Strategic Acquisitions of Franklin Web and AIW and Capital Raising

/ 5 DECEMBER 2016

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01 / Transaction overview

Overview

IVE is expanding into the LFWO sector via the strategic acquisitions of Franklin and AIW

Overview

- IVE Group Limited (**IVE**) has entered into binding agreements to acquire:
  - Franklin Web (**Franklin**) for $100 million as the cornerstone acquisition; and
  - AIW Printing (**AIW**) for $16 million (together, the **Acquisitions**)(1)
- The Acquisitions represent IVE's strategic expansion into the large format web offset (**LFWO**) sector:
  - LFWO operators specialise in the production of retail catalogues;
  - the Acquisitions are consistent with IVE's strategy to be a leading, full service marketing and print communications provider
- The Acquisitions will make IVE a leading player in the LFWO sector and establish it as a low cost and highly efficient specialist catalogue producer through:
  - the acquisition of Franklin and integrating AIW's operations into Franklin's market leading facility in Victoria over the next 12 months; and
  - enhancing the combined group's national coverage through the establishment of a catalogue production capability in IVE's Blue Star WEB facility in Sydney
- The IVE management team have a successful track record of acquiring, integrating and rationalising manufacturing businesses and a detailed integration plan has been developed

(1) The Acquisitions are subject to customary conditions precedent

Strategic rationale and highlights

Combining IVE, Franklin and AIW will create a competitive advantage and opportunities for future growth

1

LFWO sector is an attractive and complementary sector for IVE

- Catalogues continue to be a core part of retailers' marketing strategies due to their audience reach and affordability

2

Franklin is considered a market leading, low cost catalogue producer and the cornerstone acquisition for IVE's expansion into the LFWO sector

- IVE integrating AIW into Franklin and leveraging its low cost production environment is expected to deliver operational synergies of approximately $11.5 million per annum
- Establishing a catalogue production capability in Sydney will significantly enhance IVE's ability to service national retailers

3

Significant opportunity to cross sell across the broader combined customer base

- Broadening IVE's customer base across a range of leading retailers
- Minimal overlap between IVE's existing customers and the customers of Franklin and AIW

4

Diversifies IVE's revenue base through expanding the range of value added products and services

5

Financially compelling with expected EPS accretion of over 20%[(1)] through unlocking operational synergies

- Post-synergies, the Acquisitions represent an enterprise value / FY16 pro forma normalised EBITDA of 3.8x

6

Strengthens management capabilities to support integration and growth

(1) Once synergies are fully realised and excludes one off restructuring costs and one off capital expenditures

Transaction summary

Overview of Franklin	• Franklin is the third largest LFWO operator in the Australian market by revenue(1) with pro forma revenues of $151.2 million(2) and EBITDA of $21.2 million(2) in FY16 (FY16 EBITDA margin of 14%) • Owned by Phil Taylor, who will lead the combined Franklin and AIW business
Overview of AIW	• AIW is the fourth largest LFWO operator in the Australian market by revenue(1) with pro forma revenues of $76.8 million(2) and an EBITDA loss of $1.8 million(2) in FY16
Synergies	• Expected operational synergies of approximately $11.5 million per annum (full run rate) expected to be realised within 12 months post completion, driven by consolidating the assets and business operations of Franklin and AIW and integrating IVE's Blue Star DISPLAY business in Victoria with Franklin's retail display business. In addition, there is potential for additional unquantified revenue and cross-sell opportunities available • Implementation costs include one off restructuring costs expected to be between $6.5 million and $7.5 million, and one off capital expenditures expected to be up to $18 million
Funding	• The Acquisitions and associated transaction costs will be fully funded through a combination of equity and debt – a fully underwritten equity raising comprising a placement and entitlement offer: ○ a 1 for 8.9 pro-rata, accelerated, non-renounceable entitlement offer to raise $20 million ○ a placement of 10m shares to raise $20 million – the issue of approximately $4.3 million of IVE shares to the Franklin vendors and approximately $16 million of IVE shares to the AIW vendors – $62.2 million draw down of the $92.0 million new additional senior debt facilities provided by a syndicate of banks, including IVE's existing lender
Expected financial impact	• EPS accretion of over 20% expected once synergies are fully realised (excluding one off restructuring costs and capital expenditures) • The Acquisitions will result in a pro forma net debt / pro forma FY16 EBITDA of approximately 1.8x at completion – debt levels are expected to reduce from high cash generation and synergies • IVE intends to maintain its stated dividend policy of a payout ratio between 65% and 75% of NPAT
Trading update	• Continue to execute IVE's strategy to further diversify and grow • Integration of recent acquisitions and the continuation of a disciplined acquisition program • IVE is well-positioned to build on its business momentum and on the strong culture that defines the company and delivers year on year growth

(1) Based on IVE's management estimates of FY16 LFWO revenues

(2) The pro forma historical combined profit and loss statement has been prepared by IVE based on the audited financial statements for IVE for the financial year ended 30 June 2016 and adjusting for the impact of the acquisitions of AIW and Franklin and the Offer. The financial information for AIW has been extracted from the audited financial statements of AIW for the financial year ended 30 June 2016 and the financial information for Franklin has been extracted from the unaudited statutory accounts of Franklin for the financial year ended 30 June 2016 A number of pro forma adjustments have been made to the Franklin and AIW financial information. The primary adjustment is to reflect the terms of the new Franklin lease agreement to be entered into in relation to the Franklin property and the terms of the sale and lease back of the AIW property on 30 June 2015

02 /
Overview of Franklin and AIW

Overview of Franklin

Franklin is a market leading specialist catalogue producer and the cornerstone acquisition

Business overview

- Established in 1936, Franklin is a third generation business owned by Phil Taylor
- Franklin is the third largest LFWO operator in the Australian market by revenue(1) and has 182 employees
- Operating locations
  - headquartered in Sunshine, Victoria with a 55,000sqm operating facility providing the opportunity to accommodate AIW equipment
  - sales office locations in Sydney, Brisbane and Adelaide
- A strong culture of customer service combined with a history of product innovation has enabled Franklin to build long term relationships with many of the leading retailers in Australia
- In recent years, Franklin has developed a complementary retail display business to broaden its customer offering

Services

Service	Description	Share of revenues
Catalogues	• Franklin's core capability is the production of retail catalogues and associated materials • Franklin is a leading catalogue producer in Australia, providing innovative solutions to increase the impact of a customer's catalogue campaign	**94% of Franklin's FY16 pro forma revenues(2)**
Retail display	• Franklin provides a wide range of retail display products as a complementary 'value-add' to its core catalogue offering	**6% of Franklin's FY16 pro forma revenues(2)**

(1) Based on IVE's management estimate of FY16 LFWO revenues
(2) The pro forma financial information is based on Franklin's unaudited statutory accounts for the financial year ended 30 June 2016

