

Appendix 4D
Half Year Report

Connexion Media Limited

ABN 68 004 240 313

31 December 2014

Lodged with the ASX under Listing Rule 4.2A3

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Connexion Media Limited

Period ended 31 December 2014

(Previous corresponding period: half-year ended 31 December 2013)

Results for Announcement to the Market

A\$,000

Revenues from ordinary activities	n/a		
Profit/(loss) from ordinary activities after tax attributable to members	n/a	to	(4,189)
Net loss for the period attributable to members	n/a	to	(4,189)

Dividends / distributions

No dividends have been paid or provided for during the half year

Record date for determining entitlements to the dividend

N/A

Explanation of Results

For a commentary on the financial results noted above, please refer to the Directors' Report in the attached company's interim financial report for the half year ended 31 December 2014. These reviewed financial statements are not subject to any dispute or qualification.

NTA Backing

For details of the net tangible asset backing refer to the attached interim financial report for the half year ended 31 December 2014.

Control gained or lost over entities

For details concerning the reverse acquisition of miRoamer Pty Ltd refer to the attached interim financial report.

Dividends paid or reinvested

n/a

Signed:



George Parthimos

Director

Dated: 30 January 2015

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CONNEXION
CONNEXION MEDIA LIMITED

ABN 68 004 240 313

HALF-YEAR REPORT

**For the half-year ended
31 December 2014**

The information in this half-year report should be read in conjunction with the annual report of Connexion Media Limited for the year ended 30 June 2014 and any announcements to the market by Connexion Media Limited for the half-year ended 31 December 2014

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Corporate Information

Directors

George Parthimos – Managing Director & CEO
John Conomos – Chairman & Non-Executive Director
Sean Habgood – Non-Executive Director
Mr Ashley Kelly – Executive Director
Mr Eric Jiang - Executive Director

Company Secretary

George Karafotias

Registered Office

Level 17, 499 St Kilda Road
MELBOURNE VIC 3000

Auditors

William Buck
Level 20, 181 William Street
MELBOURNE VIC 3000

Bankers

Commonwealth Banking Corporation Limited

Stock Exchange

Australian Securities Exchange
20 Bridge Street
SYDNEY NSW 2000

Stock Code

'CXZ'

Share Register

Boardroom Pty Ltd
Level 7,
207 Kent Street
SYDNEY NSW 2000

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Directors' Report

Your directors present their report on Connexion Media Limited for the half-year ended 31 December 2014. These are the financial statements of Connexion Media Limited (the company) and its 100% legally controlled entity, miRoamer Pty Ltd (the group), for the half-year ended 31 December 2014. For accounting purposes, the accounting parent company of the group for the period ended 31 December 2014 was miRoamer Pty Ltd. As such, these financial statements and comparative disclosures thereon reflect the stand-alone results of miRoamer Pty Ltd up until the date that it achieved control of Connexion Media Limited, for accounting purposes, on 29 August 2014, and thereafter of the group's consolidated results for the period ended 31 December 2014.

Information on directors

The names and details of the company's directors holding office at anytime during or since the end of the half-year are as follows:

- George Parthimos – Managing Director & CEO (Appointed 29/8/2014)
- John Conomos – Chairman & Non-Executive Director (Appointed 29/8/2014)
- Ashley Kelly – Executive Director
- Eric Jiang – Executive Director
- Sean Habgood – Non-Executive Director (Appointed 29/8/2014)
- George Karafotias – Executive Chairman CEO (Resigned 29/8/2014)

Review of operations, going concern, financial position, subsequent events, future developments and significant changes in affairs

For the half-year ended 31 December 2014 the group recorded a loss of \$4,189,152 principally due to transaction costs associated with the reverse acquisition transaction between miRoamer and Connexion Media on 29 August 2014 and the costs of successfully launching a Prospectus which occurred concurrently with the transaction.

It has been a great 6 months for Connexion Media Limited. The company raised \$3,246,864 (before costs) from a Prospectus. The success of the Prospectus meant that it completed a reverse acquisition with miRoamer Pty Ltd and achieved re quotation on the ASX. The acquisition of miRoamer Pty Ltd also meant that the company could now acquire the core technology and intellectual property connected with miRoamer, the benefits of which are described below. Upon re quotation the company confirmed the new board appointments of George Parthimos, Sean Habgood and John Conomos as chairman.

