

**ASX ANNOUNCEMENT**

## Sale of UK-based business unit



Photon Group Limited (ASX:PGA) today announced the sale of a business unit of Retail Insight Limited which provides point-of-sale data services to UK suppliers. The unit was sold to Retail Solutions Inc, for total consideration of US\$11 million.

Retail Insight's UK-based business serving global retailers and providing global CPG strategic planning and consultancy solutions will remain part of the Photon Group.

Jeremy Philips, CEO of Photon Group said: "This sale is consistent with our strategy over the past year. Photon remains highly pragmatic and will continue to explore opportunities to create value and further reduce debt."

The entire Retail Insight business represented 2.5% of Photon's net revenue in FY2011. The unit being sold accounted for almost half of Retail Insight's net revenues in FY2011. The business units Retail Insight are retaining generated net revenue growth of 87% in FY2011, while the business unit sold was flat.

The proceeds from the asset sale (net of transaction costs, taxes and US\$1 million held in escrow for warranties) will be applied to debt repayment. Photon's debt balance at the end of September 2011 is expected to be \$120 million. A further \$13 million of capped cash deferred consideration payments are expected to be paid over the next 12 months.

The divestment is expected to crystallise a non-cash loss on sale of \$8 million - \$10 million which will be recognised in the first half of FY2012.

### Contact

Andrew Butcher  
Butcher & Co  
+61 400 841 088