

## ASX ANNOUNCEMENT

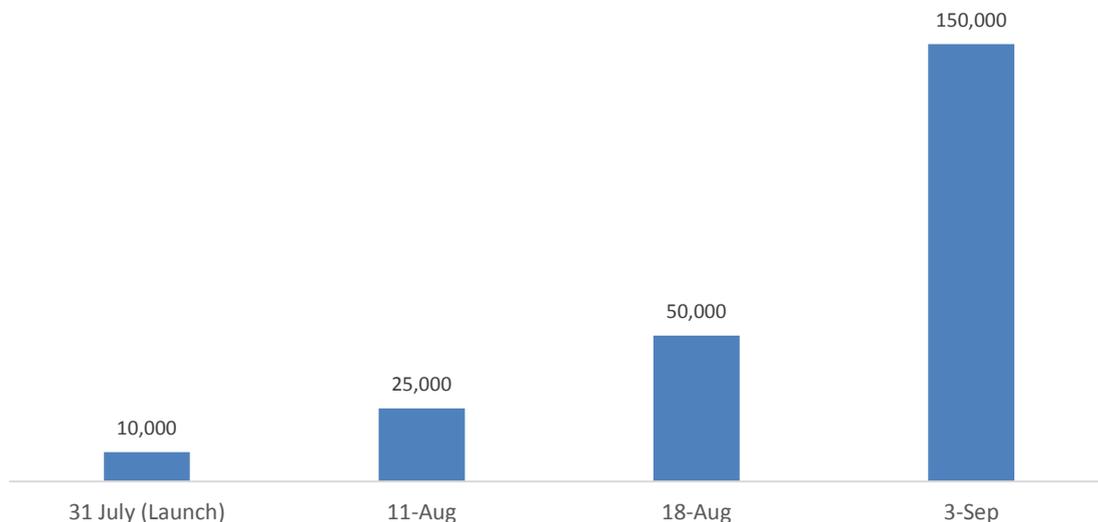
4 September 2015

### World Phone™ Success Builds Dual Revenue Streams for Norwood

- **World Phone** downloaded 150,000 times: achieves 1,400% growth since launch 5 weeks ago
- **World Phone's** increased installed base sets Norwood up for:
  - Growing revenues from customers purchasing calling time, numbers and plans
  - Growing very low-cost referrals of new downloads from existing customers – with currently ~20-30% of new downloads coming from referrals
  - Continued lowering acquisition costs (currently ~ \$1) for additional downloads, as this organic referral process grows in line with the installed base
- Early initial success of **World Phone** sets Norwood up for future dual revenue streams from both **World Phone** and **CORONA** services

Sharing Economy telecommunications pioneer Norwood Systems Ltd (“Norwood” or “the Company”) (ASX:NOR) is pleased to announce that downloads of **World Phone**, the revolutionary communications App for international travellers, have grown from 10,000 at launch to more than 150,000, showing extraordinary growth in just 5 weeks.

World Phone Downloads



This growing installed base sets Norwood up to begin seeing solid revenue flows from **World Phone** over the coming months, as downloaders convert to customers purchasing calling time, numbers and plans from Norwood. Revenue seen to date has been linked at a statistically significant level to the size of the installed base, rather than the rate of downloads.

Norwood Systems CEO and founder, Paul Ostergaard, commented:

*“We initially developed **World Phone** in response to potential corporate customers telling us they loved the CORONA service – that they wanted to use it personally, but didn’t want to wait for their internal process to get approval to integrate our CORONA service into their company’s IT infrastructure. The runaway initial success of **World Phone**, as a standalone offering, provides compelling and tantalising global evidence of ‘product-market fit’ and really proves the value of our core concept – easily connecting with contacts while roaming overseas through seamless access to local landline networks.”*

*“We continue of course to see significant interest in our longer sales cycle enterprise-oriented CORONA roaming service. As employees within large organisations start to use and love **World Phone** this will also aid us by providing a beachhead into these companies, providing an additional boost to our longer-running enterprise sales process.*

