



1 September 2015

ASX ANNOUNCEMENT

Commercial Agreement Signed with Leading Direct to Consumer Marketing Group

Velpic's first entry into the lucrative retail market

Highlights

- Commercial agreement signed with new client, an established, leading direct to consumer marketing company with over 700 employees
- Velpic to provide video lessons through its eLearning platform for:
 - All new employees to receive induction training created on the Velpic platform; and
 - All employees to receive scheduled lessons from one of Velpic pre-made lesson modules which can be customised
- Velpic to receive subscription fees in addition to pay per view fees from the retail group
- Agreement validates Velpic's technology and product offering, including its pre-made modules, and opens up a further market opportunity in the retail sector worth over \$23bn in Australia

International Coal Limited (ASX:ICX) is pleased to provide an update on behalf of Velpic Group ('Velpic' or the 'Company').

Velpic wishes to advise that it has signed a commercial agreement to provide its video eLearning lessons to a new client, an established, Sydney-based, leading direct to consumer marketing company with over 700 employees.

The retail group is a specialist direct marketer which operates in Australia and New Zealand, offering a wide variety of products to millions of loyal customers through many well-known brands via television, targeted websites and online marketing.

Velpic will provide the retail group access to its eLearning platform for the creation of video induction lessons for all its new employees. In addition, the retail group has purchased one of Velpic's professionally created lesson modules that can be customised for delivery to all its employees.

Under the agreement, Velpic will receive subscription fee revenue for providing the retail group with access to the eLearning platform to create its induction video lessons. In addition, Velpic will receive pay per view fees for every induction and pre-made module lesson completed by the retail group's employees.

This agreement opens up a significant opportunity for the Company to expand further into the retail industry, a sector valued at over \$23bn in Australia*, with strong demand for high-quality training. It also expands Velpic's east coast customer base in line with the Company's Australian growth strategy.

Brisbane Office
ANZ Bank Building
Level 15, 324 Queen Street
Brisbane QLD 4000
PO Box 255
Northgate QLD 4013
P 07 3320 2233
F 07 3228 4999

Sydney Office
Unit 7, No.3 Gibbes Street
Chatswood NSW 2067
P 02 9415 0180
F 02 9417 6877

ACN 149 197 651



International Coal Limited

Velpic Chief Executive, Russell Francis, commented:

"We are excited about entering the retail market with this established and diverse retail player. The agreement, whereby more than 700 retail employees will receive our video lessons, serves as another strong validation of Velpic's technology and product offering, as well as demonstrating the value our customers see in our expert pre-made modules."

"Our solution will provide this retail group with an integrated solution for induction and continuous staff training which is far more affordable compared with legacy products. The flexibility of Velpic's eLearning platform will ensure employees can access training modules from anywhere at anytime."

As previously announced on 7 May 2015, International Coal has entered into an option agreement to purchase 100% of the Velpic Group. The transaction is expected to complete late September 2015**.

****ENDS****

** Source: Australian Bureau of Statistics*

*** The date is a guideline only and subject to change*

For further information, please contact:

Russell Francis
CEO – Velpic
+61 8 6160 4444

Media queries:

Fran Foo
Director
Media and Capital Partners
+61 416 302 719
fran.foo@mcpartners.com.au

About the Velpic Group

The Velpic Group consists of two related entities: Velpic, a cloud-based video e-Learning platform, and Dash Digital, a brand technology agency.

Velpic has developed a unique online platform that provides a scalable, cloud-based training, induction and education solution for businesses. The platform has been over two years in development, and allows businesses to create their own training lessons and distribute them to staff and contractors, who can access the Velpic Platform on all devices including mobile phones and tablets.

The cloud-based platform has global potential and is set to disrupt the traditional Learning Management System (LMS) marketplace.

Velpic has an extensive list of ASX 200 clients using the platform, and the Velpic Group has achieved revenue of approximately \$2m over the past 12 months.

Dash Digital is a full service digital branding, marketing, web and app development organisation that seamlessly blends creative and development talents across all disciplines – visual design, print graphics, websites, software development and online marketing.

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