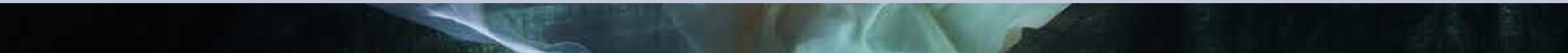
FY17 RESULTS AND CAPITAL RAISING

August 28, 2017

Geoff Selig - Executive Chairman
Warwick Hay - Managing Director
Darren Dunkley - Chief Financial Officer



IMPORTANT NOTICES

This investor presentation (**Presentation**) has been prepared by IVE Group Limited (ABN 62 606 252 644) (**IVE**). This Presentation has been prepared in relation to a pro-rata accelerated non-renounceable entitlement offer of ordinary shares **(Shares)** in IVE. This offer will comprise an accelerated institutional entitlement offer **(Institutional Entitlement Offer)** and a retail entitlement offer (**Retail Entitlement Offer**), under section 708AA of the Corporations Act 2001 (**Cth**) (**Corporations Act**) as modified by Australian Securities and Investments Commission **(ASIC)** Instrument 2016/84 (together, the **Entitlement Offer)**.

Summary information: This Presentation contains summary information about IVE and its activities which is current as at the date of this Presentation. The information in this Presentation is of a general nature and does not purport to be complete nor does it contain all the information which a prospective investor may require in evaluating a possible investment in IVE or that would be required in a prospectus or product disclosure statement prepared in accordance with the requirements of the Corporations Act.

The historical information in this Presentation is, or is based upon, information that has been released to the Australian Securities Exchange (**ASX**). This Presentation should be read in conjunction with IVE's other periodic and continuous disclosure announcements lodged with the ASX, which are available at www.asx.com.au. Certain information in this Presentation has been sourced from SEMA Holdings Pty Ltd (ABN 92 158 886 689) (SEMA) its representatives or associates. While steps have been taken to review that information, no representation or warranty, expressed or implied, is made as to its fairness, accuracy, correctness, completeness or adequacy. Certain market and industry data used in connection with this Presentation may have been obtained from research, surveys or studies conducted by third parties, including industry or general publications. Neither IVE nor its representatives have independently verified any such market or industry data provided by third parties or industry or general publications.

Not an offer: This Presentation is not a prospectus, product disclosure statement or other offering document under Australian law (and will not be lodged with ASIC) or any other law. This Presentation is for information purposes only and is not an invitation or offer of securities for subscription, purchase or sale in any jurisdiction (and will not be lodged with the U.S Securities Exchange Commission). Any decision to purchase New Shares must be made on the basis of the information to be contained in the offer document to be prepared and issued to eligible investors.

The Retail Offer Booklet for the Retail Entitlement Offer will be available following its lodgement with ASX. Any eligible retail shareholder who wishes to participate in the Retail Entitlement Offer should consider the Retail Offer Booklet in deciding to apply under that offer. Anyone who wishes to apply for New Shares under the Retail Entitlement Offer will need to apply in accordance with the instructions contained in the Retail Offer Booklet and the entitlement and application form.

This Presentation does not constitute investment or financial product advice (nor tax, accounting or legal advice) or any recommendation to acquire entitlements or New Shares and does not and will not form any part of any contract for the acquisition of entitlements or New Shares.

This Presentation does not constitute an offer to sell, or a solicitation of an offer to buy, any securities in the United States.

Neither the New Shares nor the entitlements have been, and none of them will be, registered under the U.S. Securities Act of 1933 (the **'U.S. Securities Act'**) or the securities laws of any state or other jurisdiction of the United States. Accordingly, the entitlements may not be taken up by, and the New Shares may not be offered or sold to, directly or indirectly in the United States or to persons that are acting for the account or benefit of persons in the United States, unless they have been registered under the U.S Securities Act, or are offered and sold in a transaction exempt from, or not subject to, the registration requirements of the U.S. Securities Act and any other applicable securities laws. This Presentation may not be released or distributed in the United States.

Not investment advice: Each recipient of this Presentation should make its own enquiries and investigations regarding all information in this Presentation including but not limited to the assumptions, uncertainties and contingencies which may affect future operations of IVE and the impact that different future outcomes may have on IVE. This Presentation has been prepared without taking account of any person's individual investment objectives, financial situation or particular needs. Before making an investment decision, prospective investors should consider the appropriateness of the information having regard to their own investment objectives, financial situation and needs and seek legal, accounting and taxation advice appropriate to their jurisdiction. IVE is not licensed to provide financial product advice in respect of IVE shares.

Cooling off rights do not apply to the acquisition of New Shares

Investment risk: An investment in IVE shares is subject to known and unknown risks, some of which are beyond the control of IVE. IVE does not guarantee any particular rate of return or the performance of IVE. Investors should have regard to the risk factors outlined in this Presentation and any other common investment risks when making their investment decision.

Financial data: All dollar values are in Australian dollars (A$ or AUD) unless otherwise stated. Investors should note that this Presentation contains pro forma and forecast financial information. In particular, a pro forma balance sheet has been prepared by IVE based on the audited financial statements for IVE for the financial year ended 30 June 2017 and adjusting for the impact of the Entitlement Offer, FY17 dividend and use of proceeds. The financial information for SEMA has been extracted from the financial statements of SEMA for the financial years ended 30 June 2015, 2016 and 2017 and, to the maximum extent permitted by law, IVE does not take responsibility for it.

The pro forma and other financial information, and past information, provided in this Presentation is for illustrative purposes only and is not represented as being indicative of IVE's views on its future financial condition and/or performance.

IMPORTANT NOTICES continued

Investors should also note that this Presentation does not include the financial statements of SEMA. While this Presentation includes a pro forma balance sheet for IVE as at 30 June 2017 to reflect the impact of the Entitilement Offer, FY17 dividend and use of proceeds, the pro forma financial information has been prepared by IVE in accordance with the measurement and recognition requirements, but not the disclosure requirements, of applicable accounting standards and other mandatory reporting requirements in Australia.

Investors should also note that the pro forma financial information does not purport to be in compliance with Article 11 of Regulation S-X of the rules and regulations of the U.S. Securities and Exchange Commission.

Investors should be aware that certain financial data included in this Presentation are 'non-IFRS financial information' under ASIC Regulatory Guide 230: 'Disclosing non-IFRS financial inform- ation' published by ASIC and are also 'non-GAAP financial measures' under Regulation G of the U.S. Securities Exchange Act of 1934. These measures include underlying net profit after tax, EBITDA, EBIT, revenue and NPATA.

The disclosure of such non-GAAP financial measures in the manner included in the Presentation may not be permissible in a registration statement under the U.S. Securities Act. The non-IFRS financial measures do not have a standardised meaning prescribed by Australian Accounting Standards and International Financial Reporting Standards (**IFRS**). Therefore, the non-IFRS financial information is not a measure of financial performance, liquidity or value under the IFRS and may not be comparable to similarly titled measures presented by other entities, and should not be construed as an alternative to other financial measures determined in accordance with Australian Accounting Standards. Investors are cautioned, therefore, not to place undue reliance on any non-IFRS financial measures included in this Presentation.

Future performance: This Presentation contains certain 'forward looking statements', including but not limited to projections, guidance on future revenues, earnings, margin improvement, other potential synergies and estimates, the timing and outcome of the SEMA acquisition, the outcome and effects of the Entitlement Offer and the use of proceeds, and the future performance of IVE and SEMA post acquisition. Forward looking statements can generally be identified by the use of forward looking words such as, 'expect', 'anticipate', 'likely', 'intend', 'should', 'could', 'may', 'predict', 'plan', 'propose', 'will', 'believe', 'forecast', 'estimate', 'target' 'outlook', 'guidance', 'potential' and other similar expressions within the meaning of securities laws of applicable jurisdictions and include, but are not limited to, indications of, or guidance or outlook on, future earnings or financial position or performance of IVE, estimated net synergies after combination with SEMA, the outcome and effects of the Entitlement Offer and the use of proceeds. The forward looking statements contained in this Presentation are not guarantees or predictions of future performance and involve known and unknown risks and uncertainties and other factors, many of which are beyond the control of IVE, and may involve significant elements of subjective judgement and assumptions as to future events which may or may not be correct. Refer to the 'Key Risks' section of this Presentation for a summary of certain general and IVE specific risk factors that may affect IVE.

There can be no assurance that actual outcomes will not differ materially from these forward-looking statements. A number of important factors could cause actual results or performance to differ materially from the forward looking statements, including the risk factors set out in this Presentation. Investors should consider the forward looking statements contained in this Presentation in light of those disclosures. The forward looking statements are based on information available to IVE as at the date of this Presentation.

Except as required by law or regulation (including the ASX Listing Rules), IVE undertakes no obligation to provide any additional or updated information whether as a result of new information, future events or results or otherwise. Indications of, and guidance or outlook on, future earnings or financial position or performance are also forward looking statements.

Past performance: Investors should note that past performance of IVE, including past share price performance of IVE and pro forma historical information in this Presentation, is given for illustrative purposes only and cannot be relied upon as an indicator of (and provides no guidance as to) future IVE performance including future share price performance. The pro forma historical information is not represented as being indicative of IVE's views on its future financial condition and/or performance.

Disclaimer: Determination of eligibility of investors for the purposes of the institutional or retail components of the Entitlement Offer is determined by reference to a number of matters, including legal and regulatory requirements, logistical and registry constraints and the discretion of IVE and/or the underwriters, and each of IVE and the underwriters and each of their respective affiliates disclaim any duty or liability (including for negligence) in respect of that determination and the exercise or otherwise of that discretion, to the maximum extent permitted by law. Each underwriter will rely on information provided by or on behalf of institutional investors in connection with managing, conducting and underwriting the Entitlement Offer without having independently verified that information and the underwriters do not assume responsibility for the accuracy or completeness of that information.

