



# ASX Announcement

PERTH - 29 MAY 2018

## FAMILY ZONE TO LAUNCH IN INDIA WITH VODAFONE AND MICROMAX

- Family Zone positioned to become the leading provider of cyber safety solutions in India.
- Family Zone signs agreements with Vodafone, India's largest mobile network provider, and Micromax, India's second largest manufacturer of mobile and tablet devices.
- Vodafone India has in excess of 430m subscribers and has agreed to resell Family Zone's services across its prepaid and postpaid segments. The agreement includes plans to sell Family Zone as both a fee-based value-added service and also as part of a paid service bundle in strategic segments.
- Micromax manufacture and sell in excess of 30m Android mobile devices each year. Micromax will embed Family Zone's mobile app onto its devices and promote this through its 125,000 retail outlets in India.
- Target commercial launch is Qtr 4, CY18.

Family Zone Cyber Safety Limited (ASX: FZO) (**Family Zone** or **Company**) is pleased to update the market on significant new wholesale deals with two of India's leading telecoms providers.

Family Zone Managing Director, Tim Levy, said:

*"India is an important strategic market for us. The country has an enormous and growing middle class that has rapidly adopted technology. Indian parents share the concerns of parents worldwide with the challenges of the cyber age."*

*Reaching agreement with a Vodafone entity, one of the leading and largest telecom groups in the world, is a major acknowledgement of our Company and our vision. Reaching agreement with Micromax continues our drive to embed cyber safety and access to the Family Zone ecosystem everywhere our children access the internet.*

*We are proud and delighted that both Vodafone and Micromax have selected Family Zone as their cyber safety provider of choice in the large and dynamic Indian market.*

*We are excited about the future opportunities that this collaboration will bring with other Vodafone Group entities and we are very pleased with the progress that we are making, on executive appointments, and other exciting opportunities and partnerships in the Indian market-place".*

### Further Realisation of the Company's Unique Strategy

Family Zone was founded on the premise that successful cyber safety requires user-friendly technology that works wherever children access the internet and on any device.

Where others have failed offering fragmented solutions, Family Zone solves the modern-day, multifaceted challenges of cyber safety by offering our partners and their customers an easy-to-use ecosystem approach, combining universal technology and ongoing education. This unique approach



facilitates collaboration amongst parents, cyber experts, telecom service providers, device manufacturers and schools.

Telecom service providers and handset manufacturers have begun to embrace Family Zone’s ecosystem approach, with Family Zone signing reseller arrangements with industry leaders including Telkomsel (Indonesia), Smart Communications (Philippines), Maxis (Malaysia) and Alcatel, one of the world’s leading handset manufacturers.

Family Zone’s distribution agreements puts it in a great position to access a growing consumer market becoming increasingly aware and concerned about cyber safety.

These agreements were facilitated through the Company’s strategic alliance with Fidelio Partners and Family Zone was selected following a detailed evaluation against global competitors.

## The Indian Market

India is a large and exciting market for Family Zone, offering the scale of more than 1.3bn consumers and a full spectrum of opportunities including wholesale consumer services and educational offerings.

The upside potential of India is enormous. India is the world’s fastest growing major economy, has more Facebook users than any other country and has a rapidly expanding middle class, already exceeding 250m.

The Indian population are conservative, religious and well educated. Whilst there are many languages and dialects, English is pervasive and research demonstrates a growing focus and concern around cyber safety and educational outcomes.

Today some 60% of India’s children (estimated at 200m) possess a mobile device. With no dominant cyber safety provider, India represents a significant untapped market opportunity for the Company.

### India at a Glance

Population	1.3 bn
Children (5-14)	252 m
Adolescents (15-19)	100 m
Youth literacy	90%
GDP growth	6.7%
Facebook users	241 m
Mobile services	1.18 bn
Children with mobiles	60%

## About Vodafone India

Vodafone India, 100% owned by the Vodafone Group, is India’s leading telecommunications company with a 42% customer market share.

Vodafone India, following its recent merger with Idea Cellular Ltd, is now the largest telco in India with in excess of 430m subscribers and is the largest Vodafone subsidiary globally.

Since commencing operations in India in 2007, Vodafone has consistently won accolades and awards for its network, brand, distribution and customer service.

Providing pan-India 4G mobile services under a globally trusted and recognised brand, Vodafone operates in arguably the most competitive mobile market in the world. By promoting Family Zone to its user base, Vodafone seeks to further enhance its reputation for social responsibility, create





product differentiation, achieve an increase in ARPU (Average Revenue Per User) and reduce subscriber churn.

To learn more about Vodafone India, please visit [www.vodafone.in](http://www.vodafone.in).

## Agreement with Vodafone

Family Zone has signed a binding term sheet with Vodafone India under which Vodafone intends to wholesale Family Zone's cyber safety service, Mobile Zone, across its prepaid and postpaid segments.

