



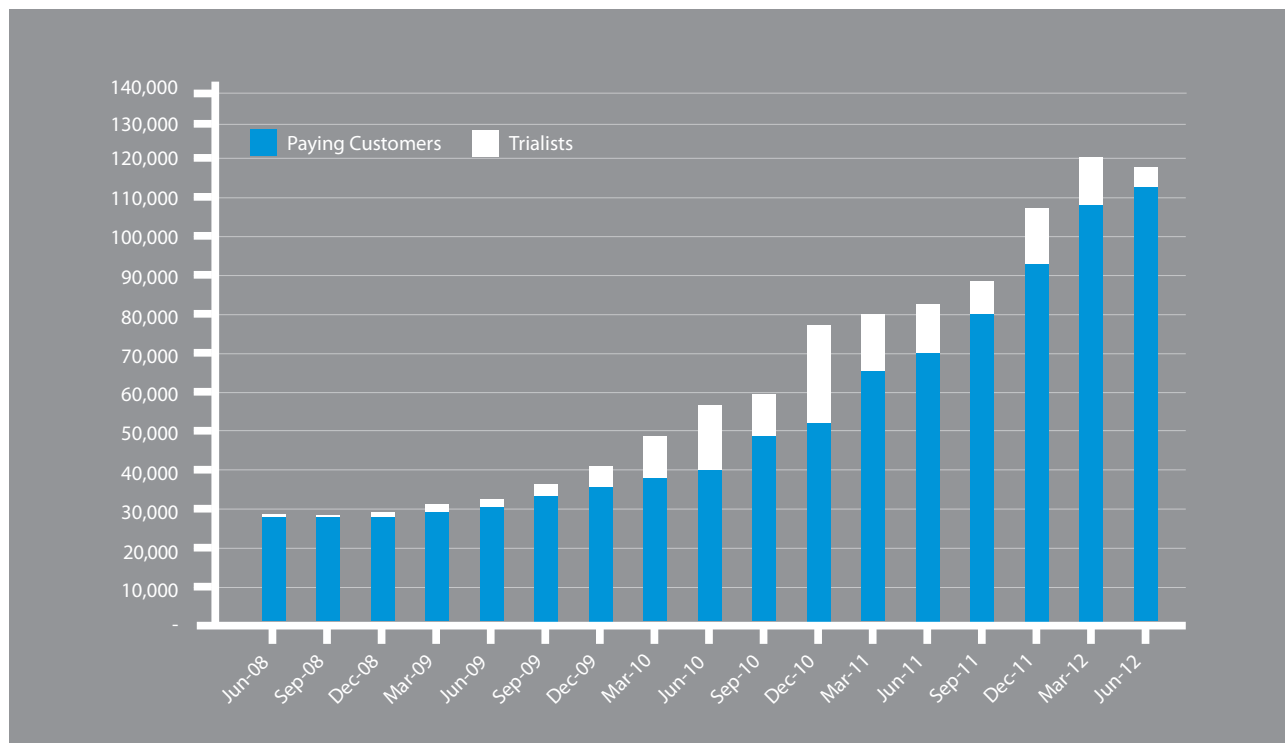
23 July 2012

Quickflix delivers on streaming device rollout in the June quarter. Streaming customers increase by 40 per cent.

Quickflix launched its streaming service to a host of new smart TV and mobile devices including Apple iPad and iPhone during the June quarter, whilst growing the paying customer base by 4 per cent.

Customers embraced Quickflix's new streaming service during the quarter as the Company successfully continued its roll out across major brand name platforms including Panasonic and Samsung smart TVs, the new Samsung Galaxy S3 smartphone and Apple iPhone and iPad. Quickflix as first mover in Australia's emerging IPTV sector delivered on its commitment to provide millions of Australian and New Zealand consumers ready access to its new subscription and pay-per-view streaming service.

Total paying customers increased by 4 per cent for the quarter to 111,391, representing growth of 59 per cent over the past year. Revenue for the quarter was \$5.1 million, up 3 per cent.





Highlights for the June quarter were:

- Paying customers of 111, 391, representing net growth of 3,871 up 4 per cent;
- Total customers (includes trialists) of 118,724, down 2 per cent;
- Average monthly paying subscriber churn of 6.9 per cent, up from 5.1 per cent;
- Revenue receipts of \$5.1 million for the quarter, up 3 per cent;
- Net operating and investing cash outflow of \$4.6 million, up from \$3.3 million reflecting the Company's investment in one-off development and rollout of its digital service, ongoing streaming content commitments and stepped increase in brand marketing;
- Launch of new "Smart Movies" brand positioning in TV commercials and other promotional channels. Appointment of new Chief Marketing Officer, formerly senior executive of Austar; and
- Consolidation of fulfilment centres and streamlining of its DVD rental by post business to capture cost savings.

Outlook

Over the coming quarter Quickflix will activate new marketing channels and campaigns in Australia and New Zealand and maintain consistent and sustained brand presence to drive subscriber growth.

Quickflix digital services will continue to roll out to new platforms including Samsung Galaxy range of tablets and the much anticipated launch of streaming to Microsoft Xbox.

Quickflix completes the financial year, one in which it has transformed its business model and aggressively positioned for the anticipated strong growth of IPTV in the decades ahead. The quarter that has seen fundamental change in Australia's media landscape highlighting the impact of the internet on traditional media businesses inclusive of publishing, free-to-air and payTV operators.

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About Quickflix

Quickflix (www.quickflix.com.au) is Australia's leading online movie company offering subscription to the largest range of movies and TV shows delivered as DVD or Blu-ray by mail or streamed instantly on-demand from a library of hundreds of movies & TV series direct to PCs, Apple Macs and a growing range of connected TVs, game consoles, iPad, iPhone and other devices. In New Zealand Quickflix streaming is available at www.quickflix.co.nz.