For the avoidance of doubt, the underwriters and their respective advisers, affiliates, related bodies corporate, directors, officers, partners, employees and agents have not authorised, permitted or caused the issue, dispatch or provision of this Presentation, and have not made or purported to make any statement in this Presentation and there is no statement in this Presentation which is based on any statement by any of them.

To the maximum extent permitted by law, IVE, the underwriters and their respective advisers, affiliates, related bodies corporate, directors, officers, partners, employees and agents exclude and disclaim all liability, including without limitation for negligence or for any expenses, losses, damages or costs incurred by you as a result of your participation in the Entitilement Offer and the information in this Presentation being inaccurate or incomplete in any way for any reason, whether by negligence or otherwise.

IMPORTANT NOTICES continued

To the maximum extent permitted by law, IVE, the underwriters and their respective advisers, affiliates, related bodies corporate, directors, officers, partners, employees and agents make no representation or warranty, express or implied, as to the currency, accuracy, reliability or completeness of information in this Presentation and, with regards to the underwriters, them and their respective advisers, affiliates, related bodies corporate, directors, officers, partners, employees and agents take no responsibility for any part of this Presentation or the Entitlement Offer.

The underwriters and their respective advisers, affiliates, related bodies corporate, directors, officers, partners, employees and agents make no recommendations as to whether you or your related parties should participate in the Entitlement Offer nor do they make any representations or warranties to you concerning the Entitlement Offer, and you represent, warrant and agree that you have not relied on any statements made by the underwriters, or their respective advisers, affiliates, related bodies corporate, directors, officers, partners, employees or agents in relation to the Entitlement Offer and you further expressly disclaim that you are in a fiduciary relationship with any of them.

Statements made in this Presentation are made only as the date of this Presentation, except where otherwise indicated. The information in this Presentation remains subject to change without notice. IVE reserves the right to withdraw the Entitlement Offer or vary the timetable for the Entitlement Offer without notice.

Disclosure: The underwriters, together with their respective affiliates, are full service financial institutions engaged in various activities, which may include trading, financing, financial advisory, investment management, investment research, principal investment, hedging, market making, brokerage and other financial and non-financial activities and services including for which they have received or may receive customary fees and expenses.

In the ordinary course of their various business activities, the underwriters and their respective affiliates may purchase, sell or hold a broad array of investments and actively trade securities, derivatives, loans, commodities, currencies and other financial instruments for their own account and for the accounts of their customers, and such investment and trading activities may involve or relate to assets, securities and/ or instruments of IVE, its affiliates and/ or persons and entities with relationships with IVE and/ or its affiliates. The underwriters are acting for and providing services to IVE in relation to the Entitlement Offer. The underwriters have been engaged solely as independent contractors and are acting solely in a contractual relationship on an arm's length basis with IVE. The engagement of the underwriters by IVE is not intended to create any agency, fiduciary or other relationship between the underwriters and IVE, its security holders or any other investors. The underwriters, in conjunction with their affiliates, are acting in their capacity as such in relation to the Entitlement Offer and will receive fees and expenses for acting in this capacity.

TABLE OF CONTENTS

01 Business overview

02 Highlights & outlook

04 Capital raising

05 Acquisition of SEMA and strategic rationale

09 Capacity expansion - Franklin WEB (NSW)

13 FY17 Results

19 Acquisition & integration update

20 Offer summary

25 Appendices

29 Key risks

BUSINESS OVERVIEW
A leading product and service offering

IVE is a vertically integrated marketing services and print communications provider. IVE enables its customers to communicate more effectively with their customers by creating, managing, producing and distributing content across multiple levels.

The marketing services and print communications industry is dynamic and constantly evolving. IVE's response to this evolution has been to maintain relevance with our customers through ongoing investment and expansion of our product and service offering.

This has been achieved through an effective combination of both organic growth initiatives and strategic acquisitions.

IVE has a leading product and service offering in Australia and holds leading positions across multiple industry sectors. IVE delivers its products and services through four operating divisions.

kalido.

A customer experience agency that helps brands prosper through creative concept development, digital services, customer analytics & marketing automation

bluestar

Integrated print, point of sale, personalised communications, promotional products, warehouse & logistics services

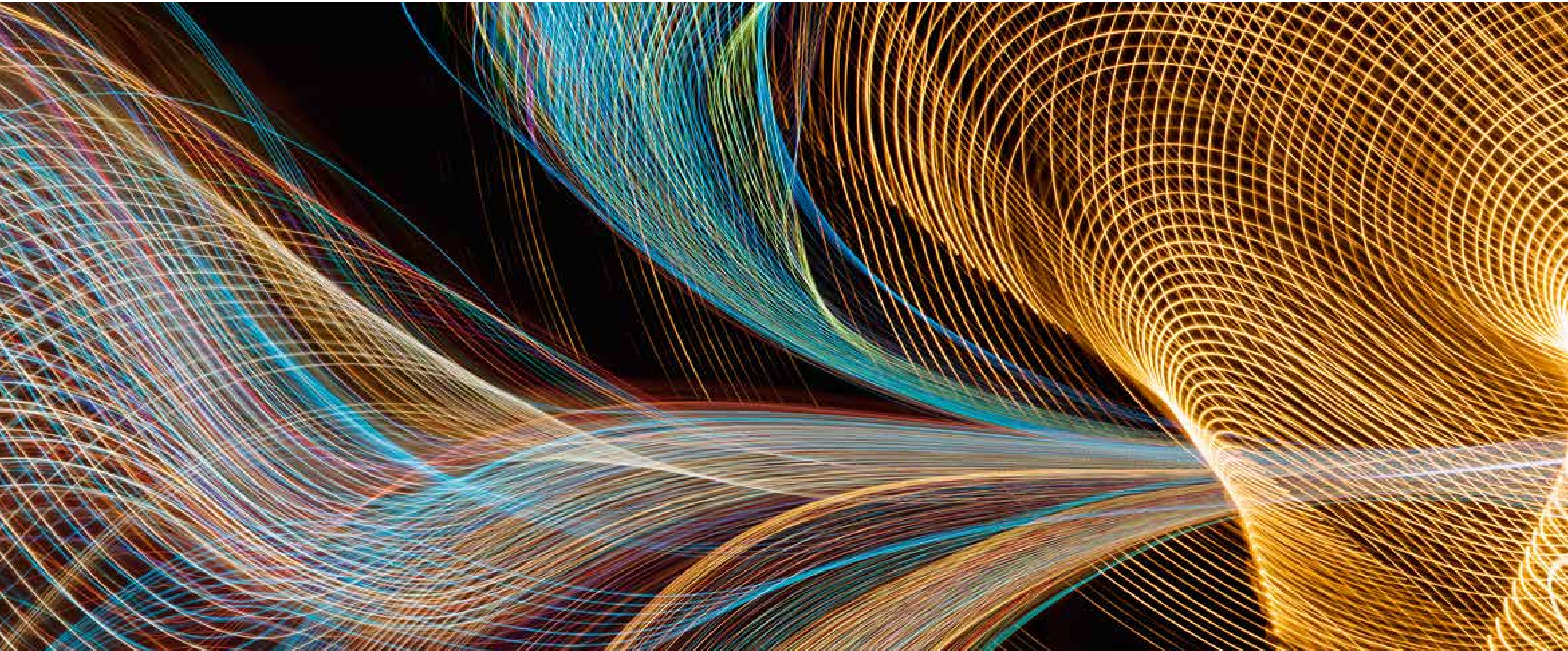
paretogroup

Fundraising strategy, data-driven solutions and telephone fundraising agency serving the not-for-profit sector

iveo

Managed solutions. Bundles the Group's broad range of products and services into multi-channel solutions for customers

HIGHLIGHTS AND OUTLOOK



HIGHLIGHTS AND OUTLOOK

IVE continues to enhance its position as one of Australia's leading diversified marketing communications businesses

FY17 results highlights

- Revenue growth of 30.1% over FY16 pro forma revenue
- EBITDA of $55.2 million (up 23.0% over PCP), before acquisition and restructure costs
- Final dividend of 6.4 cents per share (on increased shares on offer following the capital raising and issue of shares to the vendors of SEMA)
- Strategically entered the Large Format Web Offset (LFWO) sector through the acquisition of Franklin WEB and AIW Printing in December 2016
  - Incremental $70.0 million of LFWO revenue secured since entering the sector, this has resulted in a phased shut down of the AIW site
  - All major clients have been retained
  - Investment in NSW greenfield site and re-balancing of capacity between Sydney and Melbourne have been instrumental in achieving growth
- Successful integration of smaller acquisitions completed during the year
- New client wins across all other business units
- Strong growth in the share of wallet (SOW) for existing customers through expansion of the Group's product and service offering

Strong outlook

- FY18 EBITDA expected to be approximately $70 – 75 million (before restructure costs)
  - FY18 restructure costs expected to be $2.5 – 3.5 million
- Key drivers of FY18 expected to be:
  - full year contribution of Franklin WEB
  - phased realisation of new contract wins in LFWO
  - phased realisation of synergies from Franklin/AIW integration
    - Franklin WEB (NSW) fully operational from October 2017
    - AIW to be closed by end of December 2017
- The FY18 outlook excludes any contribution from the SEMA acquisition and additional LFWO press (discussed on the following page), which primarily drive further growth beyond FY18
- The Company has a strong pipeline of value accretive bolt-on acquisitions which if completed in FY18 would be expected to provide additional revenue and EBITDA. These have not been included in the FY18 outlook

REVENUE:	**+ 30% TO $496.9 million**
EBITDA:	**+ 23% TO $55.2 million**
NPATA:	**+ 14% TO $27.3 million**

