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Manager of Company Announcements
ASX Limited
Exchange Centre
20 Bridge Street
SYDNEY NSW 2001

By E-Lodgment

STRATATEL TO ACQUIRE JCURVE and RENAME TO JCURVE SOLUTIONS

Highlights:

- ***Stratatel restructure and acquisition transaction to create leading and fast-growing Australian software company***
- ***New strategy to focus on cloud-based computing to provide innovative solutions for businesses***
- ***Company to leverage strategic alliance with US-based NetSuite Inc. - the industry's leading provider of cloud-based financials / ERP and omnichannel commerce software suites***
- ***Directors to vote in favour of the Transaction, which is subject to shareholder and regulatory approval***

Sydney, Australia – Stratatel Limited (ASX:STE; **Company** or **Stratatel**), an Australian software company providing cloud-based telecommunications expense management solutions to businesses internationally, is pleased to announce it has signed a Heads of Agreement to acquire the software design and promotion business of JCurve Solutions Limited (**JCurve**) (**Transaction**) as a going concern.

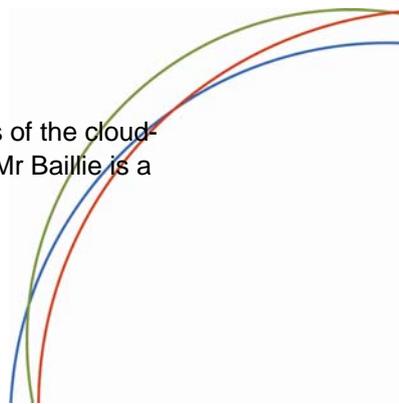
JCurve is a leading cloud-based accounting and ERP software provider and the Transaction has been undertaken with the aim of driving ongoing earnings growth and firmly establishing the new-look company as a leader in the provision of cloud-based software business solutions. The other material changes to the Company proposed as part of the Transaction include:

- Name change to JCurve Solutions Limited
- Rebranding of telecommunications expense management FleetManager product to JTel and IT professional services business to JConnects
- Graham Baillie stepping down as Chairman to become Managing Director
- Nihal Gupta to be appointed Chairman of the Company

THE TRANSACTION

Stratatel has entered into a Heads of Agreement with JCurve to acquire the business of the cloud-based software provider, subject to the satisfaction of various conditions precedent. Mr Baillie is a

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director and 100 percent shareholder of JCurve. Under the Transaction, Mr Baillie is to receive 71,428,571 STE shares, a total of 35,714,284 Company incentive options and cash consideration of AU\$1 million (**Consideration**). Upon receipt of the Consideration securities, Mr Baillie will have an undiluted holding of approximately 31 percent of the Company. The terms of the options are set out later in this announcement under the heading "Transaction Terms".

As Mr Baillie is a related party of Stratatel (due to his position as a director), approval of the Company's shareholders will need to be obtained in order to provide Mr Baillie with the Consideration. This approval is also needed because upon completion of the Transaction, Graham Baillie will hold over 20 percent of the new company (approximately 31 percent undiluted and approximately 39.24 percent fully diluted).

The necessary approval for the Transaction will be sought at the Company's Annual General Meeting (**AGM**). A Notice of Meeting will be sent to all Stratatel shareholders in due course advising the date and location of the Annual General Meeting. Shareholders will vote on the Transaction at the AGM. This Notice of Meeting will include an Independent Expert's Report which has been completed by RSM Bird Cameron.

The Board of Directors (excluding Mr Baillie) are all in agreement on the terms of this Transaction and as shareholders of Stratatel intend to vote in favour of the Transaction at the AGM.

"The accelerated growth of the JCurve product in the Australian and New Zealand markets through the union with Stratatel will facilitate the pursuit of wider growth opportunities in the future," said current Stratatel Chairman and JCurve Executive Chairman Mr Baillie.

"The combination of JCurve and Stratatel delivers the momentum required to fully realise the identified potential to capture the Australian market with cutting edge, cloud-based business software solutions."

Mr Baillie said a recent review and restructure of the Stratatel business had found the acquisition of the JCurve business will complement its existing FleetManager product for business telephone expense management, providing it with a strategic direction in cloud computing and a new brand profile.

