

19 November 2015

Zipt Hits 4 Million Installs Milestone in Less Than 22 Weeks

Brand Ambassadors to augment mass user acquisition strategy

- 4 million installs achieved in less than 22 weeks.
- To date over 80% of installs achieved across the Indian Subcontinent, one of Zipt's key target markets due to low bandwidth and 2G network access limitations.
- Zipt's growth across these key target markets reflect its competitive advantage of superior calling and video quality in low bandwidth and 2G environments.
- Zipt's primary ongoing focus remains growing a significant user base and becoming a viable alternative communication solution in markets where it has a clear competitive advantage.
- Recent ambassador appointments to accelerate and drive user acquisition and engagement within these target regions, with a reach of over 105 million social media followers at a significantly reduced Cost Per Install (CPI).
- CPI in key markets have decreased by 64% since launch in June, demonstrating the ability and potential of the app to scale rapidly and is expected to continue to reduce.

ZipTel Limited (ASX:ZIP) ("ZipTel" and the "Company") is pleased to advise its revolutionary Zipt video and calling app has achieved over 4 million installs in less than 22 weeks since the global public launch in June 2015.

Zipt's primary focus is on growing a substantial user base in target markets where it has a key competitive advantage due to its ability to deliver superior calling and video quality whilst using significantly less data (up to 80%) than market incumbents such as Skype, WhatsApp and Viber.

ZipTel is pleased to report that the Zipt app has seen a major uptake in markets such as the Subcontinent where there is predominantly access to low bandwidth and 2G networks.

As Zipt's user base continues to grow and it becomes a viable communication alternative for consumers, significant and rapid monetisation opportunities arise which will be introduced from Q1 2016. These include:

- Zipt Out Calling Credits with world leading call rates
- Zipt Out Subscriptions and calling bundles
- Zipt Out SMS Credits
- Purchase of local incoming numbers globally
- Ambassador Tailored Stickers
- Sticker Store
- Ambassador Premium Services to be offered to over 105 Million social media followers

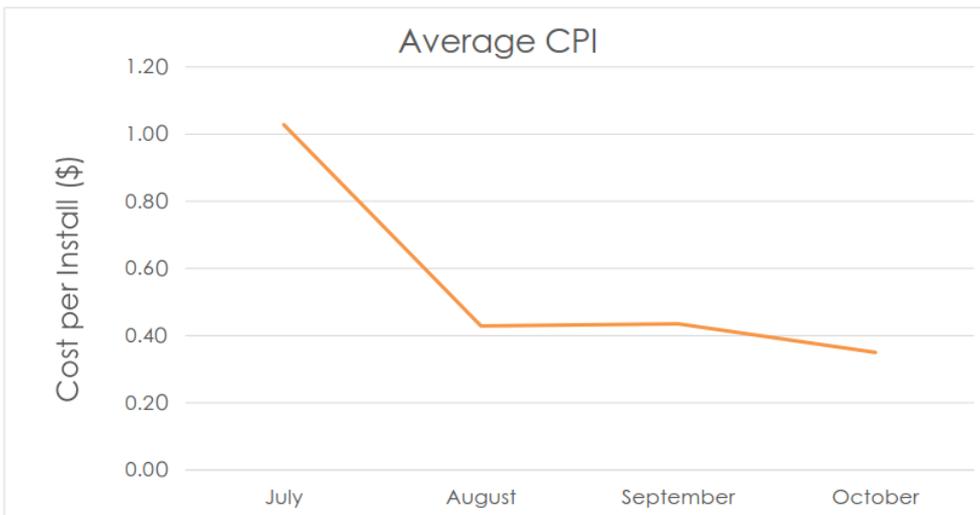
Zipt is confident the user base will continue to grow at the current rate. The Company recently announced it has signed a number of high profile, globally recognised sports ambassadors to promote the Zipt app and will launch a full-scale digital campaign in Q1 2016 to over 105 Million social media followers with minimal cost to the Company other

than the scrip agreements signed off on by all ambassadors as announced 18 November 2015.

