ASX release

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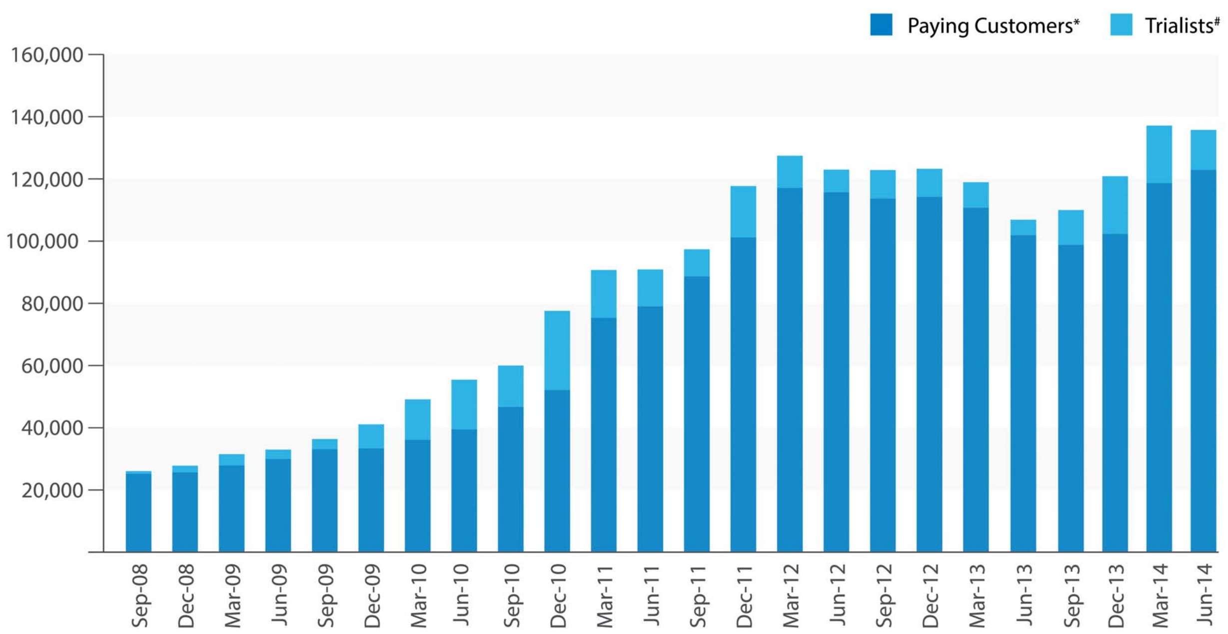
Quickflix consolidates in June quarter with paying customers growing by 4 per cent.

Quickflix consolidated its market position during the quarter growing paying customers by 4 per cent to 122,862. After the seasonally stronger March quarter the number of total active customers including introductory trialists as at the end of June was lower at 135,690. The quarter was impacted by the significant disruption caused by a campaign led by a small group of shareholders and US interests seeking to gain control of the Company without making an offer to shareholders.

Demand for streaming continued to underpin growth in the quarter reflected in the large number of popular consumer devices being registered for Quickflix. Customers registered an additional 64,000 of their smart TV, game console, mobile and other devices for Quickflix streaming, an increase of 18 per cent for the quarter bringing the total number of devices registered to over 400,000 in Australia and New Zealand. The volume of movie and TV shows streamed by Quickflix finished strongly in the quarter, boosted by the addition of new scheduled content including *Season 4* of HBO's hit series *Game of Thrones* in late June.

Quickflix active customers (Quarter).



*Paying customers are customers who purchase a service (subscription, pay per view or pay to own) during the quarter.
#Trialists are on a limited introductory trial and have registered contact and credit card details.

Quickflix extended its addressable audience during the quarter with the launch of streaming to the XboxOne game console and the new revolutionary low-cost Google Chromecast streaming device. The addition of new sought-after hit drama TV series such as *Orange is the New Black* in a licensing agreement concluded with Lionsgate, further enhances the Quickflix value proposition. Quickflix introduced a new competitive pricing structure during the quarter with an entry level subscription streaming option of $9.99 per month attractively priced at half that of Foxtel Presto, a service limited to a fraction of the devices over which Quickflix is now available.

Key highlights in the June quarter were:

- Paying customers of 122,862 up 4 per cent;
- Total customers of 135,690 down 1 per cent;
- Revenue receipts up 1 per cent to $5.2 million;
- Operating and investing expenditure up by 2 per cent at $6.6 million;
- Net operating and investing cash outflow of $1.4 million; and
- Cash at bank of $2.4 million.

Outlook

Quickflix is pursuing a growth strategy through making its streaming service available on more devices, adding in-demand content at an attractive price and entering new partnerships to reach new audiences. Having already delivered tens of millions of movie and TV shows it is using its data and insights to constantly improve its service experience. Its state of the art customer and technology platform and established content supply chain places Quickflix at a significant advantage over potential local competitors who have stated a desire to enter the over the top streaming sector but who have yet to establish a platform or proposition.

Over the coming quarter Quickflix will launch its new responsive design streaming website, debut new content and launch new partner customer acquisition campaigns. Funds raised of $1.8 million from a recent private placement to institutional and sophisticated investors will support its growth objectives. Quickflix will also be offering all of its Australian and New Zealand shareholders the opportunity to invest further in the Company through a Share Purchase Plan. In conjunction with its focus on its growing streaming business, Quickflix continues to progress discussions with potential partners and investors in relation to strategic opportunities in Australia and New Zealand.

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About Quickflix

Quickflix (www.quickflix.com.au) is Australia's leading online movie company offering subscription to the largest range of movies and TV shows delivered as DVD or Blu-ray by mail or streamed instantly on-demand to desktops, laptops and a growing range of smart TV's, game consoles, iPad, iPhone and other devices. Latest release movies and current seasons TV are available for streaming as pay per view or episode. In New Zealand Quickflix streaming is available at www.quickflix.co.nz.