

7 November 2014

Australian Securities Exchange
20 Bridge Street
Sydney NSW 2000

By: e-lodgment

COMPANY ANNOUNCEMENT

For immediate release

Mnemon Limited completes acquisition of Grays and becomes Grays eCommerce Group Limited

On 7 November 2014 Mnemon Limited successfully completed its acquisition of 100% of the shares in Grays (Aust) Holdings Pty Limited and has been renamed 'Grays eCommerce Group Limited'. This followed the approval of Mnemon Limited shareholders at a meeting held on 31 October 2014 and the satisfaction of all remaining conditions.

Grays eCommerce Group is Australia's largest listed 'pure-play' e-commerce retail company, bringing together four of Australia's best known retail brands, GraysOnline, OO.com.au, DealsDirect and TopBuy to create significant scale in the online retail market and the opportunity for synergies across the brands.

Grays eCommerce Group is further strengthened by a proven online industrial business specialising in B2B ('business-to-business') online auction services.

Shares issued at completion

On completion of the acquisition, the company issued a total of 73,244,952 ordinary shares to the vendors of Grays (Aust) Holdings Pty Limited. There are now a total of 92,532,758 ordinary shares on issue in the company.

Those shares issued to the vendors of Grays (Aust) Holdings Pty Limited are subject to escrow restrictions under which each holder may not sell or transfer:

- any of the shares issued to them until one week following the announcement by the company on ASX of its interim results for the half year ending 31 December 2014; and
- more than 50% of the shares issued to them until one week following the announcement by the company on ASX of its full year results for the financial year ending 30 June 2015.

In addition, vendors who, on 7 November 2015, hold that number of shares that is not less than 75% of the number of shares issued to them today on completion of the acquisition will be issued 1 additional 'bonus' ordinary share for every 2 ordinary shares held.

Updated cash position

Completion of the acquisition follows a successful capital raising by Grays (Aust) Holdings Pty Limited under which it raised a total of \$13.2 million. All debt has been retired and the new group holds in excess of \$12 million in cash.

Board reconstitution

On completion of the acquisition, Mr David Leslie and Mr Elliott Kaplan resigned as directors of the company and Messrs Jonathon Pinshaw, Mark Bayliss and Will Vicars were appointed to the Board.

The company's Board now consists of Jonathon Pinshaw (Non-Executive Chairman), Mark Bayliss (Executive Director and Chief Executive Officer), Naseema Sparks (Non-Executive Director) and Will Vicars (Non-Executive Director).

Requirements for re-quotation on ASX

The company has lodged with ASX its Listing Application and will work with ASX to satisfy ASX's requirements to re-commence quotation of and trading in the company's shares on ASX once ASX has advised the company of those requirements.

The company understands that the company's shares will trade under the code 'GEG' following re-commencement of quotation and trading in the company's shares on ASX.

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Further information:

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