

SNK: NZX MARKET UPDATE

25 February 2015

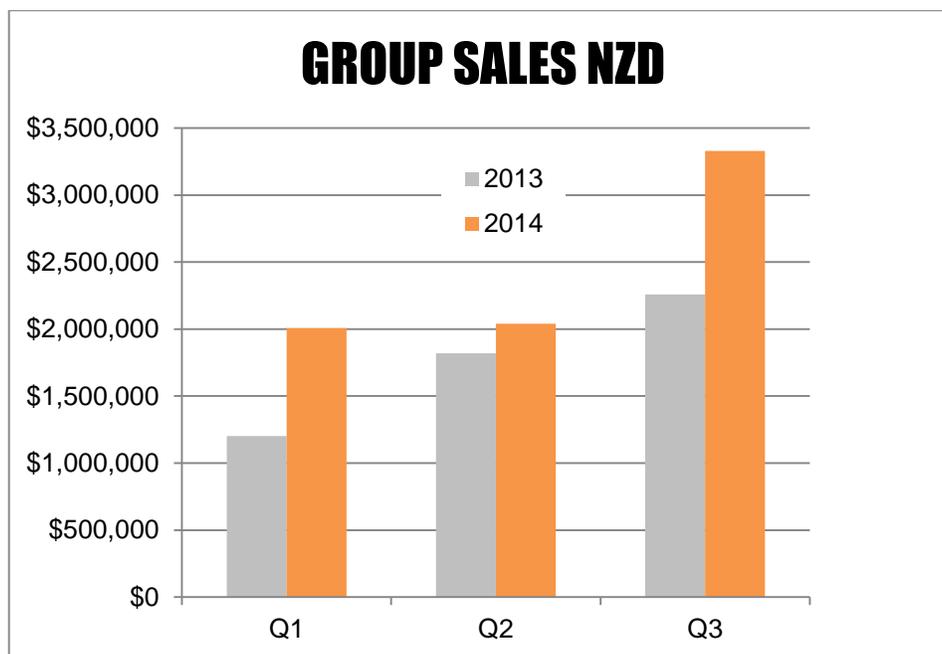
Snakk announces record-breaking Q3 sales*47% year-on-year sales growth; two months with \$1m-plus sales*

AUCKLAND, New Zealand, 25 February 2015 - Snakk Media Ltd., (NZAX: SNK) is announcing its third quarter unaudited sales of \$3,329,944 from 1 October to 31 Dec 2014, representing an increase of 47% on the previous year's third quarter sales of \$2,258,989.

Sales generated over this reporting quarter equate to almost half of the company's full year result in 2014, again at 47%, when the company reported revenue of \$7,029,916 from 1 April 2013 to 31 March 2014.

Third quarter sales include a one-time adjustment of \$684,434, resulting in net quarterly revenues of \$2,645,510. This accrual accounts for volume rebate trading agreements with global agency network partners, dating back to negotiations that commenced in early 2014, and payable retrospectively as a result of successfully finalising terms late in the third quarter.

"This is the first time Snakk has secured partnerships of such potential revenue-generating size and scale, which cover Australia, New Zealand and Southeast Asia," says Snakk Group CEO Mark Ryan, "We're very pleased to have secured a 'seat at the table' with these global agency network groups."

**Key Highlights (1 October - 31 December 2014):**

Notable milestones achieved during this reporting quarter include:

Financials:

- The largest sales quarter in the company's history
- Two consecutive months exceeding \$1m in sales (November and December) - with December sales of almost \$1.5m achieved
- More than 47% of last financial year's gross revenues generated in this quarter

Technology:

- Launching market-first technology in the Asia Pacific region, TV Sync with a campaign for Peugeot, which synchronised TV ads and mobile ads, in response to the large number of consumers using smartphones and tablets while watching TV
- Signing a preferred partnership agreement with Nativo, making its native advertising platform available in Australia and New Zealand

Recognition:

- Earning a spot on the Deloitte Asia Pacific Technology Fast 500 and the New Zealand Fast 50 Index for the second year running

Snakk Group CEO Mark Ryan comments:

“The final three months of the calendar year have traditionally been our strongest, and it’s pleasing to report that this is our largest sales quarter ever. Reaching agreement on several significant volume-driven spending deals with major media agency groups contributed to the lift in performance.

“We have also seen a pronounced jump in revenue from our Southeast Asia team in Singapore. Early in the quarter we invested in more sales staff in this market, and after a slower than expected start we’re now seeing sales volumes increasing steadily. We’re winning business from regional agencies outside of Singapore, running campaigns for brands such as Visa, Ikea, McDonalds and Airbnb, in markets including Indonesia, Hong Kong and Thailand.

“While we are pleased with the quarter’s performance, business growth remains our priority. Our Australian and New Zealand markets have healthy potential; however, our burgeoning Asian business and the opportunities in that region are the future of the business. We will continue to introduce more partnerships and technology innovations to our product portfolio, a strategy that has kept us a step ahead of the competition. While the company has \$2.86m in cash and cash equivalents as at December 2014, we intend on raising more funds in the next few months to allow us to continue to significantly scale up the company.”

Mobile growth stats

The spend on mobile advertising continues to grow, with mobile ads continuing to fuel the growth of popular social networks and smartphone apps. Singapore, Hong Kong and Australia are topping the global charts, passing the US for having the highest percentage of active mobile social media users in the world, at 59%, 58%, and 51% respectively¹.

Mobile advertising is reported to be the key driver of advertising growth around the world, with predictions that mobile ads will account for 22.3% of all advertising spending worldwide by in the next three years, increasing from USD\$64bn in 2015 to over USD\$158bn in 2018.²

ENDS

¹ Digital, Social and Mobile in 2015: <http://wearesocial.sg/blog/2015/01/digital-social-mobile-2015/>

² <http://www.emarketer.com/Article/Advertisers-Will-Spend-Nearly-600-Billion-Worldwide-2015/1011691>

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About Snakk Media Ltd

NZAX-listed Snakk Media helps brands find and reach consumers using apps, games and social media on their smartphones, tablets and other smart screens. The company generates revenue every time it successfully targets and delivers an ad across its networks of mobile websites, apps and games. The ads are targeted to ensure the right audiences see them at the right time and place.

Snakk is one of the first public companies in the world that has met the rigorous social and environmental performance standards required to become a certified B Corporation.