

ASX Announcement

21 July 2014

Invigor signs agreement for acquisition of Search Results Group

Invigor Group Limited (ASX: IVO) (“Invigor”) advises that it has signed a Foundation Agreement to acquire the Search Results Group for \$5.8 million through the acquisition of shares in the operator and associated entities (“Search Results Group”). Search Results Group is an Australian online media agency offering simple and affordable search, web development and marketing products to assist small and medium enterprises to grow their business.

Details of the key commercial and financial terms, including conditions precedent to completion, are contained in the accompanying attachment.

Subject to completion, the acquisition will have a transformative effect on Invigor and is expected to result in Invigor improving its EBITDA and generating net operating cash inflows¹.

Mr. Gary Cohen, Executive Chairman, said: “Upon completion, the acquisition of Search Results Group will continue Invigor’s transformation into a leading digital solutions group. This acquisition will add to the portfolio of Invigor customers to whom we can deliver products and services to meet their business needs and at the same time provide Invigor with the ability to leverage data and our existing infrastructure to drive down delivery costs and increase margins”.

For further information, please contact:

Gary Cohen
Executive Chairman
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About Invigor Group Limited

Invigor Group is a leading information technology and digital solutions company. It specialises in innovative business intelligence, big data solutions which are supported by strategic consulting, development and marketing services. Invigor delivers its products and services across a broad range of industries including: consumer electronics, automotive, financial and insurance, pharmaceuticals, apparel and homewares.

About Search Results Group

Search Results Group is an online media agency offering simple and affordable solutions that assist small and medium enterprises to grow their business through the provision of search engine optimisation, search engine marketing and web development solutions. Search Results has over 4,000 clients across over 30 industries. For further information, please visit www.searchresults.com.au.

1 Subject to completion of financial due diligence and assuming completion of the transaction occurring as presently expected.

ATTACHMENT TO ASX ANNOUNCEMENT DATED 21 JULY 2014

SUMMARY OF KEY TERMS FOR THE PROPOSED ACQUISITION BY INVIGOR GROUP LIMITED OF SHARES IN SEARCH RESULTS GROUP (AS DEFINED) PURSUANT TO THE FOUNDATION AGREEMENT DATED 18 JULY 2014

This document is a summary only of the key commercial terms for the proposed acquisition by Invigor Group Limited ACN 081 368 274 of shares in the Search Results Group (as defined) held by the Vendors. This summary does not contain all of the agreed terms and conditions which remain subject to execution of a Final Sale Contract (as defined), satisfaction of conditions precedent and other matters contained in the Foundation Agreement.

Conditions Precedent	<p>The Sale Contemplated by the Foundation Agreement and entry into the Final Sale Contract is subject always to satisfaction of conditions precedent, namely:</p> <ul style="list-style-type: none">(a) the Purchaser first obtaining necessary finance (on terms satisfactory to the Purchaser in its sole discretion), including all associated approvals;(b) each Party concluding that proceeding with the Sale Contemplated by this Agreement will not be contrary to its interests after completing due diligence to its reasonable satisfaction as contemplated by this Agreement;(c) approval by the Purchaser's board of directors (in its sole discretion), and, if necessary, following approval by the Purchaser's shareholders, of the Sale Contemplated by this Agreement;(d) approval by, as and to the extent the case may require, the various Vendors' boards of directors, shareholders and, where the Vendor acts in the capacity of a trustee, the beneficiary(s);(e) the parties reaching agreement on the terms of the Final Sale Contract and of the employment contracts for transferring key personnel; and(f) both:<ul style="list-style-type: none">(i) the Purchaser having satisfied itself that none of the Transferring Companies has suffered a Materially Adverse Change; and(ii) each and every Vendor being satisfied that the Purchaser has not suffered a Materially Adverse Change, <p>in each case during the period commencing on 1 July 2014 and ending immediately before entry into force of the Final Sale Contract.</p>
Purchase Price	\$5,800,000.00
Consideration	<p>The Final Sale Contract must provide that the full amount of the Price for the Sale Contemplated by this Agreement is due and payable on Completion. Provided there is no default on the part of the Purchaser, the Vendors will accept progressive payment according to the payment schedule, below:</p> <ul style="list-style-type: none">(a) \$1,200,000.00 in cash at Completion; plus(b) \$1,950,000.00 in cash to be simultaneously repaid by Vendor as secured loan to Purchaser of \$1,950,000.00;

	<p>(c) Completion + 5 months: \$300,000.00 all in cash;</p> <p>(d) Completion + 13 months: Vendor Loan matures – Purchaser pays Vendor full amount of principal sum of \$1,950,000.00 all in cash;</p> <p>(e) Completion + 13 months: settlement of adjustments in favour of Purchaser;</p> <p>(f) Completion + 19 months: the unpaid balance of the Price (nominally \$2,350,000.00) all in cash, which payment shall be the subject of and governed by payment instruments in form and substance as required by the Vendors, to be entered by the Parties into contemporaneously with entering into the Final Sale Contract.</p> <p>The amounts owing to the Vendors will be secured against the assets of the Purchaser and subsidiary entities.</p>
Final Sale Contract	<p>The Foundation Agreement is not a contract for sale. The Vendors and the Purchaser agree that the Sale Contemplated by this Agreement will, provided it proceeds, be the subject of, and governed by, the Final Sale Contract. The Vendors and the Purchaser agree to negotiate the terms of the Final Sale Contract in good faith. It is acknowledged that the Final Sale Contract may comprise a number of separate instruments. Subject always to the Final Sale Contract Conditions Precedent being satisfied in full, the Vendors must enter into the Final Sale Contract. The Parties may by mutual agreement vary the terms and conditions to be incorporated into the Final Sale Contract.</p>