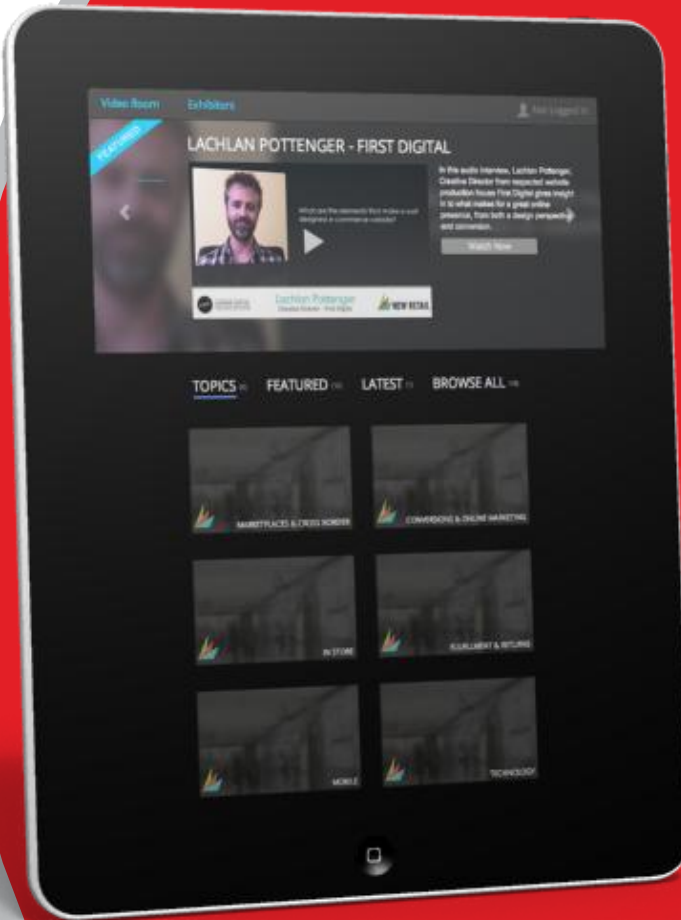


CommStrat

ANNUAL
GENERAL
MEETING

22 OCTOBER 2014
CEO PRESENTATION
Chris Atkin



AGENDA



- 1) Review of FY14 Results
- 2) Divisional Update
- 3) Strategic Update
- 4) FY15 Outlook
- 5) Disclaimer

FY 14 RESULTS

Disappointing trading result driven by challenging market conditions

FY14 Summary Profit & Loss

	2014	2013
	millions	millions
Revenue	\$6.1	\$6.1
EBITDA	\$0.2	\$1.0
EBIT	(\$0.1)	\$0.9
NPAT	(\$0.3)	\$0.6
Net debt	\$3.6	\$4.0
EPS	(\$0.03)	\$0.02

Observations

- Challenging year for the business – senior management changes & refocus on core event business
- FY14 maintained revenue but lower EBITDA due to:
 - Reduction in high margin job board revenues by \$0.6m
 - Impairment charge on receivable (\$0.3m)
 - Reduced capitalisation of R&D costs
- Tight cashflow position after \$0.4m reduction in debt
- Operating costs well managed



FY 14 RESULTS

Core business (events & publications) in growth with strong business development pipeline

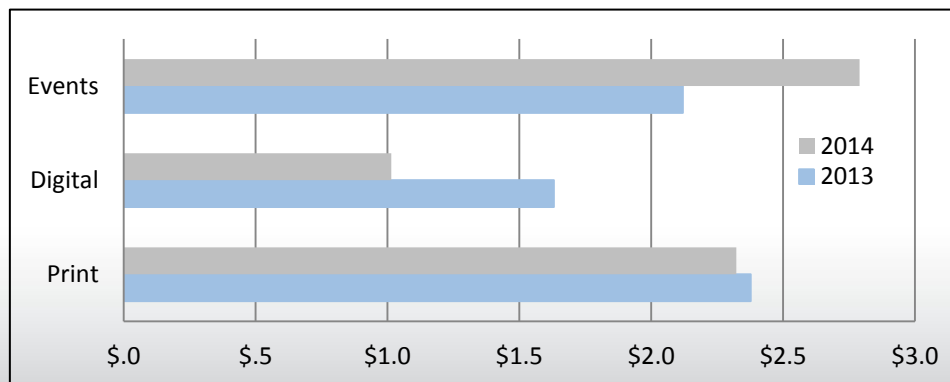
Divisional Revenue Breakdown

	2014	2013
	millions	millions
Print	\$2.3	\$2.4
Digital	\$1.0	\$1.6
Events	\$2.8	\$2.1
Total	\$6.1	\$6.1

