



International Limited ACN 110 184 355

Corporate Head Office  
Ground Floor, 22 Delhi Street  
West Perth 6005  
Western Australia 6160  
ASX Code: TV2

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## ASX ANNOUNCEMENT

18<sup>th</sup> July 2016

### **TV2U GENERATES FIRST REVENUE FROM KARAOKE2U APP AND COMMENCES PHASE ONE DELIVERY FOR DIVAN TV**

- TV2U generates first revenue from Karaoke2U App following launch on Google Play and Apple's App Store.
- Karaoke2U already has 3,000 subscribers with numbers increasing by 1,000 per week.
- Current conversion rate (download to paid subscriber) is 28% and is expected to grow as the 14-day free trial passes begin to expire.
- The Company has commenced content delivery for the Divan.TV (Divan) service joint initiative through the launch of its localised Russian Language interactive Karaoke2U App.
- Divan collaboration will immediately provide a sales channel for Karaoke2U to Divan customers and provide an entry point into the region via an established brand name.
- Indonesia identified as the next roll-out location for the Karaoke2U App with deployment to 25 countries on track before the end of 2016.

**TV2U International Limited** ("TV2U", "the Company") is pleased to provide an update on current operations and upcoming milestones.

#### **Commencement of First Revenue**

The Company has begun generating revenues from its Karaoke2U (K2U) application following its launch on Google Play and Apple's App Store.

The App has now been launched across Malaysia, Thailand, Australia and New Zealand with more than 3,000 subscribers currently. Subscriber growth is increasing by approximately 1,000 subscribers every week.

The current conversion rate from download to paid subscriber is 28%, which is significantly above the average for conversions in mobile apps of 1% to 2% (eMarketer). The Company is expecting the conversion rate to accelerate as the 14-day free trial passes for K2U begin to expire.

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#### GLOBAL OFFICE LOCATIONS

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Customer reception has been extremely positive with the App being one of the highest-rated Karaoke applications on the market.

TV2U's real-time analytics is also providing valuable user profiling on how content is being consumed by region, location, title, device and network providing valuable market insight on user habits for future roll-outs, marketing and advertising campaigns.

The Company will update the market in the upcoming July quarterly report.

## **Divan.TV Collaboration Update**

TV2U has also commenced content delivery for its joint initiative with Divan.TV through the launch of the Russian language K2U App into Russia and the Commonwealth of Independent States (CIS) region.

The collaboration agreement with Divan.TV enables TV2U content to be delivered into the region via a trusted and fully operational partner. TV2U content will be marketed and promoted on the Divan.TV platform, which currently has around one million active users. This service will be launched on 25<sup>th</sup> July 2016.

K2U has 1,500 titles on the Russian service and users are currently being offered a free two-week trial. The Company is currently working through the next phase of the Divan.TV collaboration and intends to launch further content offerings for the region, with this first Karaoke service being launched by the 25<sup>th</sup> July 2016.

TV2U is confident that the local language service will provide a key point of difference to attract new subscribers or to encourage others to make the switch from other regional providers.

## **Indonesia Launch**

The Company is poised to roll-out the K2U App into Indonesia, the world's 4<sup>th</sup> most populous region, following the successful soft launch of the App in Australia, New Zealand, Thailand and Malaysia.

Indonesia has been selected due to its population size and cultural similarities with Malaysia, where the App has already enjoyed a great uptake.

The Company is on track for the App to be rolled-out to 25 countries by the end of this calendar year. The global roll-out will be accompanied by a full marketing and social media promotion campaign.

“The quality, versatility and dynamic user friendly content on our App has been endorsed by the thousands of users who have already downloaded the App as part of our soft launch. We are now a step closer to full

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global launch, and this positions our Company well for the new financial year,” said TV2U CEO Nick Fitzgerald.

“We couldn’t have predicted how quickly Malaysia embraced Karaoke2U with almost 2,000 registered users in under two weeks, with minimal marketing.

“Our real-time analytics is providing insights to viewer numbers by region, as well as which genres and artists are most popular in each region. This data has enabled us to make informed and educated decisions about our next service deployments.”

Andrey Kolodyuk, Executive Director at Divan.TV commented: “This is just the start of a strategic partnership that will see the global delivery of localised content to an international audience that craves for home grown and international content in their own language, which has not been made available before.”

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**Investor Enquiries:**

Tom Young  
Corporate Communications  
Email: [tom@tv2u.com](mailto:tom@tv2u.com)

**Media queries:**

Harrison Polites  
Media & Capital Partners  
Mobile: 0409 623 618  
Email: [matthew.wu@mcpartners.com.au](mailto:matthew.wu@mcpartners.com.au)

**About TV2U**

TV2U is a global complete entertainment platform that enables businesses, such as telecommunications companies, to quickly and easily offer streaming content to their customers. The service includes movies, television programs, karaoke content and games through an encrypted channel for enhanced copyright protection. TV2U also offers unique real-time viewership analytics to enable businesses to send highly targeted advertising to end-users to maximise their revenue streams. TV2U is changing the face of online entertainment and advertising.

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