

IMPORTANT INFORMATION

28 March 2019

ACCC will not oppose IPH’s proposal to combine IPH and Xenith

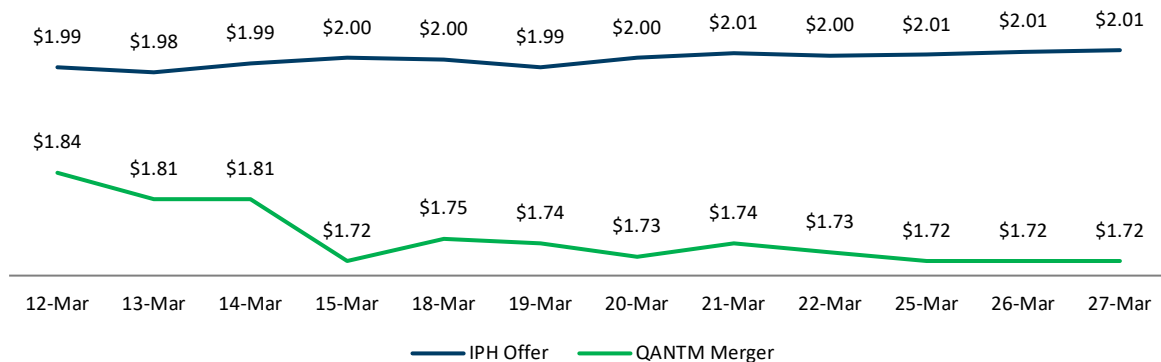
Xenith shareholders should vote against the QANTM merger

IPH’s proposal is superior with cash and certainty of value

IPH Limited (**IPH**) welcomes the announcement by the ACCC today that it will not oppose IPH’s proposal to combine IPH with Xenith IP Group Limited (**Xenith**). IPH’s proposal, made on 12 March 2019, was to combine IPH and Xenith through a scheme of arrangement under which IPH would acquire all of the remaining shares in Xenith that it does not already own for a mix of cash and shares in IPH (**IPH Offer**).

Under the IPH Offer each Xenith shareholder would receive \$1.28 in cash and 0.1056 IPH shares for every Xenith share that they own. This values Xenith at \$2.01 per share as at close of trading on 27 March 2019.

Since the announcement of the IPH Offer, the value of the proposed merger between Xenith and QANTM Intellectual Property Limited (**QANTM Merger**) has materially decreased and the value of the **IPH Offer has increased in value to \$2.01¹**, as shown below².



The announcement by the ACCC that it will not oppose the IPH Offer has removed the key regulatory condition to implementing the combination of IPH and Xenith. In IPH’s view removal of this condition confirms that the IPH Offer is a Superior Proposal to the QANTM Merger. This view is supported by the following facts:

- The IPH Offer allows Xenith shareholders to participate in the growth, development and upside potential for the combined group as part of an ASX200 company.

¹ Based on the closing price of IPH shares on 27 March 2019

² Based on closing prices of IPH and QANTM shares on identified dates

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- Since listing IPH has successfully integrated seven acquisitions into the business and has a high rate of retention of ex-vendor Principals.
- The proposed transaction is consistent with Xenith's transformational goals.
- The QANTM Merger is an all scrip merger into an entity that has had limited liquidity and challenges in trading since its IPO in 2016.

Following IPH's ACCC informal clearance there is now a clear choice for Xenith shareholders.

IPH understands that ISS, an independent proxy advisor, has recommended that Xenith shareholders **vote against the QANTM Merger** as Xenith shareholders may consider that the IPH Offer is objectively superior to the QANTM Merger, and that CGI Glass Lewis has recommended **abstaining on the vote**.

IPH confirms it will be lodging its vote by proxy notice against the QANTM Merger for its 19.9% shareholding in Xenith and encourages all Xenith shareholders to do the same.

Complete details of the IPH Offer can be found in IPH's letter to Xenith's Board dated 12 March 2019 together with the presentation about our proposal to acquire Xenith sent with that letter. Copies of these can be found on the ASX website under the ASX code IPH or on the IPH Limited website – www.iphltd.com.au – as ASX announcements released on that date.

If you have any questions about IPH's Offer please call our information helpline for Xenith Shareholders between 9am-5pm, Monday to Friday on 1300 502 987 (within Australia) or +61 2 8022 7944 (outside Australia).

Below is a summary comparison of the IPH Offer and QANTM Merger^{3,4}

	IPH Offer	QANTM Merger
Value (27 March 2019)³	✓ \$2.01	✗ \$1.72
ACCC approval	☐ No objection	☐ No objection
Cash consideration	✓ c.65% cash Certainty of value	✗ Nil cash
ASX 200 index	✓	✗
Liquidity⁴	✓ IPH annual turnover c.140%	✗ QIP annual turnover c.20%
Asia opportunities	✓ 20 years experience. IPH Asia underlying 1H2019 revenue of \$43m and EBITDA of \$17m	✗ Greater risk of execution
Acquisition track record	✓ Seven IPH acquisitions since listing. Significant capital strength for future opportunities	✗ One QIP acquisition since listing
Offer conditions	Substantially similar conditions as Merger. Merger does not proceed	Substantially similar conditions as IPH Proposal

³ Based on the IPH and QANTM closing prices as at 27 March 2019

⁴ Twelve-month trading volume divided by shares on issue

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About IPH Limited

IPH Limited ("IPH", ASX:IPH), the holding company of Spruson & Ferguson, Practice Insight, Pizeys and AJ Park, 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, Melbourne, Canberra, Auckland, Wellington, Singapore, Kuala Lumpur, Jakarta, Beijing, Hong Kong and Bangkok. The group comprises a multidisciplinary team of approximately 630 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 was the first IP services group to list on the Australian Securities Exchange.

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