YPB Group Ltd.
ABN 68 108 649 421
ASX code: YPB
GLOBAL LEADER IN ANTI COUNTERFEIT TECHNOLOGY
Level 29, 66 Goulburn Street, Sydney NSW 2000
T: +612 8263 4000 F: +612 8263 4111

ASX: YPB

ASX/MEDIA ANNOUNCEMENT
18th August 2014

YPB Group to acquire US-based anti-counterfeit App and online business

Acquisition complements YPB's global web and App strategy and provides an immediate presence in US market.

Anti-counterfeiting technology Company YPB Group Limited (ASX: YPB) (YPB, the Company) is pleased to announce that it has entered into a binding Letter of Intent (LOI) to acquire US based anti-counterfeit App and online business, Brand Reporter.

Brand Reporter is a fully developed, revenue generating business, which provides an App-based and on-line anti-counterfeit solution for Brand Owner customers and consumers alike.

It provides a white-labeled, cross-platform reporting application that helps companies and consumers fight counterfeiters. Through the Brand Reporter app, employees and consumers are able to report counterfeit items, which companies can then investigate and respond to as they deem necessary.

The Brand Reporter acquisition will fit perfectly into YPB's web and app strategy to develop a global database of counterfeit goods through mass adoption of mobile and web applications. It will also provide the Company with a presence in the US market, with a live and growing order book.

Leading Los Angeles-based technology incubator company, Curious Minds, developed Brand Reporter. Curious Minds was founded in 2004 by serial tech entrepreneurs, David & Sam Gonen.

Under the terms of the LOI, YPB proposes to acquire 100% of all the related assets of Brand Reporter for a combined cash and YPB scrip consideration of not more than US$600,000, where the cash component is expected to be not more than 25% of the total consideration.

Also, on successful completion of the acquisition, YPB will establish a US headquarters at the Curious Minds Los Angeles head-office, and will also deploy a US sales team to grow the Brand Reporter customer base.

The completion of the acquisition is subject to a due diligence period and successful completion of relevant documentation, which YPB expects to be concluded within 4-6 weeks.

Brand Reporter is sold to Brand Owners as a "white label" solution for a monthly fee (paid in advance). On completion of the acquisition, YPB intends to fully integrate the technology into its App-based platform for release in to the China market in Q4 2014.

The existing technology requires limited adaption to allow it to be sold in China and will expedite YPB's ability to release a full suite of web and App-based products to the China market. Revenues will be generated from Brand Owner license fees for Brand Reporter, cross selling of YPB's core tracer and scanner solutions, plus the global anti-counterfeiting reference database developed from the data gathered by each Brand.

Advantages of Brand Reporter acquisition

1. Brand Reporter is fully developed for web, iPhone and Android platforms, and easily adaptable to suit YPB's overall web/mobile strategy, speeding YPB's ability to role out a full mobile and web solution in China and globally.

2. Brand Reporter allows YPB easy access to the USA market where the product already has traction.

3. Curious Minds and YPB will co-operate in the technology adaption and YPB will operate from the Curious Minds facility in the USA in the short term giving YPB immediate USA presence.

The Company will keep the market informed on the progress of the acquisition.

ENDS

For further information please contact;

Mr John Houston
CEO
YPB Group Limited
T: +61 458 401 088
E: john.houston@ypbsystems.com
W: www.ypbsystems.com

Mr Greg Wood
Managing Director
K S Capital
T: +61 416 076 377
E: g.wood@kscapital.com.au

Media and Investor Inquiries
James Moses
Media and Investor Relations
Mandate Corporate
T: +61 420 991 574
E: james@manadatecorporate.com.au

About YPB Group

YPB Group (ASX:YPB) is an anti-counterfeiting technology company. It provides a unique, cost effective, invisible, indestructible anti-counterfeit solution that allows companies and governments to protect the value of their brands and minimise loss of earnings from counterfeiting. The Company is initially focused on the China and greater Asia markets. The YPB business is well established and has a number of substantial customer contracts in place and a strong new business pipeline.

<u>YPB Group's core products include</u>;

Forensic Tracers – These are hidden, invisible and indestructible particles fused into a product or packaging during or after the manufacture process. The Tracers can be used in all key product manufacturing and packaging industries including plastics, paper, inks, textiles and coatings. They cannot be seen or removed and are impossible to destroy or damage as they are part of the product. They consist of infrared, UV light energy and X-ray sensitive particles detectable by YPB's scanner technology.

YPB owns two patents over its Tracer products and is the only Company currently licensed in China to supply invisible tracers. YPB's Tracers are considerably cheaper than other alternative anticounterfeit methods and technologies.

Scanner – YPB's proprietary scanner detects YPB's forensic Tracers and confirms the host product's authenticity. They are low cost and can be used at any point in the supply chain – from manufacture through to point-of-sale. Encryption is used on the scanners and software, and any attempt to reverse engineer triggers a self-destruct software code.

Smartphone App – A revolutionary new application to provide consumers the ability to authenticate a product as real or fake, via their mobile phone handset. Further R&D and development will see YPB's smartphone App launched in H2, 2014 and will initially target the massive China Smartphone App market. A patent application has been submitted for the Smartphone App and is Patent Pending through the PCT process. In addition to the App technology, YPB will also develop a web based solution in 2015 for China and Global release

About Curious Minds

Curious Minds is a privately-owned Los Angeles headquartered incubator-accelerator-angel investor firm for technology start-up companies. It was founded in 2004 by tech entrepreneurs David and Jonathan Gonen. Its goal is to nurture great ideas into Minimum Viable Products and then into independent revenue-generating companies. Curious Minds has operated and invested in a range of technology start-ups, including online fraud and spam detection company, TeleSign, which was ranked #15 on the Deloitte Technology Fast 500 in 2011, and doubled revenues to $50 million in 2013.