



REELTIME MEDIA LIMITED

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

Acquisition of Adtraction (New Zealand)

The Company announces that it has entered into a Terms Sheet with Adtraction Marketing Limited for the acquisition of its digital and media marketing business. Adtraction is a New Zealand based company with its head office operating out of Wellington. See www.adtraction.co.nz.

Adtraction focuses on delivering cost effective solutions to enable their clients to reach their target markets. Using a blend of traditional print media, directories, digital and social media, Adtraction aims to achieve optimum return on investment advertising for clients. Adtraction commenced trading in 2005 and through their high service model have built a loyal client base ranging from government departments to international corporations to highly successful local traders.

Adtraction is also the largest directory agency in New Zealand including being a major agency for Yellow Pages, and provides recruitment advertising services as well as full service advertising design, media placement and measurement solutions.

Corporate clients include Goodyear, Tower, Auckland Taxi Co-op, Bupa, Beaurepaires, Spotless, Specsavers and Storage Kings. Government clients include Ministry of Business, Innovation and Employment, Ministry of Science and Innovation, Ministry for the Environment, the Environmental Protection Authority and the New Zealand Parliamentary Service.

The consideration for the acquisition is NZD 1,000,000 (New Zealand Dollars), comprised of NZD 350,000 cash, plus shares to the value of NZD 650,000. The Company is also assuming certain obligations of the business. The transaction is subject to due diligence by the Company.

The Managing Director of Reeltime Media Limited, Mr Gabriel Ehrenfeld said, “We are pleased to have reached agreement with Adtraction. It provides a major platform to accelerate the Company’s expansion into the New Zealand market, and will underpin other transactions in the region currently being assessed. It markedly enhances RMA’s provision of content strategy.”

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 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.