

18 May 2015

Shareholder Update

- **Positive cash flow continuing into Q2 2015**
- **Ongoing focus on managing cost base**
- **Strengthened management team in place to deliver organic growth**
- **Enhanced support team to drive customer satisfaction**
- **Firm pipeline to support revenue growth**

Sydney: ComOps Limited (ASX: COM) (ComOps), the leading workforce management solutions company, is pleased to provide this shareholder update on the Company's financial and operational performance.

Following a solid first quarter in which the company achieved positive cash flow and revenue growth, ComOps continues to strengthen its operations underpinned by a lower cost base, a stronger management team, and solid pipeline of new business opportunities.

Financial Performance

As reported in April, ComOps delivered positive cash flow of \$0.24 million in the first quarter of calendar 2015, a \$1 million improvement on the previous quarter. Cash flow in the second quarter continues to be positive, driven by a steady performance from the operating divisions which are now well integrated and operating as one business.

Importantly, the new stability in ComOps' cash balance gives the company the necessary financial flexibility to pursue organic growth opportunities.

ComOps' management team continues to focus on managing costs across the group in order to invest in customer facing consulting staff, ultimately improving margins and strengthening profitability. Streamlining systems and processes is management's current focus, and the efficiency achieved from this will build on other savings delivered from consolidating premises and renegotiating IT supplier agreements.

Strengthened Management Team

In order to deliver further organic growth, ComOps has invested considerably in strengthening its management team. This investment in key people, which was reported last month, means the company has stronger capabilities across account management, sales and marketing and general management functions. This is helping ComOps achieve greater scale in its customer base and better manage key customer relationships.

A growing pipeline positions ComOps for growth

ComOps is further consolidating its position as a leading provider of workforce management solutions with its range of technology-driven products and services which enhance the productivity of workplaces.

As large employer groups look for efficiency gains from their workforces, the products and services offered by ComOps are growing in demand. This is reflected in new business opportunities emerging in a range of sectors including government, retail, logistics, healthcare and professional services.

Strengthening the pipeline and converting this into new contracts is a key priority for management, and the recent senior appointments will contribute to new business success.

Management Commentary

ComOps Chief Executive Officer Gerry Williams commented: "ComOps now has a solid foundation in place to achieve meaningful organic growth and reach a position of sustainable profitability. This has been achieved by integrating our operating businesses, reducing our cost base, and strengthening our leadership team which has delivered efficiency gains and better customer outcomes."

"We are confident that after a period of transformation and consolidation, ComOps can now focus on stabilising our customer base through improved service, growing our business, and delivering acceptable returns for shareholders. As we re-engage with customers, we are very encouraged by the growing pipeline of business opportunities. We are also witnessing increased interest from large employer groups in our products and services. As companies look to achieve greater efficiencies from their workforces, ComOps is well placed to deliver customers significant efficiencies and therefore benefit from this trend."

"We look forward to updating shareholders on our progress at the Annual General Meeting on 26 May and reporting on other operational successes as they occur."

- ENDS -

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About ComOps

ComOps, under the brand names Microster, e-Tivity and Salvus, provides effective Workforce Management Solutions including Rostering & Scheduling, Award Interpretation, Labour Cost Management, Fatigue Risk Management, Leave Management, Time & Attendance, Employee Self-Service Portals, Risk Management & Safety Compliance and Workforce Analytics. ComOps delivers substantial financial and operation advantage by aligning people, productivity and performance, making workforces more productive, reducing fixed & variable overheads, and increasing profitability. ComOps Workforce Management has clients in global Ports, Security, Transportation, Health, Mining, Government, Retail and Hospitality ComOps is a Microsoft Gold Partner and has ISO 9001 Accreditation.