



( :XTD)

Corporate Presentation

MARCH 2015

Overview

“

The launch of the XTD Cross Track Digital advertising system brings a new era of rail transport advertising to the world's major metro networks.

XTD Ltd is an Australian-based, internationally focused business offering world-first cross-track digital media systems that bring new revenue streams to major rail operators and outdoor media companies.

”



www.xtd.tv
to view video



Disclaimer



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Company Overview



- ▶ XTD is a service provider to the growing Out-of-Home Advertising sector (OOH)
- ▶ XTD has designed, tested and installed one of the world's first Cross Track Digital Media systems
- ▶ Uses large format proprietary LED screens to replace/complement static print media posters in rail stations
- ▶ 7-year contract with Metro Trains Melbourne (MTM) to operate 32 XTD screens across 3 underground rail stations. All 32 fully operational
- ▶ Awarded contract for up to 7 years by Queensland Rail (QR) to install and operate 13 screens across 4 stations
- ▶ USA identified as next key market for growth due to size of market and number of underground rail stations



Executive Team

Steve Wildisen **CHIEF EXECUTIVE OFFICER**
Frank Hurely **NON-EXECUTIVE CHAIRMAN**
Stuart Richardson **NON-EXECUTIVE DIRECTOR**
John Toll **NON-EXECUTIVE DIRECTOR**

Tony Haines **MANAGER**
David Gibbs **VP USA OPERATIONS**
Mark Niutta **NON-EXECUTIVE DIRECTOR**

Investment Highlights



Current capital structure

Total Ordinary Shares		123,986,051
Performance Shares	Class A Performance Shares	4,500,013
	Class B Performance Shares	4,500,013
	Class C Performance Shares	4,500,013
	Class D Performance Shares	15,000,037
Total Performance Shares		28,500,076