Following re quotation, the company has made many positive announcements to the market that support its endeavours to realise revenue streams from our two core products miRoamer and Flex.

miRoamer

The miRoamer radio and music service app, a core asset of the group aggregates global content providers including other aggregators, global AM/FM radio services and additional options such as genre-based content and virtual storage of music.

Post re quotation the group announced that it had entered into a licence agreement with Hong Kong-based internet radio hardware manufacturer BKS Technology providing access to miRoamer's internet radio and music service.

BKS products, which use the miRoamer radio and music service, will begin shipping in the second quarter of 2015 with expected revenue for the group to exceed US\$500,000 over the three year contract.

The group also had its miRoamer radio and music service app accepted as a partner to the Car Connectivity Consortium's (CCC) MirrorLink Fast Track program. This will expand miRoamer distribution and marketing channels across both automaker and aftermarket head unit manufacturers.

MirrorLink specialises in connectivity between smartphones and car infotainment systems with a simple cable connection providing drivers with access to phone applications using a vehicle's navigation screen and dashboard buttons.

The Fast Track program puts miRoamer in a select group of best of breed apps showcased by CCC. It benefits app providers with direct access to technical support for adapting an app to MirrorLink, inclusion in marketing and communications from CCC plus promotion among its members plus a potential reduction in test lab costs.

Half-Year Report - 31 December 2014

The miRoamer Internet radio and music service Android app was launched at the Paris Motor Show in October. It was the first app in the world to be demonstrated on the new MirrorLink® v1.1 platform, available in various vehicles at the show. The app's availability on MirrorLink® v1.1 means it will be accessible in many next generation hardware products across the new and aftermarket vehicle sectors.

The app is available for download on any Android mobile device, and enables access to thousands of worldwide radio stations. The app also includes a number of driver features including Driver Mode where the user tilts the phone to show a simplified driver-friendly app and features. The app is also the first to include in-vehicle data analytics able to capture radio and vehicle data in real time and have it stored in a cloud service with the ability of the vehicle owner to access detailed information about vehicle performance, usage and travel routes.

The group signed with German automotive giant Continental, whose Interior Division will integrate the app into its state of the art infotainment hardware systems to be sold to vehicle manufacturers worldwide.

Given its availability via the touch screen MirrorLink® system miRoamer will be available in various Volkswagen Group vehicles including the Polo, Passat, Passat Estate, Beetle and Beetle Cabriolet. This list will expand as new models are launched throughout 2015. This deal marks the first production release of vehicles comprising the miRoamer service.

The group also announced that the new Skoda Fabia will make miRoamer available to its drivers through the MirrorLink® v1.1 head unit. This will be common across all new MirrorLink® enabled Skoda vehicles moving forward.

These deals alone see miRoamer with an addressable market size of approximately 9.5 million vehicles over the next five years. The group expects this number to continue to rise sharply as new automakers and models are signed.

miRoamer was also showcased at the Samsung Developer Conference in San Francisco involving about 3,000 people. A stand at the conference dedicated to MirrorLink® provided a demonstration of the miRoamer app to attendees using Samsung mobile devices and car stereo head units.

The group also announced it had reached agreement with digital music streaming service Deezer, making it a platinum partner to the miRoamer platform. This will enable miRoamer users to use Deezer in-vehicle and on mobile devices from early 2015.

The deal substantially increases the miRoamer audience size and provides users with access to 35 million music tracks, 30,000 radio stations and 100 million shareable playlists.

Flex

In November the group announced the launch of Flex, our new cloud-based connected vehicle management service.

Flex provides the ability to manage an entire fleet of vehicles from a central control point using cellular mobile connectivity. It can provide tracking information to the control point so key performance indicators can be assessed.

Flex enables users to track a range of real time and historical data including vehicle location, distance travelled, fuel consumption, battery life, engine performance and absolute and average speeds travelled.

The BETA trial of Flex has been ongoing throughout Melbourne and Adelaide and feedback thus far is very positive. The group expects the product to be officially launched during Q1 2015 with immediate revenues to be realised via user subscriptions.

Vehicle owners, fleet managers and drivers will benefit from Flex in a number of ways including improving productivity, safety and vehicle management, as well as avoiding OH&S oversights.

The Flex hardware required for each vehicle is a small device that connects to the vehicle's OBD-II port. This port is standard on most vehicles manufactured after 1996.

