



Dear Shareholders

Your Company closed out the June quarter with significant cost cutting initiatives aimed at deriving upside value to shareholders in the second half of 2015.

The Directors are excited with the direction taken and believe that the Company's clean register and strong cash and liquid asset position will provide the platform to drive growth in shareholder value.

The Company will continue to focus on maturing its list of strategic investments and review new opportunities in the technology sector.

Some of the highlights for the June 2015 quarter are:

- **Executed the sale of part of the Fee for Service Division (FFSD)**
- **Operational and corporate overheads will reduce to approximately \$700,000 per annum from 1st July 2015 under the restructure**
- **The FFSD sale will greatly reduce the operational losses of the Company and allow it to continue maturing its current strategic investments**
- **Revision of the Home Open business plan and strategy continues and discussions are currently underway to licence out the Home Open technology**
- **Company well positioned with ~\$2m in cash and approximately ~\$1.4m of tradeable listed equity investments**

Fee for Service Division

The Company executed the sale of part of the FFSD and received \$50,000 cash upfront and a 5% equity interest in the purchasing company in consideration for the acquisition of the FFSD assets.

It is anticipated this sale will provide cost savings of approximately \$600,000 per annum from 5th June 2015.

The Company will continue to focus on maturing its list of strategic investments and is currently reviewing new opportunities in the technology sector.

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Strategic Investment Division

The Strategic Investment Division continues to perform strongly across the multiple investments made to date. The Company's investment in xTV Networks Limited (ASX: XTV) currently trades on the Australian Stock Exchange (ASX) in a liquid market. Liberty Resources Ltd, in which Applabs' invested in 2014, successfully re-listed as Cirrus Networks Ltd (ASX: CNW) subsequent to the end of the June 2015 quarter. The Company also continues to provide on-going support to mature each company through the investment model.

The recent sale of the FFSD allowed the Company to reduce its non-core strategic investment positions and disposed for nil consideration its 5% holding in each of PostivFlo and Loyalty App respectively.

Current Valuations of Investments

Cash and receivables	~\$2,000,000
xTV Networks Ltd (XTV)	~\$854,000
Liberty Resources Ltd (CNW)	~\$445,000
RosterElf	~\$280,000
Epat	~\$250,000
Pay2Day	~\$185,000
Chat Centre	~\$65,000
Context Plane	~\$65,000
GB Energy Ltd	~\$140,000
Total	~\$4,284,000

Home Open

As part of the restructure, the Home Open rollout will also be suspended until a further review of the long-term viability of the portal is completed. The industry has seen several new competitors emerge in the past six months and the Company is undertaking a review to ensure that, before incurring costs to rollout the portal, Home Open will have a point of difference to its competitors in the current marketplace. The Company is currently in discussions to licence out the technology behind the portal to third parties to develop independently, as a way of extracting value from the platform.

It's expected this will bring cost savings of \$150,000 per annum from 1st June 2015.

Corporate Transactions Update

The Company continues to review numerous opportunities in the technology sector, which will complement the current operations of the business.

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The Company is well positioned to take advantage of any opportunities, which arise given its strong cash balance, clean register and will update the market if negotiations advance to a more formal stage.

For further information, please contact

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Applabs Technologies Limited (ASX:ALA) is the first ASX listed app development and technology venture fund company. The Company offers a unique business model of both an app development and a technology financier, enabling the Company to produce apps for customers as well as the ability to fund, develop and market exciting new leading edge apps internally.



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- (b) current views, expectations and beliefs as at the date they are expressed and which are subject to various risks and uncertainties.

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