

**PRELIMINARY FINAL REPORT GIVEN TO THE ASX UNDER LISTING RULE 4.3A**

**TV2U INTERNATIONAL LIMITED  
AND ITS CONTROLLED ENTITIES  
ABN – 73 110 184 355**

**Reporting Period**

For the year ended 30 June 2016. Previous corresponding period ended 30 June 2015.

**Results for Announcement to Market**

	<b>30 June 2016</b> \$	<b>30 June 2015</b> \$	<b>% Change</b>
Revenue	33,098	-	NA
(Loss) after tax attributable to members	(23,067,678)	(327,635)	6,941%
Net (loss) for the period attributable to members	(23,048,607)	(327,635)	6,935%

**Financial Reports**

The consolidated income statement shows a loss after tax attributable to members of \$23,048,607 (2015: loss of \$327,625).

**Net tangible assets per security**

<b>Net Tangible Assets per share</b>	<b>2016</b>	<b>2015</b>
Net Tangible Asset/ (Liabilities) backing (cents per share)	0.02	(0.018)

**Earnings per Share**

<b>Earnings per share (cents per share)</b>	<b>2016</b>	<b>2015</b>
Continued operations		
- basic for (loss) for the year	(2.18)	(0.09)
- diluted for (loss) for the year	(2.18)	(0.09)

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### **Dividends**

No dividends have been declared or paid during the year ended 30 June 2016. The Directors do not recommend the payments of a dividend in respect of the year ended 30 June 2016.

### **Details of entities over which control has been gained or lost**

During the year, the following entities were acquired:

- TV2U Worldwide Pty Ltd
- TV2U Singapore Pte Ltd
- Tara Singapore Pte Ltd
- Tara China Hong Kong Ltd
- Karaoke2U Pte Ltd
- TV2U Australia Pty Ltd

During the year, the following entities were disposed:

- Zinest Holdings Limited (Cyprus)
- Eastford Investments (Poland)
- Geoposhuk Ltd (Ukraine)
- Eurogas Polska (Poland)

### **Principle Activities**

TV2U international Limited (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.

### **Review of Operations**

A considered strategic approach was set to achieve a low capital expenditure business model to achieve revenue at the lowest cost base.

On the 10<sup>th</sup> February 2016 TV2U formed a joint venture partnership with Sunfly, being one of the pioneering and leading karaoke content providers, to bring a premier karaoke jukebox application to market.

Having released the application on IOS and Android, the application is now available in Australia, New Zealand, Thailand, Malaysia, CIS Region and the UK. The Karaoke2U application will be released to 25 countries in total, exposing it to a global karaoke market estimated to be worth around US\$14 billion (<http://www.redherring.com/company-profiles/singon/>).

On the 2<sup>nd</sup> March 2016 TV2U International Limited signed a binding agreement with Divan TV to provide Hollywood and Karaoke content into Russia and the Commonwealth Independent States. The collaboration agreement with Divan. TV enables TV2U content to be delivered into the region via a trusted and fully operational partner. TV2U and Divan. TV are working with several television manufacturers to incorporate the Karaoke2U application into Smart TV's that are sold in the CIS region. This partnership provides for a multifaceted entry into the CIS region.

On the 11<sup>th</sup> March 2016 TV2U selected Amazon Web Services to fast track the implementation of our entertainment platform to the market. This is another piece in the puzzle for a low capex, high margin delivery strategy, reducing considerably the upfront capital requirements. In partnership with Amazon there is no longer needs to plan for and procure servers and other IT infrastructure. In addition the Amazon Cloud based technology allows TV2U technology to scale according to subscriber usage.

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On the 24<sup>th</sup> May 2016 TV2U launched into the Australian market through a JV agreement with leading 'B2B' telecommunications service provider OM Telecom (OMT). OMT has access to a customer base of over 200,000 through partnerships with 12 Internet Service Providers (ISP's). OMT has substantial potential to increase its customer base through the Allianz Global Assistance (AGA) platform PAGE. The customer base will potentially increase through ISP partnerships increasing to 20 by December 16. TV2U will begin staged content delivery, encompassing karaoke, international television on demand, subscription video on demand and gaming through its OM Telecom joint venture.

Operationally TV2U has become stronger through key appointments. The appointment of Dr Samy as Senior Vice President of Global Sales contributes to over 25 years of experience and industry contacts to the team, exposing TV2U to greater sales channels. Other appointments have provided a presence in Latin America where there is a vibrant and growing OTT market. Content acquisition has been further strengthened when hiring a full time Content Aggregator with expertise in Bollywood content.

Our software programmers and development team based in Lahore, Pakistan continues to be a strength of TV2U. The Lahore team provides expertise in the latest technology and provides efficient use of resources in achieving the execution of our projects.

**Subsequent Events**

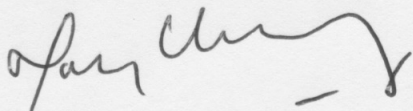
There are no significant subsequent events.

**Compliance Statement**

This report is based on financial statements which are in the process of being audited.

