



10 September 2013

## Capital raising to fund increased content and drive profitable customer growth.

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### Highlights

- **\$5.5 million to be raised through Share Placement and underwritten Rights Issue.**
  - **Share Placement at 1.0 cents per share to raise \$2.1 million, including the conversion of \$0.9 million of existing debt.**
  - **Fully underwritten renounceable 1:2 Rights Issue at 1.0 cents per share to raise up to approximately \$3.4 million.**
  - **The Rights Issue provides an opportunity for shareholders to participate in the expansion of the Company's drive towards profitability by leveraging its existing platform.**
  - **Funds raised will be applied towards the addition of content, marketing and debt elimination.**
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Quickflix Limited (ASX: QFX) (Quickflix or the Company) is undertaking a Share Placement at 1.0 cents per share to raise \$2.1 million and a renounceable entitlement issue of one (1) fully paid ordinary share in the Company (Shares) for every two (2) Shares held by eligible shareholders at an issue price of 1.0 cents per Share to raise up to \$3.4 million (based on the number of Shares on issue as at the date of the Prospectus) (Rights Issue).

On 26 July 2013 Quickflix announced it had rebuilt its customer acquisition pipeline and resumed its course of adding net new customers. Customer numbers whilst down overall for the June quarter increased in June as the Company returned to cost-effective growth having reset its cost base to a much lower level. Revenues were maintained throughout the Company's cost cutting and restructuring initiatives with receipts of \$5 million achieved for the June quarter.

CEO Stephen Langsford said "the restructuring is complete and Quickflix streaming usage is increasing. In the 6 months to June Quickflix achieved a breakeven result at the Earnings Before Interest, Depreciation and Amortisation level for the first time and is now seeking to transition to profitability by scaling up its platform. Australia's fastest growing media market is video streaming where an increase in household penetration from 1.5% to 5.0% would have a dramatic effect on profitability."

The funds from the share issue(s) will allow Quickflix to increase content and drive profitable customer growth. "The existing streaming platform is highly scalable at incremental cost" said Mr Langsford.





### Summary of the Placement

The Share Placement comprises two tranches, with the first of 70 million shares at 1.0 cents per share to be settled on 16 September 2013. The second tranche of 140 million shares at 1.0 cents per share will be subject to shareholder approval and settle in conjunction with the settlement of the Rights Issue. The second tranche includes the conversion of the Company's \$0.9 million in debt into Shares.

Quickflix's Directors advise that they and their associates will be voting their shares in favour of the resolution to approve the second tranche of the Placement.

### Summary of the Rights Issue

The Rights Issue comprises one (1) new Share for every two (2) existing Shares held by existing eligible shareholders at 1.0 cents per Share. The Rights Issue will be offered to eligible shareholders, being shareholders who are on the Company's register with an Australian, New Zealand or U.S address, at the close of business on the record date, which is expected to be on or about 25 September 2013.

As the Rights Issue is renounceable, the rights may be transferred or sold. Up to 342,138,734 Shares will be issued pursuant to the Rights Issue. Shares issued under the Rights Issue will rank equally with Shares which the Company currently has on issue.

It is intended that the Rights Issue is to be fully underwritten. Patersons Securities Limited is acting as Lead Manager to the share placement (s) and intends to underwrite the rights issue.

Further details of the Rights Issue, including details of the timetable, underwriting arrangement and key risks of the Rights Issue, will be set out in a prospectus that will be lodged with ASIC, released to the ASX and available on the Quickflix website at [www.quickflix.com.au](http://www.quickflix.com.au).

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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 to desktops, laptops and a growing range of smart TV's, game consoles, iPad, iPhone and other devices. Latest release movies and current seasons TV are available for streaming as pay per view or episode. In New Zealand Quickflix streaming is available at [www.quickflix.co.nz](http://www.quickflix.co.nz).

