



QUARTERLY OPERATIONS REPORT

20 January 2016 – migme Limited (ASX: MIG, WKN: A117AB)

HIGHLIGHTS: DECEMBER 2015 QUARTER (Q4)

- Monthly Active Users (MAU) exceeded 32 million at quarter end, an increase of 33% from the September 2015 quarter.
- Quarter on quarter cash receipts grew by 45% to \$5.4 million.
- Significant updates to the Android, iPhone, web and mobile web platforms.
- Artist and entertainment partners grew to over 620 by quarter end, an increase of 27% quarter on quarter.
- Signed payment gateway agreements to facilitate the purchase of virtual gifts on migme in the key markets of India, Indonesia and the Philippines.
- Completed Acquisition of PT Hipwee Media Solutions (an established social news site in Indonesia) and signed an MOU to acquire Shopdeca (an Indonesian eCommerce business).
- Successful \$3.5 million convertible note issue to fund corporate development initiatives and working capital requirements. The potential conversion price of \$1.10 is a 20% premium to the then prevailing share price.

Key Metrics

METRIC	31 DEC 2014	31 MAR 2015	30 JUN 2015	30 SEP 2015	31 DEC 2015
Monthly Active Users* (million)	>10	>14	>19	>24	>32
Artists/Verified Users	>150	>380	>400	>490	>620
Cash Receipts from Operations (\$'000)	565	1,125	2,201	3,717	5,393
Net Operating Cash Inflows/(Outflows) (\$'000)	(3,723)	(3,240)	(4,208)	(4,400)	(5,210)
Net Other Cash Inflows/Outflows (\$'000)	(265)	339	6,497	9,642	3,243
Cash on Hand (\$m)	5.9	3.2	5.4	10.8	8.7

* Consistent with industry practice, Monthly Active Users are independently provided by Google Analytics and are a consolidation of the Company's traffic from web, mobile web, feature phones, Android and iPhone client usage for migme, Sold, LoveByte and alivenotdead.

Overview

During the December quarter, MAU numbers have continued to grow in accordance with internal forecasts. This 33% growth has lifted MAU numbers to over 32 million by quarter end. This growth has been facilitated by significant enhancements to the Android, iPhone, web and mobile web platforms and also a number of updates to feature sets (non-iOS and Android mobile phones) which are still prevalent in migme's user base throughout the emerging markets.

In addition, cash receipts from customers have grown 45% for the quarter to \$5.4 million.

Audience (Customer base)

The quarter closed with over 32 million MAU, resulting from a mix of artist engagement, development and distribution of relevant content, marketing campaigns on referrals and engagement, handset pre-installations with strategic handset partners and significant product improvements.

The Company is encouraged with the number of artist and entertainment partners signing up to the migme platform as a way to not only increase their profile to their target audiences but also as a means of monetising their fan base throughout the emerging markets. This partnership model is a key element of migme's content, which is user generated and revenue generating and shared with outside partners. migme is seeking to accelerate its artist and partner engagement model in key markets, such as India, in 2016.

Content syndication distribution agreements were signed with Kapanlagi in Indonesia, Newsbytes in India and Yahoo in Southeast Asia, helping migme reach a broader audience. In 2016, the plans are focused on accelerating this momentum through its recently established local operations in India.

Progress was made with handset distribution initiatives (with growing conversion rates), with the view to extend this into 2016.

Product Development, Engineering and Operations

The December quarter was focused on product updates, improved synergy between offices and establishing our presence in our key markets of India, Indonesia and the Philippines.

The Company also made updates with the Android, iPhone, web and mobile web channels. This includes updates to look and feel, performance and client size, improvements to Alerts and Notifications and the deployment of a big data infrastructure, which will allow the Company to deliver more personalised and relevant experiences to each user. The Company is encouraged with the user engagement results to date and aims to finish Q1 2016 with a more complete and competitive service in the contemporary social media landscape.

In marketing and operating the platform, migme has made additional investments in growing its organisation in India, Indonesia and the Philippines. The Company has been growing its product and engineering team in Taiwan through the acquisition of the IP assets of Ionic App Labs, a development team in Taiwan, and plans are in place to move to larger premises in Taipei.

During the first half of 2016, migme intends to accelerate the growth of its service into the key target markets of India, Indonesia and the Philippines and begin integrating the range of acquisitions (including alivenotdead, Sold, LoveByte etc.) into a more integrated experience. December saw the acquisition of social news site Hipwee and the signing of a non binding terms sheet to acquire the assets of eCommerce business Shopdeca, both in Indonesia.

The Company is also looking to integrate these businesses during 2016.

Finance / Corporate Development

During the quarter, the Company successfully acquired the assets of PT Hipwee Media Solutions and agreed to terms for the acquisition of Shopdeca.

The Company is pleased to report the successful \$3.5 million convertible note issue in December 2015 to fund the above corporate development activities and to further accelerate market penetration into key target markets. This transaction welcomes a number of new investors, including professional and sophisticated investors, led by Lucerne Investment Partners. The convertible note was made at a potential issue price of \$1.10 per share upon conversion, which represented a 20% premium to the then prevailing share price.

migme has received expressions of interest for listing on overseas capital markets with a view of attaining better recognition of shareholder value (in particular in the USA) and the Company is considering its options in 2016.

Looking Ahead

Over the first half of 2016, migme will continue working on functionality and user experience improvements on the migme platform. The Company has planned to work on the integration of the family of services acquired so that the migme presence becomes a more coherent and integrated one. Later in the year the Company will focus on further enhancing quality and operating margin improvements.

Should you have any questions or inquiries, please do not hesitate to contact migme through email at investor@mig.me.

Yours Sincerely

Steven Goh
CEO & Cofounder

About migme Limited

migme Limited (ASX: MIG | WKN: A117AB) is a global digital media company focused on emerging markets. We deliver social entertainment services through mobile apps migme and LoveByte, artist management website alivenotdead, and ecommerce services through Sold. The Company is listed and registered in Australia. Headquarters are in Singapore with offices in Malaysia, Indonesia, Taiwan and Hong Kong. For more information, please visit <http://company.mig.me>

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This announcement contains information that may constitute forward-looking statements and uses forward-looking terminology such as “anticipate”, “propose”, “expect”, “will” and negatives of such terms or other similar statements. You should not place undue reliance on any forward-looking statement due to its inherent risk and uncertainties, both general and specific. Although we believe the assumptions on which the forward-looking statements are based are reasonable and within the bounds of our knowledge of our business and operations as of the date hereof, any or all of those assumptions could prove to be inaccurate. Risk factors that could contribute to such differences include, performance of our shares, the performance of global capital markets and companies in our sector, as well as factors relating to the performance of our business, including intense competition we face; failure to innovate and provide products and services that are useful to users; our ongoing need for capital for investment in new and existing business strategies and new products, services and technologies, including through acquisitions; the potential for declines in our revenue growth rate and downward pressure on our operating margin in the future; increased regulatory scrutiny that may negatively impact our business; legal proceedings that may result in adverse outcomes; failure to maintain and enhance our brand; uncertainty as to our ability to protect and enforce our intellectual property rights; and uncertainty as to our ability to attract and retain qualified executives and personnel. The forward-looking information provided herein represents the Company's estimates as of the date of the announcement and subsequent events and developments may cause the Company's estimates to change. The Company specifically disclaims any obligation to update the forward-looking information in the future. Therefore, this forward-looking information should not be relied upon as representing the Company's estimates of its future intentions as of any date subsequent to the date of this announcement. Our plans may differ materially from information contained in the forward-looking statements as a result of these risk factors or others, as well as changes in plans from our board of Directors and management.