

December 2014 Quarterly Performance and Business Update

Dual Sydney and Singapore headquartered Performance and Productivity software company 8common Limited (**8common** or the **Company**) (ASX: **8CO**) is pleased to release its consolidated Quarterly Cash Flow for the quarter ended December 31 2014. Key highlights include:

- Strategic relationships in the travel industry signed with global leaders Amadeus and AirPlus
- Entry into HR product segment with COI Group acquisition
- License of Human Capital Management offering to contribute to HR segment
- Realtors8 product relaunched and strategic partnerships with Dynamic Creative and MobileAds
- Strengthening of senior management team
- Quarterly cash flow performance on budget and in line with expectations
- Asian market entry has commenced and is on track and ready for growth

Commenting on the activities for the December 2014 quarter, 8common CEO, Nic Lim said '8common has had a very productive quarter with product development, signing strategic relationships for Expense8 and Realtors8, undertaking due diligence on its acquisition of COI whilst ensuring the existing businesses continue to perform. We are executing on our mission as a global software product company capturing Asian growth and positioning ourselves for strong growth in coming quarters'.

Cash flow performance

Cash flows for the group are traditionally skewed to the second half of the year, with the first half of the year generally being cash flow break even. Net operating cash flow for the quarter was an outflow of \$66,000, which was in line with expectations, and resulted in net operating cash flow inflow of \$65,000 for the 6 months ended 31 December 2014.

Expense8

During the quarter, the Expense8 division was focused on entering into key strategic relationships in the travel industry and ongoing product development. Expense8 signed strategic agreements with global leaders Amadeus and AirPlus.

The strategic relationship with Amadeus will see the integration of Expense8's expense management automation tool, expense8, with Amadeus' leading online booking tool, e-Travel Management. Customers will benefit from improved efficiency and compliance by managing their travel approval, booking and expense management as an end-to-end process within a single interface.

Expense8 has been working closely with AirPlus to integrate a number of their clients onto the Expense8 system. The seamless integration between the two systems enables expense data to flow more efficiently and reduces the errors introduced to the expense system

The completion of the revised expense product and new travel product will enable the focus for the March quarter and beyond to move to bringing on new clients and updates to existing clients. We have begun rolling out the new products and revisions from the start of the March 2015 quarter. The client response has been very encouraging.

Realtors8

Revenue was in line with expectations and comparable to the September 2014 quarter. Successful implementation of the Google advertising platform partnership product with Dynamic Creative was completed and initial revenue contribution has begun. In January 2015, the Realtors8 division began its push into Asia with the on-boarding of initial clients in Malaysia. Increased marketing is expected in coming quarters and the number of Asian clients is expected to grow strongly.



Higher development costs were recorded during the period as contractors were engaged to enhance the platform and hosting infrastructure to handle increased client numbers as well as integrations with strategic partners. We have already seen the benefits with lower hosting costs and improved stability in and scalability of the platform.

Perform8

The acquisition of the business and assets of Sydney based employee survey and performance improvement business, Centre for Organisational Innovation (COI) was completed on 30 January 2015. This acquisition forms the core of 8common's new human resources (HR) product vertical called Perform8. The acquisition of COI will be immediately earnings per share accretive.

It is expected that COI will contribute approximately \$350,000 EBITDA in 2015 calendar year. The year has begun well for COI having added to its stable of blue chip clients which include BMW, Wesfarmers Chemicals, 7-11 and more.

During the quarter, 8common licensed a Human Capital Management offering from Microimage HCM Asia to contribute to the HR segment. This is expected to be able to be cross-sold to a number of existing clients of both the Perform 8 and Expense8 divisions.

Management team

8common has strengthened its senior management team with the founder of COI Group, Lanning Bennett joining the group as part of the transition of COI into Perform8. 8common has also appointed Trevor Williams to the Group's senior management team to lead the growth of the Perform8 business. Trevor is an experienced regional business professional having previously held senior sales, corporate development and HR roles with F5 Networks, Yahoo! and VISA. Trevor will be based in Singapore.

Outlook

The performance in the December 2014 half year has laid the foundations for strong growth for 8common in the June 2015 half and beyond. Each division is performing in line with expectations in their base markets with growth commencing in target Asian markets. 8common confirms it is on track for its budgeted revenue as announced in August 2014 (pre-COI acquisition). The business has the management team and resources required for entry into Asia and initial clients were signed up during January 2015.

For further information please contact:

Nic Lim

Chief Executive Offer

M: +65 923 66883

E: nic@8common.com

Eric Kuret

Investor Relations, Market Eye

M: +61 417 311 335

E: eric.kuret@marketeye.com.au

About 8common Limited

The 8common Group is listed on the Australian Securities Exchange (ASX:8CO). Its enterprise Performance and Productivity software products support government agencies, large corporates, multinationals and professional verticals (i.e. Real Estate) globally. The 3 primary products are Expense8, Realtors8 and Perform8. Expense8 is an integrated end-to-end travel and expense management solution used by government agencies, Australian corporates and multinationals in 8 countries. Expense8 operates on both a licence fee and transaction based business model. Realtors8 provides real estate agents and brokers in North America and Asia with a web based content management system that allows for the creation of unique websites to list property portfolios including integration with multi listing services (MLS) systems. It provides real estate agents and brokers with tools to generate lead for their property listings and to manage their customers. Perform8 incorporates the Centre for Organisational Innovation's (COI) employee survey product to assist organisations with employee surveying and performance improvement.

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