

SNK/ANNOUNCEMENTS

21 March 2016

Snakk Media subject of online scam

Snakk Media Limited (the Company) has been the subject of an online scam. The financial loss, being NZ\$215, 000 (before any recovery, see below), will not affect ongoing operations or the Company's investment plans for FY17. Likewise, it will not affect the Company's KOMs for FY16 and FY17. The Company has over NZ\$3 million in current available cash reserves.

The Board has engaged the Company's auditors, Staples Rodway, to conduct a forensic investigation into the matter to independently assess the fraudulent activity and the Company's position with respect to recovery of the funds. The matter has also been reported to Netsafe Orb who will alert the appropriate authorities.

The Company's bank is pursuing the recipient bank and the activity has been logged with its fraud unit. The Company will reassess its options for the recovery of the funds after the success or otherwise of those activities is known and it has received Staples Rodway's report.

Immediate action has been taken to improve the relevant controls. In addition, Staples Rodway will review the Company's procedures and monitoring activities as part of their engagement to ensure that appropriate processes are in place to prevent a repeat of an incident of this nature.

ENDS

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