

ComOps releases positive Appendix 4C Cash Flow Report for the Period Ended 30 June 2015 (Q2 2015)

Sydney, 7 July 2015 - ComOps Limited ("ComOps") is pleased to release its Appendix 4C Quarterly Cash Flow Report for Q2 of the 2015 Financial Year as required by LR 4.7B.

Highlights

- Operating cash flow positive for the 2nd consecutive quarter (first time since 2010)
- Cash balance increases to over \$1 million
- Forecasting positive operating cash flow and increasing cash balances for Q3 and Q4
- 2nd Half (2H) Support and Maintenance forecast to be 50% higher than 1H, due to contractual timing and growth
- Significant progress being made in consolidation of IT infrastructure, from two organisations (Microster and e-Tivity) with separate products, hosting environments, data centres and staff, into one. Ongoing benefits (cost and efficiency) are expected
- Review of the Microster and e-Tivity workforce management products and their technology base is well advanced
- Business starting to gain positive momentum:
 - o New e-Tivity customers including first through ComOps' new NZ reseller
 - o Two significant new Microster customers now operational and live
 - o Focus on customer support starting to deliver increased customer satisfaction and operational and sales benefits

The second quarter of the ComOps 2015 financial year is the second consecutive positive operational cash flow quarter delivered, a trend that is now forecast to continue on an ongoing basis. It is the first time ComOps has delivered this since 2010; performance without the benefit of reversing prior period items. This further demonstrates the benefits of the actions taken by directors and management in the last two quarters and in FY14, which as all shareholders know was a period of significant transformation.

Cash balances continued to increase to over \$1 million, with the benefit of the R&D cash rebate and after the final payment of 2014 expenses, which have now been fully cleared.

Looking forward, ComOps is forecasting to continue to be operationally cash positive with increased revenues and cash balances, due to a combination of new customers, increasing support and maintenance receipts (partly timing and partly growth) and the continued benefits from the consolidation programs. In addition, the success of the customer support initiatives in 2015 (new support manager and increased staff) will be continued and it is expected that further capability will be added in professional services and sales to drive further momentum in the business.

Appendix 4C
Quarterly report for entities
admitted on the basis of commitments

ComOps is now well placed to deliver the ongoing benefits of a stable, operationally positive and growing position to its customers and staff, which in turn provides the base to deliver positive returns to all stakeholders and shareholders.

The Appendix 4C quarterly report follows.

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.

Enquiries/Additional Information:

ComOps Limited
Niall Cairns, Chairman
Gerry Williams, Chief Executive Officer
Christopher Brooke, Company Secretary
Telephone: +61 9923 8000
Email: investors@comops.com.au

Appendix 4C

Quarterly report for entities admitted on the basis of commitments

Introduced 31/3/2000. Amended 30/9/2001, 24/10/2005.

Name of entity

COMOPS LIMITED

ABN

79 000 648 082

Quarter ended ("current quarter")

30 June 2015

Consolidated statement of cash flows

	Current quarter \$A'000	Year to date (6 months) \$A'000
Cash flows related to operating activities		
1.1 Receipts from customers	2,141	4,954
1.2 Payments for		
(a) staff costs	(876)	(1,836)
(b) advertising and marketing	-	(9)
(c) research and development	(552)	(1,071)
(d) leased assets	-	-
(e) other working capital	(841)	(1,747)
1.3 Dividends received	-	-
1.4 Interest and other items of a similar nature received	1	2
1.5 Interest and other costs of finance paid	(1)	(3)
1.6 Income taxes paid	-	-
1.7 Other (M&A - Legal & Advisory Costs)	-	(114)
Other (ERP Discontinued Operations' Costs)	(3)	(3)
Other (ATO – R&D refund)	484	484
Other (Creditor/Staff Costs – prior quarters)	(282)	(350)
Net operating cash flows	71	307

