



20 April 2015

## CUSTOMER GROWTH CONTINUES IN A QUARTER OF NEW COMPETITION.

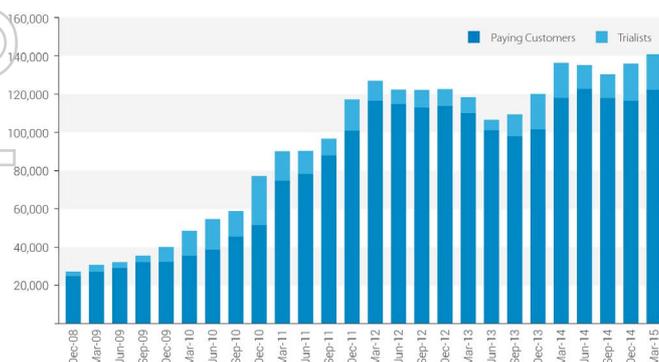
In a quarter in which streaming competitors Netflix and Stan launched their services in Australia, combining with increased promotion from Presto, Quickflix recorded a 6 per cent increase in paying customers to 123,553 as at 31 March 2015. Quickflix increased overall customers, including trialists by 3 per cent to 140,901.

Interest in the new high-growth streaming sector extended to New Zealand, where Quickflix was joined in the market by Sky's Neon service as well as Netflix. The combined promotional efforts of all competitors in the market and heightened media interest, is contributing to increased consumer awareness and demand.

The volume streamed by Quickflix in the March quarter was 34 per cent higher than the previous quarter. Quickflix now streams over one million hours a month, almost double that of a year ago, with 70 per cent of the customer base on a streaming plan or combination of streaming and DVD. Customers registered more than 78,000 new devices to access Quickflix streaming during the quarter maintaining the high connection rate of the past quarters. Smart TVs and game consoles continue to be the most popular streaming devices accounting for more than 50 per cent of streaming volumes.

### Quickflix Customers (Quarter).

Quickflix Customers (Quarter)



Proportion of Quickflix customers with access to streaming or DVD



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### Key highlights in the March quarter were:

- Total customers of 140,901, up 3 per cent;
- Paying customers of 123,553, up 6 per cent;
- Revenue receipts maintained at \$5.0 million;
- Operating and investing expenditure of \$5.8 million, down 3 per cent;
- Net operating and investing cash outflow of \$0.85 million; and
- Cash at bank of \$1.3 million.

### Outlook

Streaming is taking off in Australia and New Zealand and the newly competitive environment, with increased mainstream advertising and promotion, is increasing overall demand.

Quickflix has a broader service offering than its competitors. As the only subscription streaming service in Australia and New Zealand to also offer transactional streaming it is able to give customers access to latest release movies. Also as the only streaming service to offer online DVD rental subscription in Australia, it not only can tap into the \$1 billion per annum DVD market, but service the over 2 million regional and rural households estimated without access to broadband sufficient for streaming.

In the current quarter Quickflix will commence retailing its gift cards throughout major retail outlets including Coles, Woolworths, Big W, Myers and Officeworks. This channel will supplement Quickflix's other customer acquisition activity including direct marketing.

Discussions continue to progress with certain industry parties and investors in relation to growth opportunities with Quickflix.



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**For any enquiries, please contact:**

Stephen Langsford

Chairman & CEO

Quickflix Limited

+61 8 9347 4944

[stephen.langsford@quickflix.com.au](mailto:stephen.langsford@quickflix.com.au)

Lewis Khan

PR

+61 423 665 628

[lewis@rainmakercomms.com.au](mailto:lewis@rainmakercomms.com.au)

**About Quickflix**

Quickflix (ASX: QFX) is a leading TV and movie streaming company operating in Australia and New Zealand. It offers subscription and transactional streaming to a wide range of devices including Smart TVs from Samsung, Sony, Panasonic and LG, game consoles such as PlayStation and Xbox, TiVo, desk tops, laptops, tablets and a range of mobiles and other devices like Google Chromecast. In Australia, Quickflix is also the leading subscription online DVD rental service.



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