Stratatel's cloud growth strategy is being driven by the rapidly increasing market acceptance of "cloud computing", predicted by independent global analysts Gartner to grow from US\$15 billion to \$150 billion per annum globally in the next 5 years.

"We have a compelling proposition to take to small business owners across Australia and the Asia-Pacific region with the JCurve product, and we intend to grow with those entrepreneurs as they grow their businesses," Mr Baillie said.

It is anticipated that the Transaction will be completed by the end of November 2013. Further information on the Transaction will be contained in the Notice of Meeting.

Background on JCurve Solutions

In April 2009, JCurve acquired the right from the world's leading cloud-based financials / Enterprise Resource Planning (ERP) software suites provider NetSuite Inc of USA (**Netsuite**) to exclusively promote and sell a small business version of NetSuite's cloud-based business software in the ANZ region under JCurve's own brand, in addition to offering NetSuite to medium and large sized

enterprises. NetSuite has established itself as the leading provider of cloud financials/ERP suites for divisions of large enterprises and mid-sized organizations seeking to upgrade their antiquated client/server ERP systems.

The agreement with NetSuite made JCurve a pioneer in Australia in the cloud market for small business customers seeking accounting software solutions with fully integrated ERP capabilities.

JCurve's strategic technology alliance with NetSuite ensures that the Company will continue to have the leading business software technology and functionality available anywhere in the world today.

Mark Troselj, managing director of APAC and Japan for NetSuite, said NetSuite is thrilled to be working with Stratatel to further grow the JCurve for small business product, following their acquisition of JCurve Solutions.

"Our partnership with JCurve allows us to make the NetSuite technology accessible and affordable for small business users in the Australian and New Zealand market while ensuring they receive quality service and support," said Mr Troselj. "We are excited to support this next stage in the company's growth, so the JCurve product can continue to provide small, fast-growing businesses with the functionality of a cloud-based, integrated business management software suite."

GROWTH INITIATIVES

The acquisition of JCurve will allow Stratatel to pursue the following growth initiatives:

- Final development of an online, self-install wizard connected to JCurve's core business accounting "GO" product and relaunch into the Australian and New Zealand market
- Undergo a \$750,000 redevelopment of the rebranded JTel telephone expense management software product, which includes the appointment of 'Alive Mobile' as the partner for the application prototype and design
- Rename the IT professional services business to JConnects to bring all products in line with new corporate branding

BOARD CHANGES

At the Company's Annual General Meeting, Graham Baillie will step down as Chairman of the Board to take on the role of Managing Director for an initial period of two years and Nihal Gupta will be appointed Chairman.

Commenting on the board changes Mr Baillie said: "The changes that Stratatel is undertaking will be transformational and we have introduced management changes with a clear vision in mind that will allow us to capitalise on growth and market opportunities."

"It is great for shareholders that someone with Nihal Gupta's experience is joining us as the new chairman as the Company embarks on its next growth phase."

It is also anticipated that Michael Fairclough and Ian MacIver will retire shortly after the AGM with their replacements to be named in due course.

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Nihal Gupta

Nihal Gupta has over 30 years' experience in the consumer electronics and innovation industry, and a background in sales, marketing and manufacturing. He is an entrepreneur with experience in international business management throughout Australia and the Asia Pacific region. Nihal has extensive knowledge working in the corporate and government sectors, and holds a number of Government Board positions including as Chairman of the NSW Multicultural Business Advisory Panel, and being on the Export and Investment Advisory Board of NSW. He has also been appointed to the Judicial Commission of NSW.

ABOUT STRATATEL LIMITED

Stratatel Limited provides specialised and innovative business-to-business software solutions and services. Founded in 1997, Stratatel developed its flagship business software solution FleetManager to enable organisations to monitor and manage their telecommunications. In December 2000, Stratatel listed on the Australian Securities Exchange and now has more than 1,500 clients throughout Australia and internationally and extending across high profile enterprises, educational, institutions and government agencies.

