



International Limited ACN 110 184 355

Corporate Head Office
35 Outram Street
West Perth 6872
ASX Code: TV2

ASX ANNOUNCEMENT

7 March 2017

GENERAL UPDATE FROM TV2U

The Board of Directors of TV2U International Limited (ASX TV2; “TV2U”) provide the following market update.

This month, Chairman Nick Fitzgerald says:

“With our reshuffled Board and new working practices being introduced, the management of TV2U provide this update to keep our stakeholders more informed about our general activities and our future aspirations.

Well, what a month February has been! Andy Brown joining the Company as CEO has been like a breath of fresh air, he hit the ground running and then started taking over the operational management like a duck taking to water. It’s been a while since I have felt the freedom for my natural role in the business of visionary, evangelist and salesman. As Andy went east to Jakarta and Perth, I went west to Brazil and Argentina.

Knowing we have a great and safe pair of hands now steering the ship, I was able to fully focus on Claudio Lessa’s sales activities in LATAM (our man based in Brazil)– and what a great job he’s been doing for us. SOL Telecom (LTDA) (“SOL”). has already become a close partner, they got the vision I went to them with some time ago and they have finished re-engineering their business so that it can be fully realised. So finally we were ready to sign contracts, we’ve already started the implementation and it will be quick, we are in the lucky position of leveraging everything they already have in place. The model will allow subscriber uptake really quickly this year. In the coming months I believe we will be able to provide further details on this model and what I can say for now is watch this space because our platform in Brazil is like having the “Intel Inside” sticker, we believe that you will see us powering an enormous part of the market through the consumer brands there, and enjoying a subscriber base quickly reaching the hundreds of thousands. It goes without saying that the revenues come with the subscribers.

LATAM is going to be an important market for TV2U. Claudio has an amazing pipeline, there’s much more to come and soon. We have some other opportunities that are emerging and worth noting. We’re working up something for airlines – imagine an immersive content experience that starts before you travel, on your flight, and you take with you after you land.

Liaqat Fayyaz and the tech team are hard at work on a new project and we look forward to being able to release some details on it in a month or so. At TV2U, it’s all about getting the content from point A to point B, and doing that by Rolls Royce rather than roller skates. We’re sticking to that strategy across all our business and this airline play is no exception.

There’s something else we’re working on, a different industry sector but the same underlying principle of digital content distribution. While we continue negotiations on this opportunity, what I will say is that we are “opportunity-led” so the business model is already nailed down and the development supports a potential commercial partner already in place. It’s going to be another disruptive model for TV2U that brings a different subscriber base and fuels those great annuity revenues that we like so much.

GLOBAL OFFICE LOCATIONS

**UNITED KINGDOM
MALAYSIA**

**BRAZIL
SYDNEY**

**INDONESIA
PERTH**

There's a buzz around TV2U staff and offices that has grown this month, we are excited, we are open for business and we are coming to a device near you soon!"

CEO Andy Brown reports:

"I joined TV2U for the following simple reasons:

- I understand Nick's vision,
- I know this industry inside out, and
- I know that I can take the reins, to allow him to realise the full potential for us all.

It was great to see the SOL agreement across the line and there's much more to come real soon. Nick's the excitable one here at TV2U, his character is infectious and I have rarely, if ever, met someone I believe in more as a salesman. I'm not so bad at selling myself, but I'm not going to compete 1-4-1 with this guy – I don't like losing!

Let's talk about the underlying business. I walked into a number of issues as I started:

- low shareholder sentiment,
- unclosed customer opportunities, and
- a need for far greater processes and controls across all areas of the business.

It's not the sexy sales stuff, but trust me when I say the wheels only turn when you get this stuff right. Seeing the business from the inside, it was also hard to believe that we deserved such a low share price, but not hard to accept that once I had reviewed how we have gone about our public announcements.

I took the decision to make some sweeping changes very quickly – let the business and shareholders feel the effect of my joining and demonstrate that I'm a very serious guy. So, within a few short weeks, I've visited customer opportunities, reorganised our sales processes, trimmed some fat in our costs, changed some Board members, and generally shaken things up.

It's only the start, the next month will see me introducing much tighter controls with the new team of David Adams, Mark English and John Lewis across finance and corporate governance, further attacks on our sales operations that will free Nick up even more to go and do what he does best, and presenting to the Board on how I intend to run what I call the Functional Team – the guys that focus on generating and maintaining the revenue basis of the business. I met Alan Boyd for the first time in Perth, an amazing guy, and he's given some valuable input to how they did it at those tech giants he was a founder member of.

I've picked off the short-term issues in front of us, and I've dealt with them all or otherwise know what I'm going to do depending on how things pan out in the coming weeks. I leave you with this, whether it's sales, cash, people, share price, operations or anything else – I'm all over it, I have the reins and it's under control. There's a lot of good things coming in the next month and I really look forward to being able to talk about them with Nick in the next update."

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ABOUT TV2U

TV2U is a global complete entertainment platform that enables businesses, such as telecommunications companies, to quickly and easily offer streaming content to their customers. The service includes movies, television programs, karaoke content and games through an encrypted channel for enhanced copyright protection. TV2U also offers unique real-time viewership analytics to enable businesses to send highly targeted advertising to end-users to maximise their revenue streams. TV2U is changing the face of online entertainment and advertising.

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