Financial performance of Franklin

Franklin is a low cost and highly efficient specialist catalogue producer

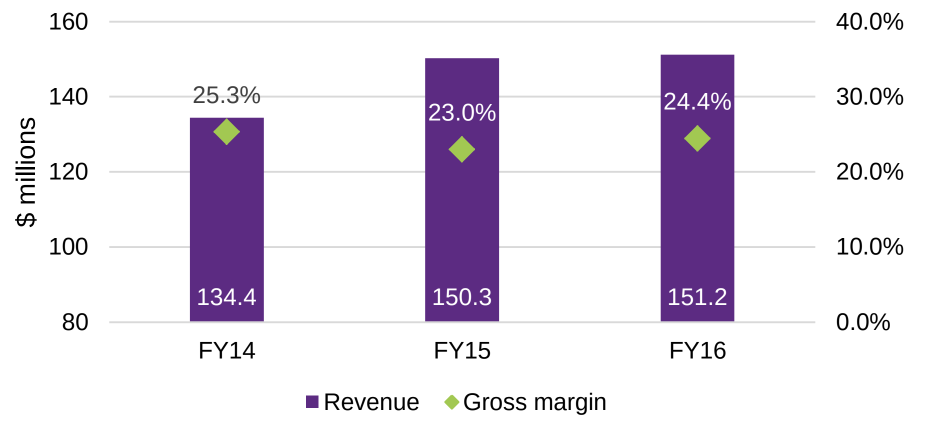
Revenue

- Revenue growth of 12.4% from FY14A to FY16A was primarily driven by new contract wins and growth in retail display sales
- Gross margin improvement from FY15A to FY16A was driven by improved procurement of key input costs and growth in retail display sales which attract a higher gross margin
- Franklin has high quality customers across multiple industries with the top three industries serviced being:
  - department stores;
  - pharmacy retailers; and
  - electrical retailers
- Average tenure of Franklin's top twelve customers(1) is nine years

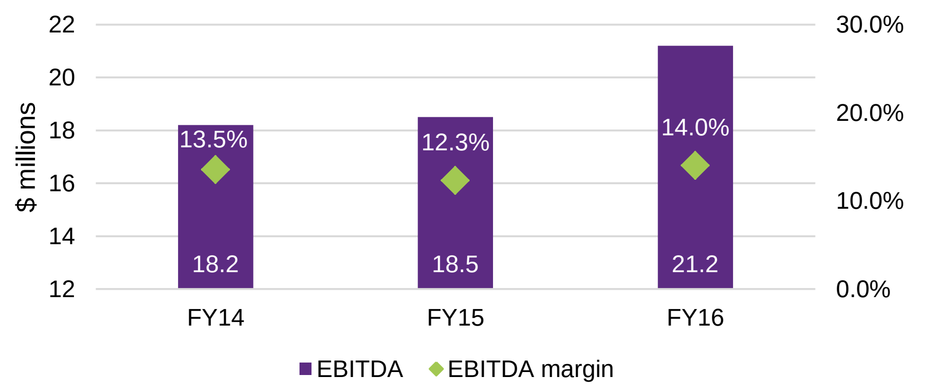
EBITDA

- EBITDA growth of 16.5% from FY14A and FY16A was driven by new contract wins, reduced input costs and growth in the higher margin retail display business
- High EBITDA to operating cash flow conversion in excess of 100% between FY14A and FY16A

Pro forma revenue and gross margin(1)



Pro forma EBITDA and EBITDA margin(1)



(1) The pro forma financial information is based on Franklin's unaudited statutory accounts for the financial year ended FY14, FY15 and FY16. A number of pro forma adjustments have been made to the Franklin financial information. The primary adjustment is to reflect the terms of the new Franklin lease agreement to be entered into in relation to the Franklin property

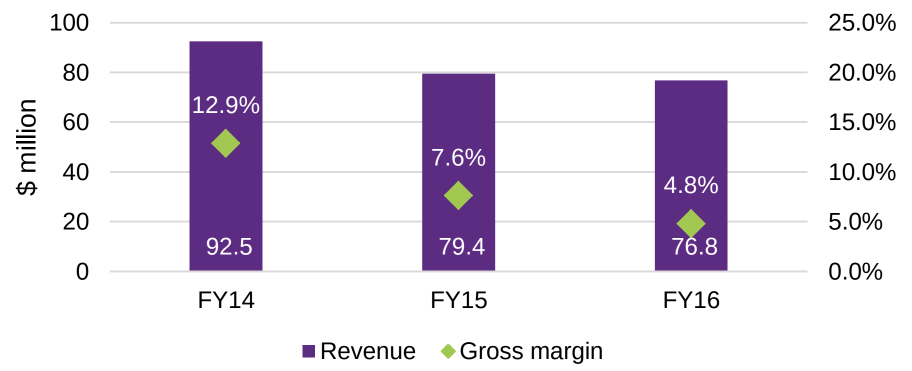
Overview of AIW

AIW will be integrated with Franklin to deliver significant integration and synergy benefits

Business overview

- Established in 2001, AIW specialises in catalogue production and is owned by the Taverners Group
- AIW is the fourth largest LFWO operator in the Australian market by revenue(1) and has 121 employees
- Headquartered in a 32,000sqm operating facility in Springvale, Victoria
- Customers include a range of long term blue chip retailers

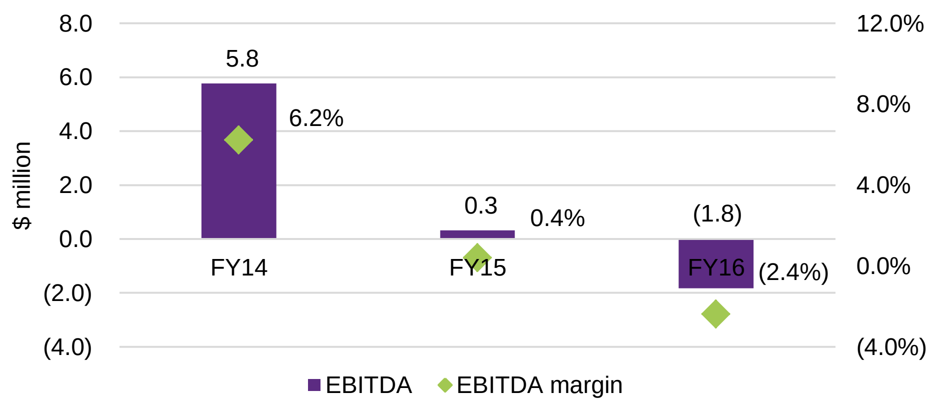
Pro forma revenue and gross margin(2)



Financial performance commentary

- The deterioration in the financial performance between FY14A to FY15A is due to the loss of a major contract. Further decline in the financial performance between FY15A and FY16A is primarily due to pricing pressures and a fixed cost base
- Opportunity for IVE to integrate AIW's operations into Franklin's market leading facility and leverage Franklin's low cost production environment

Pro forma EBITDA and EBITDA margin(2)



(1) Based on IVE's management estimate of FY16 LFWO revenues
(2) The pro forma financial information is based on AIW's audited financial statements for the financial year ended FY14, FY15 and FY16. A number of pro forma adjustments have been made to the AIW financial information. The primary adjustment is to reflect the terms of the sale and lease back of the property on 30 June 2015

03 / Transaction rationale and impact on IVE

Strategic rationale

Consolidating the LFWO sector is a strategic move by IVE to unlock value for shareholders

1 Attractive and complementary sector

- ✓ LFWO is a sector in which IVE does not currently operate but is complementary to its product and service offering
- ✓ Attractive sector as catalogues continue to be a core part of retailers' marketing strategies due to their audience reach and affordability

2 Combines Franklin's market leading business with AIW and IVE

- ✓ The integration of AIW with Franklin's low cost production environment will establish IVE as a low cost and highly efficient specialist catalogue producer
- ✓ Greater national coverage with expanded manufacturing footprint in Sydney and Melbourne, which is attractive to national retailers

3 Broader customer base and significant opportunity to cross sell

- ✓ Broadens the customer base across a range of leading retailers
- ✓ Minimal overlap between IVE's existing customers and the customers of Franklin and AIW

4 Diversifies revenue base

- ✓ Expands IVE's range of value added products and services
- ✓ Strengthens IVE's offering to the retail sector

5 Financially compelling through unlocking synergies

- ✓ Unlocking operational synergies expected to be approximately $11.5 million per annum
- ✓ Acquisitions are expected to be over 20% EPS accretive once synergies are fully realised(1)

