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By E-Lodgment

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Newcastle, NSW 2300

Strategy Update and acquisition of Horizon Print Management Pty Ltd by Vertua Investments Ltd

Vertua Limited is pleased to announce that its wholly-owned subsidiary, Vertua Investments Ltd, has entered into a contract to purchase Horizon Print Management Pty Ltd ("HPM"). Accordingly, Vertua Limited wishes to provide shareholders with a strategy update as well as provide specifics of this new transaction.

Vertua Limited strategy update

Vertua Limited will continue to focus on the development of residential property throughout New South Wales and Queensland. The company is currently assessing a number of potential sites in conjunction with Fiducia Group and hopes to be able to acquire a suitable residential development site upon full realisation of the current project in Lane Cove. Earlier today, Vertua announced that it has sold 75% of the project in Lane Cove, on time and on budget.

For the abundance of clarity for shareholders, Vertua Limited's core business will be the same residential property development it has carried on continuously since 2004.

Vertua Investments Ltd

Vertua Investments Ltd was formerly Property Fox No.1 Limited ("PF1"). Long-term shareholders will remember that PF1 was taken over by Vertua many years ago. It has since completed all active developments.

The directors resolved to rename PF1 as Vertua Investments Ltd ("VIL") in January 2015. The name aligns the company with Vertua Limited and assists in focusing its business on making strategic investments, which the board may identify from time to time.

The company expects to continue to seek suitable investments and expand the overall portfolio of VIL over time.

Acquisition of Horizon Print Management Pty Ltd

Vertua was presented the opportunity to acquire HPM and its business early in 2015. HPM is a print brokerage business that was spun out of the Yellow Media Brands business in 2013. Historically the company was formed to manage printing associated with the publication of the direct mail media



“the yellow envelope”. Since its formation the business has expanded to handle third party printing as an agent or broker for its clients.

HPM has a diverse client base, which is primarily focused on marketing collateral, including magazine publications, direct mail, point of sale and signage. The business has been growing organically for years and has been profitable in its own right each year since incorporation. The business, which is located in Sydney and has four transferring employees, had actual and projected turnover of approximately \$6.8 million and annual profit before tax and extraordinary items of approximately \$350,000 in FY2014, and is on track to grow this in FY2015. The acquisition should see the company's total assets increase by \$280,000 and annual profit before tax and extraordinary items increase in FY2015 by \$350,000.

The acquisition has been based on an EBIT multiple less adjustments for one-off transactions. Vertua expects the total (cash) consideration to be between \$1.1mill and \$1.5mill dollars plus transaction costs. The acquisition sees no change in Vertua Limited's board or senior management. Subject to completion, Vertua will enjoy the economic benefit of the HPM business and from 1 March 2015. Mr James Manning has been appointed to the HPM Board to represent and protect Vertua's interests during this interim period.

Funding of acquisition

Vertua is in discussions for a debt instrument to fund the acquisition of Horizon Print Management Pty Ltd. Vertua expects that this may involve a small placement, and an issue of options, which the company hopes will be converted into shares in the future.

Acquisition subject to shareholder approval

The acquisition represents a significant transaction for the company in terms of NSX listing rule 6.41. As such, and after having consulted NSX, the acquisition is subject to shareholder approval. The acquisition is also conditional on Vertua Limited obtaining such shareholder approvals to approve the placement and options issue (including under s611, item 7 of the *Corporations Act 2001* and NSX listing rule 6.25). An Extraordinary General Meeting is to be convened to seek these approvals, with the meeting expected to be held in late April / early May 2015. Completion of the acquisition should proceed shortly thereafter.

Resumption of Trade

Vertua expects that it will be in a position to resume trading in its shares once the final terms of the above-mentioned debt instrument are resolved.



James Manning
Managing Director