

ASX Announcement

26 October 2016

IPH makes first international acquisition - Ella Cheong (Hong Kong) Limited and Ella Cheong Intellectual Property Agency (Beijing) Company Limited

IPH is pleased to announce its first international acquisition upon reaching agreement to acquire Ella Cheong (Hong Kong) Limited and its subsidiary Ella Cheong Intellectual Property Agency (Beijing) Company Limited (“**Ella Cheong Hong Kong & Beijing**”). Upon completion of the transaction Ella Cheong Hong Kong & Beijing will be rebranded as Spruson & Ferguson, and will further extend the IPH group’s reach into Asia.

The total purchase consideration for the acquisition is approximately HK\$162m (approximately A\$27m).

Ella Cheong (Hong Kong) Limited was established in Hong Kong in 2004 by Ms Ella Cheong. As demand for IP services in Greater China grew, the business expanded its presence in the region with the opening of a Beijing office in 2009 and has subsequently grown into a substantial patent and trade mark advisory business, with a staff of 54 offering a wide range of intellectual property services in Greater China.

Commenting on the acquisition, IPH’s Managing Director, David Griffith said, “We are delighted to have reached an agreement to acquire the Ella Cheong patent and trade mark businesses in Hong Kong & Beijing and extend a warm welcome to the principals and staff. IPH has had a long-standing relationship with Ella Cheong, who was a joint venture partner of Spruson & Ferguson in Singapore and Malaysia from 2001 to 2012. The acquisitions represent a particularly significant step in IPH’s strategy of building an intellectual property network in secondary markets internationally. The Hong Kong and Beijing businesses established and developed by Ms Cheong and her colleagues over many years provide an excellent platform for Spruson & Ferguson to expand the provision of its services for existing and new clients in Greater China, and enable further growth.”

“The Ella Cheong Hong Kong & Beijing businesses are profitable and offer IP services to a client base which is complementary to IPH’s existing businesses.”, Mr Griffith continued.

Ms Cheong will cease to be involved in the businesses and will no longer practice in the areas of patent, design and trade mark prosecution in Hong Kong, China and Macau. The remaining director Principals and all other staff will remain with the businesses.

Key features of the acquisition are:

- Purchase consideration of approximately HK\$162m (approximately A\$27m), being 6.75x FY16 normalised EBITDA, and subject to final accounting adjustments.

- Consideration is to be settled by the issue of 737,261 new IPH shares equivalent to approximately HK\$24m (approximately A\$4m) and approximately HK\$138m (approximately A\$23m) in cash.
- IPH shares to be issued at A\$5.4933/share (being 5 day VWAP up to and including 24 October 2016).
- The payment of 25% of the consideration will be deferred for 6 months from completion.
- The IPH shares issued as part of the consideration will be escrowed for 2 years.
- EPS accretive (after acquisition costs).
- Completion is expected by 31 October 2016.

For more information, please contact:

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About IPH Limited

IPH Limited ("IPH", ASX:IPH), the holding company of Spruson & Ferguson, Practice Insight, Fisher Adams Kelly Callinans, Pizzeys and Cullens is the leading intellectual property ("IP") services group in the Asia-Pacific region offering a wide range of IP services and products. These services are provided across Australia, New Zealand, Papua New Guinea, the Pacific Islands and Asia from offices in Sydney, Brisbane, Canberra, Singapore, Kuala Lumpur, Jakarta, Bangkok, Hong Kong, Beijing and Shanghai. The group comprises a multidisciplinary team of approximately 470 people, including some of the most highly regarded IP professionals in the Asia-Pacific region. The team services a diverse client base of Fortune Global 500 companies and other multinationals, public sector research organisations, foreign associates and local clients. IPH is the first IP services group to list on the Australian Stock Exchange.