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

# Acquisition of Netactive AND Acquisition of Base10 (New Zealand)

# **ACQUISITION OF 2 COMPANIES:**

- 1. A WEB DESIGN COMPANY (NETACTIVE); AND
- 2. AN IT SERVICES COMPANY (BASE10)

The Company announces that it had entered into a Terms Sheet with New Zealand based companies Netactive Limited and Base 10 Limited to acquire 100% of each entity. The transaction price is \$800,000 (New Zealand Dollars), payable by cash (NZD600,000) and shares in RMA (NZD200,000). The transaction is subject to due diligence.

## **NETACTIVE**

Netactive is an Auckland based web application and software development company, specialising in top quality mobile application development for New Zealand businesses. The company has been operating for 13 years, and also provides a range of other web services including web design and ecommerce solutions. The principal, Mr Deon Metcalf, is continuing on with the business.

# BASE<sub>10</sub>

Base10 is an Auckland based IT company specialising in mobile device integration and cloud computing solutions. It also provides a comprehensive offering of other IT services including system design, project management, managed services, live monitoring, VOIP telephony solutions and system recovery. Base10 has been operating for 17 years, and has a wealth of expertise and experience. The principal, Mr Uli Knapp, is continuing on with the business.

# **IMPACT ON RMA**

The Managing Director of Reeltime Media Limited, Mr Gabriel Ehrenfeld, said, "The combined acquisition of Netactive and Base10 will significantly strengthen the mobile application capability of the Group, and enable us to further increase our market share in a sector that now dominates digital services."

# **ENQUIRIES**

Queries can be directed to:

Ian Sanderson Company Secretary

#### **ABOUT REELTIME MEDIA LIMITED**

# **Digital Services 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 crossselling 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 launched 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.