



ABN 63 088 257 729

27 November 2014

Manager of Company Announcements
ASX Limited
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By E-Lodgement

**JCURVE SOLUTIONS LIMITED
CHAIRMANS ADDRESS – 27 November 2014**

At last year's AGM I asked shareholders to support a new vision for the Company – in the dynamic and rapidly growing environment of Cloud Computing.

Subsequently in early December we completed the acquisition of JCurve Solutions Pty Ltd, a company holding a licence from Netsuite Inc. of the USA, to exclusively promote and sell in Australia and New Zealand, a fully integrated business software product, in the cloud, branded "JCurve", targeted specifically to small businesses.

Further to this, in April 2014, the Company raised \$2.4m of equity from a new group of sophisticated investors, with the funds used predominately to acquire the Full Circle Group, a telephone expense management business. At the time, Full Circle Group was a competitor to our Company's JTel product.

I wish to reiterate the rationale for the acquisition of the Full Circle Group as outlined previously to the market.

Firstly, it was acknowledged that it would take twelve months to two years to start to capitalise on the potential of the JCurve acquisition as further development and investment would be required.

The Company's JTel telecommunications expense management software was a mature product offering, with good recurring revenues and profitability. It was envisaged that this business line, along with Full Circle profits contribution, would provide funding for JCurve's development and growth potential.

Secondly, in February of this year the Company also commissioned an independent market assessment of its JTel product. The outcome was that in order to insulate current customer numbers and associated recurring revenue streams, a material rebuild of the product would be required, costing circa \$1.7m over approximately twelve months to complete.

The acquisition of the Full Circle Group in June of this year intends to address this potential rebuild by eliminating the vast majority of this required investment. Whilst also removing a



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competitor from the market; a profitable one, who was eroding JTel's market share, with its technology platform, support services and management.

Thirdly, the acquisition provided the Company with the greatest opportunity to protect the current revenue base of its JTel telephone expense management division, whilst also providing the platform to better compete in the enterprise and small business markets in Australia as well as pursuing identified global opportunities.

So, I remain as optimistic as I was at the 2013 AGM – and today with the added comfort of the prospective upside in the growth of the Company's telecommunications management software that was previously not identified. However, it has not been without its challenges.

The completion of the acquisitions both JCurve and Full Circle Group took longer than expected. The JCurve acquisition coincided with the December holiday period, preventing the originally planned high profile launch, whilst Full Circle was completed in June, just 2 weeks prior to the end of the 2013 financial year.

JCurve is also taking longer than expected to bring to market. The increasing demand for additional functionality, so much easier in the cloud has presented development challenges whilst our channel marketing strategies, including those aimed at the accounting profession and other market verticals, have proved to be more complex, time consuming and costly in terms of investment.

It is also fair to say that the legacy Stratatel Limited business was in worse condition than previously foreseen. So with the benefit of hindsight, to make two acquisitions and conduct a capital raising, all within a period of less than nine months, was beyond the capabilities of the incumbent management team in place at the time.

As announced to the market in mid-October, the loss of revenue contribution, following the integration of JTel's joint venture contract with a major South African Telco into a global requirement that was assessed to be in excess of our current capabilities, was without doubt a negative impact to the Company.

Your management team had budgeted for a conservative result for this business unit, also mitigating the loss with a cost reduction program. As such the financial impact will not be significant for the current financial period when measured against this budget.

With valuable lessons learnt, I am pleased to say that the integration of the three separate businesses into JCurve Solutions Limited has substantially been completed. The benefits of consolidation and rationalisation are now starting to flow through and will continue to provide continued financial benefits over the ensuing twelve months.

We recently announced the appointment of Mark Thompson as JCurve Solutions Limited new CEO Management. His credentials well suit the requirement of the position going forward. Along with other recent senior management appointments, the Directors of the Company are



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very confident of delivering on expectations, forecasts and opportunities moving forward. Mark will outline this in his CEO presentation shortly.

This morning the Company also announced the appointment of a new independent Non-Executive Chairman, Mr Bruce Hatchman, a person highly credentialed for the role, with extensive board experience and a background as CEO at accountants Crowe Horwath. I welcome Bruce into the Chair and look forward to moving to a non-executive role at the conclusion of this AGM, where I can contribute strategically to the growth initiatives and opportunities of the Company.

It was also announced that John Bond will not be seeking re-election for a further term as a Non-Executive Director due to other personal and business commitments. I would like to thank John for his significant contribution whilst a Non-Executive Director, particularly for his contribution and support of the Company's growth, through its recently completed acquisition strategy that has been our focus for the past twelve months.

I close by saying I remain truly optimistic that JCurve Solutions is well positioned to actively pursue and develop the opportunities before it. I am humble from the lessons learnt over the past twelve months and most appreciative of the patience and support our shareholders have displayed during this time.

Thank you

Graham Baillie
Executive Chairman