6 Strengthens management capabilities to support growth

- ✓ Phil Taylor, the current owner of Franklin, will lead the combined Franklin and AIW business
- ✓ Enhanced management capabilities and relevant expertise to support integration and growth

(1) Excludes one off restructuring costs and one off capital expenditures

Attractive and complementary sector

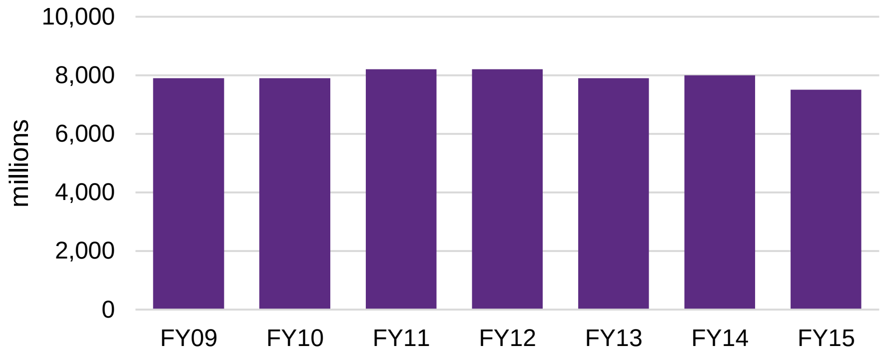
The LFWO sector produces catalogues which are a core media distribution channel

Sector overview

- The LFWO sector specialises in the production of retail catalogues
- The market for catalogues is estimated to be ~$1.5 billion[(1)] in Australia, and reaches an estimated audience of 19.7 million[(1)] people
- With 70% of customers preferring print catalogues over digital media[(1)], catalogues offer advertisers an affordable media channel with strong customer engagement
- The four key operators in the sector are Franklin, AIW, PMP and IPMG
  - PMP and IPMG have recently announced a proposed merger
- In recent times, the sector has suffered from over-capacity

Industry volumes by distribution[(1)]

- In Australia, approximately eight billion catalogues are distributed each year



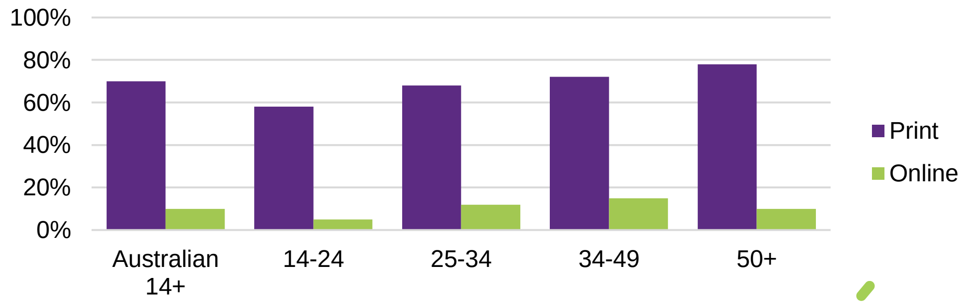
Preferred media channel (Catalogues)[(1)]

- Catalogues remain a key media channel in influencing purchasing decisions in key consumer segments

Segment	Influence[(2)]
Groceries	49%
Liquor	42%
Children's wear	40%
Toys	39%
Cosmetics / toiletries	36%
Clothing / fashion	35%

Catalogue readership: print vs online[(1)]

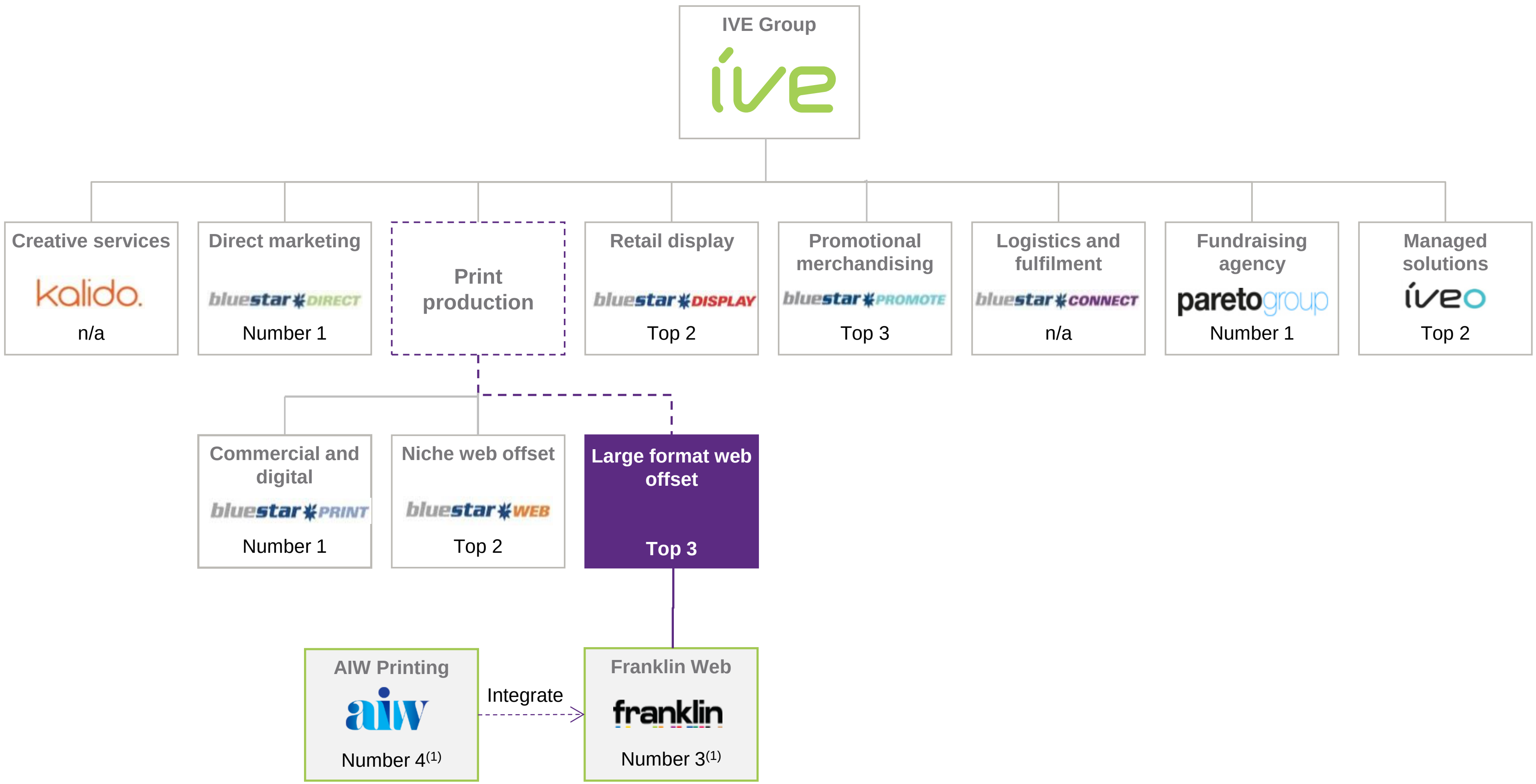
- 70% of Australian aged 14+ read catalogues, with 67% of 25-34 year olds (a power consumer market) reading printed catalogues compared to 13% reading online



(1) Source: Australian Catalogue Association 2015 industry report
(2) Influence is the portion of Australians who believed that catalogues were the most useful form of media when making purchasing decisions

Attractive and complementary sector (cont.)