Corporate

On 14 November the Annual General Meeting was held with all resolutions put to shareholders passed.

During the December quarter the group announced a non-renounceable pro-rata entitlement issue of options to Australian and NZ shareholders. Participating shareholders will receive two options for every three shares held at an issue price of 1.5 cents per option, exercisable at 20 cents per option before the expiry date of 31 August 2016. Connexion will apply to list the options on the ASX with the offer fully underwritten by Raven Holdings Pty Ltd if a

Half-Year Report - 31 December 2014

shortfall occurs.

A corporate services mandate was also signed with Raven Holdings during the quarter. Raven will provide corporate advisory and capital markets services as well as underwriting the rights issue.

Summary

It is estimated that next year 20% of all new vehicles produced will be connected to the internet. This proportion is expected to rapidly rise.

Internet connected vehicles appears to be another exponential growth segment associated with the internet. The impacts will be profound for car safety, security, vehicle data, navigation, in-car infotainment, fleet management and insurance.

It is clear that connected cars are creating opportunities never envisaged before. Your company, Connexion Media, is working stridently to position itself in the forefront of this revolution in the automotive industry.

Options

As at 31 December 2014 no options over ordinary shares have been issued by the company.

Auditor's independence declaration

The lead auditor's independence declaration for the half-year ended 31 December 2014 has been received and can be found attached to this report.

Signed in accordance with a resolution of the directors.



George Parthimos

Director

Melbourne, 30 of JANUARY, 2015

AUDITOR'S INDEPENDENCE DECLARATION UNDER SECTION 307C OF THE CORPORATIONS ACT 2001 TO THE DIRECTORS OF CONNEXION MEDIA LIMITED

I declare that, to the best of my knowledge and belief during the half-year ended 31 December 2014 there have been:

- no contraventions of the auditor independence requirements as set out in the Corporations Act 2001 in relation to the review; and
- no contraventions of any applicable code of professional conduct in relation to the review.

William Buck

William Buck Audit [Vic] Pty Ltd
ABN 59 116 151 136

N.S. Benbow

N. S. Benbow
Director

Dated this *30th* day of *January*, 2015

CHARTERED ACCOUNTANTS & ADVISORS

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Statement of Profit or Loss and Other Comprehensive Income

Half-year ended 31 December 2014

	Note	December 2014 \$	December 2013 \$
Revenue			
Interest		20,414	-
Expenses			
Administrative and corporate expenses		(334,477)	-
Employment costs and directors' fees		(200,382)	-
Finance costs		(12,911)	-
Marketing expenses		(28,918)	-
Occupancy costs		(30,000)	-
Research & development costs		(285,262)	-
Share quotation and transaction cost expenses	1	(3,241,001)	-
Travelling expenses		(76,615)	-
Loss before income tax		(4,189,152)	-
Income tax expense		-	-
Loss for the half-year attributable to members of the company		(4,189,152)	-
Other comprehensive income		-	-
Total comprehensive loss for the half-year attributable to members of the company		(4,189,152)	-
LOSS PER SHARE			
Basic and diluted loss per share (cents per share)		(7.35)	-
Weighted average number of shares used in determining basic and diluted loss per share		57,008,114	1

The accompanying notes form part of these financial statements

Statement of Financial Position

As at 31 December 2014

	Note	December 2014 \$	June 2014 \$
Current assets			
Cash and cash equivalents		1,875,173	-
Trade and other receivables		72,360	-
Total current assets		<u>1,947,533</u>	<u>-</u>
Non current assets			
Plant and equipment		3,875	-
Total non current assets		<u>3,875</u>	<u>-</u>
Total assets		<u>1,951,408</u>	<u>-</u>
Current liabilities			
Unsecured trade and other payables		190,875	-
Financial liabilities	4	205,528	-
Total current liabilities		<u>396,403</u>	<u>-</u>
Non current liabilities			
Financial Liabilities	4	313,129	-
Total non current liabilities		<u>313,129</u>	<u>-</u>
Total liabilities		<u>709,532</u>	<u>-</u>
Net assets		<u>1,241,876</u>	<u>-</u>
Equity			
Issued capital		5,431,028	-
Accumulated losses		(4,189,152)	-
Total equity	5	<u>1,241,876</u>	<u>-</u>
NET TANGIBLE ASSETS PER SHARE			
Net of tangible assets per share (cents per share)		1.51	-
Number of shares used in determining net tangible assets per share		82,119,770	1