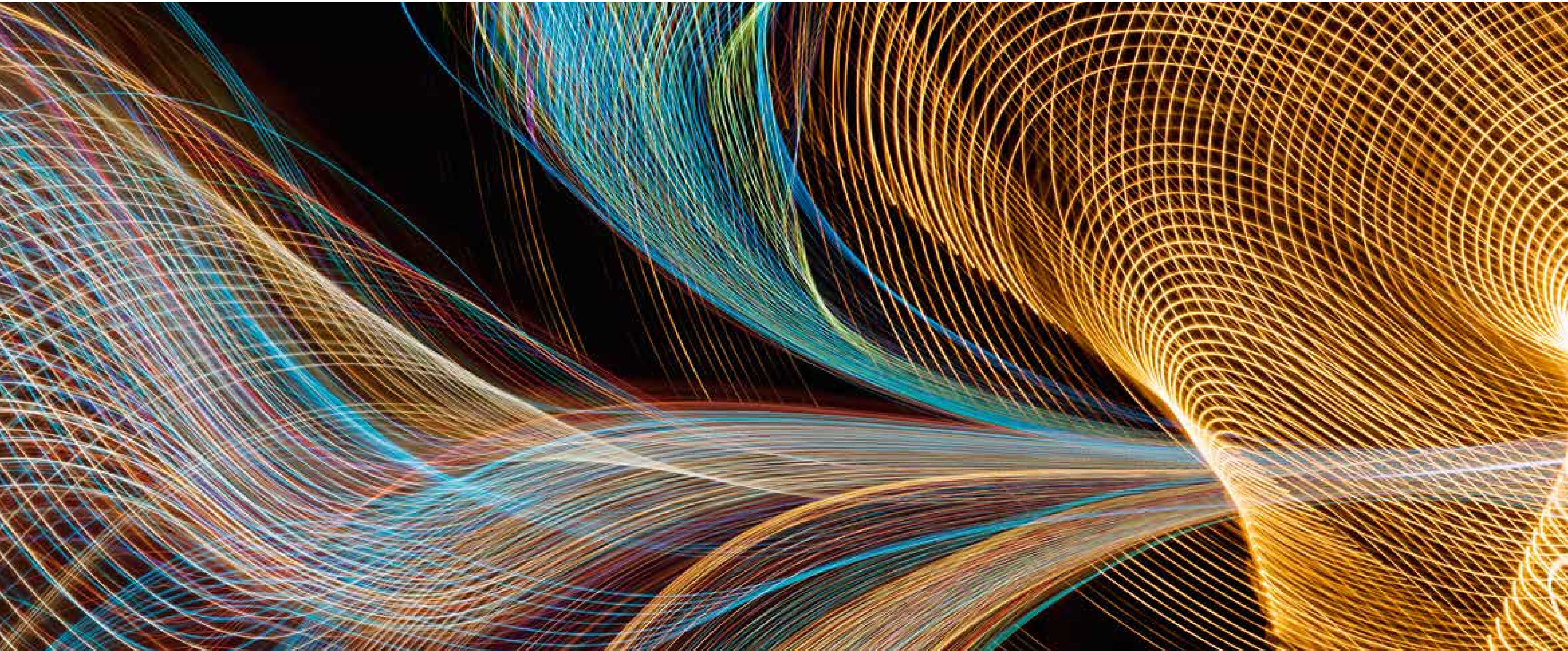
The Pro Forma financial results are on a non IFRS basis and not audited
FY2017 excludes restructuring and acquisition expenses (refer Appendix)

CAPITAL RAISING

Capital raising to support initiatives to drive further growth beyond FY18

Acquisition and integration of SEMA, and growth capex $19.6 million (excludes $3.4 million of IGL scrip)	Expansion of IVE's direct marketing and data analytics capability through the acquisition of SEMA • Further consolidates Blue Star DIRECT's position as the leader in the Australian direct communications sector • Acquired at 4.8× EV / EBITDA (2.6 × post synergies), immediately contributing to IVE Group's earnings • Expected synergies in excess of $5.0 million following full integration by 30 June 2018 • Targeted capex program to deliver a further $1.0 million in annual EBITDA
Additional LFWO Press $22.0 million	Acquisition of second 80 page web offset press and ancillary equipment in Franklin WEB (NSW) to accommodate growth • Strong business case underwritten by secured contracts • Core to rebalancing capacity between Victoria and NSW to better service national retailers and publishers • Annual EBITDA contribution of $5.0 million based on secured contracts (from August 2018), with capacity for additional growth
Strong acquisition pipeline $11.2 million	Strong potential pipeline of value accretive bolt-on acquisitions • Successful track record of identifying & integrating profitable bolt-on acquisitions (typically 2.0× to 3.0× EV / EBITDA post synergies)
Capital Raising $55.6 million	• Capital raising of approximately $55.6 million being conducted at $2.05 per share through a fully underwritten accelerated, non- renounceable Entitlement Offer • Approximately 27.1 million new shares to be issued • Proceeds used to: ∘ Fully fund the cash component of the acquisition, integration and growth capex for SEMA ($19.6 million) ∘ Acquire the second 80 page press ($22.0 million) ∘ Capacity for future bolt-on acquisitions and balance sheet flexibility ($11.2 million) ∘ Associated transaction costs ($2.8 million)

ACQUISITION OF SEMA AND STRATEGIC RATIONALE



ACQUISITION OF SEMA

Further enhancing IVE´s position as one of the leaders in data driven personalised communications

Business overview

- Established over 35 years ago
- FY17 revenue of $40.1 million & EBITDA of $3.1 million
- Provides cross-channel communications solutions to some of Australia's biggest brands
- Leverages leading technologies to allow companies to:
  - personalise customer communications using any number of variables;
  - communicate via the customer's channel of choice (mail, email, mobile, social media);
  - maintain data integrity, security and privacy; and
  - report, track and analyse customer response
- One of the largest partners of Salesforce Marketing Cloud in Australia together with IVE's Kalido business
- Operations in Sydney, Melbourne and Brisbane with Sydney and Melbourne to be fully integrated into Blue Star DIRECT's existing locations

Example customers

- A range of long-term, high quality clients including:

CBA	AGL	CGU
Origin Energy	NAB	State & Federal Governments
ANZ	Energy Australia	ATO
Optus	Local Government	Westpac

Broad service offering

- **Multi-channel marketing** – including personalised direct mail, email, social media and mobile
- **Consolidation of data** – ability to access data from a single data source
- Assist clients with the **transition** to electronic communications
- **Digitisation** – transform hard copy documents into digital formats
- **Security** – maintain data integrity and security as well as customer privacy
- **Systems** that allow clients to easily switch between electronic and digital

SEMA FINANCIAL PERFORMANCE

SEMA has a record of strong growth and margin expansion

FINANCIAL PERFORMANCE

REVENUE

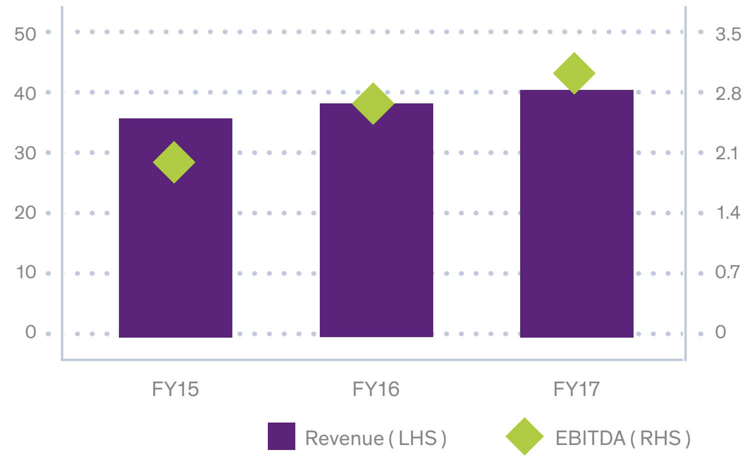
- Revenue has increased by approximately 9.6% between FY15 and FY17 to $40.1 million, primarily as a result of:
  - new client wins; and
  - growth in Salesforce related marketing automation & data analytics revenue across new and existing customers
- Majority of revenue is contracted
- FY18 will benefit from the full year impact of recent contract wins

EBITDA

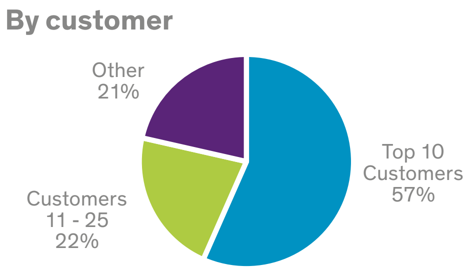
- EBITDA has increased between FY15 and FY17, resulting from:
  - revenue growth outlined above; and
  - operating leverage

(1) Source: SEMA management

REVENUE AND EBITDA ($m) (1)



REVENUE CONTRIBUTION (1)



SEMA TRANSACTION AND STRATEGIC RATIONALE

SEMA will be integrated into Blue Star DIRECT unlocking significant integration and synergy benefits

Transaction overview

- Up to $14.5 million in total consideration[1]
  - — $11.15 million on completion
    - $7.75 million of cash
    - $3.4 million in IVE shares issued at $2.06 per share
  - — Up to $3.35 million to be paid in cash based on the achievement of FY18 revenue targets
- Represents ~4.8× FY17 EBITDA pre-synergies or 2.6× post-synergies

