

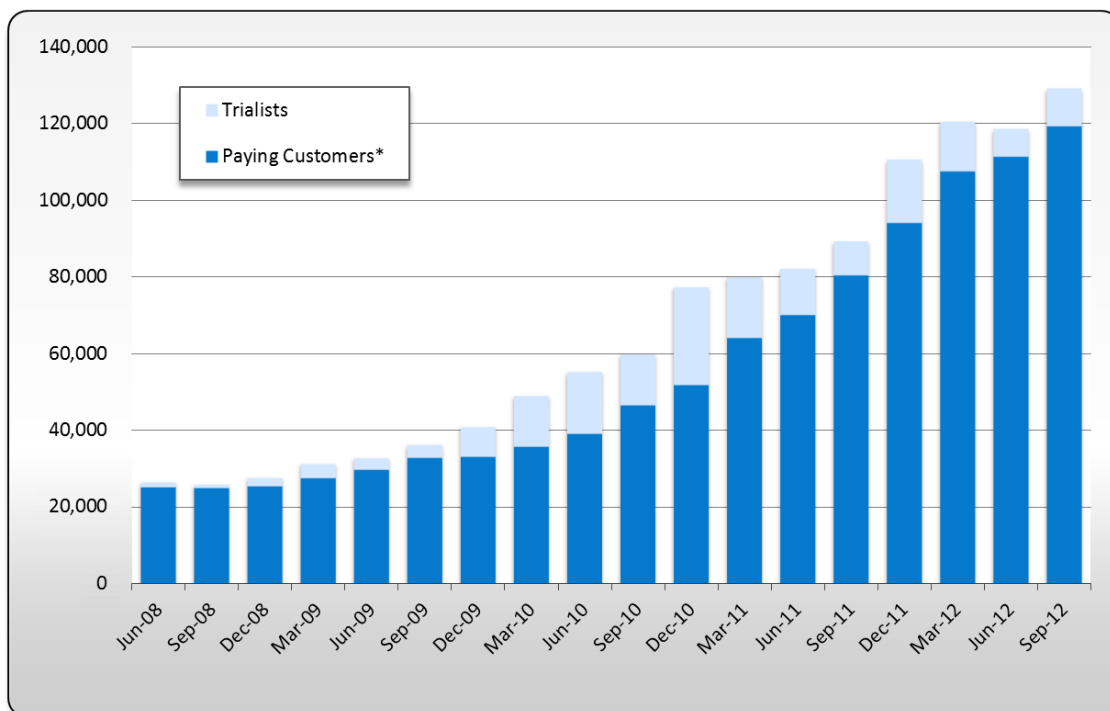
31 October 2012

## QUICKFLIX RETURNS TO SUBSCRIBER GROWTH PATH IN SEPTEMBER QUARTER

Quickflix delivered stronger growth in the September quarter as it resumed a focus on subscriber acquisition following its successful rollout of digital streaming over previous quarters. Whilst continuing to invest in new content and integration of its pay-per-view and subscription streaming service in new consumer devices, the Company is transitioning from the heavy emphasis on capital intensive technology development and rollout of the past 9 months, to operating its "Post & Play" online DVD rental and streaming services and on boarding of subscribers.

Paying customers grew by 7 per cent during the quarter finishing at 119,593, whilst total customers increased by 9 per cent to 129,274. Revenue increased 4 per cent to \$5.3 million. Promotional campaigns delivering subscriber growth late in the September quarter means the full benefit of the revenue uplift will be realised in the December quarter.

New streaming content including latest release movies from agreements announced with Disney, Starz and independent studios as well as the launch of kids' content during the quarter added to Quickflix strengthening slate of movies and hit TV shows and resulted in streaming customers increasing by 30 per cent.



Key movements in the September quarter were:

- Paying customers of 119,593, up 7 per cent, net growth of 8,202;
- Total customers of 129,274, up 9 per cent;
- Paying subscriber churn decreased to 6.2 per cent from 6.9 per cent;
- Revenue receipts of \$5.3 million for the quarter, up 4 per cent; and
- Net operating and investing cash outflow of \$3.5 million for the quarter was down from \$4.6 million as the Company transitions from the development and rollout phase of streaming.

### Outlook

The imminent launch of Quickflix's service to the Microsoft Xbox platform as well as new low-cost devices like the Kogan wifi-enabled HDMI dongle and D-Link Movie Nite Plus designed to transform normal TVs into on-demand smart platforms will further consolidate Quickflix's position as leader in pay-per-view and subscription streaming of movies and TV shows. Quickflix now offers not only Australia's largest selection of movies and TV but also the widest range of consumer devices for instant access.

Quickflix's strategy is to become the region's leading movie and TV streaming service. Earlier in the September quarter the Company announced that it was commencing a process to identify strategic partnerships and investors who could support its expansion in the Australian and New Zealand markets. The Company is in discussions with local and international parties regarding potential transactions which, if finalised, would significantly enhance its presence in those countries and provide additional funding for growth.

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### About Quickflix

Quickflix ([www.quickflix.com.au](http://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. Pay-per-view streaming for the latest release movies and TV is also available on selected devices. In New Zealand Quickflix streaming is available at [www.quickflix.co.nz](http://www.quickflix.co.nz).

