



20 November 2014

CAPITAL RAISING

Quickflix Limited (“Quickflix” or “the Company”) (ASX: QFX) announces it will be undertaking a renounceable entitlement issue of five (5) new fully paid ordinary shares in the Company (“**New Shares**”) for every four (4) fully paid ordinary shares held by eligible shareholders at an issue price of \$0.003 per New Share to raise up to approximately \$5.7 million (based on the number of shares currently on issue) (“**the Rights Issue**”). The Company will seek to place any shortfall under the Rights Issue within 3 months after the closing date in accordance with the ASX Listing Rules. The Company will also be offering its customers the opportunity to participate in an additional capital raising through an Offer Information Statement to raise up to a maximum of \$1 million.

The Rights Issue is an offer to eligible shareholders whose registered address is in Australia, New Zealand, Singapore, Hong Kong or the United Kingdom (“**Eligible Shareholders**”) to apply for New Shares at an issue price of \$0.003 per New Share which represents a discount to the 5 day volume weighted average price of shares traded on ASX of 42%.

The funds raised from the issue will support the Company's strategic objectives and be applied to working capital as well as investment in content and marketing to achieve customer and revenue growth.

Quickflix has established a leading position in the streaming movie and TV show entertainment sector in Australia and New Zealand. This is a sector that is growing rapidly and attracting new interest from Netflix and other competitors. Quickflix has access to the largest potential streaming audience in the market today due to its service being available on the widest range of popular devices. It has a differentiated offering through its streaming service combining subscription and transactional models complemented by subscription online DVD in Australia.

The Company's strategy is to move to sustainability through growing customers and revenue whilst rationalising costs. The largest expenditure outlay is content, so the Company is working with licensors to align payment profiles for existing and future commitments to better match expected customer uptake and revenue growth. Quickflix owns a significant DVD content asset which will be further monetised through dedicated cost-effective marketing.

In conjunction with initiatives directed to achieving sustainability, the Company will continue to pursue strategic partnering opportunities in its current market and the region as interest in the sector builds and industry players seek to get a foothold.

An Appendix 3B in relation to the Rights Issue is attached.



The timetable for the Rights Issue is set out in the table below.

EVENT	DATE
Announcement of the Rights Issue	20 November 2014
Notice sent to optionholders	20 November 2014
Notice sent to shareholders	21 November 2014
Ex Date	24 November 2014
Rights trading starts	24 November 2014
Record Date to determine rights	5.00pm (AEDT) on 26 November 2014
Offer Document and Entitlement and Acceptance Form dispatched to Eligible Shareholders	28 November 2014
Rights trading ceases	5 December 2014
Closing date of the Rights Issue	5.00pm (AEDT) on 12 December 2014
Deferred settlement trading of New Shares starts	15 December 2014
Company to notify ASX of under-subscriptions (if any)	17 December 2014
Issue date of New Shares	19 December 2014
Dispatch of holding statements	22 December 2014
New Shares commence trading on ASX	22 December 2014

** This timetable is indicative only and, subject to the ASX Listing Rules, the Directors reserve the right to extend the Closing Date of the Rights Issue at their discretion. Should this occur, the extension will have a consequential effect on the anticipated date of issue of the New Shares.*

The Rights Issue is being made under section 708AA of the *Corporations Act 2001* (Cth) (**Corporations Act**).

Full details of the Rights Issue will be set out in the Offer Document which is expected to be dispatched to Eligible Shareholders along with their personalised entitlement and acceptance form on Friday, 28 November 2014.

The Company gives notice under Section 708AA(2)(f) of the Corporations Act that:

- (a) it will offer the New Shares under the Rights Issue without disclosure to investors under Part 6D.2 of the Corporations Act; and
- (b) as at the date of this announcement, it has complied with:
 - (1) the provisions of Chapter 2M of the Corporations Act as they apply to the Company; and
 - (2) Section 674 of the Corporations Act.

As at the date of this announcement, there is no information to be disclosed that is excluded information under section 708AA(8) of the Act, that is reasonable for investors and their professional advisers to expect to find in a disclosure document.



The potential effect that the issue of the New Shares pursuant to the Rights Issue will have on the control of the Company, and the consequences of that effect, will depend on a number of factors, including investor demand. If all Quickflix shareholders subscribe for their entitlements, then all shareholders will retain their percentage ownership in the Company, and the issue of the New Shares under the Rights Issue will not be expected to have any material effect on the control of the Company.

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.



Appendix 3B

New issue announcement, application for quotation of additional securities and agreement

Information or documents not available now must be given to ASX as soon as available. Information and documents given to ASX become ASX's property and may be made public.

