



WELLCOM GROUP ACQUIRES U.S. CONTENT CREATION BUSINESS

7 MARCH 2014

Wellcom Group Limited (Wellcom) (ASX: WLL) a leading provider of content creation and content management services in Australia, NZ, Singapore, Malaysia and the United Kingdom, today completed the acquisition of the business and selected assets and liabilities of thelab LLC, for a cash consideration of approximately \$7.2m (USD \$6.5m).

Thelab was founded in 2002, and with annual revenues of approximately \$14.5m (USD \$13m), supplies a wide range of digital, print and creative solutions to a top drawer client base that includes Victoria's Secret, Dentsu McGarry Bowen and David & Goliath. The business is headquartered in New York with offices in Los Angeles, California and Columbus, Ohio.

In commenting on the acquisition, Mr Wayne Sidwell, Executive Chairman of Wellcom, said "thelab is a strong fit with our existing business, given the similarity of our service offerings, and provides direct exposure to the large multinational brands headquartered in the United States as we seek increased global penetration for our industry leading software, KnowledgeWell. We believe the U.S. market has the potential to provide Wellcom with significant future growth."

The acquisition will be fully funded out of cash reserves and after transaction costs is expected to be modestly EPS accretive in FY14, and strongly accretive thereafter. The purchase price equates to an EBITDA multiple of approximately 3.5 times, which is in line with Wellcom's established investment criteria.

"This acquisition is in line with our previously outlined strategy to continue our geographical expansion. After careful consideration of the opportunities available, we believe that we have found in thelab, a strong base from which to establish a meaningful presence in the U.S. market", concluded Mr Sidwell.

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