

21 November 2014

Dear Shareholder

Quickflix Limited – pro-rata renounceable rights issue

As announced on 20 November 2014 Quickflix Limited ACN 102 459 352 (**Company**) is undertaking a 5 for 4 pro rata renounceable rights issue (**Rights Issue**) of approximately 1,904,193,050 fully paid ordinary shares (**New Shares**) at \$0.003 each to raise approximately \$5,712,579 before costs. New Shares will rank equally with all fully paid ordinary shares in the capital of the Company (**Shares**) already on issue.

All registered shareholders of the Company (**Shareholders**) at 5:00pm (AEDST) on 26 November 2014 (**Record Date**), whose registered address is in Australia, New Zealand, Singapore, Hong Kong or the United Kingdom (**Eligible Shareholders**), will be entitled to participate in the Rights Issue.

Following completion of the Rights Issue, the Company will have a total of approximately 3,427,547,490 Shares on issue.

The Company will lodge an offer document pursuant to section 708AA of the Corporations Act for the Rights Issue (**Offer Document**) with ASX.

The Company will apply the proceeds under the Rights Issue towards to working capital as well as investment in content and marketing to achieve customer and revenue growth.

For the purposes of calculating each Eligible Shareholder's entitlement, fractions of entitlements have been rounded up to the nearest whole number of New Shares.

Actions required of Eligible Shareholders

There are a number of actions Eligible Shareholders may take:

- You may take up all or some of your rights to subscribe for New Shares pursuant to the Offer Document (**Entitlements**). To take up all or some of your Entitlements you will need to ensure your application money for the Entitlements you wish to take up is received by Computershare (**Share Registry**) by no later than 5:00pm (AEDST) on 26 November 2014, by either completing and returning your Entitlement and Acceptance Form together with your application money or making a payment by BPAY in accordance with the instructions on your Entitlement and Acceptance Form.
- You may seek to sell all or some of your Entitlements on ASX. You can seek to sell your Entitlements on ASX from 24 November 2014 until the close of market on 5 December 2014. To sell any of your Entitlements you need to contact your broker as soon as possible.
- You may transfer all or some of your Entitlements to another person off market. To transfer all or some of your Entitlements you will either need to contact your CHESSE Controlling Participant (usually your broker) and follow their instructions or complete a renunciation and transfer form (which can be obtained from the Share Registry) and return it, together with the purchaser's cheque for the Entitlements



they wish to take up so that it is received by the Share Registry by no later than 5:00pm AEDST on 12 December 2014.

- You may do nothing. If you choose to do nothing with your Entitlements, while you will continue to hold the same number of Shares, your interest in the Company will be diluted and you will receive no value for your Entitlement.

Key dates for the Rights Issue

Event	Proposed Date
Appendix 3B lodged with ASX	20 November 2014
Notice of Rights Issue sent to Optionholders	20 November 2014
Notice of Rights Issue sent to Shareholders	21 November 2014
Existing Shares quoted on an 'ex' basis and rights trading commences	24 November 2014
Record Date to determine entitlements	5:00pm AEDST 26 November 2014
Dispatch of Rights Issue documents to Eligible Shareholders and Rights Issue opens	28 November 2014
Rights trading ceases	5 December 2014
Closing Date of Rights Issue*	5:00pm AEDST 12 December 2014
Notification of under-subscriptions to ASX (if any)**	17 December 2014
New Shares Issued** and deferred settlement trading of New Shares ceases	19 December 2014
Dispatch of holding statements	22 December 2014
New Shares commence trading on ASX	22 December 2014

* The Directors reserve the right to extend the Closing Date for the Rights Issue at their discretion. If this occurs, it will have a consequential effect on the anticipated issue date for the New Shares.

** These dates are indicative only.

If you have any queries concerning the Rights Issue, please contact your financial adviser or Ms Susan Hunter, the Company Secretary on 1300 138 644.

Yours sincerely



Susan Hunter
Company Secretary



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Ineligible shareholders

A Shareholder who has a registered address outside Australia, New Zealand, Singapore, Hong Kong or the United Kingdom (**Ineligible Shareholder**) will not be eligible to participate in the Rights Issue.

You are ineligible to participate in the Rights Issue and you will not be sent a copy of the Offer Document. This decision has been made pursuant to Listing Rule 7.7.1(a) of the ASX Listing Rules after taking into consideration the costs of complying with legal and regulatory requirements in jurisdictions outside of Australia, New Zealand, Singapore, Hong Kong and the United Kingdom compared with the small number of Ineligible Shareholders and the number and value of New Shares to which they would otherwise be entitled.

The Company will appoint a nominee (**Nominee**) to sell the rights to subscribe for New Shares pursuant to the Offer Document (**Entitlements**) to which Ineligible Shareholders are entitled. The Nominee will have the absolute and sole discretion to determine the timing and price at which the Entitlements may be sold and the manner of any such sale.

Any interest earned on the proceeds of the sale of these Entitlements will firstly be applied against expenses of such sale, including brokerage, and any balance will accrue to Ineligible Shareholders.



The net proceeds of the sale of these Entitlements will then be forwarded by the Company as soon as practicable to the Ineligible Shareholders, in proportion to their share of such Entitlements (after deducting brokerage commission and other expenses). If any such net proceeds of sale are less than the reasonable costs that would be incurred by the Company for distributing those proceeds, such proceeds may be retained by the Company.

Notwithstanding that the Nominee may sell Entitlements, Ineligible Shareholders may nevertheless receive no net proceeds if the costs of the sale are greater than the sale proceeds.

There is no guarantee that the Nominee will be able to sell Entitlements of Ineligible Shareholders on ASX and Ineligible Shareholders may receive no value for the Entitlements. Neither the Company nor the Nominee take any responsibility for the outcome of the sale of such Entitlements or the failure to sell such Entitlements.

If you have any queries concerning the Rights Issue, please contact your financial adviser or Ms Susan Hunter, the Company Secretary on 1300 138 644.

Yours sincerely



Susan Hunter
Company Secretary