Introduced 01/07/96 Origin: Appendix 5 Amended 01/07/98, 01/09/99, 01/07/00, 30/09/01, 11/03/02, 01/01/03, 24/10/05, 01/08/12, 04/03/13

Name of entity

Quickflix Ltd

ABN

62 102 459 352

We (the entity) give ASX the following information.

Part 1 - All issues

You must complete the relevant sections (attach sheets if there is not enough space).

- | | | |
|---|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------|
| 1 | +Class of +securities issued or to be issued | Fully Paid Ordinary Shares. |
| 2 | Number of +securities issued or to be issued (if known) or maximum number which may be issued | Approximately 1,904,193,050 fully paid ordinary shares. |
| 3 | Principal terms of the +securities (e.g. if options, exercise price and expiry date; if partly paid +securities, the amount outstanding and due dates for payment; if +convertible securities, the conversion price and dates for conversion) | Fully paid ordinary shares. |

+ See chapter 19 for defined terms.

4	Do the +securities rank equally in all respects from the +issue date with an existing +class of quoted +securities?	Yes - fully paid ordinary shares.
	<p>If the additional +securities do not rank equally, please state:</p> <ul style="list-style-type: none"> • the date from which they do • the extent to which they participate for the next dividend, (in the case of a trust, distribution) or interest payment • the extent to which they do not rank equally, other than in relation to the next dividend, distribution or interest payment 	
5	Issue price or consideration	\$0.003 per fully paid ordinary share.
6	Purpose of the issue (If issued as consideration for the acquisition of assets, clearly identify those assets)	<p>Shares issued in accordance with the renounceable rights issue offered on the basis of 5 new shares for every 4 shares held at the record date of 26 November 2014, as announced to ASX on 20 November 2014.</p> <p>The funds raised under the rights issue will be applied towards working capital as well as investment in content and marketing to achieve customer and revenue growth.</p>
6a	<p>Is the entity an +eligible entity that has obtained security holder approval under rule 7.1A?</p> <p>If Yes, complete sections 6b – 6h in relation to the +securities the subject of this Appendix 3B, and comply with section 6i</p>	Yes
6b	The date the security holder resolution under rule 7.1A was passed	24 October 2014
6c	Number of +securities issued without security holder approval under rule 7.1	Nil.
6d	Number of +securities issued with security holder approval under rule 7.1A	Nil.

6e	Number of +securities issued with security holder approval under rule 7.3, or another specific security holder approval (specify date of meeting)	Nil.
6f	Number of +securities issued under an exception in rule 7.2	Approximately 1,904,193,050 fully paid ordinary shares – Exception 1.
6g	If +securities issued under rule 7.1A, was issue price at least 75% of 15 day VWAP as calculated under rule 7.1A.3? Include the +issue date and both values. Include the source of the VWAP calculation.	Not applicable.
6h	If +securities were issued under rule 7.1A for non-cash consideration, state date on which valuation of consideration was released to ASX Market Announcements	Not applicable.
6i	Calculate the entity's remaining issue capacity under rule 7.1 and rule 7.1A – complete Annexure 1 and release to ASX Market Announcements	ASX Listing Rule 7.1 – 511,027,123. ASX Listing Rule 7.1A – 342,484,749.
7	+Issue dates Note: The issue date may be prescribed by ASX (refer to the definition of issue date in rule 19.12). For example, the issue date for a pro rata entitlement issue must comply with the applicable timetable in Appendix 7A. Cross reference: item 33 of Appendix 3B.	19 December 2014.

+ See chapter 19 for defined terms.

	Number	+Class
8	3,427,547,490	Ordinary shares. (Code: QFX)

	Number	+Class
9	2,500,000	Options exercisable at \$0.085 on or before 9 December 2015.
	36,500,000	Director Options exercisable at \$0.022 on or before 3 June 2016.
	42,215,251	Options exercisable at \$0.0302 on or before 8 March 2018 subject to the terms and conditions in the 6 March 2013 Prospectus.
	91,165,092	Redeemable convertible preference shares.
	11,700,000	Employee Performance Rights.

10	Dividend policy (in the case of a trust, distribution policy) on the increased capital (interests)	Not applicable.
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Part 2 - Pro rata issue

11	Is security holder approval required?	No.
12	Is the issue renounceable or non-renounceable?	Renounceable.
13	Ratio in which the +securities will be offered	5 new shares for every 4 shares held on the record date.
14	+Class of +securities to which the offer relates	Fully paid ordinary shares.
15	+Record date to determine entitlements	5:00pm AEDST 26 November 2014.

