



ASX AND MEDIA RELEASE

15 January 2016

CEO Letter to Shareholders

Dear Fellow Shareholder,

2015 has been a transformational year for ZipTel Limited (ASX:ZIP) ("ZipTel" or the "Company") with the launch of its revolutionary mobile calling application **Zipt** and its exceptional performance to date.

Since launching on 22 June 2015, Zipt has achieved significant growth having been installed over 5 million times by users across the globe - putting installations well ahead of the initial target of 10 million installs in 18 months. The Zipt app continues to grow and improve in metrics each day and is growing at a rate of over 1 million installs per month. Based on the current run rate, Zipt is on track to achieve its initial 18 month target of 10 million installs by April 2016 (**8 months ahead of schedule**).

Zipt's industry leading call compression technology allows the application to work in remote 2G network locations as well as 3G, 4G and Wi-Fi environments. This competitive advantage has translated into significant market traction in 2G prevalent, emerging markets such as the Indian Subcontinent, South America, the Middle East and throughout South East Asia. With global data bandwidth requirements exceeding current availability, the ability of Zipt to operate using up to 80% less data than other calling/messaging products demonstrates another clear competitive advantage.

As the Zipt user base continues to grow in 2016, ZipTel will refine its focus on **monetising** the user base. The key near term drivers for the monetisation of Zipt are via top-up revenues from its premium low call rate product '**Zipt Out**', the Global Brand Ambassador Campaign, the SpeedCast White Label Agreement, the introduction of the MoneySend Portal and the launch of the Enterprise model. All of these aspects to the application will independently drive revenue in different ways.

On the back of the success of the Brett Lee ambassador program, the Company announced a Brand Ambassador Agreement with globally recognised athletes; led by Real Madrid's Gareth Bale and India's Cricket Captain Virat Kohli, to actively promote Zipt to over **110 million social media followers**. The impact of this Agreement is that not only will the Campaign materially boost install numbers but it will significantly reduce the Company's Cost Per Install. Under this Agreement, the Ambassadors will promote Zipt via their social media channels and are incentivised to drive installs.

A customised global first, in-app **Ambassador Portal** will deliver exclusive content to users and encourage users to interact with their sports stars. This will drive greater customer engagement in addition to further improving retention metrics. This key feature will also provide the Company with further revenue opportunities via premium content, its question and answer (“Q & A”) portal, along with competitions and memorabilia give-aways. The Global Ambassador Campaign is set to commence in February 2016.

On 3 December 2015, the Company announced an Enterprise Agreement with leading global satellite communications service provider SpeedCast to white label the Zipt application and provide a calling and messaging solution to remote satellite locations and sea vessels under the product name “**Speedtalk**”. The Speedtalk Application will be introduced into SpeedCast’s fastest growing revenue segment, Wholesale Voice Over Internet Protocol (“VOIP”). Successful delivery of the White Label Application will not only provide an immediate revenue stream upon launch, but is a **significant third party endorsement** of the Zipt technology. Speedtalk will be launched in Q1 2016 and provides a near term revenue generation opportunity for the Company.

Towards the end of 2015, ZipTel was continuing to develop and refine the strength and performance capabilities of its Zipt platform and application. The upgraded back-end platform ‘**Zipt Mark 2**’ incorporates enhancements to Zipt’s proprietary compression technology and provides further capacity to cater for mass scale and performance. The launch of Zipt Mark 2 will soon be underway with a multitude of new features including the in-app Global Ambassador Portal and significant increases in Zipt’s operating capacity and efficiency, enhancing its ability to add further functionality and capabilities.

Zipt is poised for a ground-breaking 2016 with significant value creation.

I look forward to reporting the upcoming developments to you and take this opportunity to thank you again for your support as shareholders.

Yours sincerely,
Bert Mondello
Co-Founder & CEO

-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.

About Zipt

Zipt is a mobile-based international communication App that enables consumers to send SMS's 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.

