

11 January 2017: ASX/Media Release (ASX: KNM)

KNeoWorld iOS Apple App Launched Globally

- KNeoWorld iOS Apple App launched in United States and available for download in most countries
- Large-scale global marketing campaign launched to promote App
- KNeoWorld billing currency is in US dollars App pricing set at US\$4.99 per 4 episodes
- App content rich and high in edutainment value 24 episodes incorporating 120+ games per purchased download
- Apple App is also key to delivering the sales channel through US Parent Teacher Associations
- Launch marks a key milestone for KNM and provides a new platform for revenue generation
- New signs-ups of KNeoWorld Seat Licences with more New York Public Schools imminent

Online education content publisher KNeoMedia Limited (ASX: KNM) (KNeoMedia or the Company) is pleased to confirm the launch of the KNeoWorld iOS Apple App globally and its availability for download in most countries. Its launch is a significant milestone for KNM and an important future revenue driver. The App now allows KNM to aggressively promote and sell KNeoWorld direct-to-consumers and tap a much broader user base through established education channels.

KNM has invested significantly in this App, both in terms of product development and designing a large-scale global market release campaign incorporating extensive social media and digital marketing which is being activated now.

The home country for release of the App is the United States of America and pricing is set at US\$4.99 per four episodes to which Apple applies its own exchange rates in other countries. The App is very content rich and allows up to three individual players, per purchased download, to play offline 24 episodes incorporating 120+ games with multiple levels and deliver real-time progress scores and analytics in six categories.

The core App contains eight episodes. Two further releases of an additional eight episodes each will be added to the core App allowing additional marketing opportunities via the built-in messaging capability.

The App is also key to delivering sales through the US Parent Teacher Associations (PTA) channel where KNeoMedia has received excellent recognition and access. As well as direct-to-consumer sales globally, the validation of the App through PTA endorsements will be a critical future revenue driver. The PTA collaboration assists the Company's access to approximately 50,000 elementary and middle schools and 23 million students in the United States.

Under the collaboration, each school that registers receives a digital fund raising kit for their school community and 50% of net revenue from each KNeoWorld subscription taken out by parents and community members for family access is paid to their individual school PTA. This provides both a simple and effective fund raising platform for the respective school PTA and a very substantial distribution opportunity for KNM.

As with its other KNeoWorld products, analytical tools give KNeoMedia a significant advantage over other edutainment Apps and this analytical functionality has wide appeal to the PTA.



KNM also confirms that it expects to sign up a number of additional New York Public Schools purchasing KNeoWorld seat licences for their students. New signs ups are imminent and KNM is encouraged by the growing sales and inquiry pipeline in the Greater New York area, as well as from other US Federal channel which are advancing well.

KNeoMedia's Chief Executive Officer, James Kellett commented: "The launch of the KNeoWorld iOS App through the Apple Store is a key milestone and we are now intent on generating sales through direct consumer channels. An extensive sales and marketing program has been launched to help achieve this. With both iOS and Android versions of KNeoWorld now available, direct-to-consumer sales should materialise in the very near term.

"As well, the collaboration with the PTA in the United States presents another important channel to market for the iOS App. PTA endorsements and collaboration adds to our broader US growth strategy which is targeting schools, associations and parents.

"We are also pleased to confirm that sales of new KNeoWorld seat licences to more New York Public Schools is imminent, and the pipeline continues to build favourably. KNM is achieving excellent momentum and we expect a steady stream of updates on our progress."

- ENDS -

About KNeoMedia Limited:

KNeoMedia Limited is an online games publishing company that delivers world-class edutainment games to global educational and consumer markets (education + entertainment = edutainment).

KNeoMedia publishes and markets from its US-based subsidiary, KNeoWORLD Inc., and sells on a micro-subscription and Apps basis through the KNeoWORLD.com games portal, Apps Stores and via distribution agreements and education departments.

Games Based Learning is an integral part of childhood education. Growth in educational markets, combined with advances in mobile devices and connectivity, will continue to accelerate innovation, adoption, and affordability of our products around the world.

KNeoWORLD is a fun education games portal where young students play their way through a futuristic and epic world. They do this by playing compelling games that are subtly infused with validated educational content including numeracy, literacy, science and arts. KNeoWORLD Apps comply with child online protection and the parent approved simple subscription model provides KNeoWORLD with a global opportunity to quickly deploy in a product vacuum and become a market leader.

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