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ASX ANNOUNCEMENT

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TV2U EXPANDS SERVICE OFFERING INTO LATIN AMERICA WITH MULTIPLE ESTABLISHED SERVICE PROVIDERS FOR THE REGION OF BRAZIL

Highlights

- **TV2U signs Memorandum of Understanding (MOU) with two established Brazilian Telecommunications Companies SOL Telecom (SOL) and Amazonia Publicidade Ltda (GTV) to provide the technology platform for the delivery of OTT television (live and on-demand) to the region of Brazil.**
- **These first round partnerships will be the foundation for a disruptive and focused expansion into Latin Americas for TV2U into a high growth emerging market region.**
- **TV2U to undergo field trials for proof of concept to be concluded by end of year 2016 at which time it is the sincere intention of both companies to enter binding commercial agreements providing TV2U with a fast track entry point into Latin America.**
- **Both companies SOL Telecom (SOL) and Amazonia Publicidade Ltda (GTV) are looking to TV2U to power the expansion of their TV service delivering a personalized viewing experience to multiple consumer devices including mobile devices allowing their customers to consumer TV on-the-go.**

TV2U International Limited (ASX: TV2, “the Company”) is pleased to announce that it has signed two Memorandum of Understanding (MOU) agreements, and is to undergo field trials with the following established companies SOL Telecom (SOL) and Amazonia Publicidade Ltda (GTV) with the aim to deliver a white labeled interactive OTT managed service into to the region of Brazil.

Brazil has been a major target market for TV2U for some time as it has around 19.5 million Pay TV subscribers and is the biggest market in all Latin American countries. Pay TV has a very large growth potential given that Pay TV penetration is below 30%, and many telephony and internet providers are looking to expand their footprint in the coming years while complementing, or in some cases even replacing, the core Pay TV offerings with new OTT services.

TV2U intends to deploy a complete managed OTT cloud service to both companies, which ensures maximum avenues for revenue generation and the critical mass of immediate subscriber acquisition. The financial model encompasses the following avenues for revenue generation which includes but is not limited to, management fees, license fees, (per active subscription per month) and payment for local infrastructure.

Sol Telecom Profile

Sol Telecom provides internet services, having installed 600Km of optic fiber (GPON network). In addition to FTH, Sol Telecom provides internet services via Radio and HFC network (coaxial). SOL Telecom's content production company TV SOL Channel produces its own content including news and talk shows. SOL Telecom will deliver its OTT service to an extended subscriber use base through regional ISPs (Internet Service Providers).

Sol Telecom deploys a 5.8Ghz distributed Wi-Fi network for portable devices (mobiles), an advantage in the exponential growth of new subscribers through OTT services. Sol Telecom is defining a lineup with 64 FTA (free-to-air) channels consisting of 14 High Definition and 50 Standard Definition channels with the addition of on-demand video content (www.portalsol.com.br)

Amazonia Publicidade Ltda (GTV) Profile

GTV is a Broadcast operation through an MMDS technology (Wireless cable) that offers Pay-TV over subscription service for Standard-Definition channels, as well as high-speed broadband across its area of operation in the cities of Cascavel and Toledo.

GTV has invested in expanding the network with GPON technology for high-speed internet connection as well as production and post-production of Live content through CATVE Group (being one of the owners).

GTV is defining a LineUp with 45 High Definition channels with the addition of on-demand video content that will be offered through portable devices (www.gtv.tv.br).

Latin American Growth Potential

Providing a Cloud managed service to attract, win and retain customers through the use of disruptive personalized managed campaigns, and providing a set of software tools that empower users and proactively drives revenue generation.

Having control of all avenues of revenue generation for our clients reduces churn rates and increases existing customer retention and acquisition.

A recent industry report on OTT TV and video revenues in Latin America (for 18 countries) will reach \$3.59 billion in 2021 which is more than triple the \$1.15 billion in 2015. SVOD (subscription video on demand) will remain the region's largest OTT revenue source; contributing \$2,093 million by 2021 (or 58% of the total).

The report estimates 31.87 million SVOD subscribers by 2021, up from only 12,000 in 2010 and 11.22 million at end- 2015. OTT TV and video rental/pay-per-view revenues will still expand rapidly, climbing from \$100 million in 2015 and to \$295 million in 2021. Advertising on OTT sites (AVOD) will bring in \$727 million by 2021 – up from \$266 million on 2015.

(Source: Digital TV Research)

Powering the OTT Proof of Concepts is TV2U's powerful iVAN platform, which is a white label OTT/IPTV delivery service that unifies the delivery of content straight to the playout device. iVAN makes it possible for organisations to quickly and efficiently launch and deliver cost-effective OTT video services while staying on budget. Device and network-agnostic, iVAN enables content to be delivered anywhere, in any format, to any device across any network in a cost-effective way with minimal latency issues. With iVAN, users receive a full spectrum content streaming and data analytics tool that taps into new revenue streams for online entertainment. For consumers, this means more content available on more devices, and for broadcasters and content providers, it means improved commerciality and better analytics.

"TV2U's disruptive cloud managed services lowers the barriers of market entry for many of the regions operators. Our clients work with our in-house application developers and marketing team focusing on the user experience and branding not the infrastructure. Working with SOL Telecom has demonstrated how quickly we can deploy a white labelled service anywhere, anytime, over any network – globally". said Claudio Lessa, TV2U's Director of Business Development – Latam & Caribbean.

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ABOUT TV2U

TV2U is a pioneer in innovative technologies and business concepts, empowering customers to increase profitability by generating global revenue through cost-effective cloud-based interactive OTT/IPTV managed services, or as a physically deployed solution at the operator's facility. TV2U's intelligent Video Accessible Network (iVAN) is the enabler for content monetisation to multiple consumption devices with features including: on-the-fly repackaging, real-time analytics, and targeted advertising by device, location or individual consumer. TV2U is headquartered in the UK with regional offices in North America, Hong Kong, Singapore, Indonesia, and Australia. TV2U also has local global representation through regional partners. For more information, please visit: www.tv2u.com.

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