Observations

- Events revenue up 33% due to bi annual conference held in FY14
- Print revenue reduction due to rationalisation of print stable with focus on profit
- Digital revenue down due to decline in local government spend impact on LG Jobs

Note: "Print" includes \$1.0m of Assoc. income in line with treatment in FY13



FY 14 RESULTS

Repayments to the NAB re-commenced - reducing primary debt by 12%

FY14 Summary Balance Sheet

	2014	2013
	millions	millions
Total Assets	\$7.0	\$7.7
Total Liabilities	\$6.2	\$6.2
Total Equity	\$0.8	\$1.4

Observations

Total Assets:

- Impairment charge on receivables of \$0.3m in FY14 (FY13 related)
- Deferred tax asset decreased by \$0.3m due to timing differences & non-deductibles

FY14 Summary Cash Flow

	2014	2013
	millions	millions
Operating activities	\$0.6	\$0.4
Investing activities	(\$0.3)	(\$0.5)
Financing activities	(\$0.4)	\$0.1
Net Increase/decrease	-	-
Opening cash	\$0.2	\$0.2
Closing cash	\$0.2	\$0.2

Cashflow:

- \$0.4m repayment to the NAB
- Less R&D capitalisation by \$0.2m (FY13 job boards \$464k v FY14 online conference \$250k)
- Cash managed tightly



EVENTS – OVERVIEW

Growth in revenue with increased activity planned for FY15 within new industry areas

Positioning

Delivering knowledge & information through physical events to a broad range of professional audiences across public and private sectors

FY14 Results

	2014	2013
	millions	millions
Revenue	\$2.8	\$2.1
Gross Profit	\$1.8	\$1.4
Gross Profit %	65%	66%

Observations

- Increased revenue & profit due to bi annual conference being held in FY14
- Similar level of event activity as FY13
- Over 60% of revenue from a public sector under heavy cost pressure

Outlook

- Launch of new events with aim to expand further into new industry sectors & deeper into private sector
- Redefined event structure (particularly through one day format) to more efficiently deliver to existing customer base but also trial new topics with reduced risk
- Increased partnering with associations & other organisations to help develop base for existing events
- Roll out of new online conference product – see next page for more detail

EVENTS – NEW ONLINE PRODUCT

Online conference platform - an expanded experience to both delegates & sponsors

Positioning

To deliver many of the benefits of a physical event online whilst accessing the benefits of on-demand digital experience

FY14 Results

	2014	2013
	millions	millions
Revenue	\$0.1	-
Gross Profit	\$0.1	-
Gross Profit %	71%	-

Observations

- 4 pilot events launched in FY14 – using both our own & partner brands
- New online revenue stream
- Developed internally
- Significant initial market interest
- Substantial progress towards fully commercialised product

Outlook

- Increased number of pilot events with external partners
- Refinement of user journey to ensure high quality delegate experience
- Embedded partner involvement to enable commercialisation from sponsors
- Further development of each product use – standalone online conference, acquisition tool for physical conference, trade expo & professional development portal



JOBS BOARDS – OVERVIEW

Structural decline in LG market exacerbated by increased competition to job boards

Positioning

Specific jobs boards targeted at developing industry communities to compliment core offering of events & publications

FY14 Results

	2014	2013
	millions	millions
Revenue	\$0.9	\$1.6
Gross Profit	\$0.9	\$1.6
Gross Profit %	93%	95%

Observations

- 33% down on FY13 due to decline in activity in local government due to budget cuts
- Direct costs have been reduced and redeployed to the emerging online conference platform

Outlook

- Utilise key point of difference to other offerings – our online LG careers fair (successfully launched in FY14) & depth of involvement in delivery of events & publications to the sector – more substantially within the job search experience to retain & acquire customers
- Develop online experience to simplify candidate experience & establish a hub for both passive & active job seekers within local government



PUBLICATIONS

— OVERVIEW

Focus on value & extended commercial opportunity of print titles

Positioning

Print & digital publications focused on sustainable niche sectors and complimenting events business

FY14 Results

	2014	2013
	millions	millions
Revenue	\$1.3	\$1.3
Gross Profit	\$0.8	\$0.9
Gross Profit %	64%	68%

Observations

- Maintained revenues on traditional print publications
- Exited non profit producing titles (Solar Progress & Connections)
- Added ATMS to the portfolio under less onerous commercial structure

Outlook

- New opportunities/alliances are being sought where they enable broader commercial opportunity beyond print
- Particular focus on maximising benefit to our developing industry focused communities
- Exploring linkage with online conference platform to extend reader experience



COMMSTRAT STRATEGIC UPDATE

Our business model is continuing to evolve - in response to the changing market environment - around the core delivery of knowledge & information

Industry communities

Core focus to deliver knowledge & information to existing & new industry communities