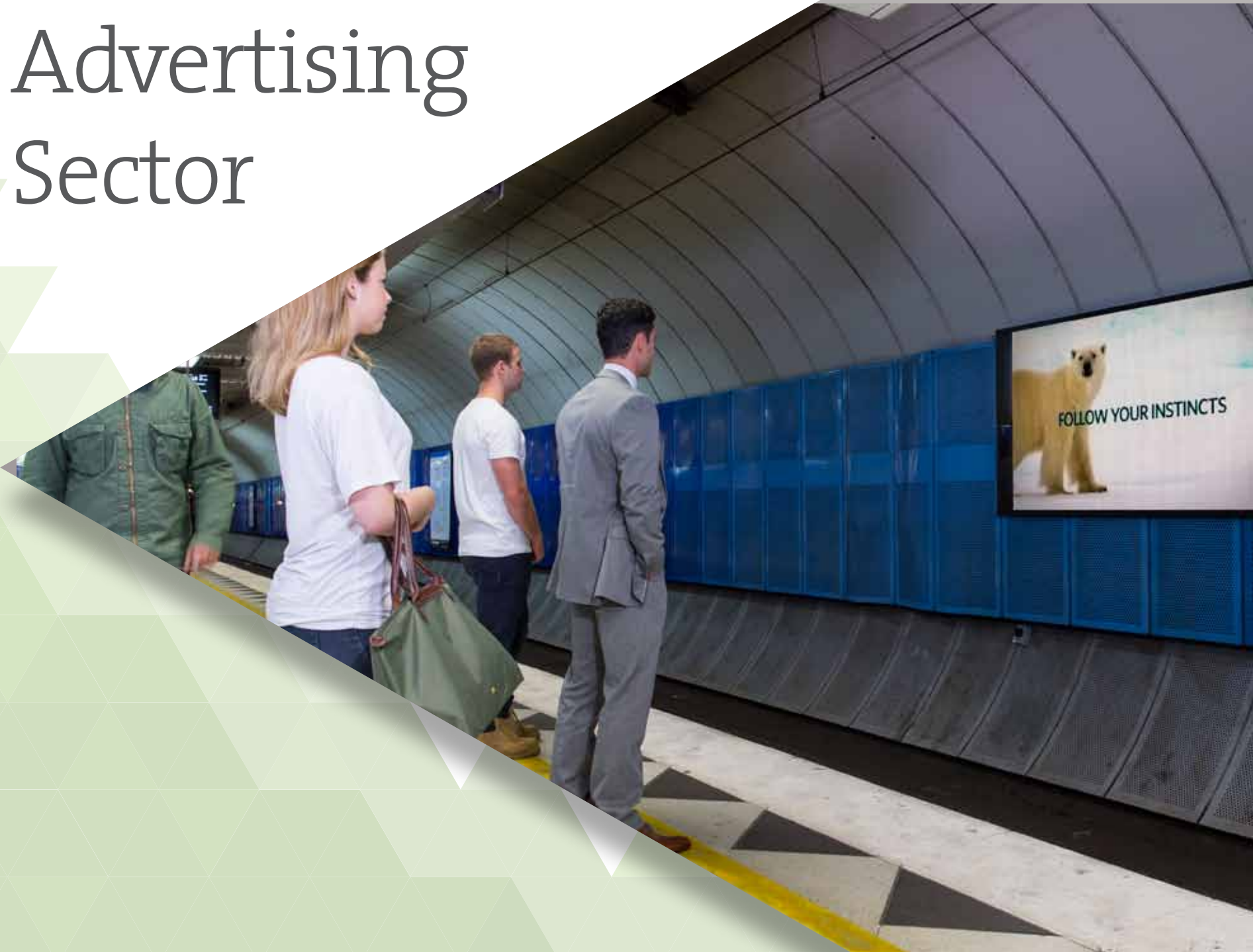
Top 20 shareholders

Top 20 Total	63,798,280 shares	51.46%
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Trading information

Ticker	XTD
Shares on Issue	\$124 m
Share Price	\$0.165
Market Capitalisation	\$20.46 m
Cash Position	\$1.9 m

