sydney, Melbourne, Brisbane, China, Singapore 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.

Further information on IVE can be found at www.ivegroup.com.au