

Substantial Commercial Potential of Megastar Millionaire Validated by Independent Research

83% of respondents find the platform appealing

Highlights

- **Overwhelmingly positive user response to Megastar Millionaire competition demonstrated by independent third-party commissioned research company; Hub Entertainment Research**
- **Rigorous and statistically significant testing indicates the enormous commercial upside potential of the competition platform**
- **Key findings revealed:**
 - **Strong interest in taking part, 91% of respondents were somewhat/very interested in being a Fan and 54% are also somewhat/very interested in being a Performer**
 - **Monetisation potential far exceeding the Company's expectations, with 83% of respondents finding the platform appealing**
 - **Extensive addressable market potential, with the competition having broad-based appeal across multiple demographic segments**
- **Strong user validation and platform engagement, with multiple initiatives identified to further boost user interest and the commercial potential of the platform**

MSM Corporation International Limited ("**MSM**" or "**the Company**") (ASX: MSM), a leading digital technology and entertainment company, has successfully delivered its next platform development milestone, with the completion of independent third-party commissioned quantitative research by Hub Entertainment Research.

Hub Entertainment Research conducts highly regarded and statistically rigorous research. Its results provide the greatest validation yet of the enormous commercial upside potential of the Megastar Millionaire competition platform. They demonstrate strong user willingness to pay to participate, as well as indicating user interest in levels of engagement that far exceeded internal Company forecasts.

Over 2,500 active social media users aged 15 years to 45 years, equally split among men and women participated in the independent research. It took the form of a comprehensive survey that was conducted in May and June 2016.

The Research was designed to identify avenues to optimise the Megastar Millionaire platform and maximise its value. It specifically set out to examine the appeal, willingness of users to pay for participation and the core drivers that will build the success of the Megastar Millionaire competition.

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Supportive participant testimonials

The Research generated hundreds of highly supportive testimonials from participants, conveying their excitement about the Megastar Millionaire competition:

"It's new and unique. I love watching other people's talents and seeing what they can do!"

"It's an awesome concept, so many ways to win. If you give fans the chance to win prizes they will be more apt to want to watch the show, never miss an episode, and interact with every means available to them."

"It is relatable and interactive. I feel like my voice and vote will make a difference."

Key findings of the Research include:

1. Participants rate the Megastar Millionaire experience very highly and are interested in being involved:
 - a. 54% of respondents were *very interested* in being a Fan (active fan) and 39% are also *very interested* in being a Super Fan (highly active fan)
 - b. 24% are also *very interested* in being a Performer
 - providing a considerably higher than forecasted adoption rate
2. There is substantial potential to monetise the Megastar Millionaire platform in a significant manner, giving the platform strong revenue potential once launched:
 - a. 83% of respondents found the Megastar Millionaire concept *appealing* and 43% found the concept *very appealing*, even when details of costs are revealed
 - b. The weighted average price-point across all groups was US\$62, a value far exceeding the Company's expectations
3. Multiple factors contribute to the strong user engagement and appealing nature of Megastar Millionaire, including:
 - a. The global nature of the talent competition
 - b. The highly democratic nature of the platform, where fans are able to vote and watch video content uploaded by performers
 - c. Offering prizes for fans, giving them a stronger incentive to participate in the competition and differentiating the Megastar Millionaire offering from other traditional talent competitions

4. The Research demonstrated that Megastar Millionaire has an extensive addressable market, as the platform was found to have broad-based appeal across multiple demographic segments:
- a. Potential users are evenly distributed by gender and age
 - b. Potential users are significantly engaged with social media and are often likely to post and share on social media platforms
 - c. Performers are more likely to be aged between 26-35 years

The completion of the Research represents another important value creation milestone for the Company, on its path toward the launch of the Megastar Millionaire platform in early 2017. It provides MSM with crucial technical, pricing and marketing insights on how the competition can be further refined to maximise its user engagement and commercial potential.

Following the completion of the Research, several approaches and enhancements to further boost user interest and engagement were identified. These include giving fans increased opportunities to win prizes and giving participants various methods of tracking the progress of their favourite performers.

Based on these findings, the Company will further optimise the Megastar Millionaire platform, ahead of the commencement of its planned Closed Beta Testing in September 2016.

Managing Director, Dion Sullivan commented;

“The findings from Hub Research lend exceedingly strong validation of the Megastar Millionaire offering from an independent subject matter expert. It demonstrates our platform has significant commercial potential and enormous upside.”

“The monetisation potential of the Megastar Millionaire platform and the price-point at which users were willing to pay exceeded our expectations and gives us great confidence regarding the revenue potential of the Megastar Millionaire competition once launched.”

Executive Director of Asia Pacific, Sophie McGill commented;

“These Research findings highlight the broad-based appeal of the Megastar Millionaire competition, a global platform for a variety of talents across multiple nationalities.”

“We are very excited to see the overwhelmingly strong level of engagement with the brand and intend to further boost the level of user interest in Megastar Millionaire through the enhancements recommended by the Hub Research. This will not only allow additional revenue streams for the platform but allow the consumer interface to be optimal for maximum enjoyment and engagement ahead of our launch in early 2017.”

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MSM Corporation International Limited is a digital technology and media entertainment company that, via the first product offering, Megastar Millionaire, will launch the world's richest online, mobile-first, talent discovery competition platform.

Megastar Millionaire is a consumer digital entertainment technology platform; connecting performers and fans in an innovative and interactive gamification experience. It is designed to transform, mobilise and individualise the search for new artists, allowing people to easily showcase their talents to a global digital audience and offers significant advantages over traditional television platforms.

This highly disruptive, first-to-market platform will monetise mobile video via a highly successful talent competition format. Operating squarely within the US\$25bn online gaming and US\$30bn mobile sectors, Megastar Millionaire draws on the social media phenomenon, allowing individuals to demonstrate their skills and talents.

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