Out-Of-Home Advertising Sector

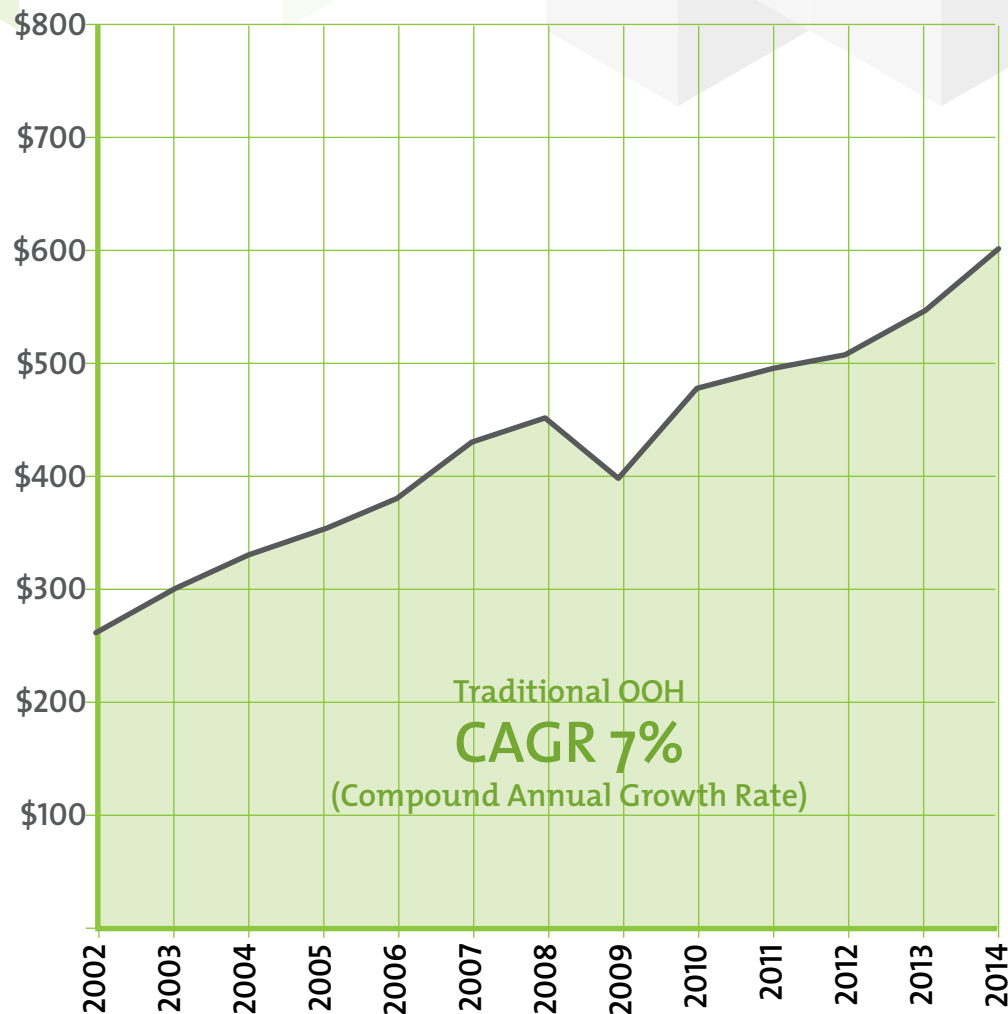


Sector overview

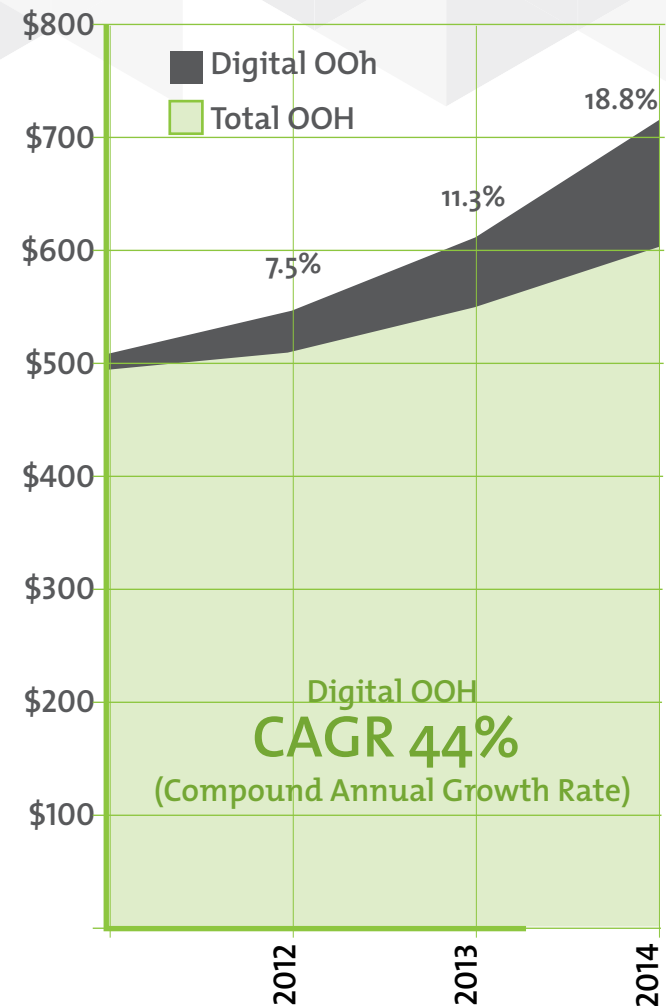


Consistent growth within sector that XTD is targeting

OOH: Total revenue
2002 – 2014 (value in \$m)



Digital OOH: Total spend
2012 – 2014 (value in \$m)



Sector overview



Benefits of OOH advertising vs traditional mediums



High Impact

Dominant visibility, strong branding and messaging that stands out for consumers



Engaging

The right message and the right creative are extremely engaging



Cost Effective

Studies have shown campaigns with greater than 15% of the total spend on OOH have higher return on investment



Media Multiplier

Improves the return on investment of other media



Sustained Awareness

Effective way of increasing reach and recall of a campaign



Impacts Path to Purchase

Location-based technology provides consumers with access to brands and relevant content on their Path to Purchase

Sector overview



Train stations – OOH advertising sector

Hundreds of millions use rail stations every day

Media companies understand the financial benefits of advertising to commuters as they wait

- ▶ Large volume, captured audiences with long dwell times
- ▶ Audience demographics can be specified

Traditional cross track static posters are:

- ▶ Expensive to print and mount
- ▶ Difficult to change
- ▶ Difficult to maintain
- ▶ Losing appeal to commuters



commuters will
spend an average of
12 minutes a day
on a platform

XTD'S Cross Track Digital System



Our product



Brings new revenue streams to major metro rail operators and outdoor media companies

Large-format high-definition digital media screens that complement existing advertising displays

System engages rail commuters with crystal-clear video images supported by high-definition sound

Stand-alone digital media channel that does not interfere with existing station controls or monitoring equipment

