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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

New Division – Media & Advertising Group

MEDIA & ADVERTISING GROUP

The Company announces that it is establishing a Media & Advertising Group that will take over the following existing business divisions from the current Digital Services Group:

- Digital Marketing Technology Division
- Digital Advertising Division
- Google Adwords Division

This will enable the Digital Services Group to focus on its web design, digital branding, SEO and social media businesses.

In addition, the Company will be growing its traditional media and advertising business which is currently comprised of various minor activities throughout its existing suite of brands in Australia and New Zealand, by the appointment of a dedicated team.

ACQUISITIONS

The Company will be seeking to acquire existing media businesses operating in both traditional printed and electronic media, to expand its position as a content aggregator and operator, and further its objectives of providing content and operations to ISPs, retail and media partners.

Parties interested in vending existing media assets should contact the Company.

LAUNCH DATE

The Company expects to launch the new Media & Advertising Group on 3 March 2014. Head Office for operations for all businesses will be based out of Melbourne, Victoria, and Head Office for all Australian and New Zealand acquisitions will be based out of Sydney, NSW.

BUSINESS MODEL

The Company already possesses extensive skills and market penetration in the digital media and advertising space, through its businesses operating in digital marketing, Search Engine Optimisation (SEO), social media campaigns and in training services, amongst others. In each of those divisions, it has a strong client base. While digital-based activities are likely to absorb an increasing amount of the marketing budget of businesses (noting that in Australia, the total digital advertising spend now exceeds that of free-to-air television), numerous clients with a significant advertising budget still spend the majority of that budget in traditional marketing activities. By creating a Media & Advertising Group, the Company expects to secure control of a share of that traditional expenditure.

It is anticipated that the expansion in traditional media and advertising will provide several mutual advantages to clients and the Company:

- Reeltime will establish a “one stop shop” where all advertising and marketing needs can be met by one integrated organisation.
- There will be true integration between digital and traditional marketing. Traditional campaigns can be designed to support and be supported by digital campaigns, and vice versa. There can be one coordinated campaign delivered on multiple platforms.
- Reeltime will introduce clients with a traditional focus to an extensive range of digital platforms with identified size and demographic data to enhance their audience reach beyond their existing campaigns.
- Reeltime will be well positioned to take advantage of the shifting balance in the advertising spend of businesses between traditional and digital media. Similarly, Reeltime will be able to introduce the benefits of traditional media to its vast array of digital clients.

The Managing Director of Reeltime Media, Mr Gabriel Ehrenfeld, said, “Securing control of traditional marketing budgets will not only allow cross-platform economies, but will allow Reeltime to secure significantly greater revenue from its client base, and enable advertising services to be delivered in more efficient and competitive ways.”

ENQUIRIES

Queries can be directed to:

Ian Sanderson
Company Secretary

UPDATED INFORMATION 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 300 personnel, services in excess of 5,000 clients and has Australian offices in Sydney, Melbourne, Brisbane, Perth and Canberra, as well as New Zealand offices in Auckland and Wellington, and other offshore locations.

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 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.