The Acquisitions further enhance IVE's unparalleled marketing offering



(1) Based on IVE's management estimate of FY16 LFWO revenues

Combining Franklin and AIW

Integrating AIW into Franklin and leveraging its low cost production environment

Franklin

- ✓ Cornerstone of new LFWO strategy
- ✓ Extensive due diligence completed
- ✓ Well known to IVE for a number of years
- ✓ Lowest cost producer, quality manufacturing assets
- ✓ Long term customer relationships, track record of customer retention
- ✓ Focus on customer service and product innovation
- ✓ Strong cultural fit with IVE
- ✓ Experienced management team, led by Phil Taylor
- ✓ Additional space available for expansion
- ✓ Strong forward bookings
- ✓ Excellent reputation and extensive knowledge and contacts

Integration

- ✓ Detailed integration plan developed
- ✓ Execution within 12 months
- ✓ Selected AIW assets relocated to Franklin's market leading facility
- ✓ Staged exit from AIW site
- ✓ Key AIW staff retained
- ✓ Catalogue capability established in Blue Star WEB's Sydney facility
- ✓ LFWO sector revenues re-balanced across Sydney and Melbourne operations
- ✓ IVE's Victorian retail display business integrated with Franklin's retail display business

Industry leading specialist catalogue producer

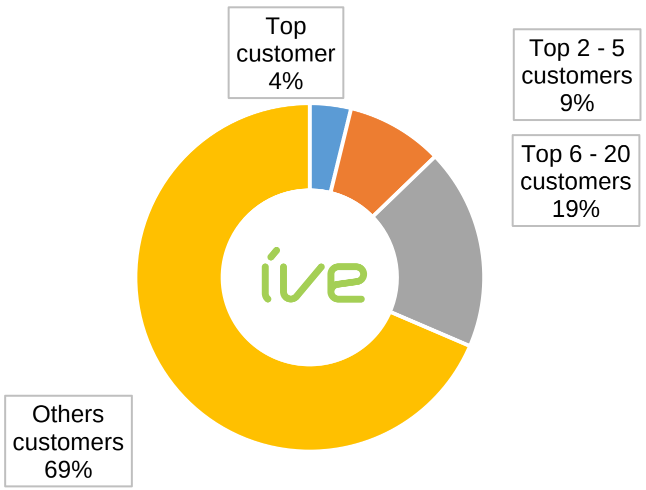
- ✓ Quality asset base
- ✓ Highly efficient, low cost specialist catalogue producer
- ✓ Attractive Sydney and Melbourne manufacturing capability to support national retailers
- ✓ Strong, performance based culture delivering for customers
- ✓ New business and cross sell opportunities to drive growth
- ✓ Leverage the combined Franklin and IVE reputation and expanded national footprint
- ✓ Comprehensive marketing solutions for retail vertical

Broader customer base and cross sell

The Acquisitions further enhance IVE's diverse customer base, adding a range of long term, blue chip customers

IVE standalone (% of FY16 pro forma revenue)(1)

Pro forma FY16 Revenue of $382 million

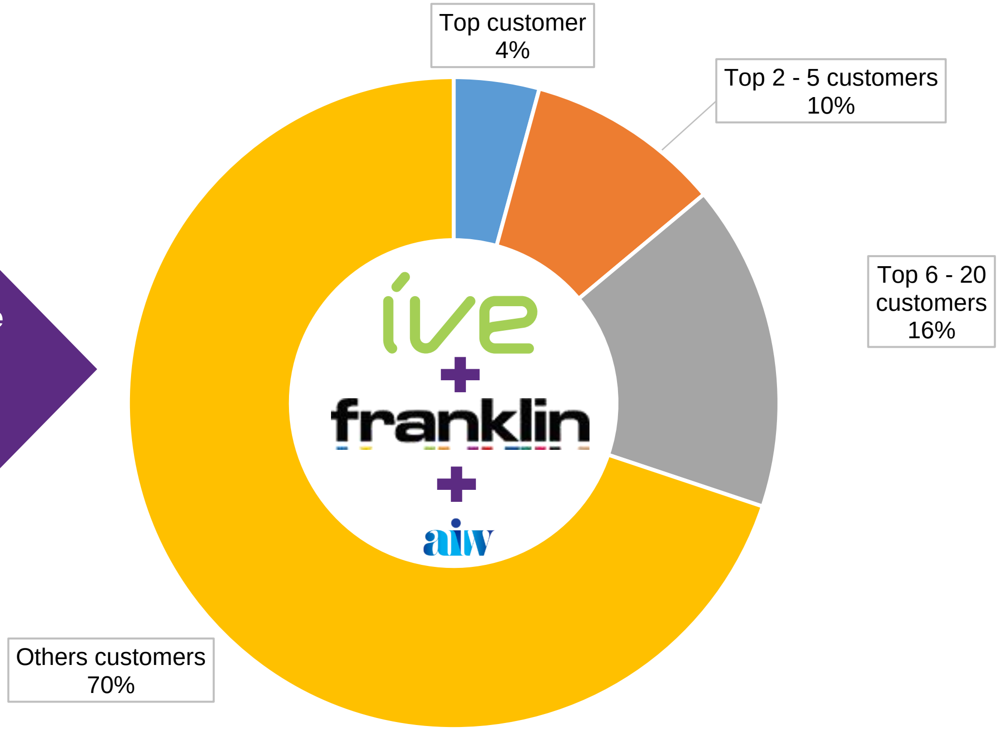


Total number of customers: 2,412

60% increase in FY16 pro forma revenues

IVE post transaction (% of FY16 pro forma revenue)(1)

Pro forma FY16 Revenue of $610 million



Total number of customers: 2,728

(1) The pro forma historical combined profit and loss statement has been prepared by IVE based on the audited financial statements for IVE for the financial year ended 30 June 2016 and adjusting for the impact of the acquisitions of AIW and Franklin and the Offer. The financial information for AIW has been extracted from the audited financial statements of AIW for the financial year ended 30 June 2016 and the financial information for Franklin has been extracted from the unaudited statutory accounts of Franklin for the financial year ended 30 June 2016

Financially compelling

Expected operational synergies of approximately $11.5 million per annum (full run rate) expected to be realised within 12 months post completion. In addition, there is potential for additional unquantified revenue and cross-sell opportunities available

Targeted synergies	
Gross margin synergies	• Procurement savings through leveraging the buying power of the combined group to lower input costs • Opportunity to realise savings through insourcing work previously outsourced • Reduction in freight costs and paper wastage
Direct cost synergies	• Savings associated with the integration of the AIW facility into Franklin and IVE's Blue Star WEB facility including labour costs, rental expense, repairs and maintenance expenses, utilities and other manufacturing expenses
SG&A synergies	• Reduction in corporate overheads • Streamlining of sales teams • Integration of business support functions (including IT, HR and payroll)
Other synergies	• Integration of IVE's Blue Star DISPLAY operations in Victoria with Franklin's retail display business

Implementation costs	
Implementation costs	• One off restructuring costs expected to be between $6.5 million and $7.5 million • One off capital expenditures expected to be up to $18 million in relation to the relocation of equipment, establishment of a catalogue production capability in the Blue Star WEB facility in Sydney and the expansion of IVE's retail display capability in Victoria • Implementation costs are expected to be incurred within the first 12 months post acquisition