Integration and synergies

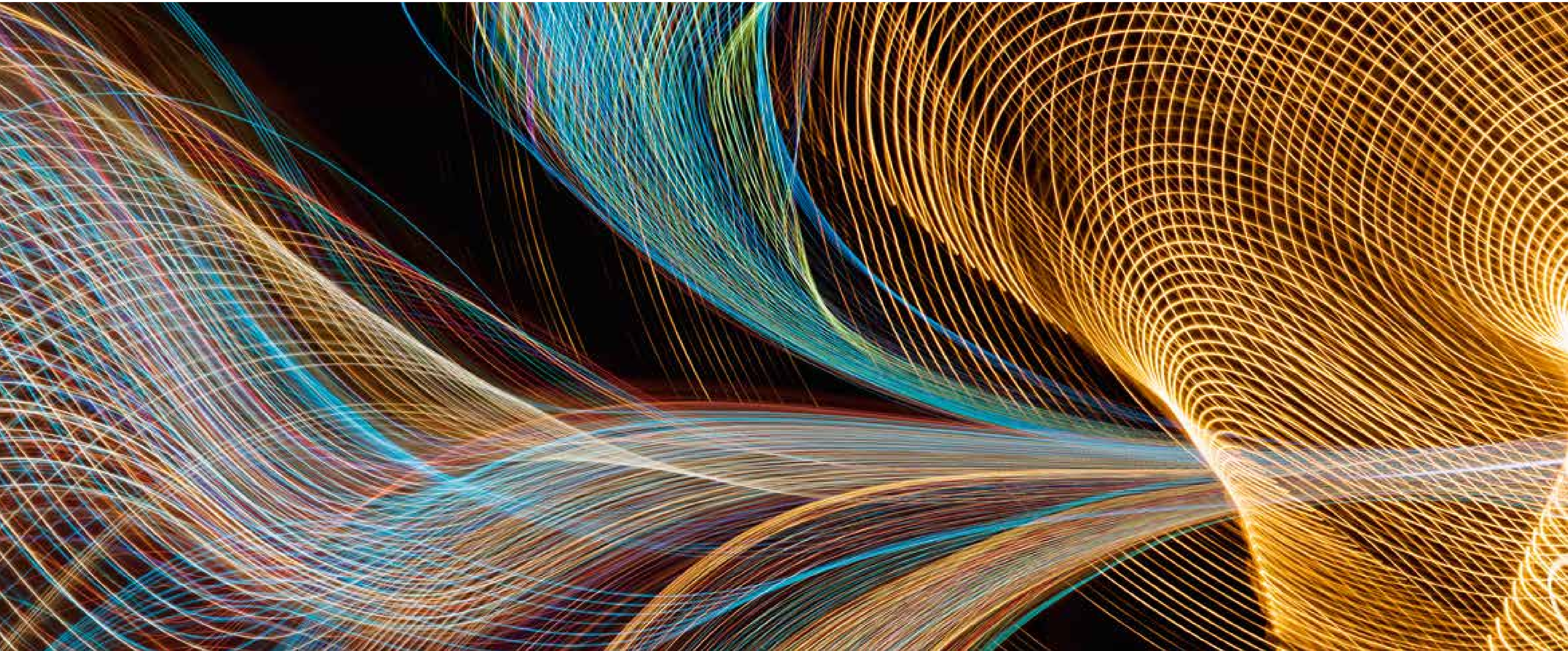
- Estimated annualised synergies in excess of $5.0 million
  Full run rate by FY2019
  - — significant rationalisation opportunities, with Sydney and Melbourne operations to be fully integrated into Blue Star DIRECT
- Estimated $4.5 million of integration costs
- Capital expenditure program of $4.0 million, driven by recently secured additional revenue will deliver in excess of $1.0 million additional EBITDA

(1) Consideration excludes any completion working capital adjustment, and assumes SEMA is acquired on a debt free/cash free basis

Strategic rationale

- Highly complementary to Blue Star DIRECT
- Diverse, long-term and high quality client list with exposure to attractive sectors
  - — minimal cross-over with existing IVE customer base
  - — positions IVE in new sectors (e.g. local government)
  - — cross-sell opportunities given IVE's diversified offering
- Enhance IVE's position as a leading Asia Pacific provider of marketing automation, data analytics & personalised content in a multi-channel world
- Provides new products and services which enhance IVE's existing diversified offer
  - — online archive and retrieval platform
  - — access to the trans promo (physical and digital) market (estimated $500 million market size)

CAPACITY EXPANSION TO SUPPORT REVENUE GROWTH - FRANKLIN WEB (NSW)



STRATEGIC RATIONALE

The capacity expansion at Franklin WEB (NSW) is underwritten by additional revenue secured

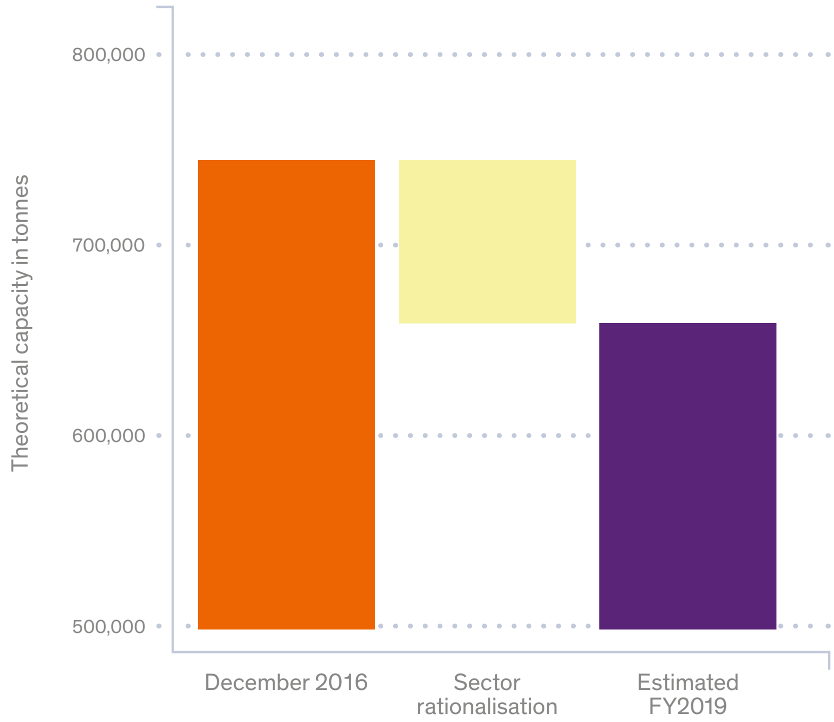
- Since the acquisition of Franklin and AIW in December 2016, IVE has successfully won contracts totalling $70 million in annual incremental revenue including:
  - Coles (Coles Supermarkets, Vintage Cellars, First Choice Liquor)
  - Pacific Magazines
  - NARTA extension (including an additional large national retailer)
- Approximately $40 million of this revenue will be serviced by IVE's existing capacity
- To fully service these contracts and allow future growth, IVE has ordered a second new 80 page heatset web offset press and auxiliary equipment for the Franklin WEB (NSW) greenfield site:
  - $22 million capital cost
  - commissioning expected by 31 August 2018
  - highly automated, low cost operation
- Expected to generate annualised EBITDA contribution in excess of $5.0 million (based on existing, contracted revenue) before additional growth
- With the new contract wins, the new press will be significantly utilised from day one. The press also:
  - provides further growth potential; and
  - continues the re-balance of capacity from Victoria to NSW to better service national retailers and publishers. This has been instrumental in securing new contracted revenues

REDUCED CAPACITY DRIVES HIGHER UTILISATION

Recent consolidation in the LFWO sector has resulted in a significant reduction in capacity

- Both major large format web offset operators have undertaken significant rationalisation of press capacity since late 2016
- IVE management estimate that:
  — theoretical sector capacity will reduce by 8 - 9% between December 2016 and FY19, inclusive of IVE's new presses at Franklin WEB (NSW)
  — utilisation across the sector will increase commensurately as a result
- Rationalisation and increased utilisation has been driven by positive change in market structure (5 major operators down to 2 major operators)
- Much of the excess capacity retired has been older, less efficient equipment, increasing the overall efficiency of the sector

REDUCED SECTOR CAPACITY



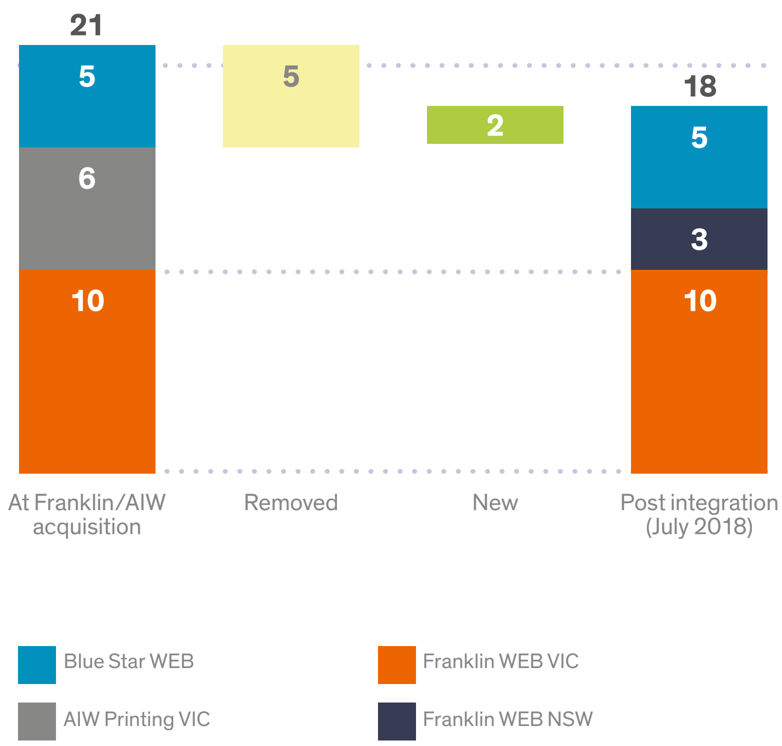
Source: IVE management

IVE´s RATIONALISED PRESS FLEET

Significant investment to support additional secured revenue

- Since the Franklin / AIW transaction, IVE has undertaken an integration plan to:
  - consolidate the Franklin / AIW press fleet; and
  - re-balance capacity to NSW through the establishment of a Franklin WEB greenfield site in Sydney
- Following finalisation of integration and commissioning of the second 80 page press, IVE will have:
  - rationalised its heatset web press fleet from 21 to 18; and
  - significantly increased utilisation and efficiency

