



ASX/Media Release

(ASX:KNM)

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KNeoMedia and Mobile Embrace launch HeroWORLD edutainment platform in UK market

- **Mobile Embrace** to **promote** and distribute HeroWORLD educational games and content in the UK
- Opportunity to reach over **40 million mobile subscribers**
- Follows **successful launch** and strategic marketing program designed for HeroWORLD product in Australia – readily transferable to UK market
- Distribution agreement will utilise Mobile Embrace's marketing reach through billing arrangements already in place with **major UK telco providers**
- Both companies see potential for **significant revenue opportunity** in large UK market

KNeoMedia Limited (KNeoMedia or the Company) is pleased to announce that KNeoMedia's HeroWORLD educational games and content has launched in the United Kingdom (**UK**) market, following its successful trial in Australia.

Having refined and developed a strategic marketing campaign for the HeroWORLD offering in Australia, which is now generating encouraging uptake in this market, Mobile Embrace intends to replicate and scale up this model in the UK.

Encouraged by this current success, both companies see the potential for a significant revenue opportunity in the UK market as it is very well aligned to the Australian market in terms of language and culture with a reach to 40 million subscribers.

As previously communicated to shareholders (*KNM ASX announcement of 9 September 2015*), the HeroWORLD edutainment product has been specifically designed for consumers on smartphones and tablets via Mobile Embrace's embedded direct carrier billing platform. As part of this ongoing agreement, Mobile Embrace will now promote KNeoWORLD content and games in the UK with both companies to share transactional revenue.

Commenting on the launch of HeroWORLD in the UK, KNeoMedia's Chief Executive Officer, James Kellett stated: "Following the success in Australia with the launch of HeroWORLD through our agreement with Mobile Embrace, this is a natural progression into a similar market, and one that can be very easily replicated and scaled up at relatively low cost."

“We have worked closely with Mobile Embrace to ensure that we have the right product and marketing strategy for both the Australian and UK markets, and we are confident that this expansion will deliver a positive result in terms of uptake and revenue.”

Mobile Embrace Chief Executive Officer, Chris Thorpe added: ““We are pleased to have added to our product offering in the UK market with HeroWorld educational products and look forward to co-operatively building value in the territory.”

- 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.

About Mobile Embrace Limited

Mobile Embrace Limited (ASX:MBE) is a mobile commerce company. Through our integrated and award winning mobile marketing and carrier billing infrastructure we enable the reach, engagement, transactions with and embracement of consumers via mobiles and tablets.

To learn more please visit www.mobileembrace.com, follow us on Twitter [@ir_mbe](https://twitter.com/ir_mbe) or download independent research on MBE here: <http://mobileembrace.com/investors-2/>.

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