



PRESS RELEASE

2014 RESULTS: STRONG GROWTH IN GLOBAL EXPANSION AND E-COMMERCE NEW FRANCHISEE AND PARTNER AGREEMENTS COVERING 60 COUNTRIES AND 2.8 BILLION PEOPLE SIGNED, E-COMMERCE REVENUE GROWS 52% YEAR-ON-YEAR

Key 2014 Highlights:

- Sale of new franchisee licenses to 59 countries, with a combined population of 1.4 billion, and 2 partnership agreements in Nigeria and China covering an additional 1.4 billion people, creates very strong platform for substantial growth in recurring revenue from e-commerce, advertising, gaming and payments in 2015 and beyond
- Recurring revenue from e-commerce grows 52.0% to SGD22.9 million (USD18.1 million)
- Total e-commerce segment, combining recurring revenue from e-commerce sale of goods and e-commerce payments, contributes almost 75% of Total Income in 2014
- One-time RTO expenses, mostly non-cash, contribute to loss for the full year

Summary of financial results of YuuZoo's business for financial year ended 31 December:

	2014 USD	2013 USD	Variance (%)
Total Income (m)	39.1	33.6	17%
RTO expenses (one-off) (m)	(44.9)	-	n.a.
EBITDA (m) ⁽¹⁾	3.9	7.1	(45)%
Adjusted Total Income (m) ⁽²⁾	63.7	33.6	90%
Adjusted EBITDA (m) ⁽²⁾	28.5	7.1	299%

¹ Adjusted to exclude one-off W Corporation Limited expenses related to the reverse takeover exercise (RTO)

² Adjusted to exclude one-off W Corporation Limited expenses related to the reverse takeover exercise and include value of share-based payments relating to franchisee licenses as per valuation done by big 4 audit firm

**Segmental Reporting:**

	2014 USD	2013 USD	Variance (%)
Network development (m)	8.7	8.6	1.5%
E-Commerce Sales (m)	18.1	11.9	52.0%
E-commerce Payments (m)	10.9	12.3	(11.2)%

Singapore, 27 March 2015: Singapore Mainboard listed YuuZoo Corporation Limited ("**YuuZoo**") (SGX: **AFC**), one of the world's fastest growing social e-commerce companies, is pleased to announce 2014 results showing strong growth in both its global expansion and in e-commerce revenue.

E-commerce revenue grew 52.0% to SGD22.9m (USD18.1m) in 2014. Revenue from the recurring revenue of the entire e-commerce segment (including e-commerce payments) grew to SGD36.6m (USD29.0m) in 2014, an increase of 19.9%.

In 2014, YuuZoo expanded its global footprint to 60 new countries. This includes the sale of new franchisee licenses covering 59 countries, and partnerships in two countries (one of which also has a franchisee). 54 of these countries are emerging markets. These countries have a total population base of 2.8 billion.

Thomas Zilliacus, Executive Chairman and CEO of YuuZoo said, "I am extremely pleased to announce the strong growth in the financial year 2014. The 52% growth in e-commerce through the sale of goods and services combined with revenue from e-commerce payments means the e-commerce sector now, in line with our announced business focus, represents almost 75% of total revenue. Signing of new franchise and partnership agreements in 60 countries with a combined population of 2.8 billion means that the strong growth in e-commerce is expected to continue in 2015 and beyond.

YuuZoo already, through existing operations and agreements, has a reach to 85 million registered users, and can in addition reach up 700 million TV viewers through its media partnership in China. Over the next 12 months, the Company will launch major marketing activities aimed at significantly growing its active users, which in turn will enable the generation of new revenue through e-commerce, advertising, gaming and payments. We also expect to see continued new high-margin revenue from franchise agreements and



the sale of networks to clients. With the large RTO expenses in 2014 being one-off costs, we expect to see profits in 2015 in line with the profits we showed in 2011, 2012 and 2013.

The Company in 2014 set up new offices in Nigeria, where it has signed a partnership agreement with Etisalat, the fastest growing mobile operator in the country, in China, where it has a partnership agreement enabling it to work with the sports, gaming and lifestyle division of the second largest TV network in the country, and in Thailand.

The Company has hired top talents from leading e-commerce companies to strengthen its management team. Operations in the franchisee companies which YuuZoo had signed agreement with in 2014 are expected to commence in 2015 and are expected to significantly contribute to recurring revenue.”

Operational Highlights

YuuZoo is the first social media company to be listed on the Mainboard of the Singapore Stock Exchange.

The company combines e-commerce, social networking, gaming and payments in an integrated “virtual shopping mall”, offered to consumers on a mobile-optimized platform that is localised for each market through a unique franchisee model.

Through this business model, unique in the digital space, YuuZoo is able to grow internationally at basically no cost. The model has consistently generated strong margins.