16	Will holdings on different registers (or subregisters) be aggregated for calculating entitlements?	No.
17	Policy for deciding entitlements in relation to fractions	All fractions will be rounded up to the nearest whole number.
18	Names of countries in which the entity has security holders who will not be sent new offer documents Note: Security holders must be told how their entitlements are to be dealt with. Cross reference: rule 7.7.	United Arab Emirates, United States of America, China, Monaco and Malaysia.
19	Closing date for receipt of acceptances or renunciations	12 December 2014
20	Names of any underwriters	Payable to AFSL holders as set out in Offer Document.
21	Amount of any underwriting fee or commission	Not applicable
22	Names of any brokers to the issue	Not applicable
23	Fee or commission payable to the broker to the issue	Not applicable
24	Amount of any handling fee payable to brokers who lodge acceptances or renunciations on behalf of security holders	Not applicable
25	If the issue is contingent on security holders' approval, the date of the meeting	Not applicable
26	Date entitlement and acceptance form and offer documents will be sent to persons entitled	28 November 2014

+ See chapter 19 for defined terms.

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|----|-------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 27 | If the entity has issued options, and the terms entitle option holders to participate on exercise, the date on which notices will be sent to option holders | 20 November 2014 |
| 28 | Date rights trading will begin (if applicable) | 24 November 2014 |
| 29 | Date rights trading will end (if applicable) | 5 December 2014 |
| 30 | How do security holders sell their entitlements <i>in full</i> through a broker? | Contact their broker and provide details as requested (which will appear on the Entitlement and Acceptance Form accompanying the rights issue offer document) on or before 5 December 2014. |
| 31 | How do security holders sell <i>part</i> of their entitlements through a broker and accept for the balance? | Contact their broker and provide details as requested (which will appear on the Entitlement and Acceptance Form accompanying the rights issue offer document) on or before on 5 December 2014 |
| 32 | How do security holders dispose of their entitlements (except by sale through a broker)? | Transfer all or part of their entitlement to another person by way of an off-market transfer. Complete a standard renunciation form (which can be requested from their broker or the Company's Share Registry, Computershare Investor Services Pty Limited) and return it together with the Entitlement and Acceptance Form (completed by the transferee) and the transferee's cheque to the Share Registry by 5:00pm AEDST on 12 December 2014. |
| 33 | +Issue date | 19 December 2014 |

Part 3 - Quotation of securities

You need only complete this section if you are applying for quotation of securities

- 34 Type of +securities
(tick one)
- (a) +Securities described in Part 1

(b) All other +securities

Example: restricted securities at the end of the escrowed period, partly paid securities that become fully paid, employee incentive share securities when restriction ends, securities issued on expiry or conversion of convertible securities

**Entities that have ticked box 34(a)
Additional securities forming a new class of securities**

Tick to indicate you are providing the information or documents

35 If the +securities are +equity securities, the names of the 20 largest holders of the additional +securities, and the number and percentage of additional +securities held by those holders

36 If the +securities are +equity securities, a distribution schedule of the additional +securities setting out the number of holders in the categories
1 - 1,000
1,001 - 5,000
5,001 - 10,000
10,001 - 100,000
100,001 and over

37 A copy of any trust deed for the additional +securities

Entities that have ticked box 34(b)

38 Number of +securities for which +quotation is sought

39 +Class of +securities for which quotation is sought

+ See chapter 19 for defined terms.

40 Do the +securities rank equally in all respects from the +issue date with an existing +class of quoted +securities?

If the additional +securities do not rank equally, please state:

- the date from which they do
- the extent to which they participate for the next dividend, (in the case of a trust, distribution) or interest payment
- the extent to which they do not rank equally, other than in relation to the next dividend, distribution or interest payment

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41 Reason for request for quotation now

Example: In the case of restricted securities, end of restriction period

(if issued upon conversion of another +security, clearly identify that other +security)

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42 Number and +class of all +securities quoted on ASX (including the +securities in clause 38)

Number	+Class

Quotation agreement

1 +Quotation of our additional +securities is in ASX's absolute discretion. ASX may quote the +securities on any conditions it decides.

2 We warrant the following to ASX.

- The issue of the +securities to be quoted complies with the law and is not for an illegal purpose.
- There is no reason why those +securities should not be granted +quotation.

- An offer of the +securities for sale within 12 months after their issue will not require disclosure under section 707(3) or section 1012C(6) of the Corporations Act.

Note: An entity may need to obtain appropriate warranties from subscribers for the securities in order to be able to give this warranty

- Section 724 or section 1016E of the Corporations Act does not apply to any applications received by us in relation to any +securities to be quoted and that no-one has any right to return any +securities to be quoted under sections 737, 738 or 1016F of the Corporations Act at the time that we request that the +securities be quoted.
- If we are a trust, we warrant that no person has the right to return the +securities to be quoted under section 1019B of the Corporations Act at the time that we request that the +securities be quoted.

3 We will indemnify ASX to the fullest extent permitted by law in respect of any claim, action or expense arising from or connected with any breach of the warranties in this agreement.

