

**ASX Announcement****Corporate Update and Revenue Guidance**

- **Major contract with USA automaker on track to launch in Q4 2015**
- **Customised Flex product to be sold in over 4,000 USA dealerships**
- **Revenue estimated to exceed \$20m in FY2017 and \$35m in FY2018**
- **New Flex customer trials underway with eight leading automakers**

19 October 2015, Melbourne: **Connexion Media Limited** (ASX:CXZ) ('Connexion') is pleased to provide an update on the Company and medium term revenue guidance.

**Contract with USA automaker on track to commence in Q4 2015**

Further to the Company announcement on 11 May 2015, Connexion confirms that the commercial agreement with a USA automaker to provide its world leading Flex technology to a number of its new vehicles sold in the USA is progressing well.

The Company expects the commercial launch of the product to commence in Q4 2015, which will be sold through over 4,000 dealerships across the USA.

The customised Flex product will use embedded Internet connectivity to link to the Flex back-end infrastructure and provide real time in-vehicle data. Customers will be able to access their vehicle information via both web and mobile products.

**Revenues to exceed \$20m for FY2017 and \$35m for FY2018**

The Company expects subscriber numbers and revenues from existing customer contracts to significantly increase over the coming year.

Revenues from the Company's Flex and miRoamer products are estimated to exceed \$20 million in FY2017 and \$35 million in FY2018. A significant portion of this revenue is expected to be driven by the Company's contracts with its major customers, including the major USA automaker and WEX Australia. The Company anticipates that Flex paying subscriptions will reach over 200,000 subscribers by the end of FY2018.

The above revenues are based on the assumptions of independent industry growth forecasts in vehicle production<sup>1</sup>, with a conservative uptake of the subscriptions assumed by the Company.

Additional revenues from customers currently trialing the Flex product have not been reflected in these revenue forecasts for FY2017 and FY2018.

**New trials underway with eight leading automakers**

The Company's technology is currently being trialed with eight new car manufacturers globally. Collectively, these manufacturers produce over 13 million vehicles per year, which represents over 14% of global annual new car production. Each trial involves in-depth product testing over a period of at least six months by the automaker.

**Connexion well positioned to capitalise on growth of the connected car market**

Over 88 million new vehicles are estimated to be produced globally in 2015, with an anticipated compound average growth rate (CAGR) of around 3% per annum<sup>2</sup>.

Connexion's smart car technologies (Flex and miRoamer) have significant potential to be deployed across all new cars produced by automakers each year.

Flex, in particular has strong advantages for small fleets managers (often referred to as "commercial non-fleet" vehicles in the auto industry). These fleets hold between 1-15 vehicles and are typically owned and maintained by small businesses that need to monitor and maintain their fleet closely to deliver efficiencies and cost savings.

**CEO of Connexion Media, George Parthimos commented:**

"The Company has made significant progress over the past year, building up a solid contracted customer base along with multiple new trials underway. This strong customer momentum with renowned automotive brands positions our products Flex and miRoamer well in a growing market.

Based on our major commercial contracts and estimated industry production rates, we expect subscription revenues from both Flex and miRoamer to exceed \$20 million in FY2017 and \$35 million in FY2018."

"We are excited by the opportunity that lies before us in a market where we are rapidly becoming recognised as global leaders and innovators in smart car technology applications and services. We see further potential to partner with global automakers to explore new and exciting connected car technologies opening up further revenue streams for the Company."

<sup>1</sup> Source: IHS Production Volumes 2015

<sup>2</sup> Source: IHS Production Volumes 2015

**Ends****Media queries:**

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**About Connexion Media**

Connexion Media specialises in developing and commercialising smart car software apps and services for internet-connected vehicles and mobile devices. It is based in Melbourne, Australia, with a sales office in Detroit USA and Cambridge UK.

Connexion has two core products in commercialisation, Flex and miRoamer. Flex is a highly sophisticated smart car solution that allows car fleet managers to manage an entire fleet of vehicles from a mobile phone or computer and deliver cost efficiencies through reduced maintenance costs. Flex is able to track a range of real time and historical data including vehicle locations, distance travelled, fuel consumption, battery life, engine performance and absolute and average speeds travelled. It is also able to monitor driver behaviour and instantly send notifications and alarms to vehicle owners and fleet managers.

miRoamer is a next generation internet radio product that allows users to pick up radio stations from broad geographies, including international stations. miRoamer has become the world leader in internet radio technology, delivering a superior understanding of the technical, content and marketing demands of radio manufacturers and car makers alike.

**IMPORTANT NOTE**

*It should be noted that if any of the assumptions underlying the information in this announcement are incorrect or do not materialize, the revenue and subscription numbers estimated may not be achieved. It should also be noted that, at this stage, Connexion has been contracted to customize its existing Flex service at the US based automaker's cost only. The service offering is therefore yet to launch and accordingly, Connexion does not have any contracts in place as part of these arrangements that guarantee ongoing or significant sales or revenue in respect of the Flex based service offering. The above projections are not guarantees of future sales, subscriptions or revenue and involve a number of uncertainties and assumptions that are beyond the control of Connexion. Connexion gives no assurances that the revenue and volume estimates above will actually occur and the market is cautioned not to place undue reliance on volume and revenue estimates.*