*With the emerging growth of **World Phone** it is becoming clearer that Norwood has evolved and will be fortunate to enjoy two future revenue streams – standalone individual users of **World Phone**, acquired directly through digital marketing and enterprise users of CORONA, acquired after a longer face to face enterprise sales cycle.”*

Norwood will continue to invest in both sales channels – direct digital marketing for **World Phone** and both direct and indirect enterprise sales channels for CORONA over the coming year. As previously announced, Norwood is currently developing an overall direct/indirect sales model and associated Board-approved increased investment levels, with these targets, including potential revenue estimates, to be announced by the end of Q3CY2015.

### **World Phone Download Statistics**

The 1,400% per cent growth in download numbers for **World Phone** in the first five weeks after launch, from a pre-launch customer base of 10,000 downloads, to over 150,000 downloads represents a significant growth rate for Norwood.

**World Phone** has now been the number 1 downloaded travel App in 47 countries (up 14 countries since last update), top 10 downloaded travel App in 72 countries (also up 14 countries), number 1 highest grossing travel App in 15 countries (up 10 countries), and top 5 highest grossing travel App in 32 countries (up 16 countries).

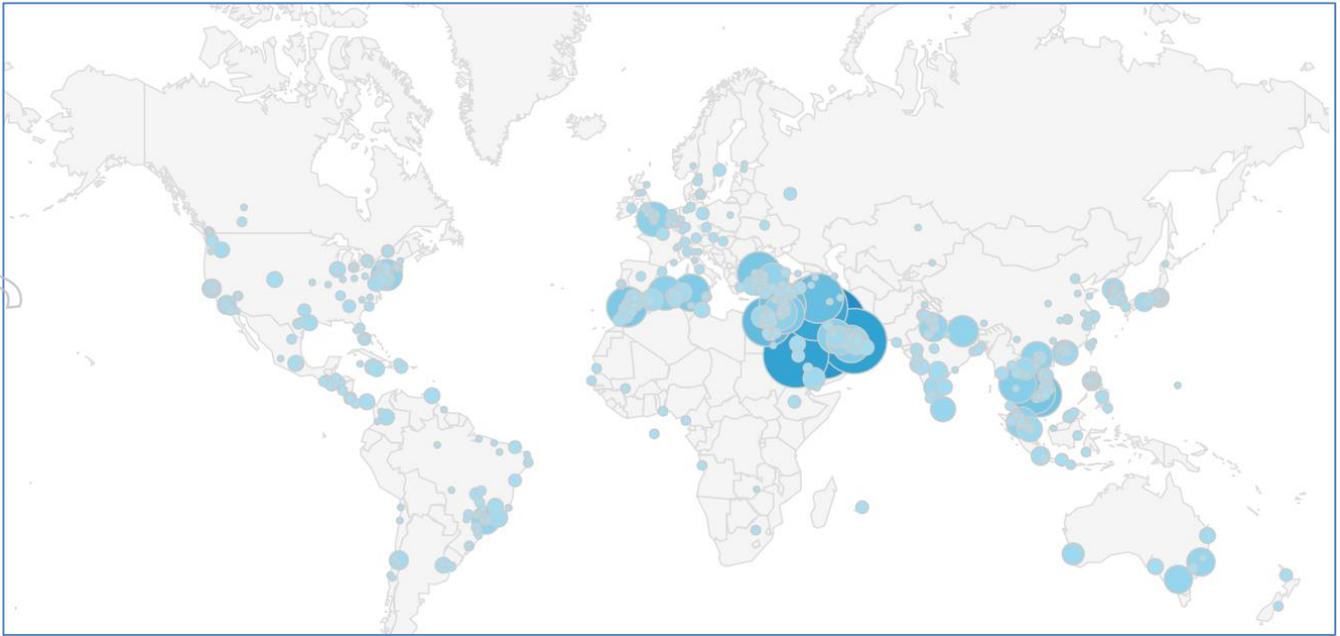
**World Phone** has also now been the top-selling App across all categories in four countries (up one country).