Expected financial impact

Expected EPS accretion of over 20%[(1)] through unlocking operational synergies

	Description
Accretion	• Expected EPS accretion of more than 20% once synergies are fully realised (excluding one off restructuring costs) • Post-synergies, the Acquisitions represent an enterprise value / FY16 pro forma normalised EBITDA of 3.8x
Capital structure	• An increase in Borrowings of $60.4 million[(2)] from additional new debt facilities of $92 million provided by a syndicate of banks, including IVE's existing lender – Total pro forma Borrowings of $127.7 million[(3)] with headroom of $30 million at completion • The increased Borrowings are expected to result in pro forma net debt / pro forma FY16 EBITDA of approximately 1.8x at completion • Debt levels expected to reduce from high cash generation and synergies
Dividend policy	• Cash conversion is expected to remain high • IVE intends to maintain its stated dividend policy of a payout ratio between 65% and 75% of NPAT

(1) Once synergies are fully realised and excludes one off restructuring costs and one off capital expenditures
(2) The increase in Borrowings of $60.4 million is net of transaction costs in relation to the increased debt facility of $1.8 million which are capitalised and amortised over the life of the facility
(3) Total pro forma Borrowings include Finance Leases of $14.3 million

04 / Transaction funding, pro forma financials and terms

Acquisition funding and terms

Acquisition terms

Purchase price	IVE has entered into binding agreements to acquire the assets of Franklin for $100 million and the shares of AIW for $16 million
Closing conditions	The Acquisitions are subject to customary conditions precedent
Completion date	The Acquisitions are expected to complete by 13 December 2016

Sources and uses of funding

Sources of funds	$ million
Draw down on new additional debt facilities	62.2
Placement	20.0
Entitlement Offer	20.0
Scrip to vendors	20.3
Total	**122.5**

Uses of funds	$ million
Purchase consideration for Franklin	100.0
Purchase consideration for AIW	16.0
Associated transaction costs	6.5
Total	**122.5**

Pro forma historical combined Profit and Loss

$ millions (unless otherwise stated)	FY16 pro forma Profit and Loss(1)				
	IVE	Franklin(2)	AIW(2)	Adjustments for the Acquisitions(3)	Pro forma combined group
Revenue	382.0	151.2	76.8	-	610.0
EBITDA	42.8	21.2	(1.8)	11.5	73.7
EBIT	32.8	13.7	(2.6)	11.5	55.3
PBT	30.6	13.7	(2.6)	8.1(4)	49.7
NPAT	20.9	9.6	(1.9)	5.7	34.3
NPATA	22.5	9.6	(1.9)	5.7	35.9
Shares on issue	89.2m			30.1m	119.3m

(1) The pro forma historical combined profit and loss statement have been prepared by IVE based on the audited financial statements for IVE for the financial year ended 30 June 2016 and adjusting for the impact of the acquisitions of AIW and Franklin and the Offer. The financial information for AIW has been extracted from the audited financial statements of AIW for the financial year ended 30 June 2016 and the financial information for Franklin has been extracted from the unaudited statutory accounts of Franklin for the financial year ended 30 June 2016

(2) A number of pro forma adjustments have been made to the Franklin and AIW financial information. The primary adjustment is to reflect the terms of the new Franklin lease agreement to be entered into in relation to the Franklin property and the terms of the sale and lease back of the AIW property on 30 June 2015

(3) Commentary on the Adjustments:
- Full run rate of synergies have been estimated at $11.5 million (excludes one off restructuring costs and one off capital expenditures)
- Excludes any post completion purchase price accounting adjustments (which may give rise to a change in fair value of identifiable assets and liabilities and subsequent changes to depreciation and amortisation costs), any potential write-down or impairment of surplus equipment and any impact of drawdowns on debt facilities to fund implementation costs

(4) Pro forma finance costs are based on net debt in the pro forma historical combined Balance Sheet and the terms of the new debt facilities

Pro forma historical combined Balance Sheet

$ millions (unless otherwise stated)	FY16 pro forma Balance Sheet [1]				
	IVE FY16 Statutory	IVE pro forma adjustment	Impact of Offer and new banking facilities	Impact of the Acquisitions	Pro forma combined group
Cash	14.5	(0.4)	95.7	(95.7)	14.1
Receivables	66.7	-	-	26.9	93.6
Inventory	12.5	-	-	27.7	40.2
PP&E	41.7	-	-	58.2	99.9
Goodwill and Intangibles	87.5	2.6	0.5	31.6	122.2[2]
Other Assets	8.5	-	-	0.6	9.1
Total Assets	**231.4**	**2.3**	**96.2**	**49.3**	**379.2**
Trade and Other Payables	73.4	(6.6)	-	24.3	91.1
Borrowings	36.8	16.2	60.4[3]	-	113.4
Finance leases	14.3	-	-	-	14.3
Other Liabilities	25.5	0.2	-	4.6	30.3
Total Liabilities	**149.9**	**9.9**	**60.4**	**29.0**	**249.1**
Total Equity	**81.5**	**(7.7)**	**35.9**	**20.3**	**130.0**

(1) The pro forma balance sheet is based on the audited balance sheet of IVE as at 30 June 2016 which is then adjusted to reflect the IVE dividend paid in October 2016, the acquisition of The Mailing House in October 2016 and the payment of deferred consideration for historical acquisitions post 30 June 2016. The financial information for AIW has been extracted from the audited financial statements of AIW for the financial year ended 30 June 2016 and the financial information for Franklin has been extracted from the unaudited statutory accounts of Franklin for the financial year ended 30 June 2016

(2) Excludes any post completion purchase price accounting adjustments, any potential write downs or impairment of surplus equipment and any impact of draw down on debt facilities to fund implementation costs

(3) The increase in Borrowings of $60.4 million is net of transaction costs in relation to the increased debt facility of $1.8 million which are capitalised and amortised over the life of the facility

05 / Offer summary

Sources of funding

Placement and Entitlement Offer	• A fully underwritten equity raising comprising a placement and entitlement offer (the **Offer**): – a 1 for 8.9 pro-rata, accelerated, non-renounceable Entitlement Offer to raise approximately $20 million; and – a placement of 10m shares to raise $20 million
Scrip to vendors	• Issue of approximately $4.3 million of IVE shares to the vendors of Franklin and approximately $16 million of IVE shares to the vendors of AIW • $8 million of shares issued to the AIW vendors are subject to a 12 month escrow
Debt	• Draw down of $62.2 million from additional new debt facilities of $92 million provided by a syndicate of banks, including IVE's existing lender

Offer details

Offer structure and size	• Fully underwritten placement and 1 for 8.9 pro-rata, accelerated, non-renounceable Entitlement Offer to raise gross proceeds of approximately $40 million • Approximately 20 million New Shares to be issued
Offer price	• Entitlement Offer will be conducted at $2.00 per New Share (**Offer Price**) - 3.4% discount to the last traded price of $2.07 on Friday 2 December 2016 - 2.6% discount to TERP(1) of $2.05
Institutional investors	• $20 million Placement to institutional and sophisticated investors • Approximately $15.5 million Institutional Entitlement Offer to existing institutional shareholders - the Institutional Entitlement Offer will be conducted on Monday 5 December 2016 - New Shares equivalent to the number of New Shares not taken up and those that would have been offered to ineligible shareholders will be placed into an institutional shortfall bookbuild to be conducted on Tuesday 6 December 2016
Retail investors	• Approximately $4.5 million Retail Entitlement Offer to existing eligible retail shareholders - the Retail Entitlement Offer will open on 9.00am (Sydney time) Monday, 12 December 2016 and close on 5.00pm (Sydney time) Wednesday, 21 December 2016 - eligible retail shareholders may also apply for additional New Shares beyond their entitlement, up to a maximum of 100% of their Entitlement, subject to the limitations and scale-back discretion detailed in the Retail Offer Booklet
Director commitments	• Caxton Print Holdings Pty Limited As Trustee For Selig Family Trust (which represents the interests of Geoff Selig, Executive Chairman, and Paul Selig, Non-Executive Director), intends to take up 50% of its entitlement as part of the Entitlement Offer. Wolseley Partners Pty Ltd, being the largest shareholder of IVE and representing the interests of Wolseley Private Equity, is unable to take up any rights in the Entitlement Offer as its investment in IVE is held within a fully invested fund. All IVE directors who hold shares in IVE have stated they intend to take up some or all of their entitlements
Ranking	• New Shares issued under the Entitlement Offer and Placement will rank equally with existing fully paid ordinary shares from their time of issue, however, New Shares under the Placement do not have rights to participate in the Entitlement Offer
Underwriters	• Offer is fully underwritten by Bell Potter Securities Limited and Evans and Partners Pty Ltd