The accompanying notes form part of these financial statements

Statement of Changes in Equity

Half-year ended 31 December 2014

	Issued Capital \$	Accumulated Losses \$	Total \$
As at 1 July 2013	-	-	-
Total comprehensive loss for the half-year	-	-	-
As at 31 December 2013	-	-	-
As at 1 July 2014	-	-	-
Issue of shares	7,384,954	-	7,384,954
Less capital raising expenditure	(1,953,926)	-	(1,953,926)
Total comprehensive loss for the half-year	-	(4,189,152)	(4,189,152)
As at 31 December 2014	5,431,028	(4,189,152)	1,241,876

The accompanying notes form part of these financial statements

Statement of Cash Flows

Half-year ended 31 December 2014

	December 2014 \$	December 2013 \$
Cash flows from operating activities		
Payments to suppliers and employees	(905,569)	-
Borrowing costs paid	(18,100)	-
Interest received	20,414	-
Net cash used in operating activities	<u>(903,255)</u>	<u>-</u>
Cash flows from investing activities		
Acquisition of plant and equipment	(3,875)	-
Net cashflows from investing activities	<u>(3,875)</u>	<u>-</u>
Cash flows from financing activities		
Proceeds from issue of ordinary fully paid shares	3,246,864	-
Costs of issuing shares	(353,926)	-
Repayment of loan from Mi Media Holdings Limited	(110,635)	-
Net cashflows from financing activities	<u>2,782,303</u>	<u>-</u>
Net increase in cash and cash equivalents held	1,875,173	-
Cash and cash equivalents at the beginning of half-year	-	-
Cash and cash equivalents at the end of the half-year	<u>1,875,173</u>	<u>-</u>

The accompanying notes form part of these financial statements

Notes to the Financial Statements

1. Statement of significant accounting policies

These are the financial statements of Connexion Media Limited (the company) and its 100% legally controlled entity, miRoamer Pty Ltd (the group), for the half-year ended 31 December 2014. For accounting purposes, the accounting parent company of the group for the period ended 31 December 2014 was miRoamer Pty Ltd. As such, these financial statements and comparative disclosures thereon reflect the stand-alone results of miRoamer Pty Ltd up until the date that it achieved control of Connexion Media Limited, for accounting purposes, on 29 August 2014, and thereafter of the group's consolidated results for the period ended 31 December 2014.

Connexion Media Limited is a listed public company, incorporated and domiciled in Australia.

These financial statements are general purpose financial statements that have been prepared in accordance with the requirements of the Corporations Act 2001 and AASB 134 Interim Financial Reporting. Compliance with Australian Accounting Standards ensures that these financial statements and notes also comply with International Financial Reporting Standards.

These interim financial statements are intended to provide users with an update of the latest annual financial statements of Connexion Media Limited. As such, it does not contain information that represents relatively insignificant changes occurring during the half-year of the company. It is therefore recommended that these financial statements be read in-conjunction with the annual financial statements of the company for the year ended 30 June 2014, together with any public announcements made during the half-year.

With the exception of those disclosed below, the same accounting policies and methods of computation have been followed in these interim financial statements as were applied in the most recent annual financial statements.

Reverse acquisition of miRoamer Pty Ltd

On 29 August 2014 Connexion Media Limited successfully completed an issue of share capital under Prospectus, the details of which are highlighted in Note 5 discussing movements in Issued Capital. On this date, the company also successfully achieved requote on the Australian Securities Exchange (ASX), which meant that the all remaining conditions to the Share Sale Agreement to acquire 100% of the issued share capital of miRoamer Pty Ltd from Mi Media Holdings Limited, as discussed in the June 2014 annual report, were achieved. As at this date, Mi Media held more than 50% of the ordinary issued share capital in Connexion Media Limited. Based upon this shareholding, and from a change to the nature of the operations and management to the entity that accompanied the transaction, the directors determined that the transaction satisfied the accounting definition of a reverse acquisition, whereby the accounting parent of the newly merged entity would be miRoamer Pty Ltd, irrespective of the fact that the head legal entity would remain as Connexion Media Limited. The directors also determined that the newly acquired entity, for accounting purposes, being Connexion Media Limited, did not meet the accounting definition of a business, and as a consequence no adjustments were made for fair values of assets or liabilities held in Connexion as a consequence of the transaction. All costs incurred as a result of the transaction, including the costs of equity paid by miRoamer for merging into the newly-formed group the existing shareholders of Connexion Media Limited that could not be directly linked to the issue of share capital, were expensed to the profit or loss, as follows:

	Six months ended 31 December 2014 \$
Value of equity attributed to shareholders of Connexion Media Limited (10,185,450 shares at 20 cents per share) arising from the reverse acquisition of miRoamer Pty Ltd:	2,037,090
Net liabilities incurred upon the accounting acquisition of Connexion Media Limited	710,716
Issue of 2,700,000 shares to corporate advisor	486,000
Other transaction fees	7,195
	<hr/>
	3,241,001

Assessment of working capital needs

As at 31 December 2014, the group held \$1,551,130 in working capital, which is consistent with the cashflow expectations for the group which were set out in the Prospectus discussed above. Accordingly, the directors believe that the group can continue to apply the going concern basis accounting for the following reasons:

- It has forecast from its existing contracts with major automotive companies to commence earning revenues within the aforesaid 12 month forecast period;
- It has recently announced to the market that it has secured a signed underwriting agreement for 2:3 rights issue of listed options, which at an issue price of 1.5 cents per option, net of costs, are expected to raise an additional \$672,662 in working capital;
- It has received assurances that amounts owing to Mi Media Limited, totalling \$205,528, will not be called upon in

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the event that the repayment of this loan would jeopardise the working capital position of the group;

- It expects to be successful in claiming research and development credit expenditures from the Australian Taxation Office, which it is yet to quantify and therefore represent as an asset in these financial statements; and
- It will continue to prudently manage its costs, of which the majority can be flexed, in order to continue to manage its working capital needs.

Based upon these points, the directors believe that the group will have access to sufficient working capital reserves that it requires in order to meet its forecast plans. Consequently, financial report does not contain any adjustments relating to the recoverability and classification of recorded assets nor to the amounts or classification of recorded assets or liabilities that might be necessary should the group not be able to continue as a going concern.

Reverse Acquisitions of entities that are not businesses

When an entity obtains control over an entity and that entity is not a business, the company applies its accounting policy for consolidations, and any consideration paid in-respect of the acquisition of that entity in-excess of the net book value of assets and liabilities acquired is expensed to the profit and loss. Where consideration for the acquisition involves the issue of share capital by the accounting acquirer, such equity is measured at its grant date fair value. Grant date is the date in which all parties to the transaction are fully aware of the rights and entitlements attributed to the consideration of the issued capital issued by the accounting acquirer.

Basis of consolidation

These are consolidated financial statements of Connexion Media Limited and entities legally controlled by the company (its subsidiaries), but, as stated above, reflect the accounting results of miRoamer Pty Ltd which in-substance acquired Connexion Media Limited through a reverse acquisition.

Control exists when the company or group is exposed to, or has rights to variable returns from its involvement with the entity and has an ability to affect those returns through its power to direct relevant activities in the entity.

Income and expense of subsidiaries acquired or disposed of during the year are included in the consolidated statement of profit or loss and other comprehensive income from the effective date of acquisition and up to the effective date of disposal, as appropriate.

All intra-group transactions, balances, income and expenses are eliminated in full on consolidation.

2. Commitments and contingent liabilities

The group currently has no commitments or contingent liabilities at the date of signing this report (June 2014: Nil).

3. Segment reporting

During the period ended 31 December 2014 the group continued to operate in Australia, specialising in developing global information technology solutions for automotive industries.

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4. Financial liabilities

	December 2014	June 2014
	\$	\$
<i>Current</i>		
Loan owing to Mi Media Holdings Limited - unsecured (i)	205,528	-
<i>Non-current</i>		
Secured loan (ii)	313,129	-
	<u>518,657</u>	<u>-</u>

Loan owing to Mi Media Holdings Limited (i)

The loan owing to Mi Media Holdings Limited is unsecured, interest free and payable at call. George Parthimos is a director and significant shareholder of Mi Media Holdings Limited.

Secured loan (ii)

On 21 January 2013 the company entered into a loan agreement with a third party investor, which entitled the company to an advance of \$296,500 on this date. The loan's maturity date has been extended to 28 January 2016 with an annual interest rate of 15% payable as 4% on 28 January 2015 and the balance of 11% payable in arrears. There is no share conversion option attached to the loan. The loan is secured by a registered charge over the company's real and intangible property.