System designed to be low maintenance and monitored 24/7



Benefits Of Using Cross Track Digital



Media Buyers

Increased revenue

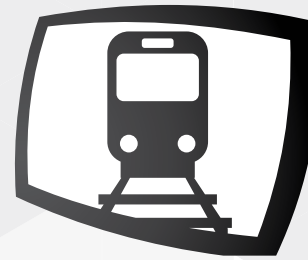
- ▶ More advertising can be sold each month

Flexibility

- ▶ Can sell content in 8 second stills, 15 second animated slides or commercials, 30 second TVC or 60 second movie preview or infomercials

Known time, events, location & audience

- ▶ Allows advertising to be changed throughout day to capture specific demographics
- ▶ Reflects current weather, event details and news
- ▶ Content can be tailored to platform
- ▶ Audience demographic and psychographic information can be specified



Rail Operator

Increased revenue

- ▶ Ratio of approximately 6 to 1 when comparing commissions from digital advertising versus static posters

Improved commuter experience

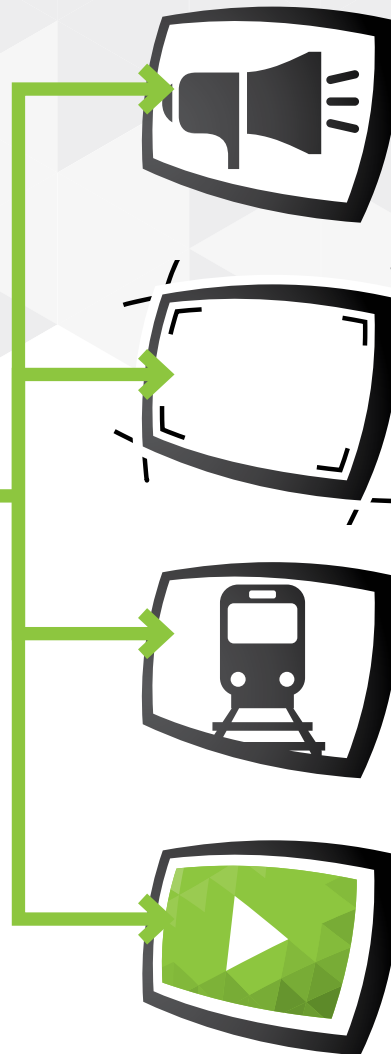
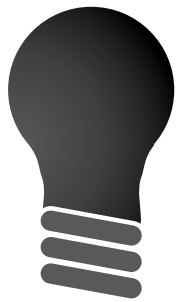
- ▶ Content includes paid news, weather & rail network updates

XTD Revenue Model



Advertiser

\$10,000¹ to secure spot in 4-minute loop across 32 XTD screens for a week



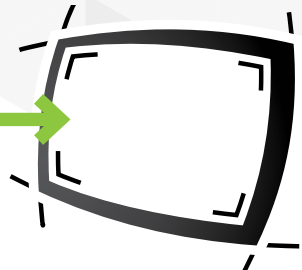
Media Buyer

\$1,000 Commission (~10%)



Media Seller

\$2,700 Revenue share (~27%)



Rail Operator

\$1,900 Revenue share (~19%)



XTD

\$4,400 Revenue share (~44%)



- 1 The rate card quoted above is indicative only and should not be used as an indication of what rate may be achieved once the XTD screens are operational. The actual amount to be charged by APN Outdoor in its capacity as exclusive sales agent will depend on prevailing market rates and industry standard discounting
- 2 Commissions and revenue shares shown are indicative only and may be subject to change from time to time

Current contract



XTD Melbourne contract – 32 screens



Station	Platforms	Screens
Melbourne Central	4	12
Parliament	4	12
Flagstaff	4	8

32 Screens operational across 32 Melbourne Central, Parliament & Flagstaff stations

Exclusive 7-year cross track advertising contract with Metro Trains Melbourne (MTM)

- ▶ MTM owned by Hong Kong listed MTR Corporation
- ▶ MTR also operates rail networks in Hong Kong, London, Stockholm, Beijing (2 lines), Shenzhen & Hangzhou

12 month re-seller agreement with APN Outdoor
to source advertising content for 32 XTD screens

Current contract



XTD Queensland contract – 13 screens



Station	Platforms	Screens
Fortitude Valley	2	5
Southbank	1	2
South Brisbane	1	2
Toowong	2	4

- ▶ Completed 6-month trial of two screens at Fortitude Valley station
- ▶ Seven-year contract with Queensland Rail (QR) to install 13 screens across 4 stations
- ▶ Screens expected to be installed, operational and generating revenue by June 2015
- ▶ Total capital expenditure to install 13 screens estimated to be \$2.2m (including contingency)
- ▶ Discussions underway regarding appointment of media re-seller

What's next?