Public sector focus reducing

Deliberate shift away – PS revenue 60% in FY14 but targeted to reduce to below 40% in FY15

Job boards & association services

Continue to form an important part of product mix but unlikely to drive significant growth

New digital product

Exciting new online conference & professional development platform launched

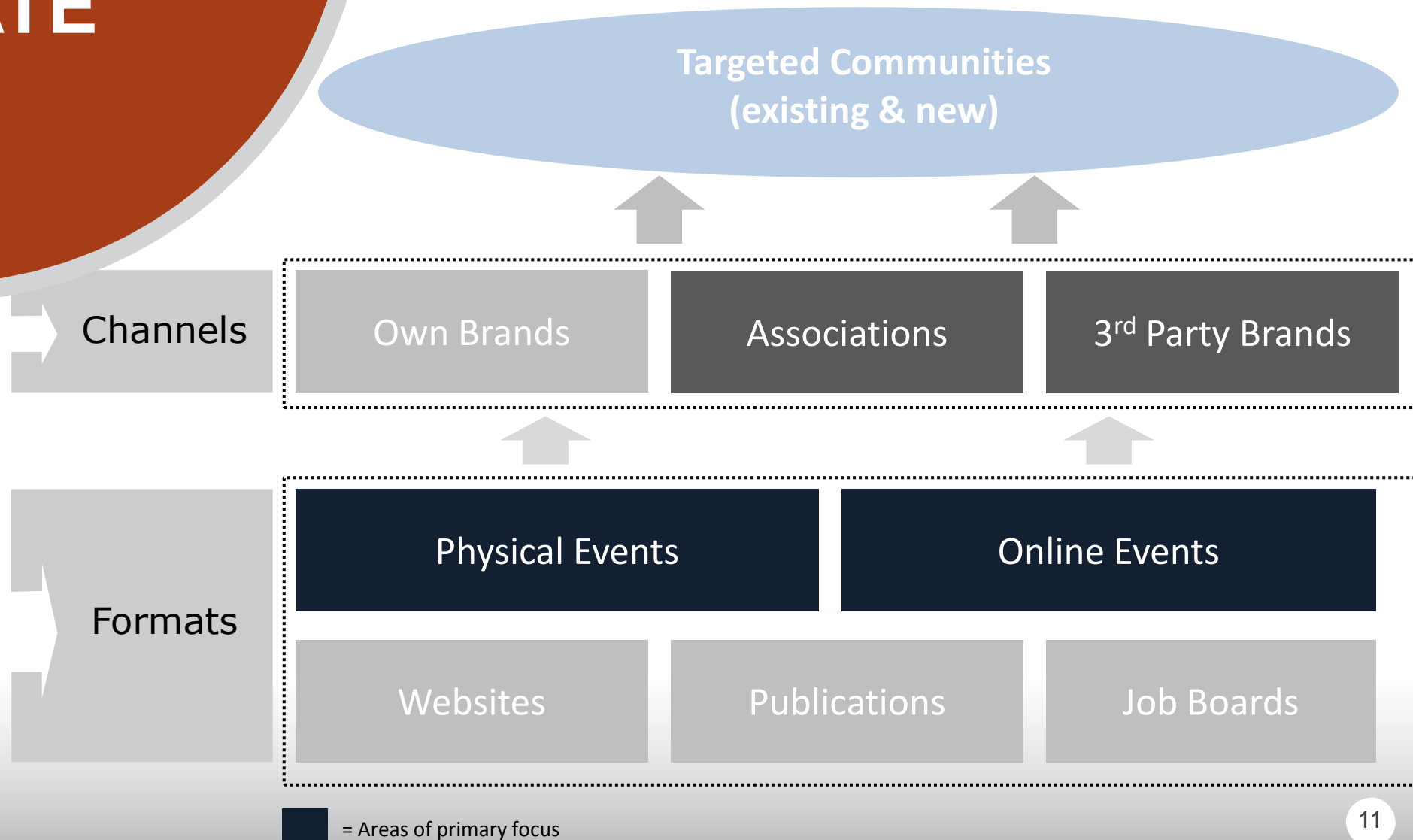
Financial stability

Positive EBITDA forecast for FY15
Continued good support from lenders



COMMSTRAT STRATEGIC UPDATE

Our vision is to be a leading B2B media business providing knowledge & information across multiple formats



FY15 OUTLOOK

CommStrat is focused on returning to profitability in FY15 through delivering its product mix to existing and new communities

- 1) Return to profitability
- 2) Drive strong growth in events revenue through new physical & online conferences
- 3) Maintain consistent performance across jobs boards & publications
- 4) Drive further integration between products to cross-sell within our growing communities
- 5) Continue to repay debt & explore other opportunities to improve balance sheet



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