



AHAlife achieves record growth of 145% posting A\$4m in Q2 Booked Sales

New York, United States and Sydney, Australia – Thursday 21st January 2016: AHAlife Holdings Limited (ASX: AHL) (“AHA” or the “Company”) is pleased to provide an update on its performance for the quarter ended 31 December 2015. The Company also today released its unaudited Appendix 4C.

AHAlife continued to deliver on its strategy for accelerated growth by investing in customer acquisition and executing customer retention strategies resulting in booked sales growth of 145% over the previous quarter and Q2 FY15. It also is pleased to confirm continued expansion of users and brands on AHAlife.com leading to the strong booked sales figures for the Christmas trading quarter.

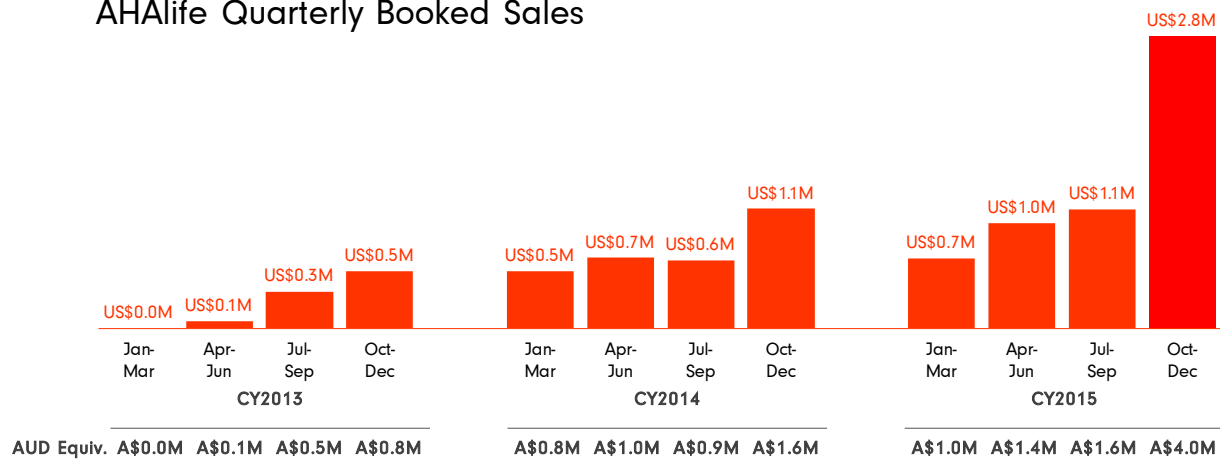
AHAlife Chief Executive Officer and founder Shauna Mei said: *“This has been an exceptional quarter for us with strong Thanksgiving and Christmas trading. Importantly, however, is the pace in which we are acquiring new users and the effectiveness of our various strategies such as the AHA gifting app which will continue to drive our future growth regardless of retail seasonality.”*

AHAlife President, CTO and co-founder Sachin Devand added: *“Our gifting app is transformational to our business; in the short term it adds an important new revenue channel and in the longer term as the demand for ecommerce to be mobilised continues, has the potential to far surpass sales generated via our online platform. Our technology has proven to be as robust as we had designed it and has stood up to the record volume we experienced in the December quarter. It is scale ready and our technologists are now rapidly deploying new initiatives to add new sales channels that will continue to drive growth beyond our current platform and ensure we remain the leaders in our field.”*

Operational Highlights

Booked sales in USD\$ for the three calendar years 2013, 2014 and 2015 are as follows and highlights the continued growth momentum achieved to date:

AHAlife Quarterly Booked Sales





Key operating metrics for the quarter ended 31 December 2015:

- Users grew by **108%** over the last 12 months to **449,000**;
- 145% growth in Q2 booked sales (Q2 FY16 of US\$2.8m (A\$4.0m) compared to US\$1.1m (A\$1.6m) in Q2 FY15);
- Brands grew by **38%** over the last 12 months to more than **3,000**;
- Average return rates remained low at 2.9%; and
- Average Order Value (AOV) and product gross margins remains consistent at **US\$181** (A\$259) and 45% respectively.

Strategic Highlights

The user acquisition strategy being implemented by AHAlife has been highly effective in breaking even well ahead of the original plan of 120 days. Users acquired through paid channels demonstrate consistent AHAlife target customer behaviour in that they are purchasing at an average order value (AOV) of US\$180 (A\$260) and purchasing an average of 2.5 times in a three month period. In addition, the Company has started implementing specific retention strategies to maintain ongoing cost free revenue generated from these users. Top performing channels that have worked well include online display, Facebook and publisher partnerships.

The AHA Gifting App was launched on the iOS platform in November 2015 and is already delivering strong momentum in the number of downloads with twice the conversion rate currently experienced on the full site version of AHAlife.com.

The Android and international version of the AHA Gifting App will launch shortly making the App accessible to **96%** of the worldwide smartphone market.

Finally, AHAlife continues to expand its user base via partnerships with traditional retailers as well as media companies. The Company has successfully completed strategic partnerships including Trunk Club (a Nordstrom subsidiary), Apartment Therapy (a high-end interior design online media company), Complex Media (a large multi-brand rich content news publisher) and Gothamist (a hyper-localised media branding agency). This combined strategy has delivered over 100,000 new users in the past calendar year and the Company continues to expand on more partnerships this calendar year.

Note: All USD financials converted to AUD at the constant rate of US\$0.70

For further information regarding AHAlife's 2015 financials, investors should visit the Company's investor center at www.ahalifeholdings.com.au or the ASX website.

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For more information

AHALife

Shauna Mei

Founder and CEO

Tel: +1 (646) 454-1110

Email: shaunamei@ahalife.com

Investor and media relations

Rebecca Wilson

Buchan Consulting

Tel: +61 (3) 9866 4722

Email: rwilson@buchanwe.com.au