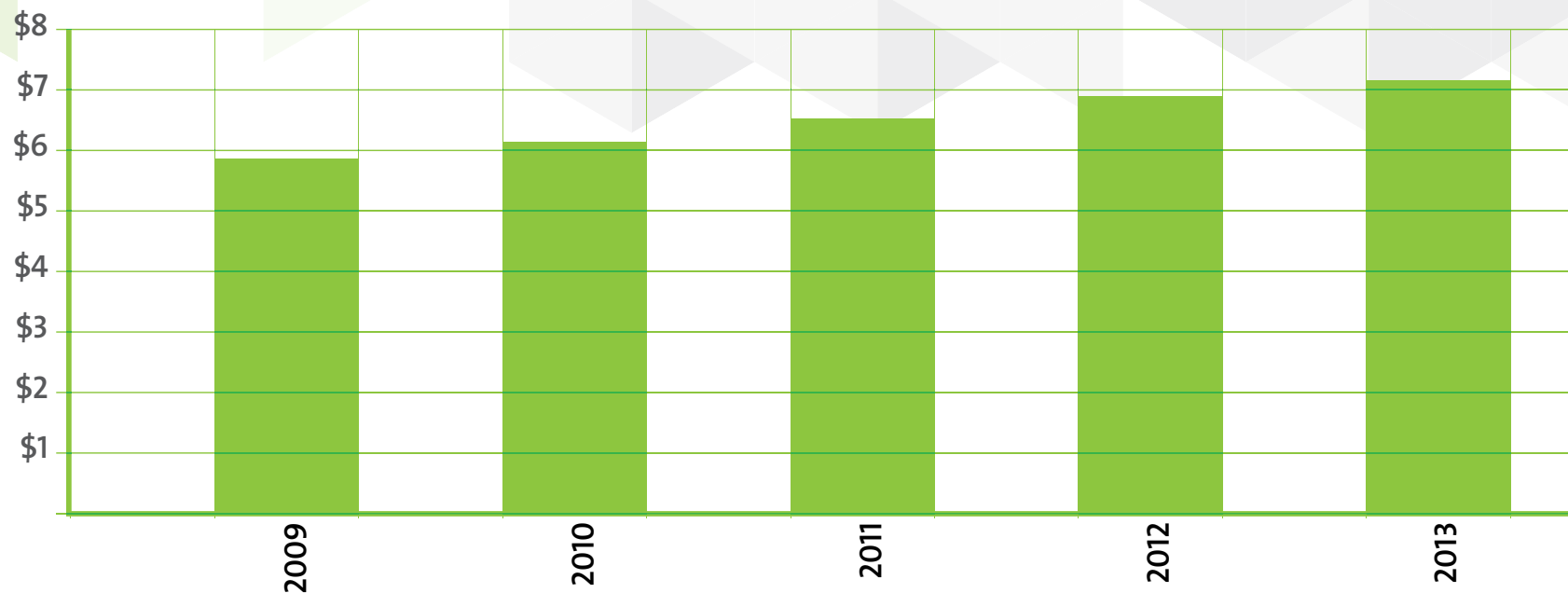


USA Expansion Plan



Market Metrics

Revenue
2009–2013 (value in \$b)



17% CAGR for the previous 5 years

Fastest growing ad medium

Top spenders include:

- ▶ McDonalds
- ▶ Comcast
- ▶ Apple
- ▶ Time Warner

USA Expansion Plan



Appointed David Gibbs – VP USA Operations

- ▶ OOH specialist with wealth of experience in the US
- ▶ Co-creator of world's largest permanent network of mobile-enabled OOH advertising displays
- ▶ Led acquisition of two companies in the space



Summary



- ▶ Robust market metrics with continuous growth
- ▶ Positive performance from Melbourne operations with predictable and recurring revenue generation
- ▶ Brisbane installations on track for completion this quarter
- ▶ Early stages of US expansion positive – expecting to have foothold during 2015
- ▶ Recurring revenue with attractive profit margins

