

ASX/MEDIA ANNOUNCEMENT
24th May 2015

YPB commences Tracer-Scanner shipments to fulfil supply contracts

Highlights

- **YPB Group has commenced supply of invisible tracer, master batch and scanners to the major contracts recently announced**
- **Total gross revenues of up A\$26m will flow from these contracts**
- **Hundreds-of-millions, and potentially billions, of items will be protected by YPB technology in China under these contracts**
- **Tracer production capacity significantly increased to meet supply requirements for these and future contracts**

The Board of anti-counterfeiting technology Company YPB Group Limited (ASX: YPB) (YPB, the Company) is pleased to announce that shipments of invisible tracer, ink masterbatch and T2 scanners have commenced in Q2 with corresponding revenues, and volumes are planned to increase from Q3 and Q4 2015.

Two significant China centric supply contracts for YPB's unique Tracer-Scanner anti-counterfeit technology were announced in January; a 5-year contract with Shenzhen Shensaier Ltd, a major supplier to China's tobacco (ASX announcement, 13 January 2015) and a 4-year contract with Hicap Closures Company Ltd, a major international supplier of solutions for bottle closures (ASX announcement, 30 January 2015).

As previously advised, the potential total gross revenues associated with these supply contracts is estimated to be in the region of A\$26 million over their terms and these form a strong foundation for revenue in China.

With tracer and scanner shipments now underway, YPB tracer will be applied to protect up to 2 billion bottle closures and a similar number of cigarette packs and alcohol bottles through the ink on the labels under these contracts.

The potential volumes of tracer and scanners required has driven the need to significantly increase YPB's capacity to produce its invisible tracer under its Patents, and the Company is pleased to advise that the increased capacity has now been implemented and will fulfil the volumes associated with these contracts.

YPB Executive Chairman and CEO Mr John Houston said:

"The commencement of shipments following extensive factory and customer trials is one of the most important milestones YPB has achieved in our time as a listed entity. We see these supply contracts as strategically significant in both the access to brands which YPB will protect and the revenues which will flow."

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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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