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Quickflix restructures content licensing arrangements with major studios.

Quickflix (ASX: QFX) announces that it has reached in principle agreement with major studios with whom it has subscription video on demand "SVOD" licensing arrangements, to restructure existing commitments of in excess of \$5 million into debt, to be repaid over three years. The agreement includes granting studios the option to convert debt to equity at a future point in time. The successful restructuring is part of a process the Company is undertaking with all its licensors as it moves to an SVOD reseller model. Under the model, Quickflix's cost base becomes mostly variable, including content costs which will no longer be subject to minimum guarantees that have historically impeded profitability.

The restructure of licensing commitments and adoption of the SVOD reseller model, will significantly improve the Company's future operating margins and cash flow. As an integrated reseller of SVOD, Quickflix can effectively compete with larger SVOD competitors leveraging its significant investment in its streaming distribution platform which includes connected TVs, game consoles and other devices and its customer base. As a streaming service Quickflix differentiates by also offering transactional streaming and online DVD rental subscription.

Quickflix announced on 14 May 2015 that it has entered into an agreement to resell Presto, subject to completion of conditions precedent.

Commenting on its restructure, CEO Stephen Langsford said "The restructuring of the Company's SVOD commitments is a major step towards repositioning Quickflix. Studios have been very supportive and are keen to see Quickflix continue to develop and become a strong and growing provider in the high-growth streaming entertainment sector."

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About Quickflix

Quickflix (ASX: QFX) is a leading TV and movie streaming company operating in Australia and New Zealand. It offers subscription and transactional streaming to a wide range of devices including Smart TVs from Samsung, Sony, Panasonic and LG, game consoles such as PlayStation and Xbox, TiVo, desk tops, laptops, tablets and a range of mobiles and other devices like Google Chromecast. In Australia, Quickflix is also the leading subscription online DVD rental service.

