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Further Material Data Savings Realised in Delivery of NGN Alpha Version

Highlights

- Outstanding preliminary test results of NGN Android application across key web and streaming platforms with delivery of Alpha version ahead of schedule
- Further to initial results published on the ASX on 15 July 2015, additional material data savings recorded:
  - Facebook – up to 52% (up to 50MB per hour saved)
  - Netflix – up to 53% (up to 90MB per hour saved)
  - Instagram – up to 57% (up to 36MB per hour saved)
- Compelling opportunity confirmed for consumers globally to materially reduce their data usages and therefore costs on mobile
- Monetisation strategy under development to realise this key competitive advantage and first to market opportunity
- IP protection strategy in place and evolving through the development of the Android application
- Further testing in progress focused on the collection of metrics relating to network speed and user experience optimisations on Alpha version
- Video of application performance available at www.nexgennet.com

VTX Holdings Limited (ASX: VTX) ("VTX" or the "Company") is pleased to announce outstanding preliminary test results of NexGen Networks Limited's ("NexGen" or "NGN") Android application currently in development.

The Android application is currently in Alpha release phase. Further developments are underway for the release of a fully functional Alpha version where additional optimisations and refinements are expected.



Throughout these phases, the underlying proprietary technology has seen continued peak data reductions and additional performance gains achieved.

Further to the testing results announced on 15 July 2015, the first round of targeted testing on key web platforms (Facebook, Netflix and Instagram) has now been completed on an Android application with initial results demonstrating significant data savings and improved user experience.

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Android Testing Results across Key Platforms

	Users	Average Time Spent on Platform	Average Data Used without using NGN app	Average Data Used on NGN	Data Saving with NGN (per hour)	Data Saving with NGN %
Facebook (Android App)	1.49 billion	41.2 minutes per day	6MB - 18MB in 5 minutes	4MB -11MB in 5 minutes	Up to 50MB	Up to 52%
Netflix (Android App)	60 million	46.6 minutes per day	420MB -500MB per hour	380MB-410MB per hour	Up to 90MB	Up to 53%
Instagram (Android App)	300 million	21 minutes per day	8MB -16MB in 5 minutes	5MB -12MB in 5 minutes	Up to 36MB	Up to 57%

The outstanding results demonstrate a technology platform which can considerably reduce consumer data usages and therefore associated costs on mobile. The application could have a particularly positive impact on Netflix users by providing those with limited network speeds access to content in higher resolutions not previously possible in low bandwidths. This also opens further opportunities in the enterprise sector.

Android Release Expected Ahead of Schedule

NexGen has successfully ported its revolutionary bandwidth optimisations from a desktop environment to the Android mobile platform and field-testing of the Alpha version has delivered outstanding results.

The completion of the Alpha version of the Android application ahead of schedule represents a significant milestone for NexGen. NexGen is another step closer to delivering the benefits of bandwidth optimisation and data saving technology to the billions of Android users globally.

Based on the current results and development status of the Android application, NGN expects to release the Android version in November 2015 across key regions via a soft launch, with the iOS application to follow during the month of December.

Whilst the Android consumer offering will mark NexGen's first initial product offering, the future focus includes developing an enterprise offering in the form of an optimisation network to reduce data and increase download and transfer speeds.

Indicative Cost Model and Savings

NexGen has continued the development of its monetisation strategy for the platform. Based on an internal analysis of infrastructure and operating costs, NexGen has devised an indicative internal pricing model, which could provide compelling cost savings to consumers in both Australia and New Zealand via completed case studies.

Based on an average cost of between $1 and $4 per month per user for the NGN application an average consumer could save between $55 and $91 through lowering their data consumption. This is based on an average data plan of $180 per year with consumption of 1GB of data per month and the average data savings generated by NexGen of 57%. This alone has highlighted a possible Return on Investment of between 1200% and 4800% and Average Revenues Per User (ARPU) of between $12 and $48 per annum.

NexGen continues to further refine and develop its monetisation strategy and will provide further updates to the market in the coming weeks regarding its proposed revenue model for the NexGen app and paths to market.

Cameron Worth, Technical and Commercial Advisor to VTX commented:

"*This further round of testing has demonstrated the technologies clear ability to reduce the data consumption across widely used consumer platforms and the ability to potentially deliver significant cost savings to the consumer.*

"*We're delighted with the results achieved across the Android application in development and are encouraged that the application will deliver further efficiencies as it undergoes further development and testing ahead of the Alpha version soft launch, expected in November 2015.*"

- ENDS –

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ABOUT NEXGEN NETWORKS

NexGen is a New Zealand based software technology company founded in 2013, by experienced technology entrepreneurs and retail executives Jason Gitmans and Robert Pole.

NexGen has developed cutting edge software technology, which uses intelligent customised algorithms to optimise data flow between devices and facilitates faster speeds on existing hardware. The ability to deliver such optimal results is due to NexGen's customised virtual based technology, which re-directs data through to its own proprietary server, delivering faster and more efficient data usage to each user through existing infrastructure.

TECHNICAL ADVISOR – MR CAM WORTH

Technical information contained in the announcement has been prepared under the supervision of Mr Cam Worth of Simplisite Business Solutions - a specialist web, software & IT solutions provider. As announced on 2 July 2015, Mr Worth has been engaged as Technical and Commercial Advisor to the Board of VTX. Mr Worth has led projects across multiple jurisdictions and successfully launched platforms and deployed large-scale business intelligence systems in multiple markets. He has extensive experience in the design and development of web-based software solutions and has consulted extensively in software development and cloud solutions. Mr Worth also acts as an Industry representative, in Communication and Cultural Studies for Curtin University, Western Australia. Mr Worth consents to the inclusion in this report of the information in the form and context in which it appears.