ABOUT JCURVE SOLUTIONS

JCurve are one of the only providers of a fully featured, fully integrated system specifically tailored to the needs of small businesses in the Australia and New Zealand region. Its software is delivered in the 'Cloud' and is steadily increasing its market share in Australia and New Zealand.

JCurve has a strategic technology alliance with NetSuite and together ensures that it has the most up to date business software technology and functionality available anywhere in the world today. This technology alliance together with our localised sales, accounting and support partners provide the best possible solutions to all small businesses.

In 2009, JCurve procured a licence from NetSuite to exclusively promote a small business version of NetSuite's 'Cloud' business software in the ANZ region, under JCurve's own brand. JCurve's customer footprint is currently spread across Australia and New Zealand but has the potential to grow its base throughout the APAC region.

RELATED PARTY DISCLOSURE

As noted above, approval of the Company's shareholders is needed to provide Mr Baillie with the Consideration. Mr Baillie will not be entitled to vote on any resolution relating to the Transaction or his Consideration.

TRANSACTION TERMS

Under the terms of the Heads of Agreement, the Company will take assignment of the business and majority of JCurve's assets and liabilities from JCurve. In consideration for this, the Company will pay to Mr Graham Baillie:

- a) AU\$1 Million cash payable at completion;
- b) 71,428,571 fully paid ordinary shares issued at completion;

c) incentive options to be issued in accordance with the following milestones all with an exercise price of \$0.000001:

- 8,928,571 Options which automatically vest when the Share price reaches 7.5c for a period of 10 consecutive trading days, exercisable on or before 31 March 2016;
- 8,928,571 Options which automatically vest when the Share price reaches 10c for a period of 10 consecutive trading days, exercisable on or before 31 March 2017;
- 8,928,571 Options which automatically vest when the Share price reaches 12.5c for a period of 10 consecutive trading days, exercisable on or before 31 March 2018; and
- 8,928,571 Options which automatically vest when the Share price reaches 15c for a period of 10 consecutive trading days, exercisable on or before 31 March 2019.

A number of conditions precedent for the Transaction have already been completed, which include:

- a) Completion by Stratatel, to the reasonable satisfaction of all directors, of all necessary due diligence investigations in respect of JCurve; and
- b) The completion of an independent expert report on the Transaction.

The completion of the Transaction is now subject to regulatory and shareholder approval and NetSuite extending the term of the International Reseller Agreement for a further period of 3 years.

The other material terms of the Transaction include that, subject to satisfaction of the conditions precedent, Mr Baillie will be appointed as Managing Director of the Company for an initial term of 2 years.

The Company will also make an offer of employment to employees of JCurve on terms no less favourable than the terms of employment of the JCurve employees prior to the settlement of the Transaction.

In addition to the Heads of Agreement, it is intended the parties will also negotiate and enter into a business acquisition agreement to more fully document the Transaction.

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CAPITAL STRUCTURE

The capital structure of the Company immediately following completion of the Proposed Acquisition:

Shares	Number
Shares currently on issue	191,077,728
Consideration Shares to be issued to Graham Baillie	71,428,571
Total Shares	262,506,299
Consideration Options to be issued to Graham Baillie	35,714,284
Total Shares (should the Consideration Options be converted)	298,220,583

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DISCLAIMER

The announcement may contain certain forward-looking statements. Words 'anticipate', 'believe', 'expect', 'forecast', 'estimate', 'likely', 'intend', 'should', 'could', 'may', 'target', 'plan', and other similar expressions are intended to identify forward-looking statements. Indication of, and guidance on, future earnings and financial position and performance are also forward-looking statements.

Such forward-looking statements are not guarantees of future performance, and involve known and unknown risks, uncertainties and other factors, many of which are beyond the control of Stratatel, its officers, employees, agents and associates, which may cause actual results to differ materially from those expressed or implied in such forward-looking statements.

Actual results, performance, or outcomes may differ materially from any projections or forward-looking statements or the assumptions on which those statements are based, which include change in market conditions, demand for Stratatel's product and services, future exchange rate fluctuations, technology advances and capital requirements.

You should not place any undue reliance on forward-looking statements and neither Stratatel nor its directors, officers, employees, servants or agents assume any responsibility to update such inform