Thankyou, for further details, contact

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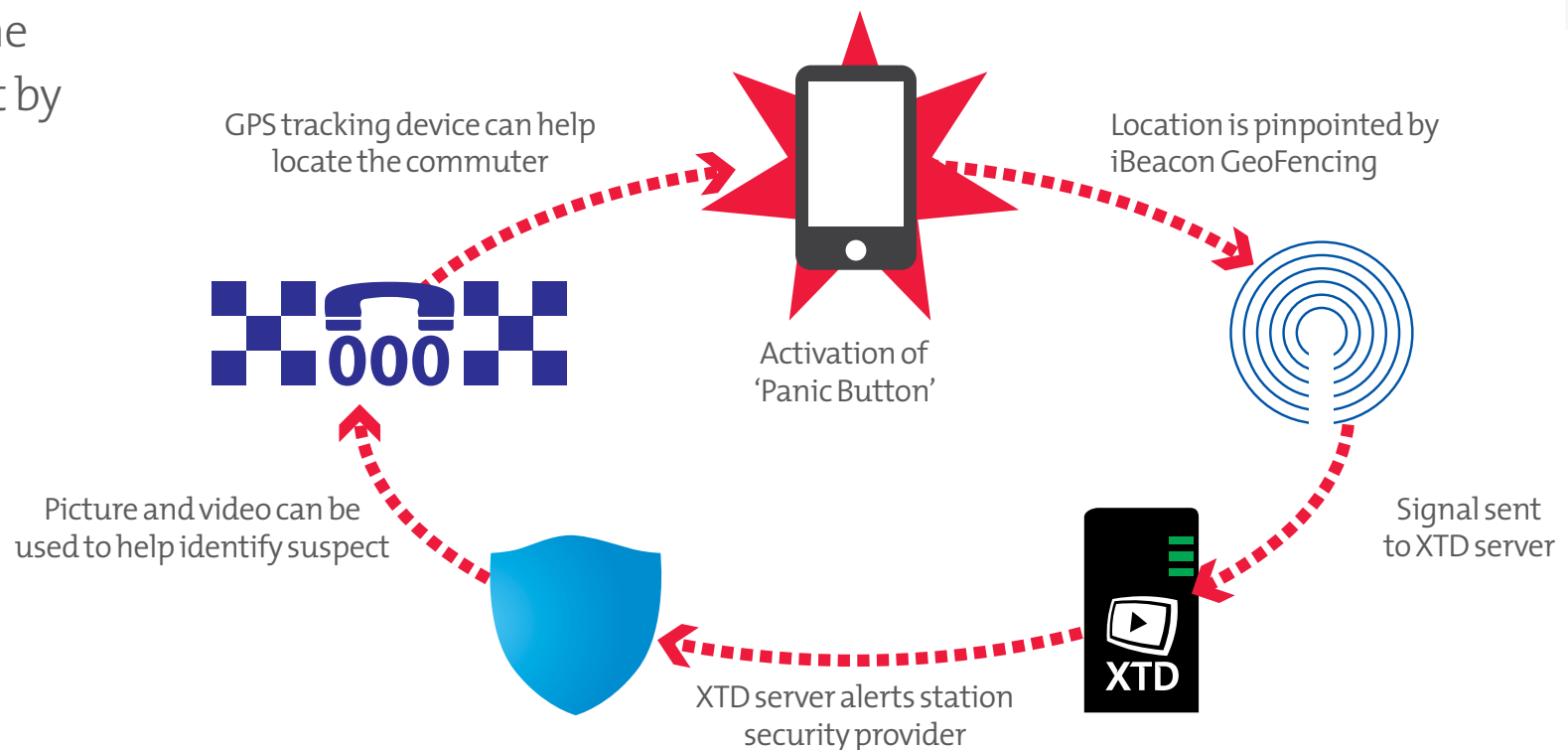
Appendix



PROtechT Mobile Security App (under development)

- ▶ Downloaded for free by commuters and promoted by the rail operator and/or State Government
- ▶ Commuter presses a button on their phone to activate a panic button if they feel threatened
- ▶ The App communicates with XTD servers at our monitoring stations and alerts the stations contracted security firm or the police.
- ▶ A continued tracking link to XTD's server then tracks the GPS location of the phone until it is disengaged via a PIN
- ▶ Picture and video also able to be captured by the commuter and sent by the server to the security firm¹

¹ XTD is not providing a security service itself, simply capturing information from the commuter via its existing platform infrastructure and passing it onto the security firm.



