

ASX AND MEDIA RELEASE

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Zipt App now live and available globally for Android users

- Ziptel launches its Zipt Android App globally which will be available today for anyone to download for free from the Google Play store (IOS Version expected to be available in Q3 2015)
- The pilot testing phase has provided important feedback and statistics enabling an optimised global roll out strategy
- Pilot phase validated the App's superior call and messaging quality with improved data statistics:
 - data usage on longer calls averages just 5kbps: and
 - data used in a one minute call averages 0.04MB, allowing an impressive talk time of up to 400 hours from 1GB of data
- Zipt application installs now over 180,000 subscribers which were acquired during the pilot phase, now targeting 10 million users within 18 months
- Revenue of circa \$50,000 has been generated in the last 6 weeks through user top-ups. A compelling development not initially expected within the first 12 months from launch
- Revenue top-ups demonstrate user adoption, high retention rates, exceptional performance and call quality within the application
- Partnership with Brett Lee, Australian and internationally renowned cricketer, commentator and sports icon to drive user adoption in Australia and the Indian Subcontinent – with a combined population of over 1.9 billion
- Distribution agreements and partnerships in place with leading marketing and media businesses (Mpire Network, Airloyal, Degordian and Jana).
- Further features and monetisation plans to be rolled out in coming months as part of a comprehensive and targeted customer acquisition strategy
- With circa \$6.3 million in cash, Ziptel is fully funded to undertake an aggressive marketing campaign across key regions, to accelerate the customer acquisition process

ZipTel Limited ("**ZipTel**" or "the **Company**", ASX: ZIP) is pleased to announce it has today officially launched its Zipt application, which is now available globally to download for free on the Android OS from the Google Play store. The iOS Version shortly in Q3 2015.

Zipt is a mobile-based international communication application that allows consumers to send messages and make international calls for free, App-to-App, or at low cost to any landline or mobile globally. It has the ability to work in all network conditions and in bandwidths as low as 2G and uses up to 80% less data than other leading apps in the market.

To find out more about how to get Zipt please visit - <http://www.zipt.com>

The Company is extremely excited to launch its revolutionary product to the global market, which has the capacity to change the way the world communicates.

The Pilot Testing phase has validated the performance of the App where the Company already has over 180,000 subscribers prior to the global launch. Ziptel has circa \$6.3m of funding to pursue an aggressive customer acquisition strategy targeting 10 million users over the next 18 months.

The Pilot phase has delivered key feedback and statistics to the Company enabling optimisation of the Zipt App and the finalisation of defined strategic global roll out plan.

One of the most significant developments is the generation of circa \$50,000 in revenue in the last 6 weeks through user top ups in initial target markets. Revenue generation was not anticipated within the first 12 months of launch and demonstrates exceptional App performance, retention rates and clear adoption of Zipt in a small test (pilot) sample.

The Revenue exceeds the company's forecasted average revenue per user per month and could radically change the earning potential around its monetisation strategy. Whilst the Company cautions the market that the revenue results are at early stage and prolonged results are needed to confirm a longer-term trend, it is nonetheless extremely buoyed by this early promise.

Data Efficient Technology

Zipt's technology and telephony infrastructure uses a proprietary technology, which significantly compresses the data sent across the application, which leads to improved call quality in practically all network conditions and in low bandwidth environments such as 2G. It also significantly reduces data consumption and drastically reduces data costs and usage.

Extensive testing and analysis found the Zipt data usage was stable at bandwidths as low as 2.5 kbps. A per minute call averages 0.04MB, which allows for a talk time of up to 400 hours from 1GB of data. This compares favourably with Skype's 30kbps, which on average use 0.23MB per minute, providing an average of 72 hours talk time from 1GB of data.

Target Markets

The Company has a global marketing strategy and part of its roll out will be initially targeting regions such as South East Asia, the India Subcontinent, Latin America, Middle East and Africa. Upon launch of the iOS version the marketing reach will widen across UK/Europe, United States, Asia Pacific and China.

The partnership with Brett Lee is an important step towards accelerating customer acquisition in Australia (23.1 million population) and the Indian Subcontinent (1.7 billion population), following his successes playing in the Indian Premier League (IPL), starring in Bollywood movies and his chart topping music releases.

The Subcontinent has the fastest growing smartphone market in the Asia Pacific region. In 2014 smartphone users in India increased by of 60% to 123.3 million users and this is predicted to reach 280 million users by 2018.

The Android market also continues to grow and in 2014 Android accounted for 81% of all smartphones shipped. In addition, the Google Play store is visited by more than one billion unique users per month.

Subscriber Base and Acquisition Expectations

Zipt achieved over 180,000 installs during its pilot launch phase, which focused on selected countries within strategic regions across the Asia Pacific, Eastern Europe and the Middle East. It is already ahead of acquisition expectations on its plan to achieve 10 million users in 18 months time.

The App has already started to show unexpected monetisation results as outlined above with a peak of over 30,000 daily active users ("DAU") on the platform and growing each day.