IVE HEATSET WEB OFFSET PRESS FLEET



FY17 RESULTS

REVENUE

- IVE's FY17 revenue increased by 30.1% on PCP to $496.9 million
- IVE's unique and diverse offering remains appealing to new and prospective customers as they look to explore the full diversity of our value proposition
- Strong new business performance across a broad cross section of customers. Highlights of major new contract wins include:
  - **IVEO**: L'Oréal, Diageo, BP and Blackmores
  - **Kalido**: AXA Asia, Johnson & Johnson, Kalbe, The Mall Group, L'Oréal and Foxtel
  - **Blue Star Group**: Coles, Pacific Magazines, Kmart, Lovatts, Globus Travel, Nestle and Suncorp
  - **Pareto**: Red Cross and Greenpeace
- IVE continues to explore new opportunities with existing customers and has grown share of wallet (SOW). Major SOW wins include:
  - **IVEO**: Diageo, iCare, McDonalds and RACV
  - **Kalido**: Super Retail Group, Foxtel and ANZ
  - **Blue Star Group**: NBN, H+R Block, Birdnest, Fairfax and ANZ
  - **Pareto**: World Wildlife Fund and Lifeline
- IVE has successfully renewed a number of key contracts:
  - CBA, Optus, Fairfax, Tupperware, Travelcorp, Australian Electoral Commission, Glaxo Smith Kline, Flight Centre, IAG, NBN, Yaffa Media, Beyond Blue and Kmart

KEY INITIATIVES

- **Kalido Expansion**

  The Kalido division continues its growth trajectory into Asia (specifically in the data analytics, marketing automation and website optimisation space) with strong new business wins in Indonesia, Thailand and China. Kalido Hong Kong opened in April 2017 to complement the existing Singapore office, established in May 2016

  As a leading Salesforce Marketing Cloud partner in Asia Pacific, Kalido's Platinum Certification should see them take advantage of many new business and revenue opportunities in Asia, specifically in data analytics, marketing automation and website optimisation

- **Blue Star CONNECT relocation**

  Towards the end of 2016, Blue Star CONNECT (NSW) relocated from three existing premises into one new 20,000 sqm purpose-built facility in Erskine Park. The new facility has the capacity to hold 17,000 pallets, supporting the ongoing growth of the Group's logistics and fulfilment offer, which continues to play a key part in our success to secure large managed solutions customers in IVEO. Simultaneously the warehouse management system was upgraded to support further automation and growing activity levels

- **Capital expenditure**

  A range of capital expenditure initiatives were actioned across the Group to ensure our production environment remains highly efficient

- **Relocation and expansion of Blue Star DISPLAY in Victoria**

  Building on the growth of the Blue Star DISPLAY business in NSW over recent years, the Group's existing Victorian operation was relocated and merged with Franklin WEB's retail display business into a dedicated facility in Sunshine. This coincided with a significant investment program to provide more capacity to better service national retailers for their retail display requirements

PROFIT AND LOSS

- **Revenue growth** - Revenue increase of $114.8 million or 30.1% over PCP, this reflects the impact of Franklin and AIW acquisition, as well as increased revenue from new customer wins and the existing customer base through expanded service offering
- **Gross profit margin** - The gross profit increase of $48.5 million over PCP largely driven by increased revenue. The Group achieved gross profit margin of 49.9% to revenue compared with 52.2% in PCP. Catalogue revenue has historically been at lower gross profit margin to that of IVE existing revenue. Normalising for this, gross profit has remained stable as a result of managing of inputs, continued leveraging of supply chain and reducing outsource spend wherever possible by producing internally
- **EBITDA growth** - EBITDA of $55.2 million represents an increase of $10.3 million or 23.0% over PCP, achieved via a combination of revenue growth and efficiency gains. EBITDA margin of 11.1% is a decrease on PCP of 11.7% impacted by carrying higher costs through transitional year
- **FY17 final dividend** – Final dividend of 6.4 cents per share fully franked, after issue of new shares via the rights issue. This is consistent with the company's stated dividend policy, the payout ratio is 73% of NPAT (before restructure and acquisition costs)

	PRO FORMA[1]			
	Actual FY2017 $M	Actual FY2016 $M	Variance $M	Variance %
Revenue	496.9	382.0	114.8	30.1%
Gross Profit	248.1	199.6	48.5	24.3%
% of Revenue	49.9%	52.2%	–	-4.4%
EBITDA	**55.2**	**44.9**	**10.3**	**23.0%**
% of Revenue	11.1%	11.7%	–	-5.4%
EBIT	**41.4**	**34.8**	**6.6**	**18.9%**
% of Revenue	8.3%	9.1%	–	-8.6%
Profit before tax	36.0	32.6	3.4	10.5%
NPAT	**24.6**	**22.3**	**2.3**	**10.5%**
NPATA	**27.3**	**23.9**	**3.3**	**14.0%**

(1) The Pro Forma financial results are on a non IFRS basis and not audited
FY2016 & FY2017 excludes restructuring and acquisition expenses (refer Appendix)

IVE GROUP LIMITED
Statutory Balance Sheet

- The increase in drawn senior facilities of $99.3 million relates to the acquisition of both Franklin and AIW on 13th December 2016
- The acquisitions were funded through a combination of new equity via issue of shares to vendors ($20.3 million), a share placement and entitlement offer ($40.0 million), and a new 3 year senior debt facility which resulted in the senior debt facility increasing from $53.0 million to $140.0 million as at 30 June 2017 and drawn to $136.0 milliion(1)
- The asset base including intangibles has significantly expanded over the period primarily as a result of the Franklin and AIW acquisitions
- During the year, capital expenditure was $21.5 million (including capex WIP) with further capital commitments of $23.3 million. This capital expenditure largely relates to the LFWO projects of Blue Star Web ($12.0 million) and Franklin WEB ($30.0 million), and will be fully reflected by the end of FY2018
- FY19 capex outlook approximately $7.5 million

	STATUTORY	
	Actual June 2017 $'M	Actual June 2016 $'M
CURRENT ASSETS		
Cash and cash equivalents	23.9	14.5
Trade receivables, prepayments and others	101.3	74.2
Inventories	46.6	12.5
Current tax receivable	3.0	–
Total Current Assets	**174.7**	**101.2**
NON CURRENT ASSETS		
Deferred tax assets	19.2	17.2
Property, plant and equipment	80.5	41.7
Intangible assets and goodwill	153.9	70.3
Other non current assets	–	1.0
Total Non Current Assets	**253.6**	**130.2**
Total Assets	**428.3**	**231.4**
CURRENT LIABILITIES		
Trade payables and provisions	119.4	80.0
Finance lease liabilities	2.8	2.6
Bank loans	10.0	–
Current tax payable	–	3.7
Total Current Liabilities	**132.2**	**86.3**
NON CURRENT LIABILITIES		
Trade payables and provisions	23.0	15.1
Finance lease liabilities	11.2	11.7
Bank loans	124.3	36.8
Total Non Current Liabilities	**158.5**	**63.6**
Total Liabilities	**290.7**	**149.9**
NET ASSETS	**137.6**	**81.5**
EQUITY		
Share Capital	98.8	39.8
Reserves	0.2	–
Retained Earnings	38.6	41.7
Total Equity	**137.6**	**81.5**

(1) Gross of capitalised establishment costs

CASH FLOW

	PRO FORMA[1]	STATUTORY
	FY2017 $M	FY2017 $M
EBITDA	**55.2**	**35.9**
Movement in NWC/non cash items in EBITDA	10.2	12.9
Free Cash Flow	**65.4**	**48.8**
Capital expenditure (net)	-20.1	-20.1
Payments for acquisitions & deferred consideration	-122.8	-122.8
Net cash flow before financing and taxation	**-77.5**	**-94.0**
Tax	-15.9	-10.0
Proceeds from bank loans (net)	99.3	99.3
Payment of finance lease liabilities	-2.6	-2.6
Proceeds from new share issue	40.0	40.0
Dividends paid	-15.2	-15.2
Interest paid (net)	-4.9	-4.9
Transaction costs (equity and debt)	-3.3	-3.3
Net cash flow	**20.0**	**9.3**

(1) The Pro Forma financial results are on a non IFRS basis and not audited
FY2017 excludes restructuring and acquisition expenses (refer Appendix)

Acquisition and integration update

The Group continued its disciplined acquisition program with five businesses acquired during the period. Three acquisitions (excluding Franklin WEB and AIW Printing) were seamlessly integrated into existing Blue Star businesses throughout the year:

Franklin WEB (Franklin) and AIW Printing (AIW) (completed 13th December 2016)

Customers' response to IVE's acquisition of Franklin and AIW has been very positive:

- $70 million in incremental annual contracted revenue has been secured since December 2016 - Coles, Pacific Magazines and the extension of NARTA (including an additional large national retailer)
- All major customers of both Franklin and AIW have been retained
- Customers of both Franklin and AIW are actively engaged to explore IVE Group's diversified offering

Establishment of Franklin NSW in conjunction with Franklin VIC to efficiently service national retailers with quicker speed to market and reduced costs:

- The installation of a new 80 page Lithoman printing press in Franklin NSW, and supporting infrastructure
- The Franklin NSW facility will also include highly automated stitching and perfect binding equipment to enable a full service offering to the market. The opening date of the facility is on track and to budget, and will be fully operational in October 2017
- All key staff have been retained over the last six months and actively recruiting staff for the new Franklin NSW operation
- It is expected that the synergies will be a minimum of $11.5 million per annum (full run rate effective January 2018)

The AIW plant at Springvale in Victoria was significantly scaled down in January 2017 and currently operates as a short term transitional satellite manufacturing arm of Franklin WEB. As a result of the decision to establish the Franklin greenfield operation in NSW on the back of significant revenue growth, the final closure of AIW has been delayed.

The delayed closure of AIW has resulted in additional costs being incurred over the integration period. This is necessary to ensure customer delivery requirements are met until Franklin WEB (NSW) is fully operational.

