ASX ANNOUNCEMENT

24 September 2015

Norwood Lowers Network Cost Base and Expands Reach

Telecommunications pioneer Norwood Systems Ltd ("Norwood" or "the Company") (ASX:NOR) is pleased to announce the Company has signed an agreement with **TNZI,** part of the Australian-listed **MNF Group (ASX:MNF)**, which provides additional capacity for Norwood's unique network, as well as a lowered global cost base.

Highlights:

- Expanded network capacity in order to meet growing demand for **World Phone**, and improvements in network redundancy and availability
- Expanded capacity areas matched to areas of fastest growing demand around the globe
- Greater call volumes carried by **World Phone** driving a material reduction in overall calling cost base. Savings realised of up to 50% on key high-growth usage destinations.

Norwood's patent-pending cloud service platforms integrate the international fixed phone network suppliers with short-haul Voice over Internet Protocol (VoIP) technologies to deliver great calling experiences for roaming travellers. By expanding the number of fixed phone networks points-of-presence with this agreement, Norwood is continues to offer users a high quality experience, in line with growth in platform usage.

World Phone and **CORONA** are useable anywhere on the globe where the user has a viable data connection. Norwood's platforms deliver overall high call quality, due in part to the average proximity of its network partners' points of presence to Norwood's calling end users. This agreement expands the number of global points of presence, as well as introducing further redundancy (is this the correct term -sounds strange?) in key points of presence locations.

Norwood Systems CEO and founder, Paul Ostergaard, commented:

*"As we continue to see impressive growth rates for **World Phone**, Norwood has worked hard to expand and strengthen our underlying network capacity. The larger call volumes we are seeing have also allowed us to negotiate successfully for appreciably reduced unit costs for network minutes, delivering savings of up to 50% for some of our most popular calling destinations. This is leading to a material reduction in our overall cost of network operations. This new agreement with **TNZI,** part of the MNF Group, further underscores the scalability and uniqueness of Norwood's Sharing Economy communications platforms, which deliver excellent calling experiences around the world delighting both our consumer and business customers."*

-ENDS-

For Further information, please contact:

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Background

Individual travellers, businesses and governments globally are incurring significant international call roaming charges. Informa Telecom estimates that mobile operators today bill more than US$55 billion annually in roaming charges*, which is forecast to grow to more than $80 billion by 2018 (source: *Juniper Research report on the Mobile Roaming Market, 2014).*

Norwood Systems' patent-pending cloud service platforms integrate the international fixed phone network with short-haul Voice over Internet Protocol (VoIP) technologies to optimise roaming business travellers' telephony experiences.

Australian businesses and individual business travellers are using Norwood's services today on multiple continents. The Company has built up a significant pipeline of prospects, including global players in the areas of aviation, professional services, banking, telecommunications, engineering and legal services.

About Norwood Systems

Norwood Systems Ltd (ASX: **NOR**) is revolutionizing the delivery of high-quality voice telecommunications services for individual business travellers and organisations on a worldwide basis. The Company listed on the ASX on 16 June 2015.

Norwood Systems was founded in 2011 to develop and supply the best possible global mobility and roaming solutions using Over The Top (OTT) voice technologies. The Company's breakthrough offerings, **CORONA™** and **World Phone™**, deliver the world's most advanced international fixed-line roaming solutions addressing a broad spectrum of customers, from individual business travellers all the way through to large enterprise and government clients.

CORONA is an award-winning, enterprise-class cloud services platform that integrates compatible mobile devices securely and seamlessly with the organisation's existing Unified Communication or PBX networks, independent of their location.

World Phone is an award-winning, revolutionary communications App, delivering effortless "shared economy" consumer access to leading fixed-line network service providers around the world, providing unparalleled local access to high-quality voice networks in more than 90 countries.

World Phone™

About TNZI

TNZI operates a global voice business with over 200 customer and vendor relationships worldwide. Its extensive direct and partnership connection agreements provide world-class routing options, with a range of international voice services that suit various markets and customer needs.

In 2015, TNZI became a part of the [MNF Group](). TNZI was formerly the international services division of Spark New Zealand. Founded in 2004 and floated in 2006 (ASX:MNF), the Group brings together multiple brands and services for IP voice communications. The MNF Group delivers a combined 5.8 billion voice minutes per annum, and was ranked in Forbes 'Asia's Best Under A Billion' in 2014.