Under the terms, Vodafone has agreed to offer Mobile Zone as a discrete value added service and also as a bundled service offering. Where sold as a value-add, a revenue sharing arrangement has been agreed and otherwise a service fee applies.

As with all of Family Zone's telecom service provider arrangements, the carrier is responsible for promotion, marketing, provisioning and first tier support.

Family Zone is responsible for back-end services and escalated support.

The arrangements are non-exclusive.

## About Micromax

Established in 2000, Micromax is India's second largest and the world's 10th largest device manufacturer. Headquartered in Gurgaon, Micromax has pioneered the democratisation of technology in India - by offering affordable innovations through their product offerings and removing barriers for large scale adoption of advanced technologies.



Micromax products have become an extension of Indian youth's lifestyle and dynamism and their target users are perfectly aligned with that of Family Zone. Micromax sells in excess of 30m devices per annum through 125,000 retail outlets throughout India.

To learn more about Micromax and its products, please visit [www.micromaxinfo.com](http://www.micromaxinfo.com).

## Agreement with Micromax

Family Zone has signed a binding agreement with Micromax under which Micromax has agreed to pre-install Family Zone's Mobile Zone technology on all its devices at the factory.

Like all of Family Zone's arrangements with handset manufacturers, Micromax receives no commission or revenue share for the generation of Family Zone subscriptions. Instead, Micromax sees value in being able to promote the embedded Family Zone features to both their customers and their telco channels.

The combination of Micromax's youth targeted devices, attractive prices and Family Zone's simple to use, universal and feature-rich cyber safety solution, offers telecom service providers, such as Vodafone India, and their customers a never before seen value proposition.

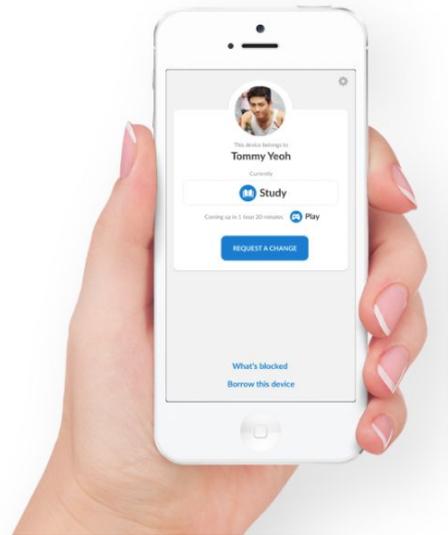
## How the solution will work

Family Zone’s on-device technology is called Mobile Zone. Mobile Zone runs on many platforms including Android smart devices, iOS, macOS, Windows and Chromebooks.

Micromax devices run a version of Google’s Android platform. Under the agreement, Micromax will preload Mobile Zone at the factory, providing parents with the option to sign up and activate the Mobile Zone service.

Plans include not only installing Mobile Zone, but also:

- Promoting Family Zone in the device setup wizard;
- Embedding Family Zone in device settings; and
- Installing restrictions to protect against tampering.



Micromax Co-founder, Vikas Jain, said:

*“Family Zone is clearly a technology and market leader and we look forward to providing our users with a one-stop solution that gives children the freedom to engage online in a safe and healthy manner”.*

## Agreement Details

### Vodafone Terms

Parties	Family Zone and Vodafone India.
Agreement	<p>Binding term sheet for Vodafone India to resell Family Zone services. Terms include all key commercial matters. Term sheet will be superseded by a long form agreement.</p> <p>Moving to a long form agreement is subject to two matters:</p> <ul style="list-style-type: none"> <li>- India Telecom Regulatory Authority approval; and</li> <li>- Completion of a technical security assessment by Vodafone India.</li> </ul> <p>Given previous assessments in other markets, the Company is confident of both of these matters however this is not guaranteed.</p>
Materiality and Projections	We are unable to forecast the potential revenue from this agreement or its financial materiality. The Company however considers this to be a strategically important agreement given the Company’s commercialisation strategy.

### Micromax Agreement

Parties	The Company and Micromax Informatics Limited
Agreement	Application Distribution Agreement with Micromax - binding agreement with a 3 year term and 90-day termination rights for both parties.



Materiality and Projections

We are unable to forecast the potential revenue from this agreement or its financial materiality. The Company however considers this to be a strategically important agreement given the Company's commercialisation strategy.

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## About Family Zone

Family Zone is an ASX listed technology company focused on cyber safety. Meeting a growing demand to keep kids safe online and manage digital lifestyles, Family Zone has developed a unique and innovative cloud-based solution which combines Australian innovation with leading global technology.

To learn more about the Family Zone platform and the Company, please visit [www.familyzone.com](http://www.familyzone.com).

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