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ASX: YPB

ASX/MEDIA ANNOUNCEMENT
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YPB Group signs binding Agreement to drive revenues in US security printing market

Key points

- **YPB has entered into a binding Agreement with leading US printing company Continuous Forms Control;**
 - **To jointly attack the printing and packing opportunities globally; and**
 - **For a Sale and Purchase agreement for YPB to acquire CFC.**
- **The parties plan to aggressively target the printing market and integrate YPB tracer-scanner technology plus Brand Reporter**
- **Agreement will generate immediate revenues from product packaging, fashion labels and pharmaceutical brands**
- **Expertise is gained from the CFC team and YPB can execute further Brand Reporter and mobile applications that interact with packaging and labels**

The Board of Anti-counterfeiting technology Company YPB Group Limited (ASX: YPB) (“YPB, the Company”) is pleased to announce that it has entered into a binding Agreement with leading US printing company Continuous Forms Control Inc. (“CFC”) to develop a sales and distribution platform and for the potential acquisition of CFC by YPB.

Under the Agreement, YPB and CFC will jointly develop a print management business (“business”) which will utilise YPB’s tracer-scanner anti-counterfeit technology, and CFC’s print management technical know-how and manufacturing capabilities.

YPB has Identified the printing market as a significant revenue opportunity, and has quickly implemented this strategy and negotiated this new Agreement which is effective immediately. YPB’s tracer product will be applied to the inks used in label printing, and then used in combination with its scanner to authenticate, plus Brand Reporter will be used to scan the printed codes on packaging.

CFC is based in California and has more than 40 years’ in the printing and packaging industry. It has existing contracts in consumer packaging and apparel industries, supplying a range of items including buttons, rivets, tags and labels.

The parties will immediately utilise CFC's sales team to sell YPB solutions to existing and new customers of CFC. YPB will invoice the Brand or Client direct for printing solutions provided under the term of the Agreement. YPB will then pay CFC a rebate for sales made during the term of the Agreement.

YPB and CFC have 120 days from the signing of the Agreement to conduct due diligence and develop a business plan for the operation of the business moving forward, and also agree a Sale and Purchase Agreement for the acquisition of the CFC business by YPB.

The Agreement also brings 40 years technical experience and knowledge that has the potential to also drive new opportunities in revenue and efficiencies for YPB's operations in the Chinese and ASEAN markets.

YPB CEO, John Houston has said:

"We are excited about the rapid and ongoing developments in our newly established USA business. With this Agreement, YPB has clear sight of ongoing revenues and within the initial period of the Agreement we expect revenues from major apparel and fashion branded clients. We see great potential for this smart business model to control more of the supply chain of printing, resulting in the Company making margin on printing, packaging, codes as well as our tracer material, scanners and Brand Reporter. Bascially it is a strategy to gain more share of customer spend as they move to incorporate anti-counterfeit measures into their packaging and supply chains."

Ralph Davis, Director and Founder of Continuous Forms Control has said:

"We are extremely excited about this business opportunity and fully aware of the need for YPB products for our existing customer base, and through our network in the industry we see significant potential and we are ready to aggressively implement this strategy with YPB not only in USA but globally."

For further information please contact;

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About YPB Group

YPB Group (ASX:YPB) is a leading worldwide solutions provider in brand protection, product authentication and anti-counterfeit technology listed on ASX in Australia and operating in China, USA, Australia and South East Asia. The company has developed innovative technologies that PROTECT and DETECT. YPB's Patented Tracer and scanner solutions PROTECT products from the risks of counterfeit and diversion. Brand Reporter powered by YPB allows Brands, Governments and consumers to DETECT the incidence of counterfeit.

YPB's solutions are customizable to the market needs and we are continuing to create innovative new products for brands, manufacturers, retailers, governments and consumers.

PROTECT

YPB has developed patented invisible Tracer material that can be embedded into products and packaging during or after the manufacture process. The Tracers are inexpensive and cannot be seen, removed or destroyed.

Using YPB's handheld scanner the Tracer can then be detected in products to determine if they are real or fake.

YPB currently has contracts in place with major packaging and product manufacturers in China and is growing in the USA, Australia and Thailand.

DETECT

Brand Reporter is YPB's technology platform designed for Governments, Brands and consumers to identify, manage, track and report counterfeit or divergent products within supply chains or at point of sale. The customised solutions are simple and easily deployed applications available on all popular smartphones.

Brand Reporter also utilizes crowd sourcing information and allows consumers to interact with products in the market using QR codes, track and trace, product scanning and consumer engagement features which can be customised to specific needs.

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