The Mailing House	(completed September 2016) fully integrated into Blue Star DIRECT (NSW)
Display Bay and **R25**	(completed December 2016) fully integrated into Blue Star DISPLAY (NSW)

OFFER SUMMARY

OFFER SUMMARY
Sources and uses of funds

SEMA acquisition terms

Purchase price	IVE has entered into binding agreements to acquire shares in SEMA for up to $14.5 million[1]
Closing conditions	The Acquisition is subject to customary conditions precedent
Completion date	The Acquisition is expected to complete by 5th September, 2017
Funding	Up to $11.1 million cash from fully underwritten entitlement offer at $2.05 $3.4 million in IVE scrip issued to the vendors of SEMA at $2.06, subject to a 6 month escrow

Sources and uses of funding

Sources of Funds	$ million
Entitlement offer	55.6
Scrip to vendors of SEMA	3.4
TOTAL	**59.0**

Uses of Funds	$ million
Payment for SEMA (assuming full earn-out)	14.5[1]
SEMA integration and capex costs	8.5
Second press acquisition and commissioning	22.0
Growth capital	11.2
Associated transaction costs	2.8
TOTAL	**59.0**

(1) Consideration excludes any completion working capital adjustment, and assumes SEMA is acquired on a debt free/cash free basis

OFFER SUMMARY
Details of the entitlement offer

Offer structure and size	Fully underwritten 1 for 4.4 pro-rata, accelerated, non-renounceable Entitlement Offer to raise gross proceeds of approximately $55.6 million Approximately 27.1 million New Shares to be issued
Offer price	Entitlement Offer will be conducted at $2.05 per New Share (Offer Price) – 5.5% discount to the last traded price of $2.17 on Friday 25 August 2017 – 4.5% discount to TERP(1) of $2.15
Institutional investors	Approximately $38.5 million Institutional Entitlement Offer to existing institutional shareholders – The Institutional Entitlement Offer will be conducted on Monday 28 August 2017 – New Shares equivalent to the number of New Shares not taken up and those that would have been offered to ineligible shareholders will be placed into an Institutional shortfall bookbuild to be conducted on Tuesday 29 August 2017
Retail investors	Approximately $17.1 million Retail Entitlement Offer to existing eligible retail shareholders – The Retail Entitlement Offer will open at 9.00am (Sydney time) on Monday, 4 September 2017 and close at 5.00pm (Sydney time) on Wednesday, 13 September 2017 – Eligible retail shareholders may also apply for additional New Shares beyond their entitlement, up to a maximum of 100% of their Entitlement, subject to the limitations and scale-back discretion detailed in the Retail Offer Booklet
Director commitments	Caxton Print Holdings Pty Limited As Trustee For Selig Family Trust (which represents the interests of Geoff Selig, Executive Chairman, and Paul Selig, Non-Executive Director), intends to take up 50% of its entitlement as part of the Entitlement Offer. All IVE directors who hold shares in IVE have stated they intend to take up some or all of their entitlements
Ranking	New Shares issued under the Entitlement Offer and issued to SEMA's vendor(s) will rank equally with existing fully paid ordinary shares from their time of issue, including being eligible for the full year FY17 dividend
Underwriters	Offer is fully underwritten by Bell Potter Securities Limited and Shaw and Partners Limited

(1) Theoretical ex-rights price

OFFER SUMMARY
Offer timetable

EVENT	DATE [1]
Trading halt and announcement of the Entitlement Offer	Monday, 28 August 2017
Institutional Entitlement Offer opens	Monday, 28 August 2017
Institutional Entitlement Offer closes	Tuesday, 29 August 2017
Institutional Shortfall Bookbuild	Tuesday, 29 August 2017
Trading halt lifted and shares recommence trading on ASX on an ex entitlement basis	Wednesday, 30 August 2017
Record Date for determining entitlement to subscribe for New Shares	7pm (Sydney time)[2] Wednesday, 30 August 2017
Retail Entitlement Offer opens	9am (Sydney time)[2] Monday, 4 September 2017
Retail Entitlement Offer Booklet despatched to eligible shareholders	Monday, 4 September 2017
Settlement of applications in the Institutional Entitlement Offer	Monday, 4 September 2017
Allotment and normal trading of New Shares under the Institutional Entitlement Offer	Tuesday, 5 September 2017
Retail Entitlement Offer closes	5pm (Sydney time)[2] Wednesday, 13 September 2017
Settlement of Retail Entitlement Offer	Tuesday, 19 September 2017
Allotment of New Shares issued under the Retail Entitlement Offer	Wednesday, 20 September 2017
Quotation of New Shares under the Retail Entitlement Offer	Thursday, 21 September 2017
Despatch of holding statements in respect of New Shares issued under the Retail Entitlement Offer	Friday, 22 September 2017

(1) All dates and times are indicative and subject to change without notice
(2) Australian Eastern Standard Time

OFFER SUMMARY
Pro Forma Balance Sheet

$ million	June 2017 Pro Forma Balance Sheet (1)					
	IVE Statutory	Dividend	Capital Raise / transaction costs	Impact of acquisition (2)	Second press capex (3)	Pro Forma
Cash and cash equivalents	23.9	(9.5)	52.8	(7.8)	(22.0)	37.4
Trade and other receivables	94.8	–	–	7.3	–	102.1
Inventories	46.6	–	–	0.3	–	46.8
Property, plant and equipment	80.5	–	–	3.2	22.0	105.8
Intangible Assets	153.8	–	–	14.1	–	168.0
Other Assets	28.7	–	0.7	0.4	–	29.8
Total Assets	**428.3**	**(9.5)**	**53.6**	**17.5**	**–**	**489.9**
Trade and Other Payables	98.4	–	–	7.6	–	106.0
Borrowings	148.3	–	–	–	–	148.3
Other Liabilities	44.0	–	–	6.5	–	50.5
Total Liabilities	**290.7**	**–**	**–**	**14.1**	**–**	**304.8**
Net Assets	**137.6**	**(9.5)**	**53.6**	**3.4**	**–**	**185.0**

(1) The Pro Forma Balance Sheet is based on the audited balance sheet of IVE as at 30 June 2017. The financial information for SEMA has been extracted from the financial statements of SEMA for the financial year ended 30 June 2017

(2) Excludes any post completion purchase price accounting adjustments. Initial cash component of $7.75 million and estimated contingent consideration of $3.35 million included in trade and other payables. Total consideration of $14.5 million excludes any completion working capital adjustment, and assumes SEMA is acquired on a debt free/cash free basis

(3) Payment terms subject to further negotiation with manufacturer, majority to be paid in FY18

APPENDICES

APPENDIX A
Statutory Results

	STATUTORY			
	Actual FY2017 $M	Actual FY2016 $M	Variance $M	Variance %
Revenue	496.9	369.2	127.6	34.6%
Gross Profit	248.1	192.0	56.1	29.2%
% of Revenue	49.9%	52.0%	-	-4.0%
EBITDA	**35.9**	**26.5**	**9.4**	**35.5%**
% of Revenue	7.2%	7.2%	-	0.7%
EBIT	**22.2**	**16.9**	**5.3**	**31.3%**
% of Revenue	4.5%	4.6%	-	-2.4%
Profit before tax	16.4	14.2	2.3	15.9%
NPAT	**12.1**	**15.1**	**-2.9**	**-19.5%**
NPATA	**14.8**	**16.4**	**-1.6**	**-10.0%**

FY2017 PRO FORMA ADJUSTMENTS	
Restructure & Acquisitions costs	**FY2017 $M**
Restructure - IVE other	-1.5
Restructure - Franklin / AIW - redundancies, relocation and site closure costs	-11.8
Acquisition - transaction costs	-5.9
Interest expense - previous facility setup costs	-0.3
TOTAL (pre-tax)	**-19.5**

APPENDIX B
INTERNATIONAL OFFER RESTRICTIONS

This document does not constitute an offer of new ordinary shares ("New Shares") of the Company in any jurisdiction in which it would be unlawful. In particular, this document may not be distributed to any person, and the New Shares may not be offered or sold, in any country outside Australia except to the extent permitted below.

Hong Kong

WARNING: This document has not been, and will not be, registered as a prospectus under the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Cap. 32) of Hong Kong, nor has it been authorised by the Securities and Futures Commission in Hong Kong pursuant to the Securities and Futures Ordinance (Cap. 571) of the Laws of Hong Kong (the "SFO"). No action has been taken in Hong Kong to authorise or register this document or to permit the distribution of this document or any documents issued in connection with it. Accordingly, the New Shares have not been and will not be offered or sold in Hong Kong other than to "professional investors" (as defined in the SFO).

No advertisement, invitation or document relating to the New Shares has been or will be issued, or has been or will be in the possession of any person for the purpose of issue, in Hong Kong or elsewhere that is directed at, or the contents of which are likely to be accessed or read by, the public of Hong Kong (except if permitted to do so under the securities laws of Hong Kong) other than with respect to New Shares that are or are intended to be disposed of only to persons outside Hong Kong or only to professional investors (as defined in the SFO and any rules made under that ordinance). No person allotted New Shares may sell, or offer to sell, such securities in circumstances that amount to an offer to the public in Hong Kong within six months following the date of issue of such securities.

The contents of this document have not been reviewed by any Hong Kong regulatory authority. You are advised to exercise caution in relation to the offer. If you are in doubt about any contents of this document, you should obtain independent professional advice.

Singapore

This document and any other materials relating to the New Shares have not been, and will not be, lodged or registered as a prospectus in Singapore with the Monetary Authority of Singapore. Accordingly, this document and any other document or materials in connection with the offer or sale, or invitation for subscription or purchase, of New Shares, may not be issued, circulated or distributed, nor may the New Shares be offered or sold, or be made the subject of an invitation for subscription or purchase, whether directly or indirectly, to persons in Singapore except pursuant to and in accordance with exemptions in Subdivision (4) Division 1, Part XIII of the Securities and Futures Act, Chapter 289 of Singapore (the "SFA"), or as otherwise pursuant to, and in accordance with the conditions of any other applicable provisions of the SFA.

This document has been given to you on the basis that you are (i) an existing holder of the Company's shares, (ii) an "institutional investor" (as defined in the SFA) or (iii) a "relevant person" (as defined in section 275(2) of the SFA). In the event that you are not an investor falling within any of the categories set out above, please return this document immediately. You may not forward or circulate this document to any other person in Singapore.

