

“MEDIA WORLD” SHAREHOLDER CLASS ACTION

PROPOSED SETTLEMENT

Persons who acquired shares in Media World Communications Pty Ltd (now in liquidation) (“**MWC**”) during the period from October 2000 to September 2004 (“**Group Members**”) are hereby given notice that a class action in the Supreme Court of Victoria is proposed to be settled with some of the defendants to the class action.

If you are or believe you might be a Group Member as defined above, you should read this notice CAREFULLY as it may affect your rights.

Background

The Media World Class Action, called *Rod Investments Pty Ltd v Abeyratne* (Supreme Court proceeding (2011 of 2005), was commenced in Supreme Court of Victoria in 2005. The **plaintiff** is Rod Investments (Vic) Pty Ltd (“**Rod**”). Rod brings the proceeding on its own behalf and on behalf of the Group Members.

The **defendants** were Adam Clark and companies associated with him, his father Graeme Clark, and directors or advisors of MWC being Roger Velik, Michael Ramsden (“**Ramsden**”), the financial advisors Terrain Capital Limited (“**Terrain**”), and information technology consultants The Tolly Group Inc and its director Kevin Tolly (together the “**Tolly Parties**”). Ramsden and Terrain made claims against a third party to the class action, Peter Graham. Rod made no claim against Peter Graham.

Adam Clark and Graeme Clark are now bankrupt, and their trustees in bankruptcy are named as defendants in their place. One of the companies associated with Adam Clark is in liquidation. The Court has entered judgment for Rod against Adam Clark, Graeme Clark and Adam Clark’s remaining company. Damages are yet to be assessed.

In July 2010 the plaintiff agreed terms for the settlement of all claims made against John Tatoulis and Roger Velik. The settlements were approved by the Supreme Court.

Further information about the class action, including details of the claims made by Rod and the defences filed by the defendants, can be obtained from the website of Rod’s solicitors, Maurice Blackburn Lawyers, at <http://www.mauriceblackburn.com.au>.

Proposed settlement with the Remaining Defendants

A trial of most, but not all, questions between Rod (and the Group Members) on the one hand, and Ramsden, Terrain, and the Tolly Parties on the other hand, was due to start in the Supreme Court of Victoria on 10 August 2010.

The trial did not start on 10 August 2010 because of settlement negotiations that were ongoing between the parties. Rod has now negotiated terms for the settlement of all claims made in the

proceeding as against Ramsden and Terrain, and separate terms for the settlement of all claims made in the proceeding against the Tolly Parties. The terms provide for a settlement payment to be made by Ramsden and Terrain in the amount of \$330,000, and a settlement payment to be made by the Tolly Parties of \$100,000. The settlement payments equate to a small proportion of the legal costs that have been incurred by Rod in conducting the class action, and will be used to pay some of those legal costs.

The terms of the two settlements are **confidential**, but are available to **group members**. Group members wishing to obtain a copy of the terms should contact Maurice Blackburn (contact details below). The terms **must** be kept confidential and may only be disclosed to group members' legal or financial advisors for the purpose of obtaining legal or financial advice.

Importantly, the proposed settlements with Ramsden/Terrain and the Tolly Parties will not take effect unless and until the settlements are approved by the Supreme Court. If they are approved, the settlements will prevent any Group Member from suing Ramsden, Terrain, and either of the Tolly Parties for losses the group members suffered as a result of acquiring shares in MWC.

What Group Members must do

Rod has filed an application seeking the Court's approval of the proposed settlements. The application will be heard by a Judge of the Court at **10:30am on 7 October 2010**.

Group Members do not need to do anything unless they wish to oppose either or both of the settlements. If there is no opposition, the Court may take that circumstance into account in deciding whether to approve the settlements.

If you are a Group Member and you wish to oppose either or both of the settlements, you **must** attend the Supreme Court at William Street in Melbourne on 7 October 2010 and be ready to make submissions to the Court. You may wish to engage lawyers to represent you. You should also be ready at that hearing to tell the Court whether you are willing to replace Rod as the plaintiff in the class action if the settlement is not approved. If you want further information about the consequences of becoming the new plaintiff, you can contact Maurice Blackburn (telephone and email details below) or seek your own legal advice.

Further information

Please consider the above information carefully. If you are unsure whether you are a Group Member, or you have any questions about the class action or your rights in relation to the proposed settlement, please contact Maurice Blackburn or seek your own legal advice.

Rod's application for Court approval of the settlements with Ramsden/Terrain and the Tolly Parties will be heard on 7 October 2010 so you **must act urgently** if you think you might wish to oppose either or both of the settlements.

Maurice Blackburn can be contacted by telephone on 02 9261 1488 or by email to cmnonox@mauriceblackburn.com.au.