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ZIPTTEL SIGNS MILESTONE DISTRIBUTION AGREEMENT FOR ZIPT APP

- Partnership agreement secured with one of India's leading digital mobile advertising companies to distribute the ZipT application across India
- Air Loyal to deliver up to 1 Million paid subscribers
- ZipTel's two agreements have the ability to secure over 5 Million users within 12 months
- Provides distribution access to millions of users via Airloyal's flagship advertising platform, Ladoo.
- Opens up a significant opportunity for substantial organic penetration - more than 70% of India's 220 million mobile internet users have access to only 2G & low speed internet connection

ZipTel Limited (ASX:ZIP) ("the Company") is pleased to announce that it has entered into a landmark agreement with Airloyal (www.airloyal.com), a leading digital marketing company operating in significant growth economies across India and South East Asia. The deal with Airloyal will see the ZipT application promoted across India and South East Asia through Airloyal's flagship product Ladoo, a mobile advertising and brand engagement platform.

The Indian telecommunications market is estimated to have over 220 million data Internet subscribers. Nearly 70% of data internet users still operate on the 2G and narrow bandwidth networks. This represents a key target market for the ZipT mobile application and technology which allows consumers in areas where speed requirements are as low as 8Kbs to received superior voice quality.

The partnership with Airloyal opens up considerable opportunities in India and across South East Asia, and provides ZipTel with access to a growing telecom market;

- It is estimated that there are 180 million smartphones in India, which represents the largest growing market in the Asia Pacific for smartphone shipments;
- Average expenditure on telephony expenses continues to rise. This opens up a significant opportunity for the ZipT app, which provides superior voice quality on low bandwidth and uses up to 80% less data usage than other providers, significantly creating savings on internet and data usage and pricing.

Under the agreement, Airloyal will scale the campaign across its growing user base to millions of mobile users in India and work with the company to establish the ZipT app as a key offering in the Indian and South East Asian market. Through the customer engagement campaigns on the Ladoo platform, Airloyal will drive engagement and customer acquisition amongst India's tech savvy population

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and deliver detailed user analysis to ensure maximized retention and subscription conversions.

ZipTel Founder and CEO, Bert Mondello commented:

“We are delighted to announce what is a ground-breaking agreement for ZipTel in India and across South East Asia. Through this partnership ZipTel gains access to a vast user base of customers, which will enable us to achieve hundreds of thousands of downloads shortly after launch. We are confident that this partnership will drive customer engagement and build momentum and demand for the ZipT application.”

Airloyal Founder & CEO, Raja commented:

“While there have been a number of mobile calling applications before, we believe ZipT offers a unique proposition in India through its ability to deliver superior voice quality even at the lowest data usage. Our testing has delivered outstanding results in comparison to current providers with substantial market share. We are very pleased to be collaborating with ZipT as an exclusive launch partner and expect to generate significant results in the market. For us this partnership showcases the growing demand of international businesses to enter the Indian market.”

-Ends-

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About ZipTel

ZipTel is an Australian owned and operated telecommunications business focused on providing international roaming and calling solutions to the consumer, using state of the art technologies developed and wholly owned by ZipTel Limited. ZipTel listed on the ASX in July 2014 with its core focus primarily on the distribution of three core communications products, both domestically and internationally.

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About ZipT

ZipT is a free to download mobile-based international communication application that allows consumers to SMS and make international calls from their mobile, at some of the world's lowest rates. ZipT has the ability to deliver crystal clear sound quality in lower bandwidth data environments and allows consumers to retain their existing phone number, service provider and SIM card, with no lock-in contracts. ZipT does not require a sim card and can be installed on any smartphone or tablet device. ZipT uses less data than similar products already available on the market, and is compatible with WIFI or any other mobile network.

For more information visit www.zipt.com

About Airloyal

Airloyal is a Chennai-based start-up established in August 2013. Airloyal aims at revolutionizing the mobile advertising space by diverting a part of the annual worldwide USD 500B ad spend into the consumer's pocket. Their flagship product, Ladoo is a brand engagement platform, which rewards the customers with free Airtime to be either used to for phone or DTH recharge. At present, Airloyal has millions of users and 30 brands like Flipkart, Amazon, TicketGoose engaging with them through Ladoo platform.