Appendix 4C
Quarterly report for entities
admitted on the basis of commitments

	Current quarter \$A'000	Year to date (6 months) \$A'000
1.8 Net operating cash flows (brought forward)	71	307
Cash flows related to investing activities		
1.9 Payment for acquisition of:		
(a) businesses (item 5)	-	-
(b) equity investments	-	-
(c) intellectual property	-	-
(d) physical non-current assets	(10)	(65)
(e) other non-current assets	-	-
1.10 Proceeds from disposal of:		
(a) businesses	-	-
(b) equity investments	-	-
(c) intellectual property	-	-
(d) physical non-current assets	-	-
(e) other non-current assets	-	-
1.11 Loans to other entities	-	-
1.12 Loans repaid by other entities	-	-
1.13 Other	-	450
Net investing cash flows	(10)	385
1.14 Total operating and investing cash flows	61	692
Cash flows related to financing activities		
1.15 Proceeds from issues of shares, options, etc	-	-
1.16 Proceeds from sale of forfeited shares	-	-
1.17 Proceeds from borrowings	-	-
1.18 Repayment of borrowings	-	-
1.19 Dividends paid	-	-
1.20 Other (Cost of share placement from prior quarter)	-	-
Net financing cash flows	-	-
Net increase (decrease) in cash held	61	692
1.21 Cash at beginning of quarter/year to date	947	316
1.22 Exchange rate adjustments to item 1.21	-	-
1.23 Cash at end of quarter	1,008	1,008

Payments to directors of the entity and associates of the directors
Payments to related entities of the entity and associates of the related entities

		Current quarter \$A'000
1.24	Aggregate amount of payments to the parties included in item 1.26	88
1.25	Aggregate amount of loans to the parties included in item 1.11	N/A

1.26 Explanation necessary for an understanding of the transactions

\$A'000	
Directors remuneration	88
Directors Interest payment	0

Non-cash financing and investing activities

2.1 Details of financing and investing transactions which have had a material effect on consolidated assets and liabilities but did not involve cash flows

None

2.2 Details of outlays made by other entities to establish or increase their share in businesses in which the reporting entity has an interest

None

Financing facilities available

Add notes as necessary for an understanding of the position. (See AASB 1026 paragraph 12.2).

		Amount available \$A'000	Amount used \$A'000
3.1	Loan facilities	1,500	-
3.2	Credit standby arrangements	-	-

Appendix 4C
Quarterly report for entities
admitted on the basis of commitments

Reconciliation of cash

Reconciliation of cash at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts is as follows.	Current quarter \$A'000	Previous quarter \$A'000
4.1 Cash on hand and at bank	841	780
4.2 Deposits at call		
4.3 Bank overdraft		
4.4 Other – Security Deposit	167	167
Total: cash at end of quarter (item 1.23)	1,008	947

Acquisitions and disposals of business entities

	Acquisitions <i>(Item 1.9(a))</i>	Disposals <i>(Item 1.10(a))</i>
5.1 Name of entity		
5.2 Place of incorporation or registration		
5.3 Consideration for acquisition or disposal		
5.4 Total Assets		
Total Liabilities		
Total Net Assets		
5.5 Nature of business		

Compliance statement

- 1 This statement has been prepared under accounting policies which comply with accounting standards as defined in the Corporations Act (except to the extent that information is not required because of note 2) or other standards acceptable to ASX.
- 2 This statement does give a true and fair view of the matters disclosed.

Sign here:



Date: 7th July 2015

Company Secretary

Print name: Christopher Brooke

Notes

1. The quarterly report provides a basis for informing the market how the entity's activities have been financed for the past quarter and the effect on its cash position. An entity wanting to disclose additional information is encouraged to do so, in a note or notes attached to this report.
2. The definitions in, and provisions of, *AASB 1026: Statement of Cash Flows* apply to this report except for the paragraphs of the Standard set out below.
 - 6.2 - reconciliation of cash flows arising from operating activities to operating profit or loss
 - 9.2 - itemised disclosure relating to acquisitions
 - 9.4 - itemised disclosure relating to disposals
 - 12.1(a)- policy for classification of cash items
 - 12.3 - disclosure of restrictions on use of cash
 - 13.1 - comparative information
3. **Accounting Standards.** ASX will accept, for example, the use of International Accounting Standards for foreign entities. If the standards used do not address a topic, the Australian standard on that topic (if any) must be complied with.