



ASX Announcement

PERTH - 16 FEBRUARY 2018

FAMILY ZONE ASIAN EXPANSION CONTINUES WITH MAJOR INDIAN TELCO DEAL

- Family Zone signs up fast growing Indian telco Aircel India (Aircel)
- Aircel is 74% owned by Malaysian telco Maxis and has in excess of 90 m mobile subscribers
- Aircel has agreed to promote Family Zone as a value added offering (charged to customer) for pre-and post paid services and bundle Family Zone (included by default in plans) in strategic segments
- Target launch is Qtr 2, 2018
- Launches Family Zone in the world's fastest growing major economy and second largest smartphone consumer market
- Agreement continues Family Zone's rapid coverage of Asia and establishes a presence in a market of 1.3bn consumers and 300m smart devices

Family Zone Cyber Safety Limited (ASX: FZO) (**Family Zone** or **Company**) is pleased to update the market on a material new wholesale deal with a major Asian telco Aircel India.

FAMILY ZONE SIGNS ON AIRCEL

Continuing in its rapid penetration into Asian telcos via our strategic alliance with Fidelio Partners, Family Zone is pleased to announce the achievement of a strategic wholesale deal with major Indian mobile network player Aircel.

Furthermore, the Company is pleased to advise that once again Family Zone's service offering was selected following an evaluation against globally known brand names.

The Indian Market

India is a large and exciting market for Family Zone, offering scale and the full spectrum of opportunities including wholesale consumer services and educational offerings.

The upside potential of India is enormous. India is the world's fastest growing major economy, has more facebook users than any other country and has a rapidly expanding middle class, already exceeding 250 m.

India at a Glance

Population	1.3 bn
Children (5-14)	252 m
Adolescents (15-19)	100 m
Youth literacy	90%
GDP growth	6.7%
Facebook Users	241 m



The Indian population are conservative, religious and well educated. Whilst there are many languages and dialects, English is pervasive and research demonstrates a growing focus and concern around cyber safety and educational outcomes.

Mobile services	1.18B
Children with mobiles	60%

About Aircel

Aircel is an Indian mobile network operator headquartered in Gurgaon and offering voice and 2G and 3G data services. Aircel is 74% owned by Malaysian Maxis Communications and Sindya Securities and Investments holds the remainder.



Aircel operates in one of if not the most dynamic telco markets in the world and has in excess of 90 m subscribers.

Aircel has a strong and long standing commitment to social responsibility and within this commitment and its commercial objectives around value adding the network and competitive positioning Aircel is driving the collaboration with Family Zone.

Aircel recognise these many growing challenges of connectivity and digital devices and the need therefore to provide Indian parents with robust, comprehensive and affordable tools and support.

AIRCEL AND FAMILY ZONE

Binding Terms

Family Zone has signed a binding term sheet with Aircel for the wholesaling of Family Zone's on-device (known as Mobile Zone) services across the Aircel customer base. As customary with telco deals, a binding term sheet has been agreed with long form documents following.

Under the deal, Aircel may offer Mobile Zone as a value added or bundled service offering. Where sold as a value-add a revenue sharing arrangement has been agreed and otherwise a service fee applies. Aircel is responsible for promotion, marketing, provisioning and first tier support. Family Zone is responsible for back-end services and escalated support.

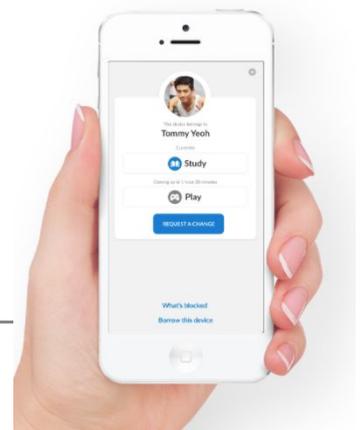
The arrangements are non-exclusive.

Go to Market

The agreement will see Family Zone's on-device technologies being made available to the Indian market plus our innovative parental control features and recently launched Parent App.

It is intended to launch in both postpaid and prepaid segments and offer two plan options:

- Bundled - included by default within the current price of certain mobile plans;



For personal use only



- Value added - offered as a chargeable add-on to all existing plans.

Aircel will launch with Family Zone’s recently released Parent App (known as Zone Manager). In a market where users demand convenience and simplicity, with most online interactions via a mobile device, the Parent App will allow Indian customers to simply, quickly and interactively monitor, configure and manage their family’s online world.

Aircel will leverage the value that Family Zone brings to drive stickiness and as an acquisition tool for new customers seeking to keep their children safe, wherever they use their smart device.

Family Zone Managing Director, Tim Levy, said:

“In recent months we have seen a remarkable shift in awareness around the use of connected devices, cyber safety and cyberbullying in Australia. This change is also being felt in other markets and our telco partners in Asia are making strong steps forward and taking leadership. Our collective ambition is to help their customers and communities manage the challenges of cyber safety, to enjoy the benefits of technology and develop a healthy and safe generation”.

“We are immensely proud to have been selected by Aircel in this process and excited to soon enter the dynamic and strategic Indian market”

INDIAN MARKET OPPORTUNITY

Consolidation coming

India is one of if not the most dynamic telco markets in the world.