(1) The TERP is the theoretical price at which IVE shares should trade at immediately after the ex-date for the Entitlement Offer. The TERP is a theoretical calculation only and the actual price at which IGL shares trade immediately after the ex-date for the Entitlement Offer will depend on many factors and may not equal the TERP. TERP is calculated by reference to IVE's closing price of $2.07 on Friday 2 December 2016 and includes shares issued under the Placement and shares issued to the vendors of Franklin and AIW

Offer timetable

Event	Date[1]
Trading halt and announcement of the Acquisitions, Placement and Entitlement Offer	Monday, 5 December 2016
Placement and Institutional Entitlement Offer opens	Monday, 5 December 2016
Institutional Entitlement Offer closes	Tuesday, 6 December 2016
Placement and Institutional Shortfall Bookbuild	Tuesday, 6 December 2016
Trading halt lifted and shares recommence trading on ASX	Wednesday, 7 December 2016
Record Date for determining entitlement to subscribe for New Shares	7.00pm (Sydney time)[2] Wednesday, 7 December 2016
Retail Entitlement Offer opens	9.00am (Sydney time)[2] Monday, 12 December 2016
Retail Entitlement Offer Booklet despatched to eligible shareholders	Monday, 12 December 2016
Settlement of Placement and applications in the Institutional Entitlement Offer	Monday, 12 December 2016
Allotment and normal trading of New Shares under the Placement and Institutional Entitlement Offer	Tuesday, 13 December 2016
Retail Entitlement Offer closes	5.00PM (Sydney time)[2] Wednesday, 21 December 2016
Settlement of Retail Entitlement Offer	Friday, 30 December 2016
Allotment of New Shares issued under the Retail Entitlement Offer	Tuesday, 3 January 2017
Quotation of New Shares under the Retail Entitlement Offer	Wednesday, 4 January 2017
Despatch of holding statements in respect of New Shares issued under the Retail Entitlement Offer	Wednesday, 4 January 2017

Notes:
(1) All dates and times are indicative and subject to change without notice
(2) Australian Eastern Daylight Savings Time

Appendix A / Key risks

Key risks

Acquisition and Offer Risks

Topic	Summary
Reliance on Information Provided	• IVE undertook a due diligence process in respect of Franklin and AIW, which relied mostly on the review of financial and other information provided by the vendors. While IVE considers the due diligence process undertaken to be appropriate, IVE has not been able to verify the accuracy, reliability or completeness of all the information which was provided to it against independent data. Similarly, IVE has prepared (and made assumptions in the preparation of) the financial information relating to Franklin/AIW and the IVE Group post-completion included in this Presentation in reliance on limited financial information and other information provided by the vendors. Some of this information was unaudited. If any of the data or information provided to and relied upon by IVE in its due diligence process and its preparation of this Presentation proves to be incomplete, incorrect, inaccurate or misleading, there is a risk that the actual financial position and performance of IVE may be materially different to the financial position and performance expected by IVE and reflected in this Presentation. • Investors should also note that there is no assurance that the due diligence conducted was conclusive and that all material issues and risks in respect of the Acquisitions have been identified. Therefore, there is a risk that unforeseen issues and risks may arise, which may also have a material impact on IVE. This could adversely affect the operations, financial performance or position of IVE. Further, the information reviewed by IVE includes forward looking information. While IVE has been able to review some of the foundations for the forward looking information relating to Franklin/AIW, forward looking information is inherently unreliable and based on assumptions that may change in the future. • IVE has sought to mitigate the risks associated with the information provided during due diligence by seeking certain warranties and indemnities from the vendors.
Analysis of Opportunity	• IVE has undertaken financial, business and other analyses of Franklin and AIW in order to determine its attractiveness to IVE and whether to pursue the transaction. It is possible that such analyses, and the best estimate assumptions made by IVE, draw conclusions and forecasts that are inaccurate or which are not realised in due course. To the extent that the actual results achieved by Franklin and AIW are different than those indicated by IVE's analysis, there is a risk that the profitability and future earnings of the operations of IVE may be materially different from the profitability and earnings expected as reflected in this Presentation.

Topic	Summary
Acquisition Completion Risk	• While the acquisition agreements do not contain any material conditions precedent to completion and completion is scheduled to occur shortly after settlement of the Institutional Entitlement Offer, there is a risk that the AIW Acquisition or the Franklin Acquisition does not proceed on the current terms and expected timing due to unforeseen circumstances, and that this could materially and adversely affect IVE.
Debt Facilities and Funding Risk	• IVE has entered into a syndicated facilities agreement (Facility Agreement) to refinance its existing indebtedness and provide funding for the Franklin Acquisition and associated acquisition costs. If certain conditions precedent are not satisfied or certain events occur, the financiers may be entitled not to fund under the terms of the Facility Agreement , which would have an adverse impact on IVE's sources of funding for the transaction. • If the conditions precedent are not satisfied and IVE's financiers do not fund under the Facility Agreement and IVE is unable to source alternate funding, it may be unable to complete the Franklin Acquisition and/or the AIW Acquisition and could be required to pay damages. If this was to occur the Offer may not proceed and in this circumstance all application moneys paid would be refunded to investors. • If the proposed Acquisitions occur, there will be an increase in IVE's debt levels. The use of debt financing to partially fund the transaction means that IVE will be more exposed to risks associated with gearing. For example, IVE will be more exposed to any movements in interest rates.
Historical liabilities	• Since it is acquiring the shares in AIW, IVE will also indirectly assume any liabilities that AIW has from its past operations, including any liabilities which were not identified during its due diligence or which are greater than expected, for which insurance may not be adequate or available, and for which IVE will not have post-closing recourse under the AIW Acquisition Agreement. Such liabilities may adversely affect the financial performance or position of IVE post-acquisition.

Key risks (cont.)

Acquisition and Offer Risks (cont.)

Topic	Summary
Franklin and AIW specific risks	• **Reduced demand for catalogue products** – The post-acquisition performance of IVE will be influenced by the overall condition of the marketing and print communications industry in Australia. The primary services offered by AIW and Franklin are the printing of catalogue products and new end-user marketing and communications preferences may result in an unexpected reduction in demand for these catalogue products. This may result in the reduction in the level of IVE's revenue. • **Loss of key management personnel** – Franklin and AIW's historical performance is attributable in part to its key management personnel and members of the senior management team. There is a risk that IVE may not be able to retain these persons or be able to find effective replacements for them in a timely manner. The loss of such personnel or any delay in their replacement may adversely affect IVE's ability to develop and implement its business strategies and ultimately adversely affect IVE's business, operating and financial performance. The loss of key personnel could have an adverse impact on IVE's operations and potentially result in the loss of key client relationships and the potential loss of business knowledge. • **Loss of key customers** – IVE's business is dependent on its ability to retain its existing customers. Its growth is dependent on its ability to attract new customers and increase its business with its existing customers. IVE may not be successful in retaining the historical clients of AIW or Franklin. Within the printing industry, customer contracts typically permit termination for convenience on short notice (less than 90 days). Accordingly customer contracts are subject to the risk of termination, as well as expiry and non-renewal and the risk that customers reduce the volume of IVE's products they consume. Each of these would result in the reduction in the level of IVE's revenue.
Underwriting Risk	• IVE has entered into an Underwriting Agreement under which the Underwriters have agreed to fully underwrite the Offer, subject to the terms and conditions of the Underwriting Agreement. The Joint Lead Managers' obligation to underwrite the Offer is conditional on certain customary matters, including IVE delivering certain certificates, sign-offs and opinions. Further, if certain events occur, some of which are beyond IVE's control, the Joint Lead Managers may terminate the Underwriting Agreement, including if: ○ the acquisitions do not proceed for a number of reasons including if the acquisitions or acquisitions funding arrangements are terminated, the agreements are withdrawn, revoked or varied in any respect that is materially adverse to IVE or terminated or rendered void, voidable, illegal or otherwise unenforceable;