5. Issued Capital

	Issued Shares in the legal entity, Connexion Media Limited	Issued Capital (accounting acquirer, miRoamer Pty Ltd)	Cost of Issuing Equity (accounting acquirer, miRoamer Pty Ltd)	Total (accounting acquirer, miRoamer Pty Ltd)
	No.	\$	\$	\$
Balance as at 1 July 2014	10,185,450	-	-	-
Issue of ordinary shares under Prospectus	16,234,320	3,246,864	-	3,246,864
Issue of shares and cash paid to promoters, brokers and professional advisers	10,700,000	2,101,000	(1,953,926)	147,074
Issue of shares for the acquisition of miRoamer Pty Ltd	45,000,000	-	-	-
Value of equity attributed to shareholders of Connexion Media Limited (10,185,450 shares at 20 cents per share) arising from the reverse acquisition of miRoamer Pty Ltd	-	2,037,090	-	2,037,090
As at 31 December 2014	<u>82,119,770</u>	<u>7,384,954</u>	<u>(1,953,926)</u>	<u>5,431,028</u>

The consolidated financial statements and share capital represent the continuation of miRoamer Pty Ltd. The number of shares on issue reflects those of the legal head entity, Connexion Media Limited. The fair value of shares issued is at quoted market prices as at the date of granting and issuing those shares.

Directors' Declaration

The directors of the company declare that:

1. the attached financial statements and notes are in accordance with the Corporations Act 2001 and:
 - (i) comply with Accounting Standard AASB 134 Interim Financial Reporting and the Corporations Regulations 2001; and
 - (ii) give a true and fair view of the financial position as at 31 December 2014 and of the performance for the half-year ended on that date of the company;
2. in the directors' opinion there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.

This declaration is made in accordance with a resolution of the Board of Directors.

On behalf of the Board



George Parthimos

Director

Melbourne, 30 of JANUARY, 2015

INDEPENDENT AUDITOR'S REVIEW REPORT TO THE MEMBERS OF CONNEXION MEDIA LIMITED

Report on the Half-Year Financial Report

We have reviewed the accompanying half-year financial report of Connexion Media Limited (the company) and the entity it controlled at the half-year's end or from time to time during the half year (the group), which comprises the consolidated statement of financial position as at 31 December 2014, the consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the half-year ended on that date, notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration.

Directors' Responsibility for the Half-Year Financial Report

The directors of the company are responsible for the preparation of the half-year financial report that gives a true and fair view in accordance with Australian Accounting Standards and the Corporations Act 2001 and for such internal control as the directors determine is necessary to enable the preparation of the half-year financial report that is free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express a conclusion on the half-year financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410 Review of a Financial Report Performed by the Independent Auditor of the Entity, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the financial report is not in accordance with the Corporations Act 2001 including: giving a true and fair view of the group's financial position as at 31 December 2014 and its performance for the half-year ended on that date; and complying with Accounting Standard AASB 134 Interim Financial Reporting and the Corporations Regulations 2001.

As the auditor of Connexion Media Limited, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

CHARTERED ACCOUNTANTS & ADVISORS

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INDEPENDENT AUDITOR'S REVIEW REPORT TO THE MEMBERS OF CONNEXION MEDIA LIMITED (CONT)

Independence

In conducting our review, we have complied with the independence requirements of the Corporations Act 2001.

Conclusion

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the half-year financial report of Connexion Media Limited is not in accordance with the Corporations Act 2001 including:

- a) giving a true and fair view of the group's financial position as at 31 December 2014 and of its performance for the half year ended on that date; and
- b) complying with Australian Accounting Standard 134 Interim Financial Reporting and the Corporations Regulations 2001.

Emphasis of Matter

Without modifying our conclusion, we draw attention to Note 1 in the financial report which indicates that the group incurred a net loss of \$4,189,152 during the half year ended 31 December 2014, and the group had net cash outflows from operations of \$903,255 during the period. These conditions, along with other matters as set forth in note 1, indicate the existence of a material uncertainty that may cast significant doubt about the group's ability to continue as a going concern and therefore the group may be unable to realise its assets and discharge its liabilities in the normal course of business.

William Buck

William Buck Audit [Vic] Pty Ltd
ABN 59 116 151 136



N. S. Benbow
Director

Date this 30th day of January, 2015