The retention rates for days 1/7/30 (70%, 40%, 15%) are above industry norm (40%, 20%,10%) which gives the Company confidence that its future rollouts can only improve the user base retention, creating a "sticky" and engaged user. Zipt has achieved quick iteration cycle rhythm with significant fixes and new features being rolled in weekly builds.

The pilot launch phase demonstrated significant viral and organic growth potential with every one download resulting in a further three and a half, simply through user sharing. Zipt is naturally viral – it is being shared amongst users without any active incentives. By adding incentives, the Company expects further uptake in organic growth and referrals to be multiplied several times. Importantly, ZipTel expects the cost per acquisition (CPA) to substantially reduce by over 60%, whilst accelerating customer acquisition as virality increases.

In addition the Company has in place agreements with leading digital media, online advertising and mobile marketing companies; Mpire Network, Airloyal, and Degordian, which provide access to their platforms and user base and provide another avenue for customer acquisition.

ZipTel has also signed another distribution agreement with Jana Media to compliment the existing distribution network and ensure maximum exposure for Zipt in the customer acquisition process. Jana Media's distribution platform uses a unique approach of reaching users in emerging markets – giving users free data to try out apps (Jana Media has partnered with 311 mobile carriers worldwide). By using Jana Media's platform the Company will be able to reach and engage key emerging consumer markets that are using slow and expensive data – exactly the scenario that Zipt was designed to address.

Features Available

The Company has continued to focus on developing and enhancing the Zipt App in the period ahead of launch date.

Upon launch the following features will be available within the App:

- Bandwidth reduction technology
- Free Voice calls App-to-App
- Facebook Integration – enables users to connect and share via Facebook
- Integrated invitations to encourage virality
- Group Chat
- Low cost calls to landline and non Zipt mobile users
- Free instant messaging App-to-App
- Low cost SMS to non App users
- Account top up
- Secure calls
- Masked caller ID
- Integration with Android's native dialler and messaging

Additional future features to be rolled out in the coming months are as follows:

- Zipt Video
- File Sharing
- Voice Recording
- Conference Calling
- Credit Transfers
- Automatic Top Up

- Brand Engagement Button
- Bundle Plans – region based incentive packages to increase monetisation
- Click to Call offers (Monetisation)
- Stickers and Gamification Features (Monetisation)
- Instant Voice message
- Voice messaging in stickers
- Ability to introduce In App Advertising
- ZipT Community Channel and Ecosystems
- In-App DID purchase for local access numbers (DID calling cards)

ZipT Community Channels and Ecosystems

Community channels by ZipT are streams of interesting news from sports (live coverage, scores, interesting content), entertainment (movies, TV, music) and direct exclusive content from ZipT's ambassador celebrities, such as Brett Lee.

As ZipT is a global platform for communications that is specifically tailored for expats and travellers this is an easy way to stay in touch with local and relevant content that matters the most whenever you are - through the same App used to stay in touch back home.

Users can share and comment on content with their groups and contacts easily and effortlessly and content that is engaged by your friends can easily be seen - we will not be limiting organic reach.

Based on channel nature updates can be communicated real time with notifications (like sports scores or breaking news) or browsed with ranking based on engagement and relevance.

Next Steps

Over the coming months ZipT will continue to release new features as part of the customer acquisition strategy and to implement new monetisation value added services, including new in-App products related to the Brett Lee partnership.

The Company looks forward to updating the market as appropriate in the coming months on several exciting initiatives it is looking to integrate with the ZipT App.

Bert Mondello, Co-Founder and CEO, ZipTel Limited commented:

"This is an exciting time for ZipTel with the global launch of ZipT. We have been working aggressively towards this timeline and would like to personally thank everyone involved to bring this to fruition. We have sufficient funding in place and a solid plan to market this product and will continue to focus our efforts to ensure the App delivers exceptional results to users around the world.

We have further feature updates in the pipeline and will shortly be announcing opportunities to commercialise our partnership with Brett Lee. I look forward to providing further progress updates following the launch."

-Ends-

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About ZipTel

ZipTel is an Australian owned and operated telecommunications business focused on providing international roaming and calling solutions to the consumer, using state of the art technologies developed and wholly owned by ZipTel Limited. ZipTel listed on the ASX in July 2014 with its core focus primarily on the distribution of three core communications products, both domestically and internationally.

About ZipT

ZipT is a mobile-based international communication App that enables consumers to send SMSs and make international calls for free between users. The App can also call any landline or mobile at some of the world's lowest call rates. ZipT delivers crystal clear sound quality in lower bandwidth data environments and allows consumers to retain their existing phone number, service provider and SIM card, with no lock-in contracts. ZipT does not require a SIM card and can be installed on any smartphone or tablet on compatible platforms. ZipT uses less data than similar products already available on the market, and can be used over Wi-Fi or any mobile network.

For more information visit www.zipt.com.