Topic	Summary
Underwriting Risk (cont.)	○ there are certain delays in the timetable for the Entitlement Offer, without the Joint Lead Managers' consent; ○ there are certain financial or economic disruptions in key market or hostilities commence or escalate in certain key countries; ○ there is a change in the board or certain senior management changes; or ○ an adverse change, or an event that is likely to lead to an adverse change, occurs in the assets, liabilities, financial position or performance, profits, losses or prospects of IVE or the IVE Group from that disclosed to ASX up to, and including, the Announcement Date. • The ability of the Underwriters to terminate the Underwriting Agreement in respect of some events will depend on whether the event has or is likely to have a material adverse effect on the success, marketing or settlement of the Offer, the value of the securities, or the willingness of investors to subscribe for securities, or where they may give rise to liability for the Underwriters. Termination of the Underwriting Agreement would have an adverse impact on the amount of proceeds raised under the Offer and could affect IVE's ability to pay the purchase price for the AIW/Franklin acquisitions. If the Underwriting Agreement is terminated, IVE will generally not be entitled to terminate the acquisition agreements. In these circumstances, IVE would need to find alternative funding to meet its contractual obligations under the acquisition agreements to pay the purchase price. Termination of the Underwriting Agreement could materially adversely affect IVE's business, cash flow, financial performance, financial condition and share price. • If the Underwriting Agreement is terminated and IVE is unable to source alternate funding, it may be unable to complete the Franklin Acquisition and/or the AIW Acquisition and could be required to pay damages. If this was to occur the Offer may not proceed and in this circumstance all application moneys paid would be refunded to investors. • If the Underwriting Agreement was terminated after the settlement of the Institutional Entitlement Offer, the funds proposed to be raised in the Retail Entitlement Offer would not be raised, either in full or at all.

Key risks (cont.)

Acquisition and Offer Risks (cont.)

Topic	Summary
Integration Risk	• The Acquisitions involves the integration of Franklin and AIW, which have previously operated independently from IVE. As a result, there is a risk that the integration of Franklin and AIW may be more complex than currently anticipated, encounter unexpected challenges or issues and take longer than expected, divert management attention or not deliver the expected benefits. This may affect IVE's operating and financial performance. Further, the integration of Franklin and AIW accounting functions may lead to revisions, which may impact on IVE's reported financial results. • The success of the Franklin/AIW acquisitions and, in particular, the ability to realise the expected synergy benefits of the acquisition outlined in this Presentation, will be dependent on the effective and timely integration of Franklin's and AIW's business alongside IVE's business following completion of the acquisition. While IVE has undertaken analysis in relation to the synergy benefits of the Franklin/AIW acquisitions, they remain IVE's estimate of the synergy benefits expected to be achievable as part of the Franklin/AIW acquisitions, and there is a risk that the actual synergies able to be realised as part of the acquisition may be less than expected or delayed, or that the expected synergy benefits of the acquisition may not materialise at all or cost more to achieve than originally expected.
Achievement of Synergies	• A key determinant of the long-term benefits IVE expects to derive from the Acquisitions is the achievement of expected synergies. There is a risk that the realisation of synergies or benefits described in this Presentation may not be achieved in a timely manner, at all or to the extent envisaged, or that the costs associated with achieving them may be higher than anticipated. Potential issues and complications influencing the achievement of targeted benefits include experiencing lower than expected cost savings, experiencing lower than expected efficiency improvements, unintended losses of key employees, and changes in market conditions.

Topic	Summary
Risks Associated With Not Taking Up New Shares Under the Entitlement Offer	• Entitlements cannot be traded on ASX or privately transferred. If eligible retail shareholders do not take up all or part of their available entitlements, individuals' percentage shareholding in IVE will be diluted (in addition to the dilution which will take place as a result of the Placement and issue of shares to the vendors of Franklin and AIW). • Any New Shares which are not subscribed for by eligible retail shareholders pursuant to their entitlements will be available for other retail shareholders who have elected to subscribe for additional New Shares as part of the Top Up Facility, subject to the limitations and scale-back discretion detailed in the Retail Offer Booklet. To the extent that eligible retail shareholders elect to receive additional New Shares under the Top Up Facility, this may result in further dilution of individual percentage shareholdings in IVE.
Acquisition liability risk	• The acquisition of AIW may trigger change of control clauses in some material contracts to which AIW (and its subsidiaries) are a party. Where triggered, the change of control clauses will, in most cases, require IVE to seek the counterparty's consent in relation to the acquisition of AIW. There is a risk that a counterparty may not provide their consent, which may trigger a termination right in favour of that counterparty. If any of the material contracts are terminated by a counterparty or renegotiated on less favourable terms, it may have an adverse impact on IVE's financial performance and prospects. There can be no assurance that IVE would be able to renegotiate such contracts on commercially reasonable terms, if at all. • As IVE is acquiring the assets of Franklin, meaning that contracts with Franklin's customers and suppliers will not automatically be transferred, there is also a risk that material contracts with Franklin customers and suppliers will be unable to be successfully transferred to IVE. This could materially adversely affect the financial performance of IVE's business.

Key risks (cont.)

Operational risks

Topic	Summary
Competition in the marketing and print communications industry	• The marketing and print communications industry in Australia is highly fragmented and competitive. IVE faces competition in all market sectors in which it operates • Any increase in competition (for example, a competitor launching similar products or services) may lead to a loss of market share or decreased profitability
Reliance on customer relationships	• IVE's ability to maintain successful relationships with existing and new customers is fundamental to its business, growth and profitability. • Failure to successfully maintain relationships with existing and new customers (for example, by failing to identify or react to changes in customer preferences) could negatively impact IVE's future financial performance. • Customers may choose to rely on termination rights in customer contracts which apply in a range of circumstances including in some cases for convenience, or upon a change of control or declining to renew contracts on their expiry.
Reduced demand for IVE's products and services	• The performance of IVE will continue to be influenced by the overall condition of the marketing services and print communications industry in Australia. New end-user marketing and communications preferences may result in an unexpected reduction in demand for IVE products and services.
Reliance on key management personnel	• IVE's performance depends significantly on its key management personnel managing and growing its business and responding to customers' needs. • The unexpected loss of any key management personnel, or the inability on the part of IVE to attract experienced personnel, may adversely affect its future financial performance.

