REELTIME MEDIA LIMITED

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Companies Announcements Office
Australian Securities Exchange
20 Bridge Street
SYDNEY NSW 2000

ANNOUNCEMENT FOR RELEASE TO THE MARKET
REELTIME MEDIA LIMITED
ASX: RMA

Acquisition of StartLocal

The Company announces that it has entered into a Terms Sheet with Local Domains Pty Ltd for the acquisition of its business assets including StartLocal (Australia), StartLocal (India), LearnCloud, Australian Tradesman User Guide, Retail Shopping Engine and Home Services Engine.

StartLocal (Australia)
StartLocal (www.startlocal.com.au) is an online search engine and directory of 1.1 million Australian businesses. The directory currently has 97,000 registered business listings with a large number of additional subscribers being added each month. The StartLocal.com.au website receives over 1 million website visitors per month.

The acquisition includes a comprehensive mobile phone app, 'Australia On Sale', which enables customers to search over 12,500 sales, discounts and coupons listed on the directory, and a substantial active email database of over 120,000 contacts.

StartLocal generates revenue from its paid advertisers and has a custom direct services agreement with Google for the provision of paid advertising on the website.

The acquisition provides RMA with a substantial opportunity to leverage the database of StartLocal by providing digital marketing, IT & training services via its other subsidiaries to StartLocal registered businesses throughout Australia. It also provides RMA with a major foothold in the lucrative Online Business Directory market.

StartLocal (India)
StartLocal (www.startlocal.in) is an online search engine and directory of Indian businesses. This provides RMA with the opportunity to expand its overseas operation to service local businesses in the Indian market in addition to its Australia-based operation.

LearnCloud

LearnCloud (www.learncloud.com.au) is a niche-focused online search engine and directory that enables users to find and connect with the instructors, tutors, teaching businesses and institutions in all educational fields. The acquisition provides RMA with access to businesses in the training & education industry.

Australian Tradesman User Guide (ATUG)

ATUG (www.atug.com.au) is a searchable directory of tradesmen. It contains hundreds of thousands of listings and provides RMA with access to large numbers of clients in the trades industry.

Retail Shopping Guide

Retail Shopping Guide (www.retailshoppingengine.com) is one of the largest retail and shopping directories in the United States. It contains over 1.1 million retail businesses and enables visitors to rate and recommend these businesses.

Home Services Engine

Home Services Engine (www.homeservicesengine.com) has over 800,000 home service business listings, making it one of the largest directories of its kind in the United States.

The acquisition of Retail Shopping Guide and Home Services Engine provide RMA with the opportunity to expand its operation into the United States through the provision of digital marketing services to subscribers to these online directories.

The Managing Director of Reeltime Media Limited, Mr Gabriel Ehrenfeld said, "The acquisition of the StartLocal business and the other significant assets acquired from Local Domains is a game changing step for Reeltime Media. These businesses provide enormous cross-sale opportunities as well as the ability to leverage RMA products into new overseas markets."

The acquisition price is $1 million and is payable by 75% cash and 25% shares. The transaction is subject to due diligence by the Company.

Queries can be directed to:

Ian Sanderson
Company Secretary

ABOUT REELTIME MEDIA LIMITED

Digital Service and IT Company

Reeltime Media Limited (ASX: RMA) is one of Australia's largest and fastest growing Digital Services and IT companies. RMA's 100% wholly owned subsidiaries specialise in the delivery of online applications, marketing solutions, IT solutions, training & consulting to SME's and corporate clients. Including acquisitions under contract, the Group collectively employs approximately 220 personnel, services in excess of 4,000 clients and has offices in Sydney, Melbourne, Brisbane, Perth and offshore.

RMA is experiencing substantial growth with the ongoing acquisition of website development companies, digital services agencies, IT services businesses, and the development of new profitable businesses to fill demand for training and social media services. This growth is compounded by the shift in client spend from offline to online advertising and an increased need for IT-based solutions within their businesses.

Businesses acquired into the Group typically achieve an immediate increase in profitability through the centralisation of administrative functions and more efficient deployment of existing personnel and assets. Substantial revenue growth is achieved through the cross-selling of a wide range of services that are already being provided under different brands in the Group. This results in higher customer satisfaction, reduced client churn, higher average client spend, and in turn greater shareholder returns.

RMA continues to seek potential acquisitions to increase its market share of the digital services industry and provide a complete service offering for SME's and corporate clients.

Divisions within RMA

RMA's resources and brands are arranged according to the following three primary divisions:

Digital Services Division

The Digital Services Division includes the provision of the following services through RMA's subsidiaries:

- Website design & development
- Paid search engine advertising including Google AdWords
- Search engine optimisation (SEO)
- Display advertising
- Social Media management
- Mobile apps
- Custom software development
- Domain names

IT Services Division

RMA's IT Services Division provides a range of hardware and software solutions to businesses via its subsidiaries. The Group has identified the need to provide clients with an end-to-end solution beyond digital services as clients often associate IT with online services. Current services provided by RMA include:

- Managed IT services
- Hardware solutions
- Software solutions
- Cloud solutions
- Web hosting & co-location
- Data backup & security

Training Division

RMA's Training Division was established to fill the need for high quality training on digital services and IT, and provide RMA personnel with continuing professional development given the rapid rate of change in the digital services & IT industries. RMA will be launching its training business, Australian Digital Marketing Institute (ADMi), in August 2013. ADMi will undertake the necessary steps to become a registered training organisation (RTO) within 12 months.