

LINIUS AND VILLAGE ROADSHOW SUCCESSFULLY COMPLETE TRANSCODING SHOWCASE

Showcase with Village Roadshow demonstrates that the Linus Video Virtualization Engine™ removes the requirement for transcoding

Linus Technologies Limited (ASX: LNU) (Linus) is pleased to announce that it continues to be on track for commercialisation with the latest step being the successful completion of its transcoding Showcase with **Village Roadshow**.

The Showcase, as expected, confirmed that the **Linus Video Virtualization Engine™ (VVE™)** removes the need for transcoding.

The Showcase was devised to prove that the Linus VVE™ removes the need for transcoding for:

1. the immediate play out of a video file saved in one format when the original video file is in an entirely different format; and
2. the immediate play out of a video file in size and aspect ratios that are different from those of the original video file.

The Showcase has successfully achieved these objectives and has proven that the Linus VVE™ removes the need for transcoding, resulting in a reduction in additional video files and the associated storage.

Chris Richardson, Chief Executive Officer of Linus, said:

"The transcoding and storage markets are each multi-billion dollar markets in their own right and we are extremely pleased that Village Roadshow has confirmed that our technology has the impact we've been saying it would."

Clark Kirby, Chief Operating Officer of Village Roadshow said:

"We can safely say the Linus virtualisation process removes the need for many kinds of transcoding — in particular, transcoding for broadcast on different size or shape devices, or through different media players, is not required if the players are fully compliant with the MPEG-4 specification."

The showcase was performed on a high-definition trailer for the Roadshow movie The Fourth Phase, saved as an MPEG-4 video file for HTML5 play-out on a 16:9 aspect ratio device. Utilising the Linus VVE™, that same file, without editing or transcoding, was streamed on the fly to a QuickTime 7 player in 4:3 aspect ratio.

Chris Richardson continued:

"Linus will continue to use showcase deployments as steps towards commercialisation as these partnerships enable us to develop and test our commercial solutions with likely end users before we take them to market."

Capital Structure

Shares quoted on ASX - 220.2m
Shares on issue – 625.4m
Market Cap @ 4.2c - \$26.3m
Listed Options - 11.7m
Unlisted Options – 61.5m
Performance Shares - 50m

Corporate Directory

Christopher Richardson
Executive Director, CEO

Stephen McGovern
Non-Executive Director,
Chairman

Stephen Kerr
Executive Director, CFO

Key Definitions

Video Virtualization Engine™ is Linus' patented software that turns existing Internet videos into virtual video files, enabling next generation TV.

Showcase Partners are Linus channel to market partners, and assist with product development and market validation.

Digital Video Value Chain is the suite of technologies that enable getting a "video" from the camera to the screen.

Transcoding is the process by which video files are converted to different formats. The process helps to support low bandwidth connections and lets video conform to the unique constraints of various mobile devices.

Contact Details

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“Our commercialisation plan remains ahead of schedule for launch in Q1, 2017.”

About Linus Technologies Limited

Linus Technologies Limited (ASX: LNU) is a developer of disruptive video technology. Based in Melbourne, Australia, it seeks to apply its lead product — the Linus Video Virtualization Engine™ — throughout the global digital video value chain to cut costs and boost revenues for enterprise customers.

Although potentially applicable throughout the digital video value chain, Linus is currently pursuing technology showcase partnerships with three multibillion-dollar industry segments: the transcoding, delivery and personalised advertising markets.

As showcase deployment progresses to confirm the software’s capabilities, Linus will market these achievements to potential partners through the digital video value chain to fast-track commercialisation.

For more information visit: www.linus.com

For more information, please contact:

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