According to statistics compiled by Fiksu<sup>1</sup>, a leading data-fuelled mobile marketing technology company, costs per App install on Apple iOS averaged \$US1.43 for July, making Norwood’s average acquisition cost of approximately \$1 highly competitive.

Based on Norwood’s internal statistical analysis of download and sales data from iTunes, a highly statistically significant relationship has now been established between the rate of in-App purchases and the installed base (rather than downloads) for **World Phone**. A highly statistically significant relationship have also been established between the number of daily downloads and the installed base, confirming the unambiguous presence of significant viral sharing of **World Phone**. As many as 20-30% of customers acquired daily appear to be coming from the installed base sharing the App.

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<sup>1</sup> <https://www.fiksu.com/resources/fiksu-indexes>



Current **World Phone** usage patterns – larger bubble represents more users

-ENDS-

For Further information, please contact:

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### Background

Individual travellers, businesses and governments globally are incurring significant international call roaming charges. Informa Telecom estimates that mobile operators today bill more than US\$55 billion annually in roaming charges\*, which is forecast to grow to more than \$80 billion by 2018 (source: *Juniper Research report on the Mobile Roaming Market, 2014*).

Norwood Systems' patent-pending cloud service platforms integrate the international fixed phone network with short-haul Voice over Internet Protocol (VoIP) technologies to optimise roaming business travellers' telephony experiences.

Australian businesses and individual business travellers are using Norwood's services today on multiple continents. The Company has built up a significant pipeline of prospects, including global players in the areas of aviation, professional services, banking, telecommunications, engineering and legal services.

For personal use only

## World Phone Service Overview

**World Phone** is free to download and users receive an initial introductory allocation of calling time upon activation. Additional calling time and Personal Phone Numbers are then purchased through an in-App purchasing mechanism. Users may also receive additional calling time by sharing **World Phone** with their contacts, via an integrated referral process.

**World Phone** is an award-winning, revolutionary communications App for international travellers that harnesses the “sharing economy” to provide access to high-quality, low-cost telecommunications providers around the world. It is especially suited to address the needs of international travellers with exacting communications requirements, and a desire to continue conversing with contacts beyond the travel period.

**World Phone** disrupts the personal mobile roaming experience by providing tight integration to high-quality fixed line networks worldwide, delivering much lower cost-per-minute calling (up to 80% lower than corporate plans) and clearer audio to the end-user, while introducing completely novel features, such as effortless in-App provisioning of local numbers when travelling – all without needing an additional SIM.

**World Phone** is available for download on Apple’s App Store, at <https://itunes.apple.com/au/app/world-phone/id956373738> for iOS devices, such as iPhone, iPad, and iPod touch (optimised for iPhone 5, iPhone 6, and iPhone 6 Plus).

## About Norwood Systems

Norwood Systems Ltd (ASX: **NOR**) is revolutionizing the delivery of high-quality voice telecommunications services for individual business travellers and organisations on a worldwide basis. The Company listed on the ASX on 16 June 2015.

Norwood Systems was founded in 2011 to develop and supply the best possible global mobility and roaming solutions using Over The Top (OTT) voice technologies. The Company’s breakthrough offerings, **CORONA™** and **World Phone™**, deliver the world’s most advanced international fixed-line roaming solutions addressing a broad spectrum of customers, from individual business travellers all the way through to large enterprise and government clients.

**CORONA** is an award-winning, enterprise-class cloud services platform that integrates compatible mobile devices securely and seamlessly with the organisation’s existing Unified Communication or PBX networks, independent of their location.

**World Phone** is an award-winning, revolutionary communications App, delivering effortless “shared economy” consumer access to leading fixed-line network service providers around the world, providing unparalleled local access to high-quality voice networks in more than 90 countries.



**World Phone™**