Direct Advertising Capability

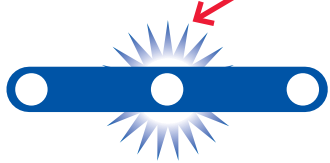
To download the free PROtechT App¹, commuters are required to provide personal details and agree to receive rich push text messages

- ▶ If commuters refuse to receive rich push text messages they are required to pay a subscription for the PROtechT App
- ▶ XTD servers can then identify MAC addresses in all smart mobile devices (phones) for commuters on a station and identify the actual user
- ▶ Enables advertisers to send rich push text messages to demographic, budget and time tailored audiences
- ▶ These messages can be 'takeaway messages' and/or 'call to action' messages for an advertisement running on the XTD screens
- ▶ Strategy is to carefully manage the number of promotions to maintain impact and avoid consumer lethargy

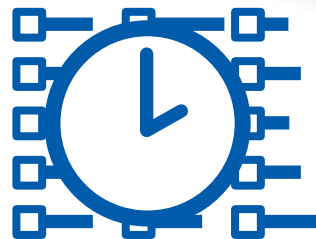


¹ Under development

Further Potential Opportunities¹



Pushed location based alerts for delays or closed lines



Live timetable



Online ticket sales with barcoding ticketing displayed on phone










GPS guidance to closest rail station

¹ Subject to rail operator consent.

Competing Operating Systems



Location	Melbourne	London	Hong Kong	Sydney
Rail Network				
System Provider			JCDecaux	
LED Screens	✓	✗ ¹	✓	✓
Sound	✓	✗	✓	✓
Dynamic Content Management System	✓	✓	✓	✓
Wirelessly Coupled	✓	✓	✓	✗ ²
Train Detection System	✓	✓	✗ ³	✓

¹ The London system is a projector system

² The Sydney system utilises the hard wired fibre optic cables installed prior to the Sydney Olympics

³ The trains on the Hong Kong network are robotic and the tracks are protected by barriers therefore no OH&S requirement to render screens blank when are approaching the station

International Rail Networks Example



Country	Network Name	Rail Operator	Major City	Total Stations	Daily Audience
China	Beijing Subway ^(Line 4)	MTR	Beijing	24	1,248,000
China	Shenzhen Metro	MTR	Shenzhen	118	2,490,000
Sweden	Stockholm Metro	MTR	Stockholm	100	874,316
UK	London Overground	MTR	London	83	427,000
US	New York Subway	New York City Transit Authority	New York	468	5,465,034
Korea	Seoul Metro Subway	Seoul Metropolitan Rapid Transit Corp	Seoul	607	6,900,000
France	Paris Metro	RATP	Paris	303	4,175,000
Japan	Tokyo Metro	Tokyo Metro Co	Tokyo	179	6,307,390
Russia	Moscow Metro	State-owned	Moscow	188	6,730,000
Singapore	Mass Rapid Transit	Land Transport Authority	Singapore	102	2,649,000
Germany	Munich U-Bahn	Munich Transport Co	Munich	96	1,035,000

US Expansion Strategy



Identify Potential Sites

- ▶ Leverage existing media industry and rail operator relationships
- ▶ MTM is owned by Hong Kong listed MTR Corporation who also operate rail networks in Hong Kong, London, Stockholm, Beijing (2 Lines), Schenzhen & Hangzhou

Negotiate long term contracts

- ▶ Using Melbourne Contract as operating case study to sell the merits of the XTD System to potential customers
- ▶ Negotiate long term contracts to sell exclusive cross track digital media space
- ▶ Contracts may be negotiated with either the rail operator or the incumbent media group who is currently providing static cross track advertising

Install XTD system

- ▶ Install proprietary XTD System into contracted stations
- ▶ Potential ability to debt finance part of future capital costs (i.e. equipment finance)

Negotiate reseller contracts

- ▶ Negotiate exclusive reseller contracts with the leading OOH Advertising specialist in each jurisdiction
- ▶ XTD already has existing relationships with Clear Channel, JCDecaux & Adshell

Recurring revenue with attractive profit margins

- ▶ Once operational, each contract to provide XTD with high margin, recurring revenue



XTD

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