
ANNOUNCEMENT TO THE ASX

Market Update

Sydney, 02 November 2011 ~ Inventis Limited (ASX: IVT)

Despite continuous assurances, settlement on the proposed sale of the Technology Division, did not take place on 1 November 2011 (31 October 2011, New York time).

In a conversation today, the Buyer asserts that they should be in a position to complete by end of this week. However, they are unable to provide conclusive evidence to this effect. Given past experiences, confidence in the sale taking place in the immediate future is low, however, we remain optimistic.

In light of these continuing delays, a number of measures are being implemented to deal with the effects the holding pattern has had on the technology Division and the cash-flow strain caused by Gregory Commercial Furniture's sales growth, both in Australia and New Zealand. Thus, to ensure the Company is able to meet its forthcoming sales and other commitments, and in the interests of all stakeholders (Customers, suppliers, staff and shareholders), the following measures are being implemented:

- Immediate cost-cutting:
 - \$2.0m reduction in expenditure through consolidation of the Technology Division including staffing re-arrangement in line with its new direction as a solutions-based provider of innovative products to Government, Rail, Mining, and other customers; plus
 - \$1.0m reduction in the Commercial Furniture Division's expenditure through staff and other cost-cutting measures; plus
 - \$0.5m reduction in Head Office expenditure; plus
- Immediate funding:
 - \$1.0m is in the process of being made available to Gregory Commercial Furniture in New Zealand, subject to Westpac Bank, Australia, releasing their charge over the New Zealand assets; and
 - \$0.6m being made available by a substantial shareholder, to the Australian operations, through a mortgage over a property owned by the Company, subject to ASX waiving the requirements of Listing Rule 10.1; plus

- Further Funding:
 - \$1.0m to be raised through a rights issue. The details of which will be released to the market as soon as practicable; plus
 - the net proceeds, if any, from the proposed sale of the property being mortgaged, in accord with normal sales processes for assets of this nature to unrelated parties.

With respect to staff restructures, Fair Work Australia has been contacted and an application is being made to waive redundancy pays, should any occur during the period 1 November 2011 to 30 June 2012.

We extend a special thank you to our staff for their continuing commitment and support during this restructure process.

We also thank our customers, suppliers and shareholders for their ongoing support.

Even with frustrations and delays, the Board remains optimistic that the sale of the Technology Division will be finalised. However, should this not occur, the measures listed above are aimed at ensuring the long term success of the group.



Tony Noun
Executive Chairman