



MARKET UPDATE

ANNOUNCEMENT

3 August 2015

Vmoto Limited (ASX/AIM:VMT), the global scooter manufacturing and distribution group specialising in "green" electric powered two-wheel vehicles, is pleased to provide the following update on its activities for the quarter ended 30 June 2015 (2Q15).

2Q15 HIGHLIGHTS

- **Trading in line with management expectations**
- **Over 22,000 units sold for 2Q15, up 13% from 1Q15, with the mix of sales evolving given the growing number of higher margin sales into international markets**
- **Appointed distributor for United Kingdom and Ireland markets**
- **Progressing with establishment of internet based retail sales network and system**
- **Progressing significant new market entry and distribution opportunities, including North America, Italy, Switzerland and New Zealand**
- **Completion of 10 for 1 share consolidation**
- **Successfully raised \$8.9 million through an oversubscribed placement to existing and new institutional and sophisticated investors to fund growth initiatives**

Commenting on Vmoto's continued growth over the second quarter of 2015, Managing Director, Charles Chen said: "The June quarter has been a very busy period for the business. Sales of our electric two-wheel vehicle products continued to increase across our various sales channels, in particular to international markets."

"Interest levels in our electric vehicle products remain high. A number of old and new customers visited the factory during the quarter seeking to enter into new orders or agreements for our electric two-wheel vehicle products.

"Reflecting the increased international interest in our products, we have commenced discussions with a significant European supermarket group that has over 300 stores, and a high-tech North American company developing shared transportation and communication systems for electric vehicles. We have also progressed the establishment of our internet based retail sales network and system to expand sales and further increase profitability."



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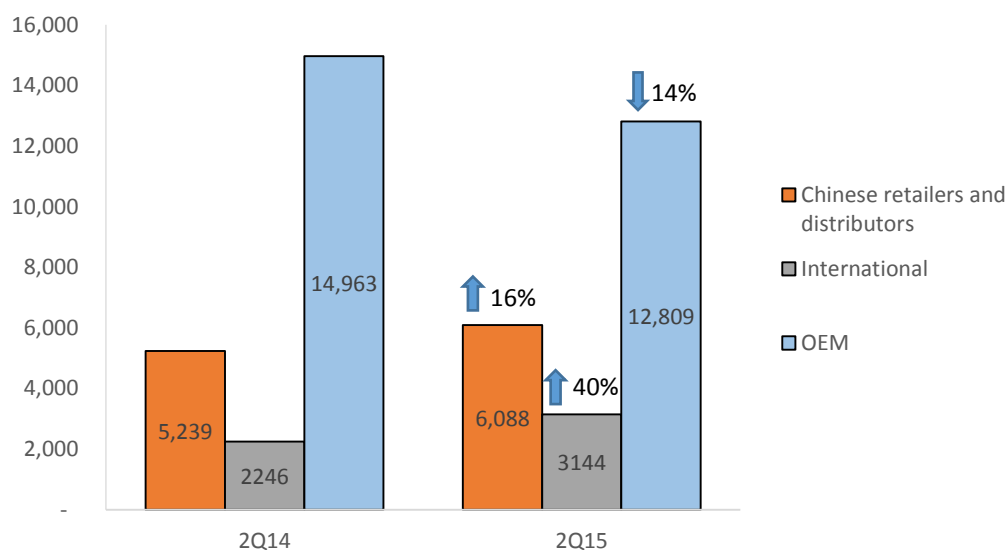
QUARTERLY SALES PERFORMANCE

Unit sales for 2Q15 were 22,041 units, up 13% from 1Q15, comprising:

OEM	12,809
Chinese retail stores and distributors	6,088
International	3,144
Total	22,041

2Q15 was a busy quarter for the Company with production and sales increasing quarter on quarter. This trend is expected to continue over the coming months. Trading was encouraging and in line with management expectations.

