

LINIUS & IBM COLLABORATE TO PROMOTE & SELL THE LINIUS VIDEO VIRTUALIZATION ENGINE™

IBM and Linus to jointly market and promote the Linus Video Virtualization Engine™, including building onto the IBM Bluemix platform

Linus Technologies Limited (ASX: LNU) and wholly owned subsidiary, Linus Solutions Pty Ltd (**Linus**), are pleased to announce the commencement of a collaboration project with **IBM** to promote and sell the **Linus Video Virtualization Engine™ (Linus VVE)**, including building onto the **IBM Bluemix platform**, to IBM's extensive network of corporate clients and beyond in Linus' target market sectors.

This collaboration project, between Linus Solutions and IBM, provides for the joint promotion and marketing of the Linus VVE (including presales support) and submission of proposals for selling the Linus VVE to targeted customers as a stand-alone or integrated offering with IBM products.

Linus has been accepted as an IBM Business Partner in PartnerWorld, IBM's channel program.

Linus will build and offer the Linus VVE on IBM Bluemix, IBM's cloud platform. IBM Bluemix weaves together services, infrastructure and data to help businesses bring their ideas into production quickly.

Video is estimated to represent 80% percent of internet traffic¹, consisting of huge data files which are cumbersome and static. The Linus solution virtualises videos, exposing the internal data in much the way that Big Data virtualises the world's text. As a result, organisations can more easily and quickly add, splice and merge videos as needed. For example, a cable TV company will be able to deliver personalised TV ads, whilst a search company could return deliver hyper personalised video search from within videos.

Linus will work with IBM technology solutions to enhance the Linus VVE with IBM products and then promote and market these across all four of Linus' target market sectors. This will include virtualisation hosted on the IBM Cloud, personalised advertising, anti-piracy, security and surveillance.

Chris Richardson, CEO of Linus, commented:

"We see the relationship with IBM as significant validation of our technology and commercialisation plan. IBM has existing relationships with the who's who on our potential client target list.

"IBM Bluemix provides a great technology environment to build out the virtual video ecosystem. The Bluemix APIs offer a flexible development platform and additional functionality such as video search and blockchain, and enhance our capabilities to meet the needs of our vertical markets.

¹ Source (1) The Zettabyte Era — Trends and Analysis — Cisco 2 June 2016

Capital Structure

Shares quoted on ASX – 294.0m

Total shares on Issue – 679.2m

Market Cap @ 4.6c – \$31.2m

Unlisted Options – 73.0m

Corporate Directory

Christopher W. Richardson
Executive Director, CEO

Gerard Bongiorno
Chairman, Non-Executive Director

Stephen McGovern
Non-Executive Director

Stephen Kerr
Company Secretary, CFO

Key Definitions

Video Virtualization Engine™ is Linus' patented software that turns existing Internet videos into virtual video files, enabling next generation TV.

Showcase Partners are Linus channel to market partners, and assist with product development and market validation.

Digital Video Value Chain is the suite of technologies that enable getting a "video" from the camera to the screen.

Transcoding is the process by which video files are converted to different formats. The process helps to support low bandwidth connections and lets video conform to the unique constraints of various mobile devices.

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"Also, IBM has the resources and experience to assist us in deployment and management of our commercial solutions and the infrastructure to scale for global distribution."

Anthone Withers, Head of Software as a Service, IBM Australia and New Zealand, said:

"I feel Linus could be a game changer in the world of video, from personalised advertising to search and security. We're now actively working with Linus to identify and market the technology to target customers."

About IBM Cloud

For more about IBM Cloud, visit: <http://www.ibm.com/cloud-computing>.

About Linus Technologies Limited

Linus Technologies Limited (ASX:LNU) is set to revolutionise the world of video. The Linus **Video Virtualization Engine™** has cracked the code of content intelligence and created the next evolution of video streaming.

Linus transforms cumbersome, static video files into agile, dynamic files that can be easily manipulated on the fly, in order to deliver an enhanced, custom experience for both broadcasters and end-users in any way imaginable, and some as yet to be imagined.

Linus has the potential to transform many market sectors, and is initially focused on:

1. Delivering personalised advertising solutions for broadcasters
2. Video security and reduced piracy
3. Enhancing search engine monetisation
4. Security-service applications

Linus' patented Video Virtualization Engine™ cuts costs and boost revenues across the multi-billion dollar video industry.

For more information, please contact:

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