Any offer is not made to you with a view to the New Shares being subsequently offered for sale to any other party. There are on-sale restrictions in Singapore that may be applicable to investors who acquire New Shares. As such, investors are advised to acquaint themselves with the SFA provisions relating to resale restrictions in Singapore and comply accordingly.

APPENDIX B
INTERNATIONAL OFFER RESTRICTIONS continued

United Kingdom

Neither the information in this document nor any other document relating to the offer has been delivered for approval to the Financial Conduct Authority in the United Kingdom and no prospectus (within the meaning of section 85 of the Financial Services and Markets Act 2000, as amended ("FSMA")) has been published or is intended to be published in respect of the New Shares.

This document is issued on a confidential basis to "qualified investors" (within the meaning of section 86(7) of the FSMA) in the United Kingdom, and the New Shares may not be offered or sold in the United Kingdom by means of this document, any accompanying letter or any other document, except in circumstances which do not require the publication of a prospectus pursuant to section 86(1) of the FSMA. This document should not be distributed, published or reproduced, in whole or in part, nor may its contents be disclosed by recipients to any other person in the United Kingdom.

Any invitation or inducement to engage in investment activity (within the meaning of section 21 of the FSMA) received in connection with the issue or sale of the New Shares has only been communicated or caused to be communicated and will only be communicated or caused to be communicated in the United Kingdom in circumstances in which section 21(1) of the FSMA does not apply to the Company.

In the United Kingdom, this document is being distributed only to, and is directed at, persons (i) who have professional experience in matters relating to investments falling within Article 19(5) (investment professionals) of the Financial Services and Markets Act 2000 (Financial Promotions) Order 2005 ("FPO"), (ii) who fall within the categories of persons referred to in Article 49(2)(a) to (d) (high net worth companies, unincorporated associations, etc.) of the FPO or (iii) to whom it may otherwise be lawfully communicated (together "relevant persons"). The investments to which this document relates are available only to, and any invitation, offer or agreement to purchase will be engaged in only with, relevant persons. Any person who is not a relevant person should not act or rely on this document or any of its contents.

New Zealand

This document has not been registered, filed with or approved by any New Zealand regulatory authority under the Financial Markets Conduct Act 2013 (the "FMC Act").

The New Shares are not being offered to the public within New Zealand other than to existing shareholders of the Company with registered addresses in New Zealand to whom the offer of these securities is being made in reliance on the FMC Act and the Financial Markets Conduct (Incidental Offers) Exemption Notice 2016.

Other than in the entitlement offer, the New Shares may only be offered or sold in New Zealand (or allotted with a view to being offered for sale in New Zealand) to a person who:

- is an investment business within the meaning of clause 37 of Schedule 1 of the FMC Act;
- meets the investment activity criteria specified in clause 38 of Schedule 1 of the FMC Act;
- is large within the meaning of clause 39 of Schedule 1 of the FMC Act;
- is a government agency within the meaning of clause 40 of Schedule 1 of the FMC Act; or
- is an eligible investor within the meaning of clause 41 of Schedule 1 of the FMC Act.

APPENDIX C

Key Risks - Acquisition and Offer Risks

TOPIC	SUMMARY
Reliance on information provided	IVE undertook a due diligence process in respect of SEMA, which relied mostly on the review of financial and other information provided by the vendors. While IVE considers the due diligence process under-taken to be appropriate, IVE has not been able to verify the accuracy, reliability or completeness of all the information which was provided to it against independent data. Similarly, IVE has prepared (and made assumptions in the preparation of) the financial information relating to SEMA and the IVE Group post-completion included in this Presentation in reliance on limited financial information and other information provided by the vendors. Some of this information was unaudited. If any of the data or information provided to and relied upon by IVE in its due diligence process and its preparation of this Presentation proves to be incomplete, incorrect, inaccurate or misleading, there is a risk that the actual financial position and performance of IVE may be materially different to the financial position and performance expected by IVE and reflected in this Presentation. Investors should also note that there is no assurance that the due diligence conducted was conclusive and that all material issues and risks in respect of the Acquisitions have been identified. Therefore, there is a risk that unforeseen issues and risks may arise, which may also have a material impact on IVE. This could adversely affect the operations, financial performance or position of IVE. Further, the information reviewed by IVE includes forward looking information. While IVE has been able to review some of the foundations for the forward looking information relating to SEMA, forward looking information is inherently unreliable and based on assumptions that may change in the future. IVE has sought to mitigate the risks associated with the information provided during due diligence by seeking certain warranties and indemnities from the vendors.

TOPIC	SUMMARY
Analysis of opportunity	IVE has undertaken financial, business and other analyses of SEMA in order to determine its attractiveness to IVE and whether to pursue the transaction. It is possible that such analyses, and the best estimate assumptions made by IVE, draw conclusions and forecasts that are inaccurate or which are not realised in due course. To the extent that the actual results achieved by SEMA are different than those indicated by IVE's analysis, there is a risk that the profitability and future earnings of the operations of IVE may be materially different from the profitability and earnings expected as reflected in this Presentation.
Acquisition completion risk	While the acquisition agreement does not contain any material conditions precedent to completion and completion is scheduled to occur shortly after settlement of the Institutional Entitlement Offer, there is a risk that the SEMA Acquisition does not proceed on the current terms and expected timing due to unforeseen circumstances, and that this could materially and adversely affect IVE.
Historical liabilities	Since it is acquiring the shares in SEMA, IVE will also indirectly assume any liabilities that SEMA has from its past operations, including any liabilities which were not identified during its due diligence (for example, in relation to the unauthorised use or infringement of intellectual property) or which are greater than expected, for which insurance may not be adequate or available, and for which IVE will not have post-closing recourse under the SEMA Acquisition Agreement. Such liabilities may adversely affect the financial performance or position of IVE post-acquisition.

APPENDIX C

Key Risks - Acquisition and Offer Risks continued

TOPIC	SUMMARY
SEMA specific risks	Reduced demand for marketing communications products – The post-acquisition performance of IVE will be influenced by the overall condition of the marketing and print communications industry in Australia. The primary services offered by SEMA are printed and digital customer communications and new end-user marketing and communications preferences may result in an unexpected reduction in demand for these services. This may result in the reduction in the level of IVE's revenue. Loss of key management personnel – SEMA's historical performance is attributable in part to its key management personnel and members of the senior management team. There is a risk that IVE may not be able to retain these persons or be able to find effective replacements for them in a timely manner. The loss of such personnel or any delay in their replacement may adversely affect IVE's ability to develop and implement its business strategies and ultimately adversely affect IVE's business, operating and financial performance. The loss of key personnel could have an adverse impact on IVE's operations and potentially result in the loss of key client relationships and the potential loss of business knowledge. Loss of key customers – IVE's business is dependent on its ability to retain its existing customers. Its growth is dependent on its ability to attract new customers and increase its business with its existing customers. IVE may not be successful in retaining the historical clients of SEMA. Within the printing/ marketing communications industry, customer contracts typically permit termination for convenience on short notice (less than 90 days). Accordingly customer contracts are subject to the risk of termination, as well as expiry and non-renewal and the risk that customers reduce the volume of IVE's products they consume. Each of these would result in the reduction in the level of IVE's revenue
Underwriting risk	IVE has entered into an Underwriting Agreement under which the Underwriters have agreed to fully underwrite the Offer, subject to the terms and conditions of the Underwriting Agreement. The Joint Lead Managers' obligation to underwrite the Offer is conditional on certain customary matters, including IVE delivering certain certificates, sign-offs and opinions. Further, if certain events occur, some of which are beyond IVE's control, the Joint Lead Managers may terminate the Underwriting Agreement, including if:

TOPIC	SUMMARY
Underwriting risk (continued)	The acquisition does not proceed for a number of reasons including if the acquisitions or acquisitions funding arrangements are terminated, the agreements are withdrawn, revoked or varied in any respect that is materially adverse to IVE or terminated or rendered void, voidable, illegal or otherwise unenforceable;• there are certain delays in the timetable for the Entitlement Offer, without the Joint Lead Managers' consent; • there are certain financial or economic disruptions in key market or hostilities commence or escalate in certain key countries; • there is a change in the board or certain senior management changes; or • an adverse change, or an event that is likely to lead to an adverse change, occurs in the assets, liabilities, financial position or performance, profits, losses or prospects of IVE or the IVE Group from that disclosed to ASX up to, and including, the Announcement Date. The ability of the Underwriters to terminate the Underwriting Agreement in respect of some events will depend on whether the event has or is likely to have a material adverse effect on the success, marketing or settlement of the Offer, the value of the securities, or the willingness of investors to subscribe for securities, or where they may give rise to liability for the Underwriters. Termination of the Underwriting Agreement would have an adverse impact on the amount of proceeds raised under the Offer and could affect IVE's ability to pay the purchase price for the SEMA acquisition and the second Sydney press. If the Underwriting Agreement is terminated, IVE will generally not be entitled to terminate the acquisition agreements. In these circumstances, IVE would need to find alternative funding to meet its contractual obligations under the acquisition agreements to pay the purchase price. Termination of the Underwriting Agreement could materially adversely affect IVE's business, cash flow, financial performance, financial condition and share price. If the Underwriting Agreement is terminated and IVE is unable to source alternate funding, it may be unable to complete the SEMA Acquisition and could be required to pay damages. If this was to occur the Offer may not proceed and in this circumstance all application moneys paid would be refunded to investors. If the Underwriting Agreement was terminated after the settlement of the Institutional Entitlement Offer, the funds proposed to be raised in the Retail Entitlement Offer would not be raised, either in full or at all.

