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**ASX: YPB**

## **ASX/MEDIA ANNOUNCEMENT**

**31 March 2016**

### **YPB identifies Mexican JV market opportunities**

YPB Group Limited (ASX:YPB), upon entering a Joint Venture (JV) agreement with Affyrmx LLC in February 2016, has conducted a market analysis of the opportunity available with Mexican government departments and its ability to capture further business in this sector.

The JV has already produced two contracts for vital records with state governments in Mexico and a number of further potential revenue streams have been identified.

Total revenues disclosed are those to the JV, with YPB's portion being 50% of the gross revenue at an average gross margin of 45%-50%. All amounts following are in \$USD.

#### **VITAL RECORDS**

##### *Market Size*

The estimated market size for vital records (birth, death, matrimony etc.), an opportunity on the federal and state levels, is an annual requirement of 50,000,000 to 60,000,000 documents, generating potential revenues of \$7.2 million-\$8.8 million.

##### *Opportunity*

YPB management believes that within three years it can capture 35% to 40% of this market. In the first full year of operation to the end of FY 2017, the company expects to be able to book orders for at least 10 million documents with revenue of \$1.45 million to \$1.75 million.

#### **VISAS**

##### *Market Size*

The estimated annual requirement for visas is 1.2 million- 1.3 million documents. The visa program is administered by the Mexican Secretariat of Foreign Affairs (Secretaría de Relaciones Exteriores) ('SRE').

##### *Opportunity*

YPB's JV partner held the contract to produce "paper visas" until 2014 when these were replaced with an "e-visa". 2016 will see the reintroduction of printed visas and YPB is well placed to secure a new multi-year agreement to produce these. It is expected such a deal will generate revenue of \$700,000 to the JV over an initial two-year term.

## **LOTTERY TICKETS**

### *Market Size*

The Mexican National Lottery, Loteria Nacional, has an estimated market of 20-30 million tickets per year (not including scratch-off tickets). We estimate that the supply contracts for these tickets would generate estimated annual revenues of between \$5.8 million-\$7.6 million.

### *Opportunity*

YPB's JV partner is accredited and equipped to supply the Loteria Nacional and intends to bid for the supply of tickets during the second half of 2016.

## **ID CARDS**

### *Market Size*

The SRE buys an estimated 10-12 million ID cards each year, generating revenue to the supplier of \$20-\$25 million. The Government of Mexico issues an ID card, which bears a photograph and address outside of Mexico of the Mexican National to whom it is issued, these ID cards allow Mexican Nationals to work in the USA.

### *Opportunity*

YPB's JV partner intends to bid for this contract late in 2016.

## **EMISSION CERTIFICATES**

### *Market Size*

Most Mexican states issue vehicle emission certificates, which are a security windshield sticker for a mandatory bi-annual vehicle emission test. The estimated number of certificates supplied is 20-25 million units each year, with estimated revenue of \$11.5-\$14.5 million per annum.

### *Opportunity*

YPB's JV partner intends to bid for the supply of Mexican emission certificates in the second half of 2016 and by year 2 YPB expects to secure 30% of the annual supply of these certificates.

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## **About YPB**

YPB Group (ASX: YPB) is a pioneer in advanced brand protection solutions. Listed on the Australian Securities Exchange, we are expanding our global footprint with an established presence in China, USA, Australia and South East Asia.

YPB's patented anti-counterfeit technology combined with its security packaging solutions, consulting and forensic services enables businesses to protect their high value brands from the risks of counterfeit and product diversion.

YPB's full range of services will give businesses the ability to cost effectively protect their brands, easily detect counterfeits and give them the opportunity to connect with their consumers about the authenticity of their brand.

### **PROTECT**

#### **Security print packaging and labeling**

YPB offers a wide range of intelligent security packaging and labeling solutions that can be included into almost any material and is a cost effective brand protection solution for companies wanting to protect the integrity and value of their brands in high-risk markets.

#### **IP solutions & forensic services**

YPB's IP solution specialists will work with quality brands and Governments, to develop personalised brand protection strategies and solutions that will deliver real protection and safety for brands, products and consumers.

### **DETECT**

#### **Scanner and tracer protection solutions**

YPB's patent protected state-of-the art tracer technology is invisible, cannot be copied or destroyed. Brand owners that include YPB's tracers in their packaging can use YPB's scanners to verify their product's authenticity. If a counterfeit is detected YPB's forensic services will consult with a brand owner to develop strategic solutions to protect the brand counterfeiting and product diversion.

### **CONNECT**

#### **Smartphone applications to detect and connect**

YPB's sophisticated, user friendly and powerful smartphone applications allow brand owners and consumers to identify and report suspected counterfeit or divergent products and allows brands to connect and engage with consumers via QR codes, near field communication, track and trace, product scanning and consumer engagement. Giving brand owners valuable and actionable "big data" about their consumers and products through a powerful data analytics capability.