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Australian Securities Exchange
20 Bridge Street
Sydney NSW 2000

By: e-lodgement

COMPANY ANNOUNCEMENT
For immediate release

Mnemon Limited Capital Raising and Business Update

Mnemon Limited ('Company') is pleased to announce the successful completion of the acquisition of DealsDirect Group Pty Limited ('DealsDirect'), a business update and the result of the capital raising.

Acquisition

On 17 January 2014, the Company completed the acquisition of all of the shares in DealsDirect as per the terms of the acquisition agreement.

Business Update

As the acquisition has been completed, the Company is able to provide a high level update as to the status of the DealsDirect business operations.

As previously announced in the Prospectus lodged with the ASX on 18 November 2013, DealsDirect underwent a significant restructuring and strategic review in 2013 aimed at better positioning the business to improve three key performance areas: profitability, cash flow and inventory levels. The Board believes that focusing on these key areas will be a significant catalyst for the creation of shareholder value.

The financial results for the first half of the 2014 financial year is the first time that DealsDirect is able to measure the results of these restructuring initiatives. Based on unaudited management accounts for DealsDirect, the Board is pleased to report that:

- The first half of FY14 has seen DealsDirect return to profitability with positive EBIT results.
- The business achieved positive operating cash flows for the half, resulting in a significantly enhanced cash position.
- Inventory levels and hence working capital management has improved materially on prior years with inventory at the end of December for DealsDirect down more than 35% to that of December 2012.

DealsDirect is now well positioned to focus both on further operational improvements and on a pipeline of growth initiatives.

Capital Raising

The Company is pleased to report that it has raised gross proceeds of approximately \$6.2 million and we welcome all our new shareholders.

The capital raised and improved operating performance of Deals Direct places the Company in a position to leverage DealsDirect's e-commerce capabilities and create shareholder value.

Michael Rosenbaum, CEO

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