4 We give ASX the information and documents required by this form. If any information or document is not available now, we will give it to ASX before +quotation of the +securities begins. We acknowledge that ASX is relying on the information and documents. We warrant that they are (will be) true and complete.



Sign here:Date: 20 November 2014
(Company Secretary)

Print name: SUSAN HUNTER

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+ See chapter 19 for defined terms.

Appendix 3B – Annexure 1

Calculation of placement capacity under rule 7.1 and rule 7.1A for eligible entities

Introduced 01/08/12 Amended 04/03/13

Part 1

Rule 7.1 – Issues exceeding 15% of capital	
Step 1: Calculate “A”, the base figure from which the placement capacity is calculated	
Insert number of fully paid +ordinary securities on issue 12 months before the +issue date or date of agreement to issue	1,149,925,957
<p>Add the following:</p> <ul style="list-style-type: none"> • Number of fully paid +ordinary securities issued in that 12 month period under an exception in rule 7.2 • Number of fully paid +ordinary securities issued in that 12 month period with shareholder approval • Number of partly paid +ordinary securities that became fully paid in that 12 month period <p><i>Note:</i></p> <ul style="list-style-type: none"> • <i>Include only ordinary securities here – other classes of equity securities cannot be added</i> • <i>Include here (if applicable) the securities the subject of the Appendix 3B to which this form is annexed</i> • <i>It may be useful to set out issues of securities on different dates as separate line items</i> 	<p>4/2/14 - 5,725,984 shares (Exception 9).</p> <p>11/7/14 – 204,176,899 shares (approved by shareholders on 24/10/14).</p> <p>29/8/14 – 160,825,600 shares (Exception 15).</p> <p>19/12/14 - 1,904,193,050 shares (Exception 1)</p>
Subtract the number of fully paid +ordinary securities cancelled during that 12 month period	Nil
“A”	3,424,847,490
Step 2: Calculate 15% of “A”	
“B”	0.15
	<i>[Note: this value cannot be changed]</i>

Multiply “A” by 0.15	513,727,123
Step 3: Calculate “C”, the amount of placement capacity under rule 7.1 that has already been used	
<p>Insert number of +equity securities issued or agreed to be issued in that 12 month period <i>not counting</i> those issued:</p> <ul style="list-style-type: none"> • Under an exception in rule 7.2 • Under rule 7.1A • With security holder approval under rule 7.1 or rule 7.4 <p><i>Note:</i></p> <ul style="list-style-type: none"> • <i>This applies to equity securities, unless specifically excluded – not just ordinary securities</i> • <i>Include here (if applicable) the securities the subject of the Appendix 3B to which this form is annexed</i> • <i>It may be useful to set out issues of securities on different dates as separate line items</i> 	29/8/14 – issue of 2,700,000 shares.
“C”	2,700,000
Step 4: Subtract “C” from [“A” x “B”] to calculate remaining placement capacity under rule 7.1	
<p>“A” x 0.15</p> <p><i>Note: number must be same as shown in Step 2</i></p>	513,727,123
<p>Subtract “C”</p> <p><i>Note: number must be same as shown in Step 3</i></p>	2,700,000
Total [“A” x 0.15] – “C”	511,027,123 <i>[Note: this is the remaining placement capacity under rule 7.1]</i>

+ See chapter 19 for defined terms.

Part 2

Rule 7.1A – Additional placement capacity for eligible entities	
Step 1: Calculate “A”, the base figure from which the placement capacity is calculated	
“A” <i>Note: number must be same as shown in Step 1 of Part 1</i>	3,424,847,490
Step 2: Calculate 10% of “A”	
“D”	0.10 <i>Note: this value cannot be changed</i>
Multiply “A” by 0.10	342,484,749
Step 3: Calculate “E”, the amount of placement capacity under rule 7.1A that has already been used	
Insert number of +equity securities issued or agreed to be issued in that 12 month period under rule 7.1A Notes: <ul style="list-style-type: none"> • <i>This applies to equity securities – not just ordinary securities</i> • <i>Include here – if applicable – the securities the subject of the Appendix 3B to which this form is annexed</i> • <i>Do not include equity securities issued under rule 7.1 (they must be dealt with in Part 1), or for which specific security holder approval has been obtained</i> • <i>It may be useful to set out issues of securities on different dates as separate line items</i> 	Nil
“E”	Nil

Step 4: Subtract “E” from [“A” x “D”] to calculate remaining placement capacity under rule 7.1A	
“A” x 0.10 <i>Note: number must be same as shown in Step 2</i>	342,484,749
Subtract “E” <i>Note: number must be same as shown in Step 3</i>	Nil
Total [“A” x 0.10] – “E”	342,484,749 <i>Note: this is the remaining placement capacity under rule 7.1A</i>

+ See chapter 19 for defined terms.