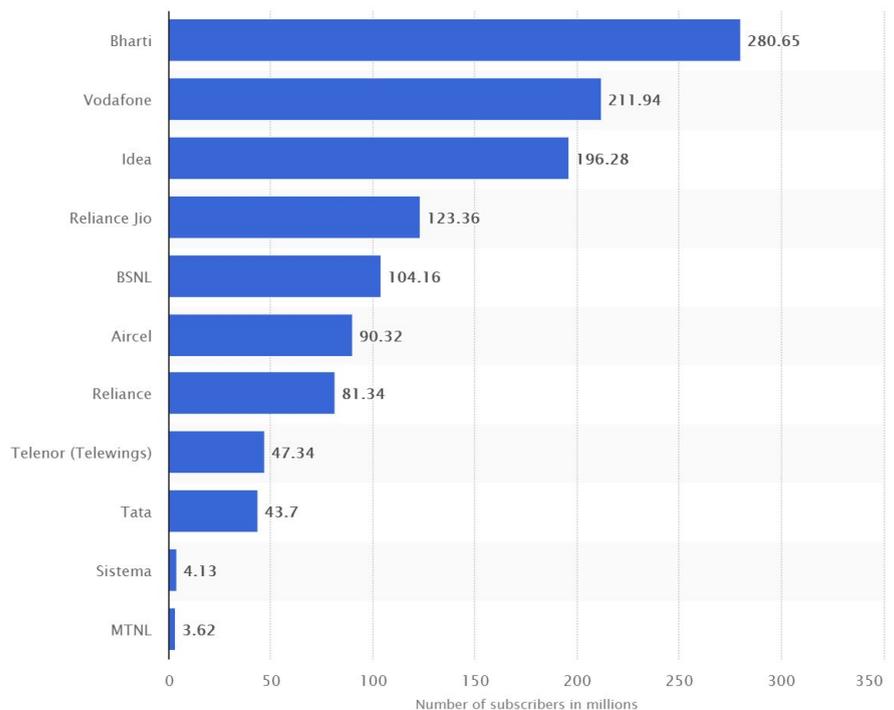
In September 2016 a new market entrant Reliance Jio took the market by storm signing up over 100m subscribers in a year.

The aggressive pricing and rapid growth of Jio has triggered a consolidation phase and a “data revolution” in the Indian market.

As it stands the scale of the Indian telcos is represented by the chart right. Much financial media talk is however happening around mergers and potential mergers and accordingly the landscape is expected to change significantly in 2018.

Family Zone see this dynamic as creating a significant opportunities for our services to become available to bigger, consolidated wholesale customers in the short term.

[Source](#)



Market Offerings

Family Zone's broader medium-term strategy for India focuses on delivering maximum customer scale and stickiness via the following two core areas:

- Telco Distribution - enabling all major Telco's to promote a simple, uniquely branded, low cost solution for mass market consumer adoption, with upsell opportunities to a premium Family Zone offer; and
- School offerings and community engagement - seeking endorsement from the Ministry of Education and working with schools to solve their on-campus cyber safety challenges whilst creating awareness of the issues and providing parents with a solution.

TELCO STRATEGY WORKING

Family Zone's strategic intent is to become an inherent cyber safety feature in much of the world's telco and networking services and products. Our Asian telco engagement is an important part of our strategy, offering Family Zone scale, presence, credibility and commercial opportunities.

Within 18 months of listing on the ASX, Family Zone is pleased that we have achieved the following:



Signed and launched wholesale deal with Philippines largest fixed wire operator, PLDT. PLDT has approximately 4m fixed line subscribers and has generated in excess of \$700k of revenue for Family Zone to date.



Signed and will soon launch a wholesale deal with Philippines second largest mobile operator, Smart Communications. Smart has in excess of 60m subscribers and estimates an addressable market of some 8m children using smart devices.



Signed and subsequently launched in pilot a wholesale deal with Indonesia's largest telco, Telkomsel. Telkomsel has in excess of 190m subscribers, adds 1m smart devices to the the network monthly and services an estimated 14m minors. Family Zone has achieved over 10k registrations during an initial small targeted pilot phase. Full market launch is planned for Q2.



Executed agreement and wholesale deal to launch to Malaysia's No. 1 mobile operator. Family Zone will be promoted to Maxis's 11.6m prepaid and postpaid subscribers as a bundled and value-added service. Full market launch is scheduled for Q2.



Signed Term Sheet with fast growing Indian mobile operator Aircel possessing 90m mobile subscribers. Agreed strategy to bundle and offer as a VAS a co-branded Family Zone service to its large prepaid and postpaid user base. Target launch late Qtr 2 '18.

For personal use only



About Aircel

Aircel is India's fastest growing GSM mobile service provider with a subscriber base of in excess of 90 million. Aircel is a pan India operator with a presence across 23 circles. The company offers voice & data services ranging from postpaid and prepaid plans, 2G and 3G services, Broadband Wireless Access (BWA), Long Term Evolution (LTE) to Value-Added-Services (VAS).

In addition to providing premium internet access solutions to facilitate data intensive live streaming applications, the company has also paved the way to be amongst the first to offer 3G and 4G LTE services to customers.

To learn more about Aircel, please visit www.aircel.com

About Family Zone

Family Zone is an ASX listed technology company focused on cyber safety. Meeting a growing demand to keep kids safe online and manage digital lifestyles, Family Zone has developed a unique and innovative cloud-based solution which combines Australian innovation with leading global technology.

To learn more about the Family Zone platform and the Company, please visit www.familyzone.com.

For further information please contact

| Tim Levy
| Managing Director
| timl@familyzone.com
| +61413563333

| Tim Allerton
| City Public Relations
| media@familyzone.com
| +61412715707

| Tim Dohrmann
| Investor Relations
| tim@nwrcommunications.com.au
| +61468420846

For personal use only