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Update on KNeoWorld New York Public Schools sales program

- **KNM's New York sales team focused on conversion of 50 advanced inquiries into sales – well placed for sales conversions shortly**
- **KNM now also directly engaged with Presidents of three New York Boroughs to secure Borough-wide implementation of KNeoWorld across schools**

Online education content publisher **KNeoMedia Limited (ASX: KNM) (KNeoMedia or the Company)** provides this update on the sales program and rollout of the KNeoWorld games-based learning portal into the New York Public Schools network.

As previously advised, KNeoMedia has built a pipeline of 50 advanced sales inquiries together with interest from some US Federal education groups. To date, over 2,000 seat licences have been sold, valued at US\$50.00 per licence. The sales team in New York is focused on converting these inquiries into firm sales, and is confident of delivering new sales very shortly.

As well, KNeoMedia has been negotiating with the Presidents of three Boroughs in New York – Brooklyn, the Bronx and Queens – to approve the implementation of KNeoWorld into schools Borough-wide. These negotiations are ongoing and interest in KNeoWorld has been most encouraging. Such implementation by the Boroughs would greatly reduce the adoption period as it would assist in over-coming delays individual schools experience in funding allocation as well as enabling a broader deployment to schools in each Borough. The Company will keep shareholders updated on this sales channel.

KNeoMedia's Chief Executive Officer, James Kellett said: *"We are encouraged by the growing level of inquiry and interest from individual schools, and more recently, representatives from the Boroughs in New York which could lead to much larger sales volumes.*

"As well, we continue to target individual school sign ups and converting the pipeline of 50 advanced sales inquiries. We expect to sign on more schools shortly, and while the process is lengthy as schools wait on funding allocation, we are confident of executing the sales pipeline. Interest in KNeoWorld and user-validation is growing by the day."

Executive Director Frank Lieberman added: *"KNeoMedia is at a major inflection point and we are more encouraged than even more about the opportunities for KNeoWorld in the US education market. Right now, our focus and priority is firmly on the New York Public School market and achieving greater scale here. We are confident of delivering this which will also provide further endorsement and validation of the efficacy of our game based learning to the broader US markets."*

– 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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