Topic	Summary
Acquisition strategy may not be successful	• IVE intends to selectively pursue acquisitions to complement its organic growth. However, IVE may not be able to identify suitable acquisition candidates at acceptable prices or complete and integrate acquisitions successfully. • Even if successfully executed and integrated, there can be no guarantee of continued successful performance of those acquisitions. To the extent that IVE's acquisition strategy is unsuccessful, its financial performance could be adversely impacted.
Adapting IVE's business processes as it expands	• As part of its growth strategy, IVE intends to expand its product and service offering, either organically or via acquisitions. As this expansion occurs, the complexity of its business will increase. If IVE is unable to adapt to address different market dynamics, its operational and financial performance may be adversely affected.
Brand and reputation damage	• The success of IVE is largely dependant on its reputation and branding. • Maintaining the strength of the reputation and branding of the IVE Group is integral to its ability to maintain relationships with existing customers, appeal to new customers, maintain sales growth and attract key employees. Factors which adversely affect IVE's reputation may have a negative impact on its competitiveness, growth and profitability.
Foreign exchange exposure	• An investment in IVE will include indirect exposure to currency fluctuations. The impact of foreign exchange rate fluctuations is mitigated by the purchase of forward foreign exchange contracts, holding suitable levels of inventory and through price adjustments passed on to customers. If IVE's hedging strategies are not successful, IVE may experience financial loss.

Key risks (cont.)

Operational risks (cont.)

Topic	Summary
Availability of inputs and input costs	• IVE relies on various procurement relationships for the steady supply of raw materials, finished goods and products such as paper, ink, and equipment, all of which are key to operating its business. Significant supply disruptions could result in a material reduction in the availability of inputs required to support IVE's operation. • Increases in the prices of these inputs, including those increases caused by foreign exchange movements, could adversely affect IVE's earnings if selling prices are not adjusted, or if adjusting selling prices adversely impacts customers' demand for IVE's products.
Impact of changing technology on IVE's competitive position	• IVE's business is significantly influenced by changing technology, evolving industry standards and the emergence of new technologies. These changes can impact the ways in which IVE's customers communicate with their customers and the ways in which IVE produces its existing products. • In order to remain competitive and relevant, IVE needs to enhance and expand its offering to meet its customers' needs. If IVE is unable to do so, it may impact on its competitive position. • IVE's ability to compete effectively in the future may also be impacted by its ability to maintain or develop appropriate equipment and technology platforms for the efficient delivery of its products and services. No assurance can be given that IVE will have the resources to acquire or the ability to develop new competitive technologies and this may also impact on IVE's competitive position in the market.
Protection of confidential customer information	• Through the ordinary course of business, IVE collects a range of personal and financial data from customers. • It is possible that the measures taken by IVE to protect customer data will not be sufficient to detect or prevent unauthorised access to, or a disclosure of, confidential information. • Any successful cyber-attack or other breach of security could result in loss of information integrity, or breaches of IVE's obligations under applicable laws or customer agreements, each of which could adversely impact IVE's reputation, retention of customers, ability to attract new customers and financial performance.

Topic	Summary
Core technology and systems failure	• IVE relies heavily on its information technology and equipment infrastructure and systems, and the success of its business depends on the efficient and uninterrupted operation of this infrastructure and these systems. Systems could be exposed to damage or interruption as a result of a number of events and factors. These events could result in business interruption, loss of customers and revenue, reputational damage and weakening of IVE's competitive position and financial performance.

Key risks (cont.)

General market risk

Topic	Summary
Risks Associated With Investment in Equity Capital	• There are risks associated with any investment in a company listed on the ASX. The value of shares may rise above or below the current share price depending on the financial and operating performance of IVE and external factors over which IVE and the Directors have no control. These external factors include: economic conditions in Australia and overseas which may have a negative impact on equity capital markets; changing investor sentiment in the local and international stock markets; changes in domestic or international fiscal, monetary, regulatory and other government policies and developments and general conditions in the markets in which IVE proposes to operate and which may impact on the future value and pricing of shares. No assurances can be given that the New Shares will trade at or above the Offer Price. None of IVE, its Board or any other person guarantees the market performance of the New Shares.
Liquidity and Realisation Risk	• There may be few or many potential buyers or sellers of IVE Shares on the ASX at any time. This may affect the volatility of the market price of IVE's shares. It may also affect the prevailing market price at which shareholders are able to sell their IVE shares.
Major Shareholder Risk	• IVE currently has a number of substantial shareholders on its share register. There is a risk that these shareholders, future substantial shareholders, or other large shareholders may sell their shares at a future date. This could cause the price of IVE shares to decline.
Risk of Dividends Not Being Paid	• The payment of dividends is announced at the time of release of IVE half year and full year results as determined by the Board from time to time at its discretion, dependent on the profitability and cash flow of IVE's businesses. While IVE has a stated dividend policy, circumstances may arise where IVE is required to reduce or cease paying dividends for a period of time.

Topic	Summary
Taxation	• Future changes in taxation law, including changes in interpretation or application of the law by the courts or taxation authorities, may affect taxation treatment of an investment in IVE shares or the holding and disposal of those shares. Further, changes in tax law, or changes in the way tax law is expected to be interpreted, in the various jurisdictions in which IVE operates, may impact the future tax liabilities and performance of IVE. Any changes to the current rates of income tax applying to individuals and trusts will similarly impact on shareholder returns.
General Economic Conditions	• Adverse changes in economic conditions such as interest rates, exchange rates, inflation, government policy, national and international economic conditions and employment rates amongst others are outside IVE's control and have the potential to have an adverse impact on IVE and its operations.

Appendix B / International offer restrictions

International offer restrictions

This document does not constitute an offer of new ordinary shares (**New Shares**) of the Company in any jurisdiction in which it would be unlawful. In particular, this document may not be distributed to any person, and the New Shares may not be offered or sold, in any country outside Australia except to the extent permitted below.

Hong Kong

WARNING: This document has not been, and will not be, registered as a prospectus under the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Cap. 32) of Hong Kong, nor has it been authorised by the Securities and Futures Commission in Hong Kong pursuant to the Securities and Futures Ordinance (Cap. 571) of the Laws of Hong Kong (the **SFO**). No action has been taken in Hong Kong to authorise or register this document or to permit the distribution of this document or any documents issued in connection with it. Accordingly, the New Shares have not been and will not be offered or sold in Hong Kong other than to "professional investors" (as defined in the SFO).

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This document has been given to you on the basis that you are (i) an existing holder of the Company’s shares, (ii) an "institutional investor" (as defined in the SFA) or (iii) a "relevant person" (as defined in section 275(2) of the SFA). In the event that you are not an investor falling within any of the categories set out above, please return this document immediately. You may not forward or circulate this document to any other person in Singapore.

Any offer is not made to you with a view to the New Shares being subsequently offered for sale to any other party. There are on-sale restrictions in Singapore that may be applicable to investors who acquire New Shares. As such, investors are advised to acquaint themselves with the SFA provisions relating to resale restrictions in Singapore and comply accordingly.

International offer restrictions (cont.)

United Kingdom

Neither the information in this document nor any other document relating to the offer has been delivered for approval to the Financial Conduct Authority in the United Kingdom and no prospectus (within the meaning of section 85 of the Financial Services and Markets Act 2000, as amended (**FSMA**)) has been published or is intended to be published in respect of the New Shares.

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New Zealand

This document has not been registered, filed with or approved by any New Zealand regulatory authority under the Financial Markets Conduct Act 2013 (the **FMC Act**).

The New Shares may only be offered or sold in New Zealand (or allotted with a view to being offered for sale in New Zealand) to a person who:

- is an investment business within the meaning of clause 37 of Schedule 1 of the FMC Act;
- meets the investment activity criteria specified in clause 38 of Schedule 1 of the FMC Act;
- is large within the meaning of clause 39 of Schedule 1 of the FMC Act;
- is a government agency within the meaning of clause 40 of Schedule 1 of the FMC Act; or
- is an eligible investor within the meaning of clause 41 of Schedule 1 of the FMC Act.

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