Signed in accordance with a resolution of directors.

On behalf of the Directors



Tony Chong  
Non-executive Director

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	<b>30-Jun-16</b>	<b>28 May 15 to 30-Jun-15</b>
	<b>\$</b>	<b>\$</b>
<b>Revenue and other income from continuing operations</b>	33,098	-
Employee benefits expense	(224,985)	(117,481)
Administration expenses	(4,873,969)	(166,855)
Finance costs	(540,663)	(41,672)
Depreciation and amortisation	(39,705)	(3,264)
Share-based payment expense	(10,559,475)	-
Foreign exchange loss	(529,266)	1,637
Restructuring/ relisting expense	(6,426,783)	-
Gain on deconsolidation	94,070	-
<b>Loss from continuing operations before income tax</b>	<b>(23,067,678)</b>	<b>(327,635)</b>
Income tax expense	-	-
<b>Loss from continuing operations after income tax</b>	<b>(23,067,678)</b>	<b>(327,635)</b>
<b>Other comprehensive income</b>		
<i>Items that may be reclassified subsequently to profit and loss</i>		
Exchange difference on translation of foreign operations	19,071	-
<b>Other comprehensive income for the year, net of tax</b>	<b>19,071</b>	<b>-</b>
<b>Total comprehensive loss for the year</b>	<b>(23,048,607)</b>	<b>(327,635)</b>
	<b><u>Cents</u></b>	<b><u>Cents</u></b>
<b>Loss per share attributable to the ordinary equity holders of the company:</b>		
Basic loss per share - cents per share	(2.23)	(0.09)
Diluted loss per share - cents per share	(2.23)	(0.09)

**TV2U INTERNATIONAL LIMITED**  
**CONSOLIDATED STATEMENT OF FINANCIAL POSITION**  
**AS AT 30 JUNE 2016**

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	<b>30-Jun-16</b>	<b>30-Jun-15</b>
	<b>\$</b>	<b>\$</b>
<b>Current Assets</b>		
Cash and cash equivalents	2,606,848	90,659
Trade and other receivables	73,467	697,095
Other assets	44,916	35,098
<b>Total Current Assets</b>	<u>2,725,231</u>	<u>822,852</u>
<b>Non-Current Assets</b>		
Plant and equipment	11,803	1,524
Intangible assets	308,699	318,576
<b>Total Non-Current Assets</b>	<u>320,502</u>	<u>320,100</u>
<b>TOTAL ASSETS</b>	<u>3,045,733</u>	<u>1,142,952</u>
<b>Current Liabilities</b>		
Trade and other payables	420,504	190,875
Borrowings	-	1,278,103
<b>Total Current Liabilities</b>	<u>420,504</u>	<u>1,468,978</u>
<b>TOTAL LIABILITIES</b>	<u>420,504</u>	<u>1,468,978</u>
<b>NET ASSETS</b>	<u>2,625,229</u>	<u>(326,026)</u>
<b>Equity</b>		
Contributed equity	14,797,137	1,609
Reserves	11,223,405	-
Accumulated losses	(23,395,313)	(327,635)
<b>TOTAL EQUITY</b>	<u>2,625,229</u>	<u>(326,026)</u>

**TV2U INTERNATIONAL LIMITED**  
**CONSOLIDATED STATEMENT OF CASH FLOWS**  
**FOR THE YEAR ENDED 30 JUNE 2016**

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	<b>30-Jun-16</b>	<b>28 May 15 to 30-Jun-15</b>
	<b>\$</b>	<b>\$</b>
<b>Cash flows used in operating activities</b>		
Payments to suppliers and employees	(3,337,632)	(185,977)
Interest received	9,861	-
Receipts from customers	23,237	-
<b>Net cash flows used in operating activities</b>	<b>(3,304,534)</b>	<b>(185,977)</b>
 <b>Cash flows used in investing activities</b>		
Payment for intangible assets	(315,615)	-
<b>Net cash flows used in investing activities</b>	<b>(315,615)</b>	<b>-</b>
 <b>Cash flows from financing activities</b>		
Proceeds from issue of share capital	6,127,621	1,636
Share issue costs	(374,116)	-
Proceeds from borrowings	715,333	450,000
Repayment of borrowings	(332,500)	(175,000)
<b>Net cash flows provided by financing activities</b>	<b>6,136,338</b>	<b>276,636</b>
 <b>Net increase in cash and cash equivalents</b>	<b>2,516,189</b>	<b>90,659</b>
Cash and cash equivalents at beginning of year	90,659	-
<b>Cash and cash equivalents at end of year</b>	<b>2,606,848</b>	<b>90,659</b>