Franchisee

YuuZoo grows its international business under a franchisee concept. Similar in model to the retail franchisee concept, YuuZoo is responsible for the setup and hosting of the YuuZoo virtual shopping mall in the agreed market, while the franchisee is responsible for the localization, local marketing and local management. YuuZoo sells the license to the franchisee against an upfront franchise fee, and collects an agreed percentage of the recurring revenue generated from advertising, e-commerce, gaming and payments within the mall. Ideal franchisees or partners are media and entertainment companies and mobile operators, who have large existing user or viewer bases and vast experience of marketing and sales.

Using a model developed for YuuZoo by a big four audit firm, the Company in 2014 changed the way it sold the franchise licenses from onetime cash fees followed by a recurring revenue share, to payments by the Franchisees in shares in the companies that



operate and own the franchises followed by a recurring revenue share. This enables the Group to correctly reflect the value of the asset over time, and enables the Group to significantly grow its revenue share, from 30% to up to 58%.

While the value of the assets received from the new franchise agreements signed in 2014 under FRS could have been recognized at the time of delivery of the services in 2014, and while a valuation of the assets has been conducted for YuuZoo by a big four audit firm, the Group has decided to take a more conservative approach and recognize the value of the assets for the first time once actual operations by the franchisees have started, which for all in 2014 signed agreements is expected to happen in 2015.

Using the reporting format adopted for the financial results for the nine months ended 30 September 2014, where the value of two new franchise agreements were valued at the time of delivery of the services and using the value stated in the valuation report conducted by a big four audit firm for YuuZoo, the YuuZoo's EBITDA for 2014, excluding the one-time RTO expenses, would have increased by 299% as shown in the Adjusted EBITDA. YuuZoo will instead recognise the value in 2015 and plans to revalue these assets at the end of 2015, by which time the franchise operations in the new markets are expected to have started.

Joint Venture & Partnerships

During the financial year, YuuZoo signed two new partnership agreements. One was signed in China through an intermediary with Great Sports Media Co Ltd ("GSM"), the wholly-owned Sport, Lifestyle and Causal Gaming division of Shanghai Media Group, China's second largest TV network. The other was signed in Nigeria with Etisalat, Nigeria's fastest growing mobile operator. Under the partnership model, YuuZoo does not recognise any value upfront.

For China, YuuZoo has developed a fully localised version of its virtual shopping mall (www.yuuzoo.cn), which GSM will market to its audience of TV viewers across China.

During the year, YuuZoo China also signed an agreement with JW Lottedi (part of Jingwei Group), which company is developing several JW Lottedi Mega Malls in China. The JW Lottedi social e-commerce network will be hosted by YuuZoo and will mirror the shops in the Mega Malls. Through this offline-to-online (O2O) business model, the visitors to any Mega Mall in China and its various stores will become members of YuuZoo, effectively



converting the retail customers to registered users and online consumers. The first mall is expected to be operational in 3Q2015.

Outlook for FY2015

“We are confident of continued strong growth in 2015 and beyond”, says YuuZoo Corporation Executive Chairman and CEO Thomas Zilliacus. “We have built a vast and strong global platform through the new partnerships in 60 countries, adding a population base of 2.8 billion to the more than 700 million covered through earlier franchisee agreements covering another seven countries. We will continue to expand this platform. The company is in discussions with TV networks, multimedia companies and franchisees in several new markets.

We are in 2015 expanding from the pure B2B model into a combination of B2B and B2C. The global platform of franchisees and partners is in 2015 and beyond expected to generate strongly growing recurring revenue in e-commerce, advertising, gaming and payments. We already in 2014 have seen e-commerce becoming the largest revenue contributor for YuuZoo. We expect the growth in e-commerce to continue, but also expect to generate new revenue from higher margin advertising and games, while discussions with new potential franchisees and clients are likely to generate new high-margin franchise and network development revenue. We expect this to mean that we for the full year 2015 will return to the profitability we showed in 2011, 2012 and 2013,” he concludes.

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ABOUT YUUZOO:

Headquartered in Singapore and listed on the SGX mainboard (SGX: AFC), with access to over 85 million registered users and 700 million TV viewers across 164 countries, YuuZoo in a unique way combines social networking, e-commerce, gaming and payments in a mobile-optimized, fully localized virtual shopping mall, where the consumer can access hundreds of targeted social networks, targeted shops and targeted entertainment through one single login. All networks are localized for each market as comes to language



as well as merchandise and design. To see the networks, log into: www.yuuzoo.com. For more information about the company, please log on to: www.yuucorp.com

A translation rate of USD1:SGD1.262925 has been adopted for the conversion of USD to SGD.

Macquarie Capital (Singapore) Pte. Limited ("Macquarie") was the financial adviser to W Corporation Limited (now known as YuuZoo Corporation Limited) in relation to the acquisition of the entire issued and paid-up share capital of YuuZoo Corporation and its subsidiaries.