



iSENTRIC LIMITED (ICU:ASX)

(ACN 091 192 871)

Level 10, 8-10 Loftus Street, Sydney 2000

Tel: (02) 9538 0802

Website: www.isentric.com

29 January 2015

iSENTRIC ANNOUNCEMENT TO ACCOMPANY 4C

The operating cash flow of the group for the December 2015 quarter was \$146,000. The quarter was impacted by an increase in working capital of \$673,288, primarily due to an increase in receivables and reduction in group creditors.

During the quarter, the group experienced a longer cash conversion cycle as business receivables were high due to slower than normal payments from telecommunication companies in Malaysia and Indonesia, with receipts now flowing in the March 2016 quarter. In addition, Arte Mobile incurred a tax charge of \$112,000 during the quarter, which is anticipated to be recovered when the Group lodges its final tax return.

Group revenue for the December 2015 quarter was up 18% to \$2.47 million (compared to the December 2014 quarter). Arte Mobile was a substantial driver for the increased revenue for iSentric with continuing strong top line revenue growth. As a result, the Digital Media and Services division continues to be the main revenue contributor to the group by contributing 41% of group revenue and 74% of the group's gross contribution.

Gross margin across all divisions was also improved with a concerted effort on managing costs. Administration and overhead costs grew by approximately 25%, with the majority of the increase due to higher wages, marketing costs and amortisation of intangible assets as the company continues to execute its growth strategy.

The revenue and gross contribution per division for the December 2015 quarter are outlined below.

	Revenue	Gross contribution
Enterprise Mobility	\$0.53 million (21%)	\$0.15 million (11%)
Digital Payments	\$0.93 million (38%)	\$0.21 million (15%)
Digital Media and Services	\$1.01 million (41%)	\$1.00 million (74%)