Within the Indian Subcontinent sports ambassadors such as Virat Kohli (Indian Cricket Captain), Rohit Sharma (Indian Cricket Team) and Brett Lee (collectively, some 48 million social media followers), will lead the user growth.

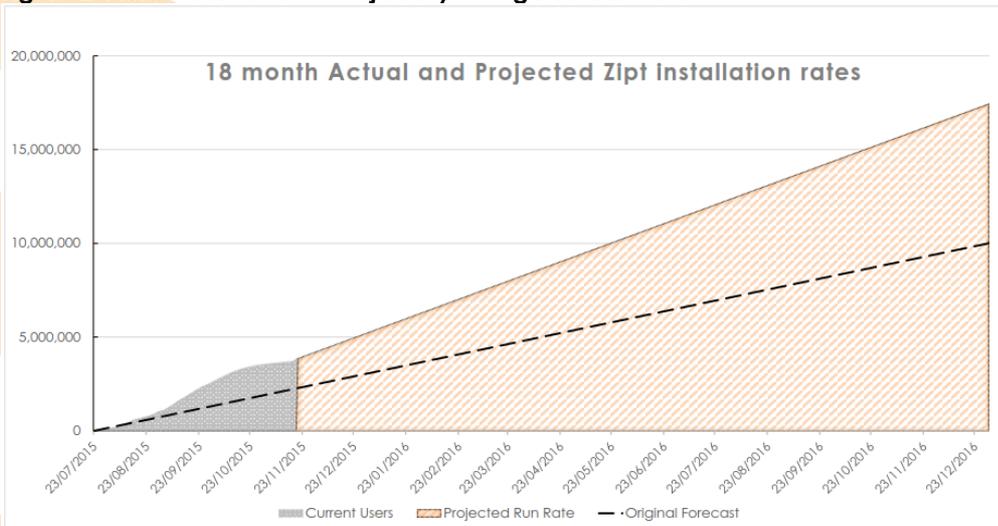
Since publically launching Zipt, the CPI in key markets (Indian Subcontinent, Saudi Arabia & UAE) have significantly reduced. In July 2015, the CPI was ~\$1 whereas in October 2015, the CPI was as low as 36 cents (a decrease of 64%), clearly demonstrating the app's ability to scale rapidly, all without the implementation of a full-scale marketing campaign.

Figure 1: Average Cost Per Installation (CPI) Reduction Over Time



Upon launch of the full-scale marketing campaign the Company is focused on driving mass user acquisition and is currently ahead of its expectations of achieving 10 million installs within 18 months. As Zipt reaches critical mass in terms of users the opportunities to monetise the app become significant.

Figure 2: Actual User Growth Trajectory v Targeted User Growth



The introduction of improved calling bundles and subscriptions, the ambassador premium services and the possibility that users may purchase local incoming numbers will open up further revenue avenues for the Company from Q1 2016 onwards.

The launch of the Ambassador Portal in Q1 2016 will provide further revenue opportunities for the company and provide scale with no direct cash cost per install associated with the campaigns.

Bert Mondello, CEO, Ziptel Limited commented:

"Since launching the Zipt app we have experienced significant uptake in our key target markets, particularly in India and the Subcontinent, clearly validating our strategy to target these regions. We have initially chosen markets with limited access to low bandwidth and 2G access only as this is where our competitive advantage lies. We have developed an app that can provide superior calling and video quality over our competitors and it requires substantially less data to do deliver.

"The scale we have achieved to date has been ahead of a full-scale marketing campaign. We will launch a full-scale social media campaign with our leading sports ambassadors in Q1 2016, and we expect this to accelerate our user acquisition even further at a significantly lower cost to the company and with a greater reach to our key target markets".

As previously foreshowed, the Company will be reporting key statistics on App usage on a quarterly basis but will continue to report key milestones on app installs as they occur.

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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.

About Zipt

Zipt is a mobile-based international communication App that enables consumers to send SMSs and make international calls for free between users. The App can also call any landline or mobile at some of the world's lowest call rates. Zipt delivers 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 on compatible platforms. Zipt uses less data than similar products already available on the market, and can be used over Wi-Fi or any mobile network. For more information visit www.zipt.com.