

ASX Company Announcement | Issue Date: 28 September 2015

NEWZULU SHAREHOLDER UPDATE

- + Progress with Newzulu Platform & Newzulu Live delivery to major clients.
- + Major technology update of Newzulu Live complete and now in deployment.
- + Newzulu Content agreements commence generating revenues and signs additional partnerships in Italy and Eastern Europe.
- + Acquisition of Octiplex generates immediate revenues for Newzulu Mobile.
- + Positive progress with Newzulu Technology clients in the USA & Europe.
- + Immediate restructuring & cost cuts to deliver estimated cash savings over \$1.1 million in FY16. Review of costs ongoing.
- + Interest from multiple groups in strategic investment process.
- + USA Research Report and Investor Video released.

Newzulu Limited (ASX: **NWZ**) is pleased to provide an update to shareholders on the Company's progress toward its objective to reach cash flow positive operations targeted within 12 months. Newzulu's two major revenue streams are from Newzulu Content which sells images and video materials and Newzulu Technology, including Newzulu Platform and Newzulu Live, which sells technology enabling clients to crowd source content.

Newzulu has made significant investments to date to establish the Company's global editorial capabilities, technology products, sales capabilities and infrastructure to support clients for its Content and Technology divisions. Newzulu is now focused on building revenues from its client offerings across both business units, particularly in the USA & Europe.

Newzulu is pleased to provide an update on its business across the following key areas:

CLIENT DELIVERY

As previously announced, Newzulu has entered into agreements with a number of media companies and agencies for the license of Newzulu Technology products, including Newzulu Platform and the Newzulu Live product suite. The delivery of these agreements is progressing, with client acceptance testing scheduled to occur by early November 2015. A major product functionality update of Newzulu Platform and Newzulu Live will be delivered to all clients on 1 October 2015 and Newzulu's own mobile applications for iOS and Android will be updated shortly thereafter.

Subject to completion of the acceptance testing, revenues from these clients is expected to commence in Q2 FY16 with a ramp up expected to continue through Q3 FY16. Newzulu expects to record incremental revenue accretion from the date of completion of the acquisition of Octiplex. Key Newzulu Content partnerships will commence generating revenues in Q2 FY16.

SALES & BUSINESS DEVELOPMENT

Newzulu is now in a commercialisation phase having established a global sales infrastructure and referral agreements for marketing of its Content and Technology product offerings, with a particular focus on the USA and Europe. Newzulu has relocated management resources to the USA given the size of that market and interest expressed from a range of prospective clients. Additionally, Newzulu has secured the renewal of several major existing clients to its product offerings including The Weather Network to the Newzulu Platform product.

Newzulu perceives significant market demand for its offering from national and local broadcasters, publishing groups, digital publishers and news agencies in the largest global media markets. Newzulu will continue to update the market as contracts are signed with additional clients and trial clients in these markets..

OPERATIONAL COST CUTS

Newzulu has commenced a restructure of its editorial operations and pursued other opportunities for cost reduction such that it aims to deliver approximately \$1.1 million in cash cost savings in FY16. The restructure of Newzulu's editorial operations will reduce the number of Newzulu bureaus and shift editorial focus to high value, high quality video contributions, but is not expected to diminish operational capabilities. The acquisition of Octiplex is also expected to reduce operating costs by bringing these previously outsourced development costs in-house. Newzulu will seek to identify further opportunities for cost reductions as the Company seeks to reduce cash burn and pursue cash flow positive operations targeted within the next 12-months.

STRATEGIC & USA INVESTOR RELATIONS

Newzulu has advanced discussions with parties in the US and Australia regarding the acquisition of a strategic interest in the Company. Newzulu is working with its appointed advisor KPMG Corporate Finance and Newzulu will provide further updates to the market on the process in due course. The process is expected to take a number of months and there is no certainty that it will result in any investment or transaction.

Newzulu has also commenced marketing initiatives in the US capital markets and is actively seeking to develop investor awareness of the Company there, with promising initial interest demonstrated following coverage by US equity research house SeeThruEquity and online video coverage by Stock News Now.

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About Newzulu

Newzulu is a crowd-sourced media company that allows anybody, anywhere, with a mobile device and a story, to share news, get published and get paid. Headquartered in Paris, Newzulu operates bureaus in London, New York, Los Angeles, Toronto and Sydney. In February 2015 Newzulu completed the acquisition of leading Toronto based user-generated content marketing software company Filemobile Inc. Newzulu operates in partnership with Getty Images, Tribune Content Agency, Alamy, Agence France-Presse (AFP) in France, Press Association (PA) in the UK & Ireland, ddp images in Germany, Belga News Agency in Belgium, Canadian Press (CP) in Canada, Australian Associated Press (AAP) in Australia, Czech News Agency (CTK) in the Czech Republic, ITAR TASS in Russia, Agenzia Nazionale Stampa Associata (ANSA) in Italy, East News in Poland, Mahatta Multimedia in India, ANSA in Italy, Wikono Sociedad Limitada in Spain and Aflo Co., Ltd in Japan. Further information can be found on www.newzululimited.com.