APPENDIX C

Key Risks - Acquisition and Offer Risks continued

TOPIC	SUMMARY
Integration risk	The Acquisition involves the integration of SEMA, which has previously operated independently from IVE. As a result, there is a risk that the integration of SEMA may be more complex than currently anticipated, encounter unexpected challenges or issues and take longer than expected, divert management attention or not deliver the expected benefits. This may affect IVE's operating and financial performance. Further, the integration of SEMA's accounting functions may lead to revisions, which may impact on IVE's reported financial results. The success of the SEMA acquisition and, in particular, the ability to realise the expected synergy benefits of the acquisition outlined in this Presentation, will be dependent on the effective and timely integration of SEMA's business alongside IVE's business following completion of the acquisition. While IVE has undertaken analysis in relation to the synergy benefits of the SEMA acquisition, they remain IVE's estimate of the synergy benefits expected to be achievable as part of the SEMA acquisitions, and there is a risk that the actual synergies able to be realised as part of the acquisition may be less than expected or delayed, or that the expected synergy benefits of the acquisition may not materialise at all or cost more to achieve than originally expected.
Achievement of synergies	A key determinant of the long-term benefits IVE expects to derive from the Acquisition is the achievement of expected synergies. There is a risk that the realisation of synergies or benefits described in this Presentation may not be achieved in a timely manner, at all or to the extent envisaged, or that the costs associated with achieving them may be higher than anticipated. Potential issues and complications influencing the achievement of targeted benefits include experiencing lower than expected cost savings, experiencing lower than expected efficiency improvements, unintended losses of key employees, and changes in market conditions.

TOPIC	SUMMARY
Risks associated with not taking up new shares under the entitlement offer	Entitlements cannot be traded on ASX or privately transferred. If eligible retail shareholders do not take up all or part of their available entitlements, individuals' percentage shareholding in IVE will be diluted (in addition to the dilution which will take place as a result of the issue of shares to the vendors of SEMA). Any New Shares which are not subscribed for by eligible retail shareholders pursuant to their entitlements will be available for other retail shareholders who have elected to subscribe for additional New Shares as part of the Top Up Facility, subject to the limitations and scale-back discretion detailed in the Retail Offer Booklet. To the extent that eligible retail shareholders elect to receive additional New Shares under the Top Up Facility, this may result in further dilution of individual percentage shareholdings in IVE.
Acquisition liability risk	The acquisition of SEMA may trigger change of control clauses in some material contracts to which SEMA (and its subsidiaries) are a party. Where triggered, the change of control clauses will, in most cases, require IVE to seek the counterparty's consent in relation to the acquisition of SEMA. There is a risk that a counterparty may not provide their consent, which may trigger a termination right in favour of that counterparty. If any of the material contracts are terminated by a counterparty or renegotiated on less favourable terms, it may have an adverse impact on IVE's financial performance and prospects. There can be no assurance that IVE would be able to renegotiate such contracts on commercially reasonable terms, if at all.

ive

APPENDIX C

Key Risks -Operational Risks

TOPIC	SUMMARY
Competition in the marketing and print communications industry	The marketing and print communications industry in Australia is competitive. IVE faces competition in all market sectors in which it operates. Any increase in competition (for example, a competitor launching similar products or services) may lead to a loss of market share or decreased profitability.
Reliance on customer relationships	IVE's ability to maintain successful relationships with existing and new customers is fundamental to its business, growth and profitability. Failure to successfully maintain relationships with existing and new customers (for example, by failing to identify or react to changes in customer preferences) could negatively impact IVE's future financial performance. Customers may choose to rely on termination rights in customer contracts which apply in a range of circumstances including in some cases for convenience, or upon a change of control or declining to renew contracts on their expiry.
Reduced demand for IVE's products and services	The performance of IVE will continue to be influenced by the overall condition of the marketing services and print communications industry in Australia. New end-user marketing and communications preferences may result in an unexpected reduction in demand for IVE products and services.
Reliance on key management personnel	IVE's performance depends significantly on its key management personnel managing and growing its business and responding to customers' needs. The unexpected loss of any key management personnel, or the inability on the part of IVE to attract experienced personnel, may adversely affect its future financial performance.

TOPIC	SUMMARY
Acquisition strategy may not be successful	IVE intends to selectively pursue acquisitions to complement its organic growth. However, IVE may not be able to identify suitable acquisition candidates at acceptable prices or complete and integrate acquisitions successfully. Even if successfully executed and integrated, there can be no guarantee of continued successful performance of those acquisitions. To the extent that IVE's acquisition strategy is unsuccessful, its financial performance could be adversely impacted.
Adapting IVE's business processes as it expands	As part of its growth strategy, IVE intends to expand its product and service offering, either organically or via acquisitions. As this expansion occurs, the complexity of its business will increase. If IVE is unable to adapt to address different market dynamics, its operational and financial performance may be adversely affected.
Brand and reputation damage	The success of IVE is largely dependent on its reputation and branding. Maintaining the strength of the reputation and branding of the IVE Group is integral to its ability to maintain relationships with existing customers, appeal to new customers, maintain sales growth and attract key employees. Factors which adversely affect IVE's reputation may have a negative impact on its competitiveness, growth and profit-ability.
Foreign exchange exposure	An investment in IVE will include indirect exposure to currency fluctuations. The impact of foreign exchange rate fluctuations is mitigated by the purchase of forward foreign exchange contracts, holding suitable levels of inventory and through price adjustments passed on to customers. If IVE's hedging strategies are not successful, IVE may experience financial loss.

APPENDIX C

Key Risks - Operational Risks continued

TOPIC	SUMMARY
Availability of inputs and input costs	IVE relies on various procurement relationships for the steady supply of raw materials, finished goods and products such as paper, ink, and equipment, all of which are key to operating its business. Significant supply disruptions could result in a material reduction in the availability of inputs required to support IVE's operation. Increases in the prices of these inputs, including those increases caused by foreign exchange movements and electricity and gas prices, could adversely affect IVE's earnings if selling prices are not adjusted, or if adjusting selling prices adversely impacts customers' demand for IVE's products.
Impact of changing technology on IVE's competitive position	IVE's business is significantly influenced by changing technology, evolving industry standards and the emergence of new technologies. These changes can impact the ways in which IVE's customers communicate with their customers and the ways in which IVE produces its existing products. In order to remain competitive and relevant, IVE needs to enhance and expand its offering to meet its customers' needs. If IVE is unable to do so, it may impact on its competitive position. IVE's ability to compete effectively in the future may also be impacted by its ability to maintain or develop appropriate equipment and technology platforms for the efficient delivery of its products and services. No assurance can be given that IVE will have the resources to acquire or the ability to develop new competitive technologies and this may also impact on IVE's competitive position in the market.
Equipment and facilities	IVE relies on having operational equipment and facilities with the capacity to meet its customer demands.If any equipment becomes unavailable or there is a delay in commissioning new equipment or facilities, IVE's costs may be increased and it may experience delayed revenue.

TOPIC	SUMMARY
Protection of confidential customer information	Through the ordinary course of business, IVE collects a range of personal and financial data from customers. It is possible that the measures taken by IVE to protect customer data will not be sufficient to detect or prevent unauthorised access to, or a disclosure of, confidential information. Any successful cyber-attack or other breach of security could result in loss of information integrity, or breaches of IVE's obligations nder applicable laws or customer agreements, each of which could adversely impact IVE's reputation, retention of customers, ability to attract new customers and financial performance.
Core technology and systems failure	IVE relies heavily on its information technology and equipment infrastructure and systems, and the success of its business depends on the efficient and uninterrupted operation of this infrastructure and these systems. Systems could be exposed to damage or interruption as a result of a number of events and factors. These events could result in business interruption, loss of customers and revenue, reputational damage and weakening of IVE's competitive position and financial performance.
80 Page Press	There is a risk that the press will not be delivered within the agreed timeline. IVE have placed the order for the press with a tier 1 global manufacturer (Manroland) of printing technology. Manroland have a proven track record of on time delivery & quality assurance. The press will be shipped from Germany to Australia so delivery may be negatively impacted due to shipping issues.

APPENDIX C

Key Risks - General Market Risk

TOPIC	SUMMARY
Risks associated with investment in equity capital	There are risks associated with any investment in a company listed on the ASX. The value of shares may rise above or below the current share price depending on the financial and operating performance of IVE and external factors over which IVE and the Directors have no control. These external factors include: economic conditions in Australia and overseas which may have a negative impact on equity capital markets; changing investor sentiment in the local and international stock markets; changes in domestic or international fiscal, monetary, regulatory and other government policies and developments and general conditions in the markets in which IVE proposes to operate and which may impact on the future value and pricing of shares. No assurances can be given that the New Shares will trade at or above the Offer Price. None of IVE, its Board or any other person guarantees the market performance of the New Shares.
Liquidity and realisation risk	There may be few or many potential buyers or sellers of IVE Shares on the ASX at any time. This may affect the volatility of the market price of IVE's shares. It may also affect the prevailing market price at which shareholders are able to sell their IVE shares.
Major shareholder risk	IVE currently has a number of substantial shareholders on its share register. There is a risk that these shareholders, future substantial shareholders, or other large shareholders may sell their shares at a future date. This could cause the price of IVE shares to decline.
Risk of dividends not being paid	The payment of dividends is announced at the time of release of IVE half year and full year results as determined by the Board from time to time at its discretion, dependent on the profitability and cash flow of IVE's businesses. While IVE has a stated dividend policy, circumstances may arise where IVE is required to reduce or cease paying dividends for a period of time.

TOPIC	SUMMARY
Taxation	Future changes in taxation law, including changes in interpretation or application of the law by the courts or taxation authorities, may affect taxation treatment of an investment in IVE shares or the holding and disposal of those shares. Further, changes in tax law, or changes in the way tax law is expected to be interpreted, in the various jurisdictions in which IVE operates, may impact the future tax liabilities and performance of IVE. Any changes to the current rates of income tax applying to individuals and trusts will similarly impact on share-holder returns.
General economic conditions	Adverse changes in economic conditions such as interest rates, exchange rates, inflation, government policy, national and international economic conditions and employment rates amongst others are outside IVE's control and have the potential to have an adverse impact on IVE and its operations.