ASX Announcement

Vita Group announces acquisition of Camelon IT, signals expansion into enterprise ICT services market

Brisbane, Monday 16 September 2013 - ASX-listed provider of communications, consumer electronics and related products, Vita Group Limited (ASX: VTG), today announced it has secured an unconditional agreement to acquire Camelon IT (Camelon), a specialist provider of information and communications technology (ICT) services.

The acquisition will bolster Vita's capability to offer ICT services to business and government customers, and positions the group to take advantage of the shift to cloud-based computing underway.

Based in Queensland with revenues of approximately $4.5 million in FY13 and a national customer base, Camelon specialises in providing cloud technology solutions, managed data networks, and Unified Communications in the small to medium business (SMB) and enterprise sector.

Camelon's offerings add greater scale to Vita's existing products and services catering for small to medium businesses and enterprise customers, and complement its core mobile, fixed voice, broadband and data products. Like Vita, Camelon enjoys a close strategic relationship with Telstra, and was this year announced Telstra Enterprise Partner of the Year for the second year running.

Under the terms of the transaction, Vita will pay an upfront purchase price of $4.6 million and an additional sum based on the delivery of certain performance targets over the next three years. The acquisition will be funded from existing cash reserves and bank facilities. It will take effect on 1 October and is expected to be earnings accretive for the Group. Vita expects the Camelon business to deliver significantly higher gross and EBITDA margins than Vita's existing businesses.

Vita Group CEO, Maxine Horne, said Camelon was a strategic acquisition that would spearhead Vita's drive into the fast-growing business ICT services market.

"We've been very impressed with Camelon's business model and its ability to guide business customers into new technologies such as Cloud and IP-based communications. Camelon is well led and has a strong reputation. It is a natural fit for Vita and will have an important role expanding our presence in a key growth market," Ms. Horne said.

Camelon IT founder and Managing Director, Myles McNamara, said: "Camelon has recorded consistent growth in recent years and we expect to see that continue, if not accelerate, under Vita's ownership. Camelon's service and consultancy offering complements Vita's own products and services, and together we have an exciting end-to-end proposition for the business market. I look forward to working with the Vita leadership team to realise that potential."

From 1 October, Camelon will operate as the business ICT brand of Vita Group. Mr. McNamara will continue to lead the business, reporting to Ms. Horne.

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About Vita Group

Brisbane-based Vita Group is a national, ASX-listed provider of telecommunications, computers and related products through retail and business channels. As at June 2013 Vita Group was operating 177 outlets, branded as Telstra and Telstra Business Centres (96 stores), Fone Zone (34), One Zero (30) and Next Byte (17). Each of these brands operates in a clearly defined retail segment and they share a common approach toward premium service and solution-oriented sales. Vita Group also operates a fast-growing mobile accessories division under the Sprout brand, and a range of other value-added products and services. For further information, visit www.vitagroup.com.au

About Camelon IT

Camelon IT is a market leader in strategic ICT consultancy services, specialising in Data and IP, Unified Communication Applications and Cloud Solutions. With more than two decades of experience and expertise, Camelon is an award-winning provider of business technologies. It offers unique solutions customised for Telstra's IP Telephony and Next IP network combined with a broad range of ICT services from consulting, design and delivery, through to implementation and support. Camelon IT operates from its head office on Queensland's Sunshine Coast with satellite offices in Hervey Bay, Brisbane and Melbourne.