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ASX/Media Release

KNeoMedia completes successful trial launch of Mandarin language Edutainment product KNeoJUNIOR into China

Over 14,000 consumer downloads within only three days

- **KNeoJUNIOR trial enthusiastically received by Chinese consumers with 14,000 individual downloads via distribution agreement with SmartTrans Holdings Limited (ASX: SMA)**
- **Pricing structure for large-scale roll-out of KNeoJUNIOR product to multiple Chinese provinces currently being finalised**
- **Positive consumer uptake and feedback has KNeoMedia well positioned to capitalise on growing Chinese Edutainment sector**
- **KNeoMedia is currently assessing additional distribution opportunities throughout China and South East Asia to secure multiple revenue streams**

KNeoMedia Limited (“KNeoMedia” or the “Company”) (ASX:KNM) is pleased to announce that it has successfully completed a consumer-based trial of its first Mandarin language product, KNeoJUNIOR. The Edutainment (education + entertainment) product trial was carried out under the distribution agreement with SmartTrans Holdings Limited (ASX:SMA) and received strong initial uptake with over 14,000 individual downloads occurring over three days.

The targeted KNeoJUNIOR trial was conducted in Guangdong Province to determine consumer interest levels and assess acceptable product pricing points prior to the official product launch.

As a result of the strong consumer demand, KNeoMedia is currently working with SmartTrans and leading Chinese telecommunication provider China Mobile to finalise this pricing structure.

KNeoJUNIOR will be now officially launched to Chinese consumers across multiple provinces imminently as part of the Company’s China-focused sales program.

In addition, KNeoMedia plans to continue building multiple revenue streams by replicating its Chinese-focused distribution model more extensively throughout South East Asia. An agreement in this regard is expected to be announced shortly.

The launch of KNeoJUNIOR is a key pillar in the Company’s strategic push into the growing Chinese Edutainment sector, and represents the first of several Mandarin language products to be distributed across multiple Chinese provinces under the agreement with SmartTrans.

KNeoMedia’s Chief Executive Officer James Kellett commented: *“The team at KNeoMedia is very pleased with the successful consumer-focused trial of our first Mandarin language product, with 14,000 individual downloads recorded over a three-day period. This far exceeds our initial expectations.*

“We view the Chinese Edutainment market as a cornerstone to the Company’s development plans and we are very pleased to be working with such experienced and established operators in SmartTrans Holdings, who have significant consumer reach and distribution across a number of major provinces in China.

“SmartTrans has a well-established strategy of firstly undertaking trial launches to determine consumer interest and acceptable price points. This way, greater take up and revenue is assured when this first product is officially launched to a national audience in the very near term. It also helps us determine pricing for other edutainment products which we will also look to promote to Chinese consumers.”

SmartTrans Holdings Managing Director Bryan Carr added: *“KNeoJUNIOR is a great example of content that appeals to Chinese consumers, and the encouraging take up during the trial phase reflects this. SmartTrans’ well established distribution platform ensures quality product and content developers like KNeoMedia have an immediate channel to market in China.”*

James Kellett added: *“We are confident that the official launch of KNeoJUNIOR will generate meaningful revenue for the company and our strategy is to continue to roll out new edutainment products so we have multiple revenue streams.*

“Other distribution opportunities in Asia are being pursued and we expect to announce one such development in the near term. We also look forward to updating shareholders on the progress we are making with our suite of edutainment products in the United States.”

-ENDS-

About KNeoMedia Limited:

KNeoMedia Limited is an online games publishing company that delivers world-class edutainment games to global educational and consumer markets (education + entertainment = edutainment). KNeoMedia publishes and markets from its US-based subsidiary, KNeoWORLD Inc., and sells on a micro-subscription and Apps basis through the KNeoWORLD.com games portal, Apps Stores and via distribution agreements and education departments.

Games Based Learning is an integral part of childhood education. Growth in educational markets, combined with advances in mobile devices and connectivity, will continue to accelerate innovation, adoption, and affordability of our products around the world.

KNeoWORLD is a fun education games portal where young students play their way through a futuristic and epic world. They do this by playing compelling games that are subtly infused with validated educational content including numeracy, literacy, science and arts. KNeoWORLD Apps comply with child online protection and the parent approved simple subscription model provides KNeoWORLD with a global opportunity to quickly deploy in a product vacuum and become a market leader.

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