

8 August 2014

Dear fellow shareholders,

Over the years, Aspermont has acquired and organically built \$60 million of products. Nearly all of these acquisitions were for print brands, most of the organic mastheads were digital and conference led.

During the past few years, business to business print products have been hit by the lightning rod of changes in the digital media landscape, as new technology and delivery capabilities have disrupted old commercial models.

Simultaneous to this shift has been the downward slide of the mining market; which continues today.

In fiscal 2013 as a response to this, Aspermont's Board requested management to consolidate what were then all time peak earnings, and return the group to a profitable dividend paying business. What is transpiring is the largest transition of the Group, with personnel changes from the Board of Directors (our two events business-focused directors) to executive teams and within all divisions. Major steps forward are occurring in technology, centralisation of services and content offerings.

During this change, both bank and conferencing partners were found wanting, and we have undertaken plans to address both, as revenues slipped 10-15% in publishing and 30% in conferencing, the former largely holding up its core profit lines the latter collapsing. *Mines and Money*, the core brand, is thankfully as strong and profitable as ever. It is, however, the non-core events and an oversized infrastructure that has caused the deterioration.

Much of these misfit solutions have been partially or all of our own making and are being rectified.

We believe revenues are stabilising as they convert to digital media, before they mount to exceed previous highs. Our margins post all the cost reduction and investment programmes will be markedly improved as we benefit from those improved digital dollar contributions.

Green shoots are everywhere, with subscription cash-flows higher year on year in July as we continue to focus on delivering authoritative content with far more advanced marketing skills. New operators have already had a steadying influence on the figures with fewer forecasted lapses.

After the funding, the bank will be put into correct order and the group will look to complete all outstanding issues with our conferencing partner to our respective levels of satisfaction.

The group has searched out underwriters, however our timeframe narrowed. From what we have learned, when money is expensive it is cheap, and when it is cheap it's underwritten.

The fact is that Aspermont has never been more valuable. For through the entire process the Publisher has been forced to consider his relationship with suppliers, manufacturers, miners and subscribers alike. We understand far more about the needs of the OEM marketer selling heavy equipment, and the role we can now play in this changing landscape. We can now see how to reach the millions of quality B2B readers with modest investment and sound returns.

Scalability is no longer a land behind the next bend. It is on our path, as we continue to move from fixed cost environments to variable ones.

In time the company will be shooting for a global readership far broader than domestic players even in business to consumer industries.

All of this to be managed off a market cap of under \$10 million.

I have tasked my CEO to generate a business which can provide a dividend announcement of \$1 million to its shareholders on completion of this current financial year.

Andrew Kent
Chairman

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