Importantly the mix of sales continues to evolve with growing sales into higher margin international markets. International unit sales increased by 40% compared with 2Q14, while unit sales to Chinese retail stores and distributors increased by 16% on 2Q14. Low margin OEM sales declined slightly in line with the Company's strategy to focus on higher margin sales to drive profitability.



Internationally the Company continues its strong relationships with its B2B and B2C customers, with many placing orders that will flow through in future quarters.

In addition to existing customers in South America, Europe, United States, South East Asia and the Middle East, Vmoto is also progressing opportunities with potential new customers and distributors from North America, Denmark, Switzerland and New Zealand. These potential new customers represent significant B2B supply opportunities including a large European supermarket group with over 300 stores and a high-tech North American company developing a share transportation and communication systems for electric vehicles.

In China, the Company now has a sales network of 43 outlets through a combination of its own retail outlets and third party distributors. The Company also sold 12,809 electric two-wheel vehicles to PowerEagle its OEM customer in China in 2Q15. Discussions with PowerEagle to enter into a new agreement from 2016 are ongoing and an update will be announced as soon as practicable.

As announced previously Vmoto's three and four-wheel joint venture is now formally set up and operational. Due to the significant initial preparations required, production and sales of the first vehicles produced at the factory are expected to start from August 2015.

As previously announced the Company is in the process of establishing an online based retail sales network and system that will open up a new sales stream for its products and substantially broaden its reach throughout China and other offshore markets. This is progressing well and is expected to be operational and generating online sales by the end of 2015.

NEW DISTRIBUTOR FOR UNITED KINGDOM AND IRELAND

Vmoto is pleased that it has signed an exclusive distribution agreement with a United Kingdom company to distribute, stock and market the Company's Vmoto and E-Max range of electric scooter products for United Kingdom and Ireland markets. The new UK distributor is very proactive in the United Kingdom and Ireland markets and has significant contacts within government departments. The distributor has placed its first order for 40 units with delivery scheduled for 3Q15.

CORPORATE

During the quarter, the Company completed a 10 for 1 share consolidation and as at 30 July 2015 had 152,988,066 shares on issue. This figure may be used by shareholders as the denominator for the calculations by which they will determine if they are required to notify their interest in, or a change to their interest in, Vmoto.

In addition, Vmoto successfully raised A\$8.9 million through an oversubscribed placement to existing and new institutional and sophisticated investors in Australia and the UK. The funds raised have further strengthened Vmoto's balance sheet as it pursues strategic initiatives to underpin future growth.

OUTLOOK

The June 2015 quarter was again another productive quarter for Vmoto as unit sales across the various domestic and international sales channel increased in line with management expectations.

The second half of the year is historically stronger and with an encouraging forward order book to be fulfilled, and more domestic and international distributors and customers due to visit the factory to discuss and finalise orders, the Company expects to see an increase in production and sales over the coming months in line with expectations previously provided to the market.

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About Vmoto

Vmoto Limited (ASX/AIM: VMT) is a global scooter manufacturing and distribution group. The Company specialises in high quality “green” electric powered two wheel vehicles and manufactures a range of western designed electric scooters from its low cost manufacturing facilities in Nanjing, China. Vmoto combines low cost Chinese manufacturing capabilities with European design. The group operates through two primary brands: Vmoto (aimed at the value market in Asia) and E-Max (targeting the Western markets, with a premium end product). As well as operating under its own brands, the Company also sells to a number of customers on an original equipment manufacturer (“OEM”) basis.

Vmoto’s Electric Two-Wheel Vehicle Products supplied to the Spanish Red Cross



Vmoto's Spanish Distributor in Exhibition



Vmoto's Electric Two-Wheel Vehicle Products supplied to Pizza company in Spain



Vmoto's Electric Two-Wheel Vehicle Products supplied to Grande Hotel Group in Brazil



Vmoto's Electric Two-Wheel Vehicle Products at the UK Drivenow Marketing Event