TV2U INTERNATIONAL LIMITED  
CONSOLIDATED STATEMENT OF CHANGES IN EQUITY  
FOR THE YEAR ENDED 30 JUNE 2016

	Contributed Equity	Equity-based Payment Reserve	Foreign Currency Translation Reserve	Accumulated Losses	Total Equity
	\$	\$	\$	\$	\$
<b>At 28 May 2015 (date of incorporation)</b>	-	-	-	-	-
<b>Comprehensive income:</b>					
Loss for the period	-	-	-	(327,635)	(327,635)
Other comprehensive loss	-	-	-	-	-
<b>Total comprehensive loss for the period</b>	-	-	-	(327,635)	(327,635)
<b>Transactions with owners in their capacity as owners:</b>					
Issue of share capital	1,609	-	-	-	1,609
<b>At 30 June 2015</b>	<b>1,609</b>	-	-	<b>(327,635)</b>	<b>(326,026)</b>
<b>At 1 July 2015</b>	<b>1,609</b>	-	-	<b>(327,635)</b>	<b>(326,026)</b>
<b>Comprehensive income:</b>					
Loss for the year	-	-	-	(23,067,678)	(23,067,678)
Other comprehensive income	-	-	19,071	-	19,071
<b>Total comprehensive loss for the year</b>	-	-	19,071	(23,067,678)	(23,048,607)
<b>Transactions with owners in their capacity as owners:</b>					
Issue of share for acquisition for subsidiary	7,622,476	-	-	-	7,622,476
Share-based payments	-	11,204,334	-	-	11,204,334
Issue of shares at IPO	4,026,000	-	-	-	4,026,000
Placement fund	2,101,619	-	-	-	2,101,619
Share issued to settle debt	1,419,549	-	-	-	1,419,549
Share issue costs	(374,116)	-	-	-	(374,116)
<b>At 30 June 2016</b>	<b>14,797,137</b>	<b>11,204,333</b>	<b>19,071</b>	<b>(23,395,313)</b>	<b>2,625,229</b>

**TV2U INTERNATIONAL LIMITED**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 JUNE 2016**

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**SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

This financial report of TV2U International Limited ('the Company') for the year ended 30 June 2016 comprises the Company and its subsidiaries (collectively referred to as 'the Consolidated Entity or 'Group').

The separate financial statements of the parent entity, TV2U International Limited, have not been presented within this financial report as permitted by the *Corporation Act 2001*.

TV2U International Limited ("TV2U International") is a company limited by shares incorporated in Australia whose shares are publicly traded on the Australian Securities Exchange.

**Basis of preparation**

The financial report is a general purpose financial report that has been prepared in accordance with Australian Accounting Standards, Australian Accounting Interpretations, other authoritative pronouncements of the Australian Accounting Standards Board and the *Corporations Act 2001*. The Group is a for-profit entity for financial reporting purposes under the Australian Accounting Standards.

Australian Accounting Standards set out accounting policies that the AASB has concluded would result in a financial report containing relevant and reliable information about transactions, events and conditions to which they apply. Compliance with Australian Accounting Standards ensures that the financial statements and notes also comply with International Financial Reporting Standards. Material accounting policies adopted in the preparation of this financial report are presented below. They have been consistently applied unless otherwise stated.

Except for cash flow information, the financial report has been prepared on an accruals basis and is based on historical costs, modified, where applicable, by the measurement at fair value of selected non-current assets, financial assets and financial liabilities.

**Reverse takeover**

On 9 February 2016, TV2U International (formerly known as Galicia Energy Corporation Limited), the legal parent and legal acquirer, completed the acquisition of TV2U Worldwide Pty Ltd and its controlled entities ("TV2U Subsidiary"). The transaction did not meet the definition of a business combination in accordance with AASB 3 Business Combinations. Instead the acquisition has been treated as a group recapitalisation, using the principles of reverse acquisition accounting in AASB 3 Business Combinations given the substance of the transaction is that TV2U Subsidiary have effectively been recapitalised. Accordingly, the consolidated financial statements have been prepared as if TV2U Subsidiary have acquired TV2U International, not vice versa as represented by the legal position. The recapitalisation is measured at the fair value of the equity instruments that would have been given by TV2U Subsidiary to have exactly the same percentage holding in the new structure at the date of the transaction.

The impact of the group restructure on each of the primary statements is as follows:

**Statement of Profit or Loss and Other Comprehensive Income**

- The 30 June 2016 consolidated statements comprise 12 months of TV2U Subsidiary and TV2U International since acquisition date.
- The 30 June 2015 comparative statements comprise TV2U Subsidiary since the incorporation date.



**TV2U INTERNATIONAL LIMITED**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 JUNE 2016**

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**Statement of Profit or Loss and Other Comprehensive Income (Cont'd)**

**Statement of Financial Position**

- The consolidated statement of financial position as at 30 June 2016 represents both TV2U International and TV2U Subsidiary.
- The comparative statement of financial position at 30 June 2015 represents TV2U Subsidiary.
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**Statement of Changes in Equity**

- The 30 June 2016 consolidated changes in equity comprises TV2U Subsidiary's equity balance at 1 July 2015, its loss for the period and transactions with equity holders for the 12 months. It also comprises TV2U International transactions with equity holders from the acquisition date and the equity balances of TV2U International and TV2U Subsidiary as at 30 June 2016.
- The 30 June 2015 statement of changes in equity comprises TV2U Subsidiary since the incorporation date.