



CML Group Limited (ASX: CGR)

4th July 2016

CML to sell payroll business

Sale of payroll business

CML Group Limited (“CML” or the “Company”) is pleased to announce that it has entered into a binding Heads of Agreement with Ayers Management Pty Limited (“Ayers”) to sell its payroll business, Lester Associates. CML will retain and continue to operate its employment and labour hire business.

Ayers have exclusivity until 31 July 2016 to complete the transaction. Assuming the transaction completes, it is estimated the sale will deliver to CML around \$3.5 million in cash, of which \$1.8m is goodwill.

The sale forms part of CML’s business simplification program, aimed at exiting non-core businesses to free management time and working capital for growth of its business finance brands.

Sincerely,

A handwritten signature in blue ink, appearing to read 'Daniel Riley', with a stylized, flowing script.

Daniel Riley
CEO

ABOUT CML GROUP

CML provides cash flow and integrated business solutions, to help its clients focus on their core business.

CML’s primary business is ‘factoring’ or ‘receivables finance’. Through the factoring facility CML provides an advance payment of up to 80% of a client’s invoice to help their business overcome the cash pressure of delivering goods or services in advance of payment from their customer (often 30 to 60 days). This is a flexible line of credit that is utilised in line with sales volume. CML will consider an additional advance to a client (above the usual 80%) on occasion, for an additional fee and when there is adequate security from the client to cover the position.