

Acquisition of Legal Post and First Post

RNS Number : 7084X
DX (Group) PLC
10 May 2016

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AIM: DX.

DX (Group) plc
("DX" or "the Company")

Acquisition of Legal Post and First Post

DX, the leading independent parcels, mail and logistics operator, is pleased to announce that it has exchanged contracts for the acquisition of the trade and assets of The Legal Post (Scotland) Ltd ("Legal Post") and First Post Ltd ("First Post") from First Scottish Group Ltd ("First Scottish") for a total consideration of £3.25m in cash, with completion expected at the end of May.

Legal Post provides a document exchange and postal service in Scotland, delivering legal documentation quickly and efficiently. First Post operates a Downstream Access mail service in Scotland offering a high quality, cost effective alternative to Royal Mail's first and second class services. The operations generated combined sales of £5.2m and operating profit of £0.6m for the year ended 31 May 2015.

Following completion, DX will combine Legal Post and First Post with its existing operations in Scotland to offer an enhanced service to both sets of customers. It also anticipates making cost savings of at least £0.6m.

Petar Cvetkovic, Chief Executive Officer, commented:

"We are pleased to announce that we have agreed terms to acquire Legal Post and First Post, both well-established operations that will enhance our customer offering. The businesses are wholly complementary to DX's operations in Scotland and they will be stronger together for both sets of customers, increasing the number of members in a single Scottish exchange network and providing access for Legal Post's members to DX's existing members in the UK and Ireland.

The enlarged operation in Scotland will enable significant efficiencies which will enhance the economic life of a bespoke mail service that is highly valued by its professional services members due to reliable early delivery and late collection times, whilst also offering a cost effective solution.

We look forward to delivering a smooth transfer of Legal Post and First Post's operations to our facility in